



BOARD OF DIRECTORS AGENDA

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, May 5, 2026
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101

- 1. CALL TO ORDER**
- 2. ROLL CALL OF THE BOARD MEMBERS**
Dave Davis (Chair), David Tabor (Vice Chair), Jen Lemberger (Secretary), Paula Perotte (Director), Mónica Solórzano (Director), Arjun Sarkar (Director), Alberto Lapuz (Director).
- 3. REPORT REGARDING THE POSTING OF THE AGENDA**

CONSENT CALENDAR

- 4. APPROVAL OF PRIOR MINUTES - (ACTION MAY BE TAKEN)**
The Board will be asked to review and approve the draft minutes for the meeting of April 21, 2026.
- 5. CASH REPORTS - (ACTION MAY BE TAKEN)**
The Board will be asked to review and approve the Cash Reports from April 11, 2026 through April 24, 2026.

THIS CONCLUDES THE CONSENT CALENDAR

- 6. PUBLIC COMMENT**
Members of the public may address the Board on items within the 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 that includes both a description of the subject you wish to address and, if applicable, the agenda item number for which you would like to comment. Additional public comment will be allowed during each agenda item, including closed session items. Forms are available at www.sbmtd.gov and at MTD Administrative offices.

BOARD OF DIRECTORS AGENDA

**7. RECESS TO CLOSED SESSION: REAL PROPERTY NEGOTIATIONS
(GOVERNMENT CODE §54956.8) - (ACTION MAY BE TAKEN)**

Property: 4678 Calle Real / 149 North San Antonio Road.

Agency Negotiators: General Manager Jerry Estrada; District Outside Counsel Graham Lyons.

Negotiating Parties: Con/Am Group.

Under Negotiation: Price and terms of payment

PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM WILL BE ALLOWED BEFORE THE RECESS

**8. ADA PARATRANSIT SERVICES MASTER AGREEMENT WITH EASY LIFT
TRANSPORTATION, INC - (ACTION MAY BE TAKEN - ATTACHMENTS)**

Staff recommends the Board authorize the General Manager to execute the amended Master Agreement with Easy Lift Transportation, Inc. (Easy Lift) for complementary paratransit service for a three-year term effective July 1, 2026 through June 30, 2029, with two optional one-year extensions through June 30, 2031, for a total possible term of five years. The first-year cost is \$1,268,518.48 effective, July 1, 2026 through June 30, 2027, with annual adjustments in subsequent years based on the Consumer Price Index (CPI). Additionally, staff further recommends authorizing staff to meet with Easy Lift and review fuel costs six months after agreements begins and, if actual fuel expenses exceed the budgeted 10% or more, consider a mutually agreed upon adjustment, including a potential fuel surcharge.

**9. INSURANCE RENEWAL FOR PROPERTY, EARTHQUAKE, AND EQUIPMENT
BREAKDOWN - (ACTION MAY BE TAKEN)**

Staff recommends the Board authorize the General Manager to renew Property Insurance coverage (Property, Earthquake and Equipment Breakdown) in an amount not to exceed \$112,734, effective May 24, 2026 through July 1, 2027.

**10. EXCESS WORKERS COMPENSATION INSURANCE RENEWAL -
(ACTION MAY BE TAKEN)**

Staff recommends the Board authorize renewal of Excess Workers' Compensation (EWC) insurance with current coverage through Public Risk Innovation, Solutions, and Management (PRISM), with a Self-Insured Retention (SIR) of \$250,000, for the deposit premium in the amount not to exceed \$309,000, effective July 1, 2026 through July 1, 2027.

**11. TIME CERTAIN 9:00 A.M. - SERVICE PLAN FOR FISCAL YEAR (FY) 2026-27
(ACTION MAY BE TAKEN)**

Staff recommends the Board receive a presentation on the draft final Service Plan for FY 2026-27 and approve the proposed service level for FY 2026-27 of 176,905.

**12. AWARD CONTRACT FOR FINANCIAL AUDIT SERVICES - (ACTION MAY BE TAKEN
- ATTACHMENT)**

Staff recommends the Board authorize an award of contract for Financial Audit Services to Vasquez & Company LLP for annual financial and compliance audits for the fiscal years ending June 30, 2026, 2027, and 2028, in an amount not to exceed \$156,709. The contract includes an option to extend services for fiscal years ending June 30, 2029, and 2030, in an amount not to exceed \$112,464, for a total five-year amount of \$269,173.

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

BOARD OF DIRECTORS AGENDA

- 13. ADVANCED AUTHORITY TO AWARD AND EXECUTE A RENEWABLE DIESEL CONTRACT – (ACTION MAY BE TAKEN)**
Staff recommends the Board grant the General Manager advanced authority to award and execute a renewable diesel supply contract resulting from an upcoming bid solicitation subject to the following conditions: gross price does not to exceed \$4.23 per gallon, fixed-price contract term(s) not to exceed 18 months cumulative (through December 31, 2027); and contract is awarded to the lowest responsive and responsible bidder
- 14. FINANCIAL UPDATE & 3rd QUARTER REVIEW OF FISCAL YEAR (FY) 2025-2026 - (INFORMATIONAL)**
Staff recommends the Board receive the financial report for the third quarter of FY 2025-2026, for the period of July 1, 2025 through March 31, 2026.
- 15. GENERAL MANAGER’S REPORT - (INFORMATIONAL)**
The General Manager will report on updates to District activities.
- 16. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)**
The Board will report on the other related public transit issues and committees.
- 17. ADJOURNMENT**

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



BOARD OF DIRECTORS DRAFT MINUTES

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, April 21, 2026
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101

- 1. CALL TO ORDER**
- 2. ROLL CALL OF THE BOARD MEMBERS**
Chair Davis reported that all members were present, with the exception for Director Tabor.
- 3. REPORT REGARDING THE POSTING OF THE AGENDA**
Rosa Gonzalez, Clerk of the Board reported that the agenda was posted on April 17, 2026 at MTD's Administrative Office, emailed to those on the agenda list, and posted to MTD's website.

CONSENT CALENDAR

- 4. APPROVAL OF PRIOR MINUTES - (ACTION MAY BE TAKEN)**
The Board was asked to review and approve the draft minutes for the meeting of April 7, 2026.
- 5. CASH REPORTS - (ACTION MAY BE TAKEN)**
The Board was asked to review and approve the Cash Reports from March 28, 2026 through April 10, 2026.

There was no public comment.

Director Perotte moved to approve the consent calendar. Director Lapuz seconded the motion. The motion was approved unanimously, with Director Tabor absent.

THIS CONCLUDES THE CONSENT CALENDAR

- 6. PUBLIC COMMENT**
No public comments were made.

Director Tabor arrived at 8:32 a.m.

BOARD OF DIRECTORS DRAFT MINUTES

**7. RECESS TO CLOSED SESSION: REAL PROPERTY NEGOTIATIONS
(GOVERNMENT CODE §54956.8) - (ACTION MAY BE TAKEN)**

Property: 4678 Calle Real / 149 North San Antonio Road.

Agency Negotiators: General Manager Jerry Estrada; District Outside Counsel Graham Lyons.

Negotiating Parties: Con/Am Group.

Under Negotiation: Price and terms of payment

No public comments were made related to Closed Session Item 7.

Chair Davis recessed the Board to Closed Session at 8:32 a.m.

No action was taken on Closed Session Item 7.

PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM WILL BE ALLOWED BEFORE THE RECESS

8. ADJOURNMENT

The Board adjourned from Closed Session at 9:06 a.m.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of May 5, 2026
For the Period April 11, 2026 through April 24, 2026

MONEY MARKET

Beginning Balance April 11, 2026 **\$4,417,887.69**

Accounts Receivable	665,143.92
Passenger Fares	254,135.94
Measure A Transfer	192,253.96
Interest Income	4,061.52
Miscellaneous Income	475.22
Total Deposits	1,116,070.56

Miscellaneous Transfers	(7,415.58)
Bank & Credit Card Fees	(9,368.26)
401(k)/Pension Transfer	(46,808.91)
Workers' Compensation	(90,519.80)
Payroll Taxes	(187,412.17)
Payroll	(424,845.89)
Accounts Payable	(566,409.65)
Total Disbursements	(1,332,780.26)

Ending Balance **\$4,201,177.99**

CASH INVESTMENTS

LAIF Account	\$6,665,750.68
Money Market Account	4,201,177.99

Total Cash Balance **\$10,866,928.67**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,075,090.89)
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Working Capital **\$6,791,837.78**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
139806	4/23/2026	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	73.95	V
139933	4/23/2026	ENVIRONMENTAL HEALTH SERVI	CHARGE READY CONFERENCE CALL	128.40	V
140105	4/17/2026	AMERICAN MOVING PARTS LLC	BUS PARTS	30.92	
140106	4/17/2026	AMAZON CAPITAL SERVICES, INC	SUPPLIES	1,118.65	
140107	4/17/2026	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	642.00	
140108	4/17/2026	BAY ALARM COMPANY INC	ALARM CONTRACT	255.00	
140109	4/17/2026	BLUE MANTIS, INC	CLOUD FOUNDATION	24,384.60	
140110	4/17/2026	CAPITAL EDGE ADVOCACY INC.	PROFESSIONAL CONSULTING SERVI	6,000.00	
140111	4/17/2026	EMERGENCY DRAIN SERVICES DB	DRAIN SERVICES	1,155.00	
140112	4/17/2026	FAST UNDERCAR DBA	EV BUS PARTS	1,385.12	
140113	4/17/2026	FLEET SERVICES INC.	BUS PARTS	226.50	
140114	4/17/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	700.00	
140115	4/17/2026	GENFARE LLC	FAREBOX REPAIRS & PARTS	4,101.20	
140116	4/17/2026	GILLIG LLC	BUS PARTS	1,277.45	
140117	4/17/2026	GOODYEAR TIRE & RUBBER CO	BUS TIRE LEASE	13,460.68	
140118	4/17/2026	GRAINGER INC.	SHOP/B&G SUPPLIES	233.62	
140119	4/17/2026	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	15.78	
140120	4/17/2026	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	237.95	
140121	4/17/2026	IRON HORSE AUTO BODY OF SB D	VEHICLE REPAIRS	6,212.63	
140122	4/17/2026	JERRY'S PLUMBING & HEATING IN	PLUMBING REPAIRS	625.00	
140123	4/17/2026	KIRKS AUTOMOTIVE INC	BUS/AUTO PARTS	898.02	
140124	4/17/2026	LARRY'S 8 DAY AUTO PARTS	BUS/SERVICE VEHICLE PARTS	232.21	
140125	4/17/2026	LENZ PEST CONTROL INC	FUMIGATION SERVICES	76.00	
140126	4/17/2026	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	370.74	
140127	4/17/2026	MC CORMIX CORP. (GAS)	FUEL-SV/MICROTRANSIT	1,708.84	
140128	4/17/2026	MCMaster-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	66.64	
140129	4/17/2026	MISSION LINEN SUPPLY INC	UNIFORM & LINEN SERVICE	35.02	
140130	4/17/2026	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	923.28	
140131	4/17/2026	MOUSER ELECTRONICS	VEHICLE BUS PARTS	96.49	
140132	4/17/2026	NATIONAL DRIVE	PAYROLL DEDUCTION	90.00	
140133	4/17/2026	NEWARK ELEMENT14	BUS PARTS	31.91	
140134	4/17/2026	NFI PARTS DBA	BUS PARTS	1,961.47	
140135	4/17/2026	PREVOST CAR (US) INC.	BUS/SERVICE VEHICLE PARTS	182.16	
140136	4/17/2026	SILVAS OIL CO. INC.	LUBRICANTS	5,899.10	
140137	4/17/2026	SPECIAL DISTRICT RISK MGMT	HEALTH INSURANCE	87,921.83	
140138	4/17/2026	SMART & FINAL	OFFICE/MEETING SUPPLIES	694.12	
140139	4/17/2026	SOAP MAN DISTRIBUTIN DBA	BUS CLEANING SUPPLIES	162.51	
140140	4/17/2026	SOCALGAS	UTILITIES	223.39	

Check #	Date	Company	Description	Amount	Voids
140141	4/17/2026	SB CITY OF-REFUSE & WATER	UTILITIES	801.94	
140142	4/17/2026	TEAMSTERS PENSION TRUST	UNION PENSION	97,002.85	
140143	4/17/2026	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	13,373.00	
140144	4/17/2026	TRACE3 LLC	IT SERVICES	2,988.80	
140145	4/17/2026	TAC ENERGY LLC	RENEWABLE DIESEL	94,781.61	
140146	4/17/2026	UNITED RENTALS NORTH AMERIC	SHOP EQUIPMENT	317.69	
140147	4/17/2026	UPS SUPPLY CHAIN SOLUTIONS IN	FREIGHT CHARGES	353.62	
140148	4/17/2026	UNITED WAY OF SB	PAYROLL DEDUCTION	30.00	
140149	4/17/2026	VERIZON WIRELESS	CELLULAR/WIRELESS SERVICE	1,064.84	
140150	4/17/2026	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	456.06	
140151	4/17/2026	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	40.00	
140152	4/23/2026	ABC BUS COMPANIES INC	BUS PARTS	3,500.57	
140153	4/23/2026	AT&T MOBILITY-CC	TAP2PAY COMMUNICATIONS	1,083.05	
140154	4/23/2026	AMERICAN MOVING PARTS LLC	BUS PARTS	142.92	
140155	4/23/2026	AMAZON CAPITAL SERVICES, INC	SUPPLIES	20.46	
140156	4/23/2026	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	153.00	
140157	4/23/2026	CUMMINS SALES & SERVICE DBA	BUS PARTS & REPAIRS	619.34	
140158	4/23/2026	CA DEPT. OF TAX & FEE ADMIN.	QTRLY USER FUEL TAX	1,273.00	
140159	4/23/2026	CDTFA	SALES/CONSUMER USE TAX	998.00	
140160	4/23/2026	CA. DEPT. of TAX & FEE ADMINIST	UNDERGROUND STORAGE TANK FE	2,390.00	
140161	4/23/2026	DENMUN OFFICE SOLUTIONS DBA	IT CONTRACT SERVICES	9,500.00	
140162	4/23/2026	ALLIANT POWER DBA	BUS PARTS	112.64	
140163	4/23/2026	EASY LIFT TRANSPORTATION INC	MONTHLY ADA SUBSIDY	100,676.07	
140164	4/23/2026	EMERGENCY DRAIN SERVICES DB	DRAIN SERVICES	586.50	
140165	4/23/2026	FAST UNDERCAR DBA	EV BUS PARTS	1,149.14	
140166	4/23/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	2,176.82	
140167	4/23/2026	GIBBS INTERNATIONAL INC	BUS PARTS	1,208.41	
140168	4/23/2026	GILLIG LLC	BUS PARTS	3,348.59	
140169	4/23/2026	GRAPHICINK	PRINTING SERVICES	1,556.81	
140170	4/23/2026	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	76.70	
140171	4/23/2026	JERRY'S PLUMBING & HEATING IN	PLUMBING REPAIRS	125.00	
140172	4/23/2026	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	870.00	
140173	4/23/2026	MC CORMIX CORP. (GAS)	FUEL-SV/MICROTRANSIT	751.93	
140174	4/23/2026	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	56.56	
140175	4/23/2026	MISSION LINEN SUPPLY INC	UNIFORM & LINEN SERVICE	21.85	
140176	4/23/2026	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	772.08	
140177	4/23/2026	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,791.26	
140178	4/23/2026	NEOPART TRANSIT LLC	BUS PARTS	521.07	
140179	4/23/2026	NEWEGG BUSINESS INC	IT EQUIPMENT & SUPPLIES	323.90	
140180	4/23/2026	PREVOST CAR (US) INC.	BUS/SERVICE VEHICLE PARTS	967.17	
140181	4/23/2026	SILVAS OIL CO. INC.	LUBRICANTS	2,724.56	

Check #	Date	Company	Description	Amount	Voids
140182	4/23/2026	SCHINDLER ELEVATOR CORPORA	ELEVATOR MAINTENANCE	414.46	
140183	4/23/2026	ENVIRONMENTAL HEALTH SERVI	CHARGE READY CONFERENCE CALL	141.24	V
140184	4/23/2026	SM TIRE CORP.	BUS TIRE MOUNTING	1,188.97	
140185	4/23/2026	SO. CAL. EDISON CO.	UTILITIES	6,881.67	
140186	4/23/2026	SOUTHERN CALIFORNIA EDISON	ELECTRIC VEHICLES "FUEL"	8,250.92	
140187	4/23/2026	SOCALGAS	UTILITIES	28.27	
140188	4/23/2026	SB CITY OF-REFUSE & WATER	UTILITIES	1,799.54	
140189	4/23/2026	THE MEDCENTER	MEDICAL EXAMS	1,500.00	
140190	4/23/2026	TAC ENERGY LLC	RENEWABLE DIESEL	23,142.47	
140191	4/23/2026	U.S. BANK CORP. PAYMENT SYST	CREDIT CARD PURCHASES	5,927.34	
140192	4/23/2026	VELOCITY TRUCK CENTERS DBA	BUS PARTS	1,815.66	
140193	4/23/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	153.60	
140194	4/23/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	1,037.06	
				566,624.84	
Current Cash Report Voided Checks:				12.84	
Prior Cash Report Voided Checks:				202.35	
Grand Total:				\$566,409.65	

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

Date	Company	Description	Amount
4/14/2026	College of Law	Advertising on Buses	7,696.80
4/20/2026	Federal Transit Assistance	FTA Capital Assistance	23,810.00
4/22/2026	Moonlight Graphics/Mktg	Advertising on Buses	5,810.40
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	67,925.93
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	116,789.49
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	74,145.55
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	97,953.03
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	124,816.95
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	49,058.12
4/23/2026	S.B.C.A.G.	TIRCP Reimbursement	97,137.65
Total Accounts Receivable Paid During Period			\$665,143.92

Santa Barbara Metropolitan Transit District
ADA Paratransit Services

MASTER AGREEMENT with EASY LIFT TRANSPORTATION, INC.

THIS AGREEMENT is entered into by and between Santa Barbara Metropolitan Transit District, an incorporated transit district under Sections 95000, et seq. of the California Public Utilities Code ("MTD"), and Easy Lift Transportation, Inc., a California non-profit corporation ("Easy Lift"), at Santa Barbara, California, with an effective date of July 1, 2026

WHEREAS, the Americans with Disabilities Act (ADA) requires that public fixed-route transit operators provide both an accessible fixed-route system and an accessible curb-to-curb complementary paratransit system that operates during the same days and hours and with the same geographic coverage as the fixed-route service; and

WHEREAS, Easy Lift is a California 501(c)3 nonprofit corporation that desires to provide the ADA complementary paratransit service on behalf of MTD and has been standing in the shoes of the fixed-route operator for this purpose for many years; and

WHEREAS, the parties agree to collaborate on all available funding opportunities for paratransit service; and

WHEREAS, the parties have historically agreed to collaborate to provide ADA complementary paratransit service; and

WHEREAS, the parties acknowledge that MTD is eligible to become certified as a Consolidated Transportation Service Agency (CTSA) and directly operate the associated services as defined by the Transportation Development Act and Measure A Specialized Transit for Seniors & Disabled program; and

WHEREAS, the parties acknowledge that Easy Lift has historically committed Transportation Development Act and Measure A Specialized Transit for Seniors & Disabled program funds to supplemental ADA paratransit service;

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree, as follows:

1. Effect of Recitals. The foregoing recitals are hereby made express provisions of this Agreement.
2. Public Works Provisions. Not applicable to this agreement.
3. FTA Provisions. This Agreement for ADA paratransit services is funded in part by the Federal Transit Administration of the U.S. Department of Transportation and, as such, this Agreement is subject to the terms and conditions contained in *Federal Transit Administration: Contract Provisions*, which is attached hereto as Exhibit "A" and incorporated herein by this reference.
4. Scope of Services. MTD has heretofore issued on March 19, 2024, the Scope of Services, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.
5. Proposal. Not applicable to this agreement.
6. Order of Control. All work and services shall be performed according to and controlled by the terms and provisions of this Agreement and the exhibits attached hereto. In the event of any conflict between the contract documents, the following order of control shall prevail: MTD Master Agreement, Exhibit "A", Exhibit "B".

7. **Compensation.** Base Subsidy. Easy Lift shall carry out this Agreement for a fixed price of 1,268,518.48 for the first one-year period from July 1, 2026, through June 30, 2027. Commencing July 1, 2026 and any subsequent year that the Agreement remains in effect following the first one-year period, the annual compensation shall be adjusted by a percentage equal to the change in the annual Consumer Price Index reported in the January immediately preceding the start of the extension year. In no event shall any such adjustment be less than zero (0) percent or greater than five (5) percent. The sum so calculated shall constitute the new base subsidy. The Consumer Price Index to be used shall be the U.S. Department of Labor Consumer Price Index for All Urban Consumers, All Items, for Los Angeles-Long Beach-Anaheim, CA (1982-84 = 100).

Bonus Subsidy. If Easy Lift finds it necessary to increase the number of revenue hours of ADA paratransit service to decrease service denials and/or meet demand, MTD will reimburse Easy Lift for such additional revenue hours, up to a limit of 2,080 revenue hours per year, provided that Easy Lift serves at least 2.25 passengers per revenue hour on average. The bonus subsidy revenue hours shall be defined as those hours in excess of the average number of revenue hours Easy Lift provided over the immediately preceding two fiscal years. For the first year of this Agreement that number is 25,984.

The rate for the bonus subsidy revenue hours for the first two years this Agreement is in effect, from July 1, 2026, through June 30, 2028, shall be \$42 per revenue hour. For any subsequent year that the Agreement remains in effect and Easy Lift meets these conditions, the rate per bonus subsidy revenue hour shall be calculated based on Easy Lift's actual direct driver cost.

In addition, the parties agree that six (6) months following the commencement of the first year of this Agreement, they will review fuel expenses. If Easy Lift's actual fuel expenses exceed the budgeted amount provided to MTD for the applicable fiscal year by ten percent (10%) or more, the parties shall meet to discuss whether a fuel surcharge or adjustment to compensation is needed if mutually agreed upon.

Capital Assistance. In addition to the subsidies described above, MTD may elect to provide Easy Lift capital assistance related to its services provided under this Agreement. For example:

- (1) Paratransit Vans. Such vans may be purchased by MTD for Easy Lift or, if authorized by MTD, they may be purchased by Easy Lift and billed to MTD for their actual cost. In the latter case, MTD will reimburse Easy Lift for the actual cost of the vehicle(s). Easy Lift will be given or retain title to such vehicle(s). However, title and ownership of any such vehicle will revert to MTD upon termination of this (or any successor) agreement for ADA Paratransit Services and the title documents will be signed over and returned to MTD within thirty (30) days of any such termination.

8. **Payment.** Easy Lift shall submit monthly invoices to MTD, equal to one-twelfth of the contract price, following the end of the month for which payment is requested. Payment from MTD shall be made to Easy Lift no later than thirty (30) days following receipt of a valid invoice, which shall be sent to: Santa Barbara MTD, Attn: Accounts Payable, 550 Olive Street, Santa Barbara, CA 93101.
9. **Farebox Revenue.** All ADA Dial-A-Ride related farebox revenue collected by Easy Lift shall be utilized for the provision of ADA paratransit service within MTD's jurisdiction for individuals eligible for ADA paratransit service.

10. Term. This Agreement shall commence on July 1, 2026, and shall continue for an initial term of three (3) years through June 30, 2029. Upon the approval of both the General Manager of MTD and the Executive Director of Easy Lift, this Agreement may be extended for up to two (2) additional one-year periods covering July 1, 2029 through June 30, 2030 and July 1, 2030 through June 30, 2031, for a total possible term of five (5) years. Except for the changes stipulated heretofore all other provisions of the Agreement remain in full force and effect.
11. Delivery & Freight. Not applicable to this agreement.
12. Title & Risk of Loss. Not applicable to this agreement.
13. Loss or Damage. All loss or damage of any nature arising from any circumstance(s), either natural or artificial, which may be suffered by Easy Lift during the existence of this Agreement, shall be borne solely by Easy Lift. This provision shall also apply to losses or damage resulting from any act or omission not authorized by this Agreement on the part of Easy Lift or any agent or person employed by Easy Lift.
14. Defective, Damaged or Noncompliant Work. Not applicable to this agreement.
15. Acceptance. Not applicable to this agreement.
16. Warranty. Not applicable to this agreement.
17. Changes. Any changes or modifications to this Agreement must be in writing, and agreed to by both parties.
18. Insurance.
 - a. Easy Lift's Insurance Representations to MTD.
 - i. It is expressly understood and agreed that the insurance coverages required herein:
 - A. represent MTD's minimum requirements and are not to be construed to void or limit Easy Lift's indemnity obligations as contained in this Agreement nor represent in any manner a determination of the insurance coverages Easy Lift should or should not maintain for its own protection; and
 - B. are being, or have been, obtained by Easy Lift in support of Easy Lift's liability and indemnity obligations under this Agreement. Irrespective of the requirements as to insurance to be carried as provided for herein, the insolvency, bankruptcy, or failure of any insurance company carrying insurance of Easy Lift, or the failure of any insurance company to pay claims accruing, shall not be held to affect, negate, or waive any of the provisions of this Agreement.
 - ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under this Contract. If Easy Lift fails to remedy such breach within five (5) business days after written notice by MTD, Easy Lift will be liable for any and all costs, liabilities, damages and penalties resulting to MTD from such breach, unless a written waiver of the specific insurance requirement(s) is provided to Easy Lift by MTD. In the event of any failure to Easy Lift to comply with the provisions of this portion of the Agreement, MTD may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to Easy Lift, purchase such insurance, at Easy Lift's expense, provided that MTD shall have no obligation to do so and if MTD shall do so, Easy Lift shall not be relieved of or excused from the obligation to obtain and maintain such insurance amounts and coverages.

b. Conditions Affecting All Insurance Required Herein.

- i. Cost of Insurance. All insurance coverage shall be provided at Easy Lift's sole expense.
- ii. Maintenance of Insurance. All insurance coverage shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement.
- iii. Status and Rating of Insurance Company. All insurance coverage shall be written through insurance companies admitted to do business in California and with a Best's Financial Strength Rating of A- or better, as shown in the on-line version of Best's Rating & Criteria Center.
- iv. Restrictive, Limiting, or Exclusionary Endorsements. All insurance coverage shall be provided to Easy Lift Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage in any manner without the prior express written approval of MTD.
- v. Limits of Liability. The limits of liability may be provided by a single policy of insurance or by a combination of primary and umbrella policies, but in no event shall the total limits of liability available for any one occurrence or accident be less than the amount required herein.
- vi. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage. In the event of cancellation, nonrenewal, or material reduction in coverage affecting the certificate holder, thirty (30) days prior written notice shall be given to the certificate holder by certified mail, return receipt requested, except in the event of cancellation for nonpayment, in which event fifteen (15) days prior written notice shall be given. If insurer will not include in its coverage such written notifications, it shall be incumbent upon Easy Lift to comply with such written notification requirements.
- vii. Additional Insured Status. Additional insured status shall be provided in favor of MTD and its officers, employees and agents, including consultants, on all liability insurance required herein except workers' compensation/employer's liability and the certificate of insurance shall reflect same. Such additional insured coverage shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and non-contributing.
- viii. Waiver of Subrogation. All insurance coverage carried by Easy Lift required herein shall provide a waiver of subrogation in favor of MTD for all loss covered by such insurance, and Easy Lift waives all rights of action against MTD for such loss.
- ix. Primary Liability. All insurance coverage required herein shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing. Where necessary, coverage shall be endorsed to provide such primary liability, and the certificate of insurance shall reflect same.
- x. Deductible/Retention. All insurance required for this project shall have a maximum deductible or self-insured retention of \$10,000 per policy.
- xi. Claims Against Aggregate. MTD must be notified in writing by Easy Lift at MTD's address set forth herein immediately upon knowledge of possible claims against Easy Lift that might cause a reduction below seventy-five (75%) of any aggregate limit of any primary policy.

c. Commercial General Liability Insurance.

- i. Coverage. Such insurance shall cover liability arising out of all locations and operations of Easy Lift, including but not limited to liability assumed under this Agreement (including the tort liability of another assumed in a business contract). Defense shall be provided as an additional benefit and not included within the limit of liability.
- ii. Form. Commercial General Liability Occurrence form, at least as broad as an unmodified ISO CG 00 01 10 93 or its equivalent.

- iii. Amount of Insurance. Coverage shall be provided with limits of not less than:
- | | |
|---|-------------|
| A. Each Occurrence Limit | \$1,000,000 |
| B. General Aggregate Limit | \$2,000,000 |
| C. Product-Completed Operations Aggregate Limit | \$2,000,000 |
| D. Personal and Advertising Injury Limits | \$1,000,000 |
| E. Fire Damage (any one fire) | \$50,000 |
| F. Medical Expense (any one person) | \$5,000 |
- iv. Required Endorsements.
- A. Additional Insured status as required in 18(b)(vii), above.
 - B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - C. Personal Injury Liability: The personal injury contractual liability exclusion shall be deleted.
 - D. Primary Liability, as required in 18(b)(ix), above.
 - E. Waiver of Subrogation, as required in 18(b)(viii), above.
 - F. Continuing Commercial General Liability Insurance: Easy Lift shall maintain such insurance in identical coverage, form, and amount, including required endorsements, for at least three (3) years following the date of acceptance by MTD of the last bus built pursuant to this Agreement.
- d. Auto Liability Insurance.
- i. Coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned).
 - ii. Form. Business Auto Form (at least as broad as an unmodified ISO CA 0001 or its equivalent).
 - iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$1,000,000, combined single limit.
 - iv. Required Endorsements.
 - A. Additional Insured status as required in 18(b)(vii), above.
 - B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - C. Waiver of Subrogation, as required in 18(b)(viii), above.
- e. Workers' Compensation/Employer's Liability Insurance.
- i. Coverage. Such insurance shall cover liability arising out of Easy Lift's employment of workers and anyone for whom Easy Lift may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.
 - ii. Amount of Insurance. Coverage shall be provided with a limit of not less than:

A. Workers' Compensation:	Statutory limits
B. Employer's Liability:	\$1,000,000 each accident and disease
 - iii. Required Endorsements.
 - A. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - B. Waiver of Subrogation, as required in 18(b)(viii), above.

f. Excess Liability Insurance.

i. Coverage. Such insurance shall be excess over and be no less broad than all coverages described above and shall include a drop-down provision.

ii. Form. This policy shall have the same inception and expiration dates and the commercial general liability insurance required above.

iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$4,000,000.

19. Bonding. Not applicable to this agreement.

20. Termination. For applicable terms, refer to Paragraph 21 (Termination) in *Federal Transit Administration: Contract Provisions (Exhibit A)*.

21. Liquidated Damages. Not applicable to this agreement.

22. Infringement of Patents. Not applicable to this agreement.

23. Rights in Data. Not applicable to this agreement.

24. Indemnification. Easy Lift shall, to the extent permitted by law protect, indemnify, defend, and hold MTD and its officers, employees and agents, including consultants, harmless from and against any and all liabilities, damages, claims, demands, liens, encumbrances, judgments, awards, losses, costs, expenses, and suits or actions or proceedings, including reasonable expenses, costs and attorneys' fees incurred by MTD and its officers, employees and agents, including consultants, in the defense, settlement or satisfaction thereof, for any injury, death, loss or damage to persons or property of any kind whatsoever, arising out of, or resulting from, the acts, errors or omissions of Easy Lift, including acts, errors or omissions of its officers, employees, servants, agents, subcontractors and suppliers; and upon receipt of notice and if given authority, shall settle at its own expense or undertake at its own expense the defense of any such suit, action or proceeding, including appeals, against the MTD and its officers, employees and agents, including consultants, relating to such injury, death, loss or damage. Each party shall promptly notify the other in writing of the notice or assertion of any claim, demand, lien, encumbrance, judgment, award, suit, action or other proceeding hereunder. Easy Lift shall have sole charge and direction of the defense of such suit, action or proceeding. The MTD shall not make any admission which might be materially prejudicial to Easy Lift unless Easy Lift has failed to take over the conduct of any negotiations or defense within a reasonable time after receipt of the notice and authority provided above. MTD shall at the request of Easy Lift furnish to Easy Lift all reasonable assistance that may be necessary for the purpose of defending such suit, action or proceeding, and shall be repaid all reasonable costs incurred in doing so. The MTD shall have the right to be represented therein by advisory counsel of its own selection at its own expense. The obligations of Easy Lift under this clause shall not extend to circumstances where the injury, or death, or damages is caused solely by the negligent acts, errors or omissions of the MTD, its officers, employees, agents or consultants, including negligence in the preparation of the Contract documents, or the giving of directions or instructions with respect to the requirements of the Contract by written order.

25. Notice. Notices in connection with this Agreement shall be made in writing and may be delivered either personally, by governmental postal service (regular, certified or registered), by private delivery service, or by email. Receipt shall be deemed to have occurred when actually made to the party or its designated agent. Such notices shall be properly addressed to the intended party as follows:

MTD:

General Manager
Santa Barbara Metropolitan Transit District
550 Olive Street
Santa Barbara, CA 93101
Email: jestrada@sbmtd.gov

EASY LIFT:

Executive Director
Easy Lift Transportation, Inc.
53 Cass Place, Suite D
Goleta, CA 93117
Email: emesto@easylift.org

26. Attorney Fees and Costs. In the event of a controversy (including, but not limited to arbitration or any criminal or civil filing in a Federal Court or a court of any of the United States) between the parties with respect to the enforcement or interpretation of this Agreement, the prevailing party in such controversy shall be entitled to receive, in addition to such other award as the court may deem appropriate, full reimbursement for its court costs and reasonable attorney fees incurred therein.
27. Negation of Partnership. This Agreement creates a relationship between two independent contractors and does not, nor may it be interpreted to, create the relationship of joint venturers, partners, employee/employer, or any other business relationship.
28. No Assignment. This Agreement is not assignable by either party, and any attempt by either party to assign its obligations hereunder shall be void ab initio at the election of the other party, which election may be made by written notice within ten (10) days of the non-assigning party's receipt of actual knowledge of such attempted assignment. Notwithstanding the foregoing, however, at the election of the other party, the obligations and burdens of a party shall bind and apply to any permitted successor in interest or assignee of the business and/or operations of a party.
29. Partial Invalidity. In the event that any portion of this Agreement or any provision hereof shall be deemed as invalid as contrary to applicable law, the balance of this Agreement shall be enforced according to its term, and that portion found unenforceable shall be interpreted and enforced to the extent that it may be within said applicable laws.
30. Disputes. This Agreement shall be construed and all disputes arising therefrom shall be settled in accordance with the laws of the State of California. Venue for any dispute arising under this Agreement shall be in Santa Barbara, California. Any controversy or claim arising out of or relating to this Agreement shall be resolved by binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then pertaining (available at www.adr.org), except where those rules conflict with this provision, in which case this provision controls. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be selected within twenty business days from commencement of the arbitration from the AAA's National Roster of Arbitrators pursuant to agreement or through selection procedures administered by the AAA. Within 45 days of initiation of arbitration, the Parties shall reach agreement upon and thereafter follow procedures, including reasonable limits on discovery, assuring that the arbitration will be concluded and the award rendered within no more than eight months from selection of the arbitrator or, failing agreement, procedures meeting such time limits will be designed by the AAA and adhered to by the Parties. The arbitration shall be held in Santa Barbara, California and the arbitrator shall apply the substantive law of California, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Prior to commencement of arbitration, emergency relief is available from any court to avoid irreparable harm. THE ARBITRATOR SHALL NOT AWARD EITHER PARTY PUNITIVE, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES. Prior to commencement of arbitration, however, the Parties must attempt to mediate their dispute using a professional mediator from AAA, the CPR Institute for Dispute Resolution, or like organization selected by agreement or, absent agreement, through selection procedures administered by the AAA. Within a period of 45 days after the request for mediation, the Parties agree to convene with the mediator, with business

representatives present, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of the arbitration for more than 45 days absent agreement of the Parties or interfere with the availability of emergency relief.

- 31. Prohibited Interest. The parties hereto covenant and agree that to their knowledge no board member, officer, or employee of MTD, during his/her tenure or for one year thereafter, has any interest, whether contractual, non contractual, financial or otherwise, in this transaction, or in the business of a contracting party other than MTD. If any such interest comes to the knowledge of either party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4, Chapter 1, Divisions 4 and 4.5, Title I of the Government Code of the State of California.
- 32. Compliance with Laws and Regulations. Easy Lift shall warrant that in the performance of work under contract to MTD that they shall comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules, and regulations thereunder.
- 33. Audit and Inspection of Records. Easy Lift shall agree that all materials supplied and services performed under the Project, facilities used in connection therewith, and records and documentation thereunto appertaining shall be subject to inspection, test, or audit by duly authorized representatives of MTD and the State of California. Easy Lift agrees to maintain all required records relating to the Project for at least three years after MID makes final payment and all other pending matters are closed.
- 34. Equal Employment Opportunity. For applicable terms, refer to Paragraph 24 (Civil Rights Requirements) in *Federal Transit Administration: Contract Provisions*.
- 35. Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and shall be deemed to supersede and cancel any and all previous representations, understandings, or agreements between MTD and Easy Lift as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties.
- 36. No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.
- 37. Counterparts & Email. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a scanned and emailed signature may substitute for and have the same legal effect as the original signature.
- 38. Qualifications. Easy Lift or Easy Lift's representative certifies that Easy Lift is qualified to do business and is in good standing in the State of California, and that Easy Lift has authority to enter into and perform its obligations under this Agreement, which constitutes a valid and binding obligation of Easy Lift.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed

Santa Barbara MTD

Easy Lift

Jerry Estrada, General Manager

Ernesto Paredes, Executive Director

Date

Date



ADA PARATRANSIT SERVICES

FEDERAL TRANSIT ADMINISTRATION CONTRACT PROVISIONS

FEDERAL TRANSIT ADMINISTRATION CONTRACT PROVISIONS

ADA Paratransit Services & Easy Lift Transportation, Inc.

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1. FLY AMERICA REQUIREMENTS [NOT APPLICABLE TO THIS AGREEMENT]**2. BUY AMERICA REQUIREMENTS [NOT APPLICABLE TO THIS AGREEMENT]****3. CHARTER BUS & SCHOOL BUS REQUIREMENTS**

(a) Charter Service Operations: The Contractor agrees to comply with 49 U.S.C. 5323(d), (g), and (r), and 49 CFR Part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions at 49 U.S.C. § 5307 to support a Job Access and Reverse Commute (JARC) type Project or related activities that would have been eligible for assistance under repealed 49 U.S.C. § 5316 in effect in Fiscal Year 2012 or a previous 87 fiscal year, provided that the Recipient uses that federal assistance for FTA program purposes only; and 49 U.S.C. § 5310 to support a New Freedom-type Project or related activities that would have been eligible for federal assistance under repealed 49 U.S.C. § 5317 in effect in Fiscal Year 2012 or a previous fiscal year, provided the Recipient uses that federal assistance for FTA program purposes only. Any charter service provided under one of the exceptions must be "incidental" (it must not interfere with or detract from the provision of mass transportation).

(b) School Bus Operations: Pursuant to 49 U.S.C. 5323(f) or (g), and 49 CFR Part 605, recipients and subrecipients of FTA assistance may not engage in school bus operations exclusively for the transportation of students or school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients may not use federally funded equipment, vehicles, or facilities.

4. CARGO PREFERENCE REQUIREMENTS [NOT APPLICABLE TO THIS AGREEMENT]**5. SEISMIC SAFETY REQUIREMENTS [NOT APPLICABLE TO THIS AGREEMENT]****6. ENERGY CONSERVATION REQUIREMENTS**

The Contractor agrees to comply with mandatory energy standards and policies of the state energy conservation plans issued in compliance with the Energy Policy and Conservation Act, as amended, 42 U.S.C. § 6321, et seq., and perform an energy assessment for any building constructed, reconstructed, or modified with federal assistance required under FTA regulations, "Requirements for Energy Assessments," 49 CFR Part 622, subpart C. The Contractor agrees to include the requirements of this section in all subcontracts at any tier for the performance of work under this contract.

7. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT REQUIREMENTS

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401 – 7671q) and Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 – 1388. Violations must be reported to the FTA and the Regional Office of the Environmental Protection Agency (EPA). The Contractor also agrees to include these requirements in each subcontract at any tier exceeding \$150,000 for the performance of work under this contract.

8. BUS TESTING [NOT APPLICABLE TO THIS AGREEMENT]**9. PRE-AWARD & POST-DELIVERY AUDIT REQUIREMENTS [NOT APPLICABLE TO THIS AGREEMENT]****10. LOBBYING**

Pursuant to Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification.

The Contractor certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (b) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]

(c) The Contractor shall require that the language of this certification be included in the award documents for all subawards exceeding \$100,000 at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. [Such disclosures are forwarded from tier to tier up to MTD.]

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. [Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.] Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure.

[Note: The Contractor shall have previously submitted to MTD a separately signed Lobbying Certification containing the above language for itself and any subcontracts exceeding \$100,000 as a condition of contract award.]

11. ACCESS TO RECORDS & REPORTS

(a) Access to Records: The Contractor agrees to provide MTD, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 CFR 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed; otherwise comply with 49 U.S.C. § 5325(g), and federal access to records requirements as set forth in the applicable U.S. DOT Common Rules.

(b) Access to Site: The Contractor agrees to permit the FTA to have access to the sites of performance of the contract and any Amendments thereto, and to make site visits as needed in compliance with the U.S. DOT Common Rules.

(d) Retention: The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until MTD, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation,

appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11). Closeout of the contract does not alter the record retention or access requirements of this section.

(e) The Contractor assures that each subcontractor, if any, at each tier, will agree to provide sufficient access to inspect and audit records and information, including such records and information MTD or Contractor may regard as confidential or proprietary related to this contract and any Amendments thereto, to the U.S. Secretary of Transportation or the Secretary's duly authorized representatives, to the Comptroller General of the United States, and the Comptroller General's duly authorized representatives, and to the Contractor and MTD.

12. FEDERAL CHANGES

The Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between MTD and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract. Applicable changes to those federal requirements will apply to each subcontract at any tier for the performance of work under this contract.

13. BONDING REQUIREMENTS [NOT APPLICABLE TO THIS AGREEMENT]

14. [RESERVED]

15. RECYCLED PRODUCTS

Contractor agrees to comply with all the requirements of Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

The requirements include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines

16. DAVIS-BACON & COPELAND ANTI-KICKBACK ACTS [NOT APPLICABLE TO THIS AGREEMENT]

17. CONTRACT WORK HOURS & SAFETY STANDARDS ACT [NOT APPLICABLE TO THIS AGREEMENT]

18. ACCESS REQUIREMENTS FOR PERSONS WITH DISABILITIES

Contractor shall comply with 49 USC 5301(d), stating Federal policy that the elderly and persons with disabilities have the same rights as other persons to use mass transportation services and facilities and that special efforts shall be made in planning and designing those services and facilities to implement that policy. Contractor shall also comply with all applicable requirements of Sec. 504 of the Rehabilitation Act (1973), as amended, 29 USC 794, which prohibits discrimination on the basis of handicaps, and the Americans with Disabilities Act of 1990 (ADA), as amended, 42 USC 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments thereto.

19. NO GOVERNMENT OBLIGATIONS TO THIRD PARTIES

(a) MTD and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express

written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to MTD, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(b) The Contractor agrees to include the requirements of this section in all subcontracts at any tier for the performance of work financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

20. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS & RELATED ACTS

a) The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

(b) The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

(c) The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

21. TERMINATION

(a) Termination for Convenience: MTD, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, MTD shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

(b) Termination for Default

(1) If the Contractor fails to perform the services, within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, MTD may terminate this contract for default. MTD shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

(2) If this contract is terminated while the Contractor has possession of MTD goods, the Contractor shall, upon direction of MTD, protect and preserve the goods until surrendered to MTD or its agent. The Contractor and MTD shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause.

(3) If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of parties shall be the same as if the termination had been issued for the convenience of MTD.

(c) Opportunity to Cure: MTD in its sole discretion may, in the case of a termination for breach or default, allow the Contractor ten (10) days in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions. If Contractor fails to remedy to MTD's satisfaction the breach or default of any of the terms, covenants, or conditions of this

Contract within ten (10) days after receipt by Contractor of written notice from MTD setting forth the nature of said breach or default, MTD shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude MTD from also pursuing all available remedies against Contractor and its sureties for said breach or default.

(d) Waiver of Remedies for any Breach: In the event that MTD elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by MTD shall not limit MTD's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

22. GOVERNMENT-WIDE DEBARMENT & SUSPENSION

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the Contractor is required to verify that none of the Contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945. The Contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. By signing and submitting its bid or proposal, the bidder or proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by MTD. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to MTD, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

23. PRIVACY ACT

The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

24. CIVIL RIGHTS REQUIREMENTS

(a) Nondiscrimination: In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex (including sexual orientation), disability, or age. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(b) Equal Employment Opportunity: The following equal employment opportunity requirements apply to the underlying contract:

(1) Race, Color, Religion, Sex, Sexual Orientation, or National Origin: In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal

policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed based upon merit, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(2) Age: In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) Disabilities: In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

The Contractor agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

25. BREACHES & DISPUTE RESOLUTION

Paragraph 30 of the *MTD Master Agreement* regarding disputes shall be deemed satisfactory to meet the federal requirements for dispute resolution. The Contractor agrees to include the requirements of said Paragraph 30 in all subcontracts.

26. PATENT & RIGHTS IN DATA [NOT APPLICABLE TO THIS AGREEMENT]

27. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS

(a) General Transit Employee Protective Requirements: To the extent that FTA determines that transit operations are involved, the Contractor agrees to carry out the transit operations work on the underlying contract in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this contract and to meet the employee protective requirements of 49 U.S.C. A 5333(b), and U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto. These terms and conditions are identified in the letter of certification from the U.S. DOL to FTA applicable to the FTA Recipient's project from which Federal assistance is provided to support work on the underlying contract. The Contractor agrees to carry out that work in compliance with the conditions stated in that U.S. DOL letter. The requirements of this subsection (1), however, do not apply to any contract financed with Federal assistance provided by FTA either for projects for elderly individuals and individuals with disabilities authorized by 49 U.S.C. § 5310(a)(2), or for projects for nonurbanized areas authorized by 49 U.S.C. § 5311. Alternate provisions for those projects are set forth in subsections (b) and (c) of this clause.

(b) Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5310(a)(2) for Elderly Individuals and Individuals with Disabilities: If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5310(a)(2), and if the U.S. Secretary of Transportation has determined or determines in the future that the employee protective requirements of 49 U.S.C. § 5333(b) are necessary or appropriate for the state and the public body subrecipient for which work is performed on the underlying contract, the Contractor agrees to carry out the Project in compliance with the terms and conditions determined by the U.S. Secretary of Labor to meet the requirements of 49 U.S.C. § 5333(b), U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto. These terms and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Agreement or Cooperative Agreement with the state. The Contractor agrees

to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.

(c) Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5311 in Nonurbanized Areas: If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5311, the Contractor agrees to comply with the terms and conditions of the Special Warranty for the Nonurbanized Area Program agreed to by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, and the procedures implemented by U.S. DOL or any revision thereto.

The Contractor also agrees to include the any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by FTA.

28. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

(a) This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. MTD's overall goal for DBE participation is posted at <https://sbmtd.gov/about/doing-business/>. A separate contract goal has not been established for this procurement.

(b) The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as MTD deems appropriate. Each subcontract the Contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

(c) The successful bidder/offeror will be required to report its DBE participation obtained through race-neutral means throughout the period of performance.

(d) The Contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the Contractor's receipt of payment for that work from the MTD. In addition, is required to return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to this contract is satisfactorily complete.

(e) Contractor must promptly notify MTD whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The Contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of MTD.

29. NOTIFICATION OF LEGAL MATTERS TO THE FTA

If a current or prospective legal matter that may affect the Federal Government emerges, the Contractor must promptly notify the FTA Chief Counsel and FTA Region 9 Chief Counsel.

(a) The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.

(b) Matters that may affect the Federal Government include, but are not limited to, the Federal Government's interests in the Award funding this Agreement and any Amendments thereto, or the Federal Government's administration or enforcement of federal laws, regulations, and requirements.

(c) The Contractor must promptly notify the U.S. DOT Inspector General in addition to the FTA Region 9 Chief Counsel if the Contractor has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA. The notification provision applies if a person has or may have submitted a false claim under the False Claims Act, 31 U.S.C. § 3729 et seq., or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bribery, gratuity, or similar misconduct involving federal assistance. Knowledge, as used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement

or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Contractor.

(d) The Contractor agrees to include this clause in each subcontract and any lower tier subcontracts financed in whole or in part with Federal assistance provided by the FTA under this Agreement.

30. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in the most recent version of FTA Circular 4220.1, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any MTD requests which would cause MTD to be in violation of the FTA terms and conditions. The Contractor agrees to include the requirements of this section in all subcontracts.

31. DRUG & ALCOHOL TESTING

The Contractor agrees to participate in (grantee's or recipient's) drug and alcohol program established in compliance with 49 CFR Part 655.

32. INTELLIGENT TRANSPORTATION SYSTEM (ITS) [NOT APPLICABLE TO THIS AGREEMENT]

33. BUILD AMERICA, BUY AMERICA ACT [NOT APPLICABLE TO THIS AGREEMENT]

34. TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

The prohibition on certain telecommunications and video surveillance services or equipment applies to all federally funded third-party contracts. MTD is prohibited from using federal funds to:

- (1) Procure or obtain;
- (2) Extend or renew a contract to procure or obtain; or
- (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

35. SAFE OPERATION OF MOTOR VEHICLES

Seat Belt Use: The Contractor agrees to implement Executive Order No. 13043, "Increasing Seat Belt Use in the United States," April 16, 1997, 23 U.S.C. § 402 note, (62 Fed. Reg. 19217), by: (1) Adopting and promoting on-the-job seat belt use policies and programs for its employees and other personnel that

operate company-owned vehicles, company-rented vehicles, or personally operated vehicles; and (2) Including a "Seat Belt Use" provision in each third-party agreement related to this Contract.

Distracted Driving, Including Text Messaging While Driving: The Contractor agrees to implement (1) Executive Order No. 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009, 23 U.S.C. § 402 note, (74 Fed. Reg. 51225); (2) U.S. DOT Order 3902.10, "Text Messaging While Driving," December 30, 2009; and (3) The following U.S. DOT Special Provision pertaining to Distracted Driving:

- (i) Safety. The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the Award, or when performing any work for or on behalf of the Award;
- (ii) Recipient Size. The Contractor agrees to conduct workplace safety initiatives in a manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving; and
- (iii) Extension of Provision. The Contractor agrees to include a Distracted Driving, Including Text Messaging While Driving in its third-party agreements, and encourage its third-party participants to comply with this Special Provision, and include this Special Provision in each third party subagreement at each tier supported with federal assistance.

Santa Barbara Metropolitan Transit District
ADA Paratransit Services - Easy Lift

Scope of Services

July 1, 2019

This Scope of Services is Exhibit B to the *Master Agreement with Easy Lift Transportation, Inc. for Paratransit Services* (hereinafter the "Agreement").

The following definitions shall apply to the Agreement:

- "Accessible" means complying with the accessibility requirements of 49 Code of Federal Regulations (CFR) Parts 37 and 38;
 - "ADA" means the Americans with Disabilities Act of 1990, and any amendments thereto;
 - "ADA paratransit service" means complementary curb-to-curb transportation service required by the Americans with Disabilities Act (ADA) for individuals with disabilities who are unable to use fixed-route transportation systems.
- A. In consideration of the compensation provided under the Agreement, and subject to the terms of the Agreement, Easy Lift agrees to operate accessible curb-to-curb complementary paratransit service to ADA paratransit eligible persons as set forth in the ADA.
- B. MTD shall coordinate with Easy Lift when planning route or schedule changes that may impact the number of hours of ADA complementary paratransit service required. Should MTD's hours of operation or route coverage change, MTD shall provide Easy Lift thirty (30) days' notice of any such change so that Easy Lift may comply with any such change. Easy Lift shall provide sufficient hours of ADA paratransit service to meet MTD's ADA requirements.
- C. Easy Lift shall notify MTD in writing one hundred twenty (120) days prior to implementing any change in Easy Lift's use of funds not provided under the Agreement, if said change will affect the fulfillment of MTD's ADA paratransit service requirements.
- D. No portion of any compensation provided by MTD to Easy Lift under the Agreement shall be utilized by Easy Lift, directly or indirectly, to cover any costs other than costs for the provision of ADA paratransit service within MTD's jurisdiction for ADA paratransit eligible individuals.
- E. Easy Lift shall, at Easy Lift's cost:
1. Provide during the term of the Agreement not less than the level of ADA paratransit service hours, dispatch service, and enrollment/ mobility training/verification services that Easy Lift provided in June 2019.
 2. Provide information to the public about the ADA eligibility process and about ADA paratransit services. Such information shall be made available in easily accessible formats upon request.
 3. Provide ADA paratransit service to ADA paratransit eligible riders for any trip purpose. ADA paratransit service shall comply with 49 CFR Part 37 Sections 37.123 through 37.133.
 4. Provide ADA paratransit service within the portions of MTD's statutory boundaries as required by the ADA and approved by MTD.
 5. Employ a sufficient number of qualified, regularly-employed personnel to perform functions necessary to carry out the Agreement, including overall management and administration, operations management, accounting and bookkeeping services, and service delivery.
 6. Provide driver training for Easy Lift vehicle operators as appropriate to ensure that the operators are proficient in all skills involved in transporting ADA paratransit eligible persons.

7. Maintain all vehicles utilized in the performance of the Agreement in a safe and usable operating condition. Maintenance schedules shall be established and maintained on said vehicles.
8. Establish ADA paratransit eligibility standards, subject to MTD approval, in conformance with 49 CFR Part 37 Section 37.123. Collect a per-trip fare from ADA paratransit eligible riders that shall comply with 49 CFR Part 37 Section 37.131(c) and shall not exceed twice MTD's full fare.
9. Identify ADA paratransit eligible persons who require a personal care attendant and allow required personal care attendants to accompany ADA paratransit eligible riders at no fare pursuant to 49 CFR Part 37 Section 37.131(c)(3).
10. Allow other individuals to accompany ADA paratransit eligible persons pursuant to 49 CFR Part 37 Section 37.123(f). Collect a per-trip fare from such individuals that shall comply with 49 CFR Part 37 Section 37.131(c) and shall not exceed twice MTD's full fare.
11. Allow ADA paratransit eligible visitors from outside MTD's statutory boundaries to ride for up to a twenty-one (21) day period at the regular fare and in compliance with 49 CFR Part 37 Section 37.127.
12. Distinguish between those persons who are ADA paratransit eligible and those who are provided service on other grounds. Easy Lift shall keep records indicating the number of trips made by ADA paratransit eligible persons and other persons.
13. Maintain the minimum and maximum ride reservation time for all paratransit service pursuant to 49 CFR Part 37 Section 37.131.
14. Maintain a Drug and Alcohol Program for all safety-sensitive employees of Easy Lift and any subcontractors, pursuant to Article 39 herein, that fully satisfies FTA drug and alcohol policy and testing requirements and submit documentation of the Program to MTD, as requested.
15. Pursuant to the California Transportation Development Act (TDA), annually undergo a fiscal audit of financial transactions and records performed by an independent certified public accountant. Said fiscal audit is to include the collection and expenditure of fares. Annually submit to MTD a copy of the aforementioned fiscal audit.
16. Pursuant to the California Transportation Development Act (TDA), annually submit to the State Controller a Financial Transactions Report. Annually submit to MTD a copy of the aforementioned report.
17. Annually submit to MTD a copy of Easy Lift's annual budget and any significant changes to the budget.
18. Annually submit to MTD complete National Transit Database information, as required by the FTA.
19. Quarterly submit to MTD complete quarterly financial reports that include, but are not limited to: the rate per hour for ADA paratransit service, which includes the cost of support services, such as dispatch and enrollment/mobility training/verification; total ADA paratransit service operating expense; total ADA paratransit service capital expense, and ADA paratransit service revenue by source (excluding the names of individual donors).

20. Monthly submit to MTD complete monthly operating reports that include, but are not limited to: hours of ADA paratransit service, miles of ADA paratransit service, number of ADA paratransit one-way trips provided, number of ADA paratransit trips not provided in a one-hour window, number of ADA paratransit trips denied, hours of ADA paratransit dispatch service, and hours of ADA paratransit service enrollment/mobility training/verification. Submit to MTD complete monthly safety and security reports. Such monthly reports shall be submitted not later than the tenth day of the following month.
 21. As required in documents prepared pursuant to Articles E (15-20) herein, and in any other such documents prepared by or for Easy Lift, funds received by Easy Lift from MTD shall be separately listed as a subsidy from MTD, and shall not be included as farebox revenue. The exception to this shall be for farebox ratio reporting under provision of the California Transportation Development Act (TDA).
 22. Monthly submit to MTD summaries of complaints regarding Easy Lift's provision of ADA complementary paratransit service.
 23. Monthly submit to MTD updates of the number of registered Easy Lift ADA paratransit service riders.
 24. Permit, and require its subcontractors to permit, MTD or its designee to inspect all work materials, payrolls, and other data and records with respect to the duties and Easy Lift obligations under the Agreement and to audit the books, records, and accounts of Easy Lift and its subcontractors regarding financial, operational, and maintenance functions.
 25. Take such actions as necessary to ensure that MTD's ADA paratransit service remains in compliance with FTA requirements for Transit Asset Management (TAM) and Public Transportation Agency Safety Plans (PTASP).
- F. If Easy Lift ceases business during the term of the Agreement, MTD shall have first opportunity to acquire all assets of Easy Lift at fair market value.
- G. Monitoring Program. MTD shall implement the following mechanism to ensure adequate monitoring of the ADA complementary paratransit service provided by Easy Lift. Easy Lift shall facilitate the ability of MTD to conduct all elements of this monitoring program.
1. Monthly. MTD shall review Easy Lift's monthly operating reports submitted to MTD pursuant to Article E (20) of the Agreement. Easy Lift shall submit further information as requested by MTD following such review.
 2. Quarterly. MTD shall review Easy Lift's quarterly financial reports submitted to MTD pursuant to Article E (19) of the Agreement. At MTD staff meetings following September 30, December 31, March 31, and June 30, Easy Lift's Executive Director or designee shall appear in person, if requested, to present to MTD staff a summary of the ADA paratransit service provided during the previous three months, including a summary of the quarterly financial reports and monthly operating reports submitted to MTD pursuant to Articles E (19-20) of the Agreement.
 3. Semiannually. Every six months, MTD Operations and Maintenance Departments may conduct site visits of Easy Lift. The site visits may include inspections of Easy Lift vehicles, Drug and Alcohol Program policies and testing results, operating records, and financial records. MTD staff may interview Contractor staff and management, as desired by MTD.
 4. Annually. Easy Lift shall submit annual information to MTD pursuant to Articles E (15-18) of the Agreement. Easy Lift shall submit backup information as needed by MTD to ensure that all FTA requirements are met.

5. As needed. MTD staff may conduct surprise visits to monitor the ADA paratransit service provided by Easy Lift without notice to Easy Lift. MTD may utilize MTD personnel to ride Easy Lift vehicles to monitor the ADA paratransit service without alerting Easy Lift that MTD personnel are riding Easy Lift vehicles.
- H. Health and Safety. Easy Lift shall assure that its employees and subcontractors comply with standards of safety contained in all applicable laws and regulations, including but not limited to:
1. California Code of Regulations Title 8 (CAL/OSHA).
 2. Code of Federal Regulations Title 29, Part 1901 and 1926, as appropriate (FED/OSHA).
 3. Appropriate trade association safety standards.
 4. Appropriate equipment manufacturer instructions.
 5. In cases where published standards conflict, the standard providing the highest degree of protection shall prevail and be utilized by Easy Lift and its personnel.



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #: 8**

TYPE: ACTION ITEM

PREPARED BY: GENERAL MANAGER, JERRY ESTRADA

REVIEWED BY: GENERAL MANAGER, JERRY ESTRADA

SUBJECT: **ADA PARATRANSIT SERVICES MASTER AGREEMENT WITH EASY LIFT TRANSPORTATION, INC.**

RECOMMENDATIONS:

Staff recommends the Board authorize the General Manager to execute the amended Master Agreement with Easy Lift Transportation, Inc. (Easy Lift) for complementary paratransit service for a three-year term effective July 1, 2026 through June 30, 2029, with two optional one-year extensions through June 30, 2031, for a total possible term of five years. The first-year cost is \$1,268,518.48 effective, July 1, 2026 through June 30, 2027, with annual adjustments in subsequent years based on the Consumer Price Index (CPI). Additionally, staff further recommends authorizing MTD staff to meet with Easy Lift and review fuel costs six months after agreements begins and, if actual fuel expenses exceed the budgeted 10% or more, consider a mutually agreed upon adjustment, including a potential fuel surcharge.

DISCUSSION:

MTD has contracted with Easy Lift since May 21, 2019, with the most recent renewal approved on March 19, 2024. This partnership supports compliance with the Americans with Disabilities Act of 1990 (ADA), which requires public transit agencies to provide complementary paratransit services for individuals who are unable to use fixed-route bus service.

In addition, the agreement includes a performance-based bonus subsidy. MTD may reimburse Easy Lift for up to 2,080 additional revenue hours per year, provided Easy Lift maintains an average of at least 2.25 passengers per revenue hour. Bonus hours are defined as those exceeding the average annual service hours provided over the prior two fiscal years (25,984 hours for the first year of this Agreement).

This continued partnership ensures that essential paratransit services remain available to members in our community.

ATTACHMENTS

- Attachment 1 - Master Agreement with Easy Lift - ADA Paratransit Services
- Attachment 2 - FTA Contract Provisions - ADA Paratransit Services
- Attachment 3 - Easy Lift Master Agreement Scope of Work



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #:** 9

TYPE: ACTION ITEM

PREPARED BY: HUMAN RESOURCES AND RISK MANAGER, DAVID SERRANO

REVIEWED BY: GENERAL MANAGER, JERRY ESTRADA

SUBJECT: **INSURANCE RENEWAL FOR PROPERTY, EARTHQUAKE, AND EQUIPMENT BREAKDOWN**

RECOMMENDATION:

Staff recommends the Board authorize the General Manager to renew Property Insurance coverage (Property, Earthquake and Equipment Breakdown) in an amount not to exceed \$112,734, effective May 24, 2026 through July 1, 2027.

DISCUSSION:

The District's Broker of Record, Brown & Brown, were able to secure favorable property insurance coverage renewals, including an extended policy from May 24, 2026 through July 1, 2027, at reduced pricing. In fiscal year (FY) 2025-26 the District paid a combined total of \$116,573. However, with the FY 2026-27 renewal, the total pricing, including extended policy period (up through July 1, 2027), the total combined premium is \$112,734. This represents a reduction of \$3,839.00 or 3% from the expiring annual combined premium.

With respect to each line of coverage:

- Property policy: the expiring policy was \$42,452. The renewal premium for this specific policy is \$41,118 plus fees.
- Earthquake policy: the expiring policy was \$62,500. The renewal premium for this policy is \$62,928 plus fees
- Earthquake Sprinkler Leakage: the expiring policy was not applicable. Under the renewal proposal, the proposed premium of \$2,208
- Equipment Breakdown: under the expiring policy was \$2,629. However, under the renewal, it is included in the Property policy premium.

This is a great opportunity to obtain property and earthquake coverage at reduced premiums, compared to the expiring policy.



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #:** 10

TYPE: ACTION ITEM

PREPARED BY: HUMAN RESOURCES AND RISK MANAGER, DAVID SERRANO

REVIEWED BY: GENERAL MANAGER, JERRY ESTRADA

SUBJECT: **EXCESS WORKERS COMPENSATION INSURANCE RENEWAL**

RECOMMENDATION:

Staff recommends the Board authorize renewal of Excess Workers’ Compensation (EWC) insurance with current coverage through Public Risk Innovation, Solutions, and Management (PRISM), with a Self-Insured Retention (SIR) of \$250,000, for the deposit premium in the amount not to exceed \$309,000, effective July 1, 2026 through July 1, 2027.

DISCUSSION:

The EWC premium projection is based on MTD’s estimated 2026-27 payroll within the Low Safety category pool rating group City/other (“Group”), plus loss rate data through fiscal year (FY) end June 30, 2025. The cost increase is attributed to PRISM modifying the WC premium process, in October 2025, to enhance the credibility methodology. Credibility is no longer based primarily on member size, but now considers payroll, consistency and stability of past losses, and relative loss volatility within the rating group. According to PRISM, this change improves equitability better aligning premiums with loss performance while reducing the impact of loss volatility. The change is phased in over three years; in 2026-27 premium indications fully incorporate the new methodology but is applied to our premium based on 66% of the old and 33% on the new methodology. Hence, PRISM is incorporating the new premium development methodology over time. This will normalize premiums over the several years, however, it had the effect of showing higher cost at the outset. Whereas overall payroll contributed to cost escalation, as several workers compensation benefits are based upon employee wages, the new methodology will also factor in the number of claims, claim costs, costs within the pooled layer, and costs that rise to excess reinsurance levels.

BUDGET/FINANCIAL:

Fiscal Year	26-27	25-26	24-25	23-24
Renewal Premium	\$309,000	\$246,000	\$206,293	\$190,767

The WC premiums are included in the FY 26-27 budget.

Pool Rating Group: The rating methodology for the Public Entity (PE) rating group is split into two separate actuarially rated groups, “High Safety” and “Low Safety”, based on the percent of overall payroll that is safety payroll. The Low Safety group rates continue to offer MTD better premium positioning than if in High Safety. The District’s workers’ compensation X-mod factor remains well within the low safety category, thus helping to keep premiums on the lower end.



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #:** 11

TYPE: ACTION ITEM

PREPARED BY: PLANNING AND MARKETING MANAGER HILLARY BLACKERBY

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: **SERVICE PLAN FOR FISCAL YEAR (FY) 2026-27**

RECOMMENDATION:

Staff recommends the Board receive a presentation on the draft final Service Plan for FY 2026-27 and approve the proposed service level for FY 2026-27 of 176,905.

DISCUSSION:

Community Outreach and Feedback

On March 17, 2026, staff presented the FY 2026-27 draft service plan to the Board of Directors. In the month of April, Planning staff held 3 in-person service change meetings (Carpinteria, Goleta, and Santa Barbara) and one virtual meeting to receive feedback on the proposed August 2026 service changes. Planning and Marketing Manager Hillary Blackerby also presented to a meeting of the Isla Vista Community Services District Board of Directors on April 28, 2026. These meetings were better attended than usual, with a total of 34 attendees across all four MTD meetings.

The bilingual survey received 131 responses, with mixed reactions to the proposed service reductions. Some respondents said the changes would impact them and others, while others said the changes seemed reasonable. Riders of the Lines 1 and 2 noted that this may affect their ability to quickly transfer to another route at the Transit Center, further lengthening their total trip time. Riders of the routes that would have Saturday span of service reduced were concerned about the impact on service industry workers who rely on those routes. There were also concerns mainly about the last Line 11 trip being eliminated, with concerns that it would impact late shift work and UCSB students.

BOARD OF DIRECTORS REPORT

Reason for Service Reductions

With a fiscal cliff drawing nearer, staff is recommending this reduction in service of approximately 3.6 percent to go into effect as of August 17, 2026. As recently presented to the Board of Directors, the draft budget for Fiscal Year 2026-27 is projecting a deficit of nearly \$5.8 million. While there are (at this moment) still funds to cover that gap from Federal pandemic operating assistance, those funds are dwindling rapidly as the deficit grows in out years.

As the information below shows, on some routes, specific trips are proposed for elimination. These trips have been analyzed for their ridership and have been deemed as lower performing trips as compared to other trips. While making reductions in service is never easy or desired, the goal is to have the lightest impact on bus riders while finding savings to reduce the budget deficit. As a caveat, barring any unexpected windfall operating funding over the next year, it is very likely that much deeper reductions will need to be made in upcoming years.

Summary of Recommended Changes for August 2026

Lines	Description of Changes	Revenue Hours
Lines 1 & 2	Reduce weekday headways from 15 to 20 minutes	(4,950)
Line 3	Reduce service on Saturday to match Sunday service schedule	(130)
Lines 4 & 17	Reduce service on Saturday to match Sunday service schedule	(128)
Line 5	Reduce service on Saturday to match Sunday service schedule	(225)
Line 7	Eliminate last weekday outbound trip	(188)
Line 14	Eliminate one weekday AM roundtrip, bringing all day headways to 1 hour	(375)
Line 14	Eliminate one Saturday AM roundtrip	(70)
Lines 11, 23, & 25	Eliminate last weekday: outbound 23 trip, inbound 25 trip, and inbound 11 trip	(345)
Line 2010	Alpha Resource Center booster route eliminated as of June 15, 2026	(105)
The Wave Microtransit-Goleta/Isla Vista & Carpinteria*	LCTOP funded service	910*
Amtrak First/Last Mile**	SBCAG funded service	1,920**
Line 2730	Minor OTP adjustment on booster	30
Total		(-3,516)

*Reflects additional budgeted hours over FY 25-26. Funded via Low-Carbon Transit Operations Program grant funds

**Funded by SBCAG with Measure A funds

Proposed Service Reductions

Lines 1 (West Santa Barbara) and 2 (East Santa Barbara)

Line 1 serves Downtown and West Santa Barbara, and Line 2 serves Downtown and East Santa Barbara. These routes are interlined and run on 15-minute headways for most of the day on weekdays. That makes these routes the most frequent in MTD's system. Revenue hours on Lines 1 and 2 combined make up 14 percent of MTD's total revenue hours.

After analyzing ridership impacts and recognizing that 20-minute headways are seen as a good standard in bus systems of MTD's size, and is among the most frequent in the system, staff is recommending reducing weekday headways on Lines 1 and 2 to 20-minute frequency. The span of service would remain the same.

Lines 3 (Oak Park), 4 (Mesa/SBCC), 5 (Mesa/La Cumbre), and 17 (Lower West SB/SBCC)

Line 3 serves Downtown Santa Barbara, Cottage Hospital/Oak Park, Samarkand, Hitchcock, La Cumbre, and Sansum Clinic on Foothill. Line 4 serves Downtown Santa Barbara, Carrillo Hill, the Mesa, and SBCC, and is interlined with Line 17 which serves Downtown Santa Barbara, the Lower Westside, and SBCC. Line 5 serves Downtown Santa Barbara, SBCC, the Mesa, Hidden Valley and La Cumbre.

On these four routes (3, 4, 5, and 17) currently, there is slightly more service on Saturdays than Sundays. This means all weekend days on Lines 3, 4, 5, and 17 would have the same schedules. Headways would not change on these routes; the span of service would shrink.

Line 3 would go from 13 round trips to 11 round trips (losing 2 morning trips and 1 evening trip).

On the weekends, Lines 4, 17, and 5 are interlined for much of the day. Line 4 would go from 11 outbound trips to 8, and from 12 inbound trips to 9. Line 17 would go from 12 outbound trips to 9, and from 11 inbound trips to 8. Both Line 4 and 17 would lose 2 morning trips and 1 evening trip.

Line 5 would go from 14 outbound trips to 11 trips and 13 inbound trips to 10 trips (losing 1 morning and 2 evening trips).

Staff's recommendation is to match Saturday's schedules on these routes to Sunday's current schedule. This adjusts the span of service and brings these routes in line with other MTD routes that have matching Saturday and Sunday schedules, such as Lines 7, 27 and 28.

Line 7 (Goleta Old Town)

Line 7 serves Downtown Santa Barbara, La Cumbre, the Calle Real County Campus, Calle Real/Fairview, and Old Town Goleta. On weekdays, Line 7 runs on 30-minute headways for most of the day and becomes less frequent in the evenings. The last two outbound trips from the Transit Center depart at 7:10 p.m. and 9:45 p.m. Upon reviewing ridership on the 9:45 p.m. trip, staff believes that eliminating the trip would have minimal impact on riders. This would mean the latest trip outbound on the Line 7 would become the 7:10 p.m. departure. Staff recommends eliminating this last weekday outbound trip.

Line 14 (Montecito)

Line 14 serves Downtown Santa Barbara, the Laguna neighborhood, East Santa Barbara, Coast Village Road, and the Upper Village of Montecito. On weekdays and Saturdays Line 14 runs on hour headways except for one additional round trip in the morning on these days, which gives the service 30-minute headways for one hour. If this round trip is removed, Line 14 would have one-hour headways all day on weekdays, and one less round trip on Saturdays. Staff recommends eliminating these two Line 14 roundtrips.

Lines 11 (UCSB), 23 (El Encanto Heights), and 25 (Ellwood/Winchester Canyon)

Line 11 serves Downtown Santa Barbara, the State/Hollister corridor from Sola to Fairview, Santa Barbara Airport, UCSB, and Camino Real Marketplace. Line 23 serves Camino Real Marketplace, Dos Pueblos High School and El Encanto Heights. Line 25 serves Camino Real Marketplace, Ellwood, and Winchester Canyon. These routes are interlined with each other and Line 6 (Goleta). Upon analysis of the ridership on the last weekday outbound Line 23 trip, which becomes the last inbound Line 25 trip, and then turns into the last inbound Line 11 trip, staff is recommending elimination of these three one way trips.

The last outbound Line 23 trip currently departs Storke and Hollister (Rusty's) at 11:00 p.m. and arrives at Calle Real and Winchester Place at 11:18 p.m. If this trip is eliminated, the latest weekday outbound Line 23 trip would leave Storke and Hollister at 9:40 p.m.

The last inbound Line 25 trip currently departs Calle Real and Winchester Place at 11:18 p.m. and arrives at Storke and Hollister stop (McDonald's) at 11:30 p.m. If this trip is eliminated, the latest weekday inbound Line 25 trip would leave Calle Real and Winchester Place at 9:58 p.m.

The last inbound Line 11 trip currently departs Storke and Hollister (McDonald's) at 11:30 p.m. and arrives at the Transit Center at 12:23 a.m. If this trip is eliminated, the latest weekday inbound Line 11 trip would leave Storke and Hollister at 10:30 p.m.

Alpha Resource Center Booster Line 2010

For many years, MTD has operated a morning booster trip that begins at the Transit Center and ends at Alpha Resource Center on Cathedral Oaks Road, which hosts a day program that serves adults with intellectual and developmental disabilities. Line 2010 operates at approximately 105 revenue hours annually.

After tracking ridership on this route, and multiple conversations with staff at Alpha, staff has concluded that the route is no longer necessary. Alpha staff agrees that they can make other transportation arrangements for those who are still using the service. This change does not need to wait until August and is planned to end as for June 15, 2026.

Other Service Changes

MTD does operate some service that is funded based on grants or contracts and so reducing that service would not have a positive impact on the budget deficit. These routes include Lines 28 (UCSB Shuttle), 12x (Goleta Express), 19x (Carpinteria/SBCC Express), 24x (UCSB Express), and the Downtown-Waterfront Shuttle. The Wave on-demand microtransit service is also currently funded by temporary grants.

The City of Santa Barbara has included funding for this summer's Downtown-Waterfront Shuttle service in its draft budget, and details of an agreement are being finalized.

Microtransit

The Wave on-demand microtransit service launched in April 2025 in a portion of Goleta and Isla Vista after years of planned service and implementation delays. Service currently operates Tuesday through Sunday, 10:00 a.m. to 6:00 p.m. MTD has one-time grant funding for the pilot of this service from the State of California's Low-Carbon Transit Operations Program (LCTOP).

In addition to Goleta/Isla Vista, service areas have been planned for Carpinteria and Santa Barbara. The next zone to begin service is Carpinteria and includes everything within the City limits of Carpinteria and some adjacent County unincorporated area, such as Santa Claus Lane. Staff believes there is strong demand for this service in Carpinteria as MTD has received robust community interest in bringing back service that connects different parts of the community, after suspension of the Seaside Shuttle (Line 36) service in 2020. In contrast to the Seaside Shuttle, this service would be on-demand and cover the entire community, instead of just a set circulator route.

Staff is recommending that service in Carpinteria start this calendar year, in mid-September, with an exact time being dependent on workforce and fleet availability.

The Goleta/Isla Vista pilot is growing in popularity, and since it has thus far operated with shorter service windows and one fewer van and operator, there is additional budget to continue that service past April. Staff is recommending to continue the Goleta/Isla Vista Wave service at current service levels through FY 26-27.

First Mile/Last Mile Service for New Amtrak Service

The MTD and SBCAG Board of Directors have approved an agreement between the two agencies for MTD to provide first mile/last mile bus service connections for the Santa Barbara and Goleta train stations for the retimed Pacific Surfliner train that is expected to begin on May 4, 2026. This service will be paid for by SBCAG with Measure A rail funds.

Minor On-Time Performance Adjustments

After assessing on-time performance (OTP) data, staff is recommending adding time to the morning Line 2730 that serves Dos Pueblos High School due to heavy traffic congestion in the area approaching the school. Dos Pueblos has increased enrollment in recent years and it now takes longer to make it to the school than it did previously. This adjustment will add 30 revenue hours for the upcoming year.

On the topic of boosters to area Junior Highs and High Schools, Santa Barbara Unified School District's Board recently voted to move to a mandatory 7 period day for Junior Highs, starting in the 2027-28 school year. This is likely to mean that MTD would no longer be able to provide the same routes that are currently provided, which already constitute a heavy draw on MTD's resources. Staff is in touch with School District leadership to get working on the details, so that the District will know what gaps they will need to fill in transportation when this bell schedule change occurs.

Proposal to Provide Financial Audit
Services to the

Santa Barbara Metropolitan Transit District

Submitted by:

Roger A. Martinez, CPA
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April 27, 2026

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MANILA, PH

Letter of Transmittal

April 27, 2026

MTD Administrative Offices
Santa Barbara Metropolitan Transit District
c/o Valerie White, Purchasing Agent
550 Olive Street
Santa Barbara, CA 93101

RE: Vasquez & Company LLP Proposal to Provide Professional Audit Services to Santa Barbara Transit District

Vasquez & Company LLP (“Vasquez,” “we,” “us,” or “our”) is pleased to submit our proposal to provide professional financial audit services to the Santa Barbara Metropolitan Transit District (“MTD,” the “District,” “you,” or “your”) for its fiscal years ending June 30 of 2026, 2027, and 2028, with an option to extend the contract for the fiscal years ending June 30 of 2029 and 2030.

Transportation Expertise:

Vasquez has served the auditing needs of over 100 municipalities in California. Our firm's breadth of experience in providing professional auditing services to transportation entities, combined with our hands-on commitment to superior service, integrity, and expertise, makes us well-suited to provide the fiscal and compliance audit services requested by MTD. We have a proven track record of providing timely, high-quality service for MTD. Our team has **over 25 years of experience serving the audit needs of transportation agencies of all sizes**, including the Los Angeles County Metropolitan Transportation Authority, Plumas County Transportation Commission, San Joaquin Regional Transit District, and SunLine Transit Agency. We have the resources, experience, and reputation to maintain our excellent working relationship, provide all requested services, and share information on emerging regulatory and accounting issues with MTD.

As MTD's incumbent auditor, we bring institutional knowledge of MTD's operating environment and financial reporting — including federal funding drawdowns, ridership and fare recovery trends, GASB 101 implementation, and ongoing zero-emission bus capital activity. That familiarity allows us to focus audit effort on the most judgmental and higher-risk areas while minimizing disruption to MTD staff and maintaining audit quality and professional skepticism.

Experienced Leaders:

Our leadership team makes us uniquely qualified to provide the services requested by MTD. The team brings extensive expertise in providing audit services to governmental entities. Each member of our proposed engagement team specializes in key areas, including compliance and financial reporting. These specialties are set to ensure thorough and accurate assessments. Our proposed leadership team consists of:

- Roger A. Martinez, CPA, Vasquez Partner and Audit Practice Leader, formerly KPMG department of professional practice partner dealing with complex accounting, auditing, and risk management issues at a national level, will oversee our delivery of services to MTD.
Roger's experience includes the Santa Barbara Metropolitan Transit District, the Los Angeles County Metropolitan Transportation Authority, the Alameda Corridor East Project, Foothill Transit, the Plumas County Transportation Commission, and SunLine Transit Agency.
- Cristy A. Canieda, CPA, CGMA, Vasquez Partner and Government Practice Leader, formerly with PwC, will act as the engagement quality control reviewer for MTD.



Cristy's experience includes the Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Alameda Corridor Transportation Authority, SunLine Transit Agency, and over 25 local municipal audits, many of which involve transportation.

Information Technology Expertise:

Based on our IT risk assessment, our audit approach will include a review of MTD's information technology (IT) general controls, conducted by IT professionals with over 20 years of experience. This ensures that the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with MTD's technology standards, and appropriate for safeguarding information assets.

Timeliness:

- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work, and avoid end-of-audit surprises.
- We use advanced project management tools to ensure the timely and efficient completion of all tasks.

Our Internal Control-Based Audit Approach:

- Our professionals, with extensive experience in performing financial and compliance audits of local municipalities and other public agencies in California, will bring an unbiased, fresh perspective to systems, operations, and practices. Our experience will enable us to assess your risk and compare your existing policies and practices with those employed by other efficient and reputable agencies. We will focus on the critical areas of operations.
- Our audit approach is unique in that we evaluate and test key internal accounting controls rather than merely performing substantive tests. This approach provides management with critical information on the effectiveness of its internal controls.

Anticipating Your Needs:

- With extensive experience in performing financial and compliance audits of transportation agencies in California, our professionals will bring an unbiased, fresh perspective.
- Our experience will allow us to assess risks and compare existing policies and practices to those used by other efficient, reputable public agencies. We will focus on critical areas.

Communication with MTD:

- We will hold regularly scheduled status meetings to keep you informed of our progress.
- We will provide you with meaningful status reports.
- We will take a proactive approach to develop effective solutions to identified challenges.
- Team members, including the engagement and quality control partners, will be available year-round.

Addressing Critical Accounting Matters:

Recognizing that your interests are best served by highly qualified, knowledgeable, and trained accountants and auditors, we offer our staff and our clients:

- Frequent training in current technical matters and subjects of importance to local governments' finance, accounting, and auditing aspects, such as new GASB pronouncements, applicable regulations, and TDA and FTA requirements.
- Specifics of Federal and State of California regulations pertaining to local government accounting, reporting, and compliance.



Providing an Effective and Efficient Audit:

- Our risk-based approach, high-caliber management team, and experienced staff ensure that critical issues are not overlooked but promptly identified, communicated to you, and resolved to MTD's satisfaction.

Affirmations

In accordance with the RFP, we certify that:

- We are interested and willing to enter into a contract with MTD to carry out the audit services as described in the attached Scope of Services.
- We are willing to accept the contract terms and conditions included in the *MTD Master Agreement* and the *Federal Transit Administration Contract Provisions*.
 - As done in the prior years, Vasquez will accept the terms and conditions subject to the annual engagement letter, prepared in accordance with Government Auditing Standards.
- We confirm our ability and willingness to obtain insurance meeting the requirements indicated in paragraph 18 of the *Master Agreement*.
- We are a Certified Public Accountant firm licensed by the California State Board of Accountancy.
- We have conducted audits of California transit agencies or other governmental units for at least five years.
- We possess sufficient staffing and other resources to perform the audit in a timely and efficient manner. We will use only Certified Public Accountants to lead our audit services, which include the preparation, evaluation, and recommendation on the financial reporting process, provide written reports (except clerical), and make presentations unless otherwise approved by MTD.
- We are fully familiar with the Single Audit requirements of the Office of Management and Budget (OMB): Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and applicable Governmental Accounting Standards Board (GASB) pronouncements.

Authorized Firm Representative

As the authorized signer of this proposal and a partner at Vasquez, I am fully empowered to represent the firm, submit this bid, and execute a contract with MTD. Vasquez is committed to providing MTD with the highest level of customer service. We trust you will find Vasquez well-qualified to provide MTD with audit services. If you have any questions, please contact me using the information provided below.

VASQUEZ & COMPANY LLP

Roger A. Martinez, CPA
Partner, Audit Practice Leader
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: 213-873-1703
Email: ram@vasquezcpa.com

Description of Firm

Vasquez & Company LLP is a Limited Liability Partnership established in 1969 and registered with the State of California Department of Consumer Affairs. With over 55 years of experience, the firm performs financial, compliance, and performance audits, internal control reviews, fraud investigations, and risk assessments for government agencies. Our specialists also have technical expertise in transportation compliance, construction contracts, and local governance.

Why Vasquez?

The AICPA ranks us among the nation's top 1% of accounting firms (G400). In addition:



Vasquez has been recognized as one of *INSIDE Public Accounting's* "Top 300 Firms in 2025" in the U.S.



Accounting Today has named us a West Coast Regional Leader for three consecutive years.



Vasquez is certified as a Minority Business Enterprise (MBE) with the National Minority Supplier Development Council (NMSDC) and the California Public Utilities Commission (CPUC).

Value Added Services

As a regional firm with former partners and managers from international accounting firms, we provide superior service characterized by timely and personalized attention. Our professionals deliver innovative yet practical solutions that help clients gain a competitive advantage. The following represents a partial list of benefits that would be available to MTD as a client of the firm:

- Specialty and expertise in financial, compliance, internal, and performance audits,
- Knowledge of Government "best practices,"
- Extensive partner involvement,
- Practical information about current trends,
- Routine consultation throughout the year,
- Cutting-edge technology is utilized to minimize audit costs for you,
- Quality assurance is built into all aspects of the engagement, from staffing to planning, execution, and reporting.

As a client of Vasquez, you will have unlimited access to our firm's many resources. Your complete client service team is available to consult with MTD or any of the Agencies whenever questions or issues arise throughout the year. Day-to-day contact between the staff at MTD and Vasquez ensures that the audit is efficient, focused on the appropriate risk areas, and well-informed of management.

License to Practice in California

Vasquez is licensed to conduct public accounting in California. We assure MTD that all "key" engagement team members are licensed Certified Public Accountants in California. Vasquez certifies that it will inform MTD of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents upon notification. The following link contains a copy of the firm's license:

[DCA - Search Details](#)

Size of Firm and Government Practice Group

The Vasquez Government Practice Group comprises over **150+** professionals trained and experienced in serving government entities, specializing in California cities, municipal water, transportation, education, and other special districts. Since its inception, Vasquez has focused on serving governmental entities. As a result, the government industry accounts for the largest share of the industries we serve today.



Santa Barbara Metropolitan Transit District

Proposal to Provide Financial Audit Services

The Vasquez Government Practice Group comprises professionals from international accounting firms who seek to focus on their chosen industry, primarily government and nonprofit, and work with greater autonomy in a progressive, agile, and client-centric environment. The Vasquez leadership consists of sixteen (16) partners and directors, each previously working with one or more global accounting firms. This experience emphasizes quality, innovation, performance standards, opportunity, discipline, and professional growth.

Category	#
Partners/Directors	16
Sr. Managers/Manager	22
Supervisors	20
Senior Auditors	73
Staff Auditors	5
Accountants	16
Professionals	152
Administrators	36
Total	188

Office Locations

<p><u>Headquarters</u></p> <p>655 N. Central Avenue, Suite 1550 Glendale, CA 91203 t) 213-873-1700 f) 213-873-1777</p>	<p><u>Fresno</u></p> <p>1444 Fulton Street Fresno, CA 93721 t) 559-663-0213</p>	<p><u>Irvine</u></p> <p>2020 Main St., Suite 1200, Irvine, CA 92614 t) 949-623-8798</p>	<p><u>Las Vegas</u></p> <p>3753 Howard Hughes Parkway Paradise, Unit 200 Las Vegas, NV 89169 t) 702-784-7644</p>
<p><u>Manila</u></p> <p>12/F KMC Armstrong Corporate Center, H.V. Dela Costa, Salcedo Village, Makati City, 1227</p>	<p><u>Phoenix</u></p> <p>Two North Central Avenue, Suite 1800 Phoenix, AZ 85004 t) 602-759-7319</p>	<p><u>Sacramento</u></p> <p>1215 K Street 17th Floor Sacramento, CA 95814 t) 916-503-3269 f) 916-503-2401</p>	<p><u>San Diego</u></p> <p>333 H Street Suite 5000 Chula Vista, CA 91910 t) 619-254-6605 f) 213-873-1777</p>

Peer Review – Most Recent External Quality Control Review

Vasquez is a member of the American Institute of Certified Public Accountants (AICPA) Division of Firms and received a Peer Review Rating of "Pass" without comment - the highest rating from the AICPA on its peer review dated May 5, 2023. As a member of the AICPA Governmental Audit Quality Center (GAQC), this peer review covered several government engagements similar in size and complexity as MTD performed in accordance with Government Auditing Standards and Uniform Guidance. A copy of the peer review opinion follows.



Our most recent peer review is substantially complete, pending approval by the Acceptance Body of the CalCPA Peer Review Committee. A copy of that report will be made available once finalized.

Prior Experience with Similar Projects

Client/Contact/Address	Scope of Work/Project Description	Engagement Team
<p>Gold Coast Transit District</p> <p>Contact: Christine Feng Chief Financial Officer</p> <p>Address: 1901 Auto Center Drive Oxnard, CA 93036</p> <p>Tel: 805-853-1366</p> <p>Email: cfeng@gctd.org</p>	<p>Audit of the financial statements and single audit report.</p> <p>2025 to present</p>	<p>Roger Martinez Lead Partner</p> <p>Cristy Canieda QC Partner</p> <p>Erica Ong Lead Manager</p> <p>Jason Tagasa IT Manager</p>
<p>Omnitrans</p> <p>Contact: Erin Rogers General Manager/CEO</p> <p>Address: 1700 West Fifth Street San Bernardino, CA 92411</p> <p>Tel: 909-379-7131</p> <p>Email: Erin.rodgers@omnitrans.org</p>	<p>Perform an Audit of Omnitrans's Financial Statements, which comprise the Statement of Net Position as of June 30, 2024, the Related Statements of Revenues, Expenses, Changes in Net Position, and Cash Flows for the Year Then Ended, and the Related Notes to Financial Statements.</p> <p>2024-Present</p>	<p>Roger Martinez Lead Partner</p> <p>Erica Ong Lead Manager</p>
<p>Mountain Area Regional Transit Authority</p> <p>Contact: Sandy Benson, General Manager</p> <p>Address: 41939 Fox Farm Road PO Box 1501 Big Bear Lake, CA 92315</p> <p>Tel: 909-963-7200</p> <p>Email: sbenson@mountaintransit.org</p>	<p>Perform an audit of Mountain Area Regional Transit Authority's basic financial statements, which comprise the statement of net position as of June 30, 2024, the related statements of revenues, expenses, changes in net position, and cash flows for the year then ended, and the related notes to financial statements.</p> <p>2024-Present</p>	<p>Roger Martinez Lead Partner</p> <p>Cristy Canieda QC Partner</p> <p>Erica Ong Lead Manager</p> <p>Jason Tagasa IT Manager</p>
<p>Imperial County Local Transportation Commission</p> <p>Contact: David Aguirre Executive Director</p> <p>Address: 1503 N. Imperial Avenue, Suite 104 El Centro, CA 92243</p> <p>Tel: 760-592-4494</p> <p>Email: davidaguirre@imperialctc.org</p>	<p>Annual Financial and Compliance Audit of the Financial Statement of Imperial County Local Transportation Authority, State Controller's Report, and Annual Audit of the Member Agencies.</p> <p>2021-Present</p>	<p>Roger Martinez Lead Partner</p>
<p>Victor Valley Transit Authority</p> <p>Contact: Nancie Goff Chief Executive Officer</p> <p>Address: 17150 Smoke Tree St. Hesperia, CA 92345</p> <p>Tel: 760-995-3495</p> <p>Email: ngoff@vvta.org</p>	<p>Perform an audit of the basic financial statements of Victor Valley Transit Authority, which comprise the statement of net position as of June 30, 2024, the related statements of revenues, expenses changes in net position, and cash flows for the year, then ended, and the related notes to financial statements.</p> <p>2024-Present</p>	<p>Roger Martinez Lead Partner</p> <p>Erica Ong Lead Manager</p>

Public Transit and Transportation Experience

Vasquez works extensively with special-purpose governments subject to federal, state, and local cost audits under regulations such as the Federal Acquisition Regulation (FAR), Cost Accounting Standards (CAS), and the Transportation Development Act (TDA). Our expertise in this area is proven and verifiable. Vasquez has conducted the financial and compliance audits of government agencies of similar size and scope to MTD, including the following transportation agencies, within the past five (5) years.

- Gold Coast Transit District
- Imperial County Local Transportation Authority
- Imperial County Transportation Commission
- Los Angeles World Airports
- Los Angeles County Metropolitan Transportation Authority
- Mountain Area Regional Transit Authority
- Morongo Basin Transit Authority
- Omnitrans
- Pomona Valley Transportation Authority
- Plumas County Transportation Commission
- Riverside County Transportation Commission
- SunLine Transit Agency
- Santa Barbara Metropolitan Transit District
- San Bernardino County Transportation Authority
- Southern California Regional Rail Authority
- San Gabriel Valley Council of Governments
- Transportation Agency for Monterey County
- Tuolumne County Transportation Council
- Victor Valley Transit Authority

Government Experience

Vasquez provides audit services to approximately 100 government agencies annually. Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable).

List of Municipal Clients

Vasquez performs numerous financial and compliance audits of governmental organizations, including risk assessments conducted using a structured approach aligned with the COSO Principles. Our proven track record in similar projects demonstrates our capability to deliver exceptional audit services to MTD.

Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable). Our experience in conducting similar audits for regional transportation planning agencies (RTPAs) and/or local governments can be seen summarized below:

Government Clients		
City of Agoura Hills	City of Monterey Park	Hub Cities Consortium JPA
City of Azusa	City of Norwalk	Imperial County Transportation Commission

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City of Baldwin Park	City of Palos Verdes Estates	Independent Cities Finance Authority
City of Bell	City of Pico Rivera	Los Angeles County Metropolitan Transportation Authority
City of Bell Gardens	City of Pomona	Los Angeles Unified School District
City of Beverly Hills	City of Rosemead	Monterey One Water
City of Calabasas	City of San Fernando	Morongo Basin Transit Authority
City of Carson	City of Santa Fe Springs	Moulton Niguel Water District
City of Commerce	City of Santa Monica	Mountain Area Regional Transit
City of Compton	City of Simi Valley	Needles Public Utility Authority
City of Cudahy	City of South El Monte	Omnitrans
City of Culver City	City of South Gate	Plumas County Transportation Commission
City of El Monte	City of Torrance	Pomona Valley Transportation Authority
City of Gardena	City of Vernon	Quechan Indian Tribe
City of Hawthorne	City of Walnut	Riverside County Transportation Commission
City of Hidden Hills	City of West Hollywood	Santa Barbara Metropolitan Transit
City of Huntington Park	City of Westlake Village	San Bernardino County Transportation Authority
City of Industry	County of Fresno	Santa Clara Valley Water District
City of Inglewood	County of Los Angeles	San Joaquin Valley Library System
City of Irwindale	County of San Bernardino	Southern California Regional Rail Authority
City of La Puente	County of Siskiyou	Southern California Edison Co
City of Lawndale	Antelope Valley Transit Authority	Southern Gas Company Fleet & Real Estate
City of Lynwood	California American Water	SunLine Transit Agency
City of Malibu	California State Treasurer's Office	Transportation Agency for Monterey County
City of Maywood	Desert Water Agency	Tuolumne County Transportation Council
City of Merced	Gold Coast Transit District	Victor Valley Wastewater Reclamation Authority
City of Modesto	Hidden Valley Municipal Water District	Victor Valley Transit Authority
City of Montebello	Hub Cities Career Center	Water Replenishment District of Southern California

Transportation Development Act, Local Transportation Fund, and State Transit Assistance Expertise

Our knowledge of federal and state grants related to public transit is evidenced by our conduct of financial statement audits for the San Bernardino County Transportation Authority's member agencies, which consist of the Victor Valley Transit Authority, Mountain Area Regional Transit Authority, Morongo Basin Transit Authority, Omnitrans, Santa Barbara Metropolitan Transit District, and others. Our audits of basic financial statements for transportation agencies adhere to the statutes of each applicable funding source and to the operating data used to allocate funds, ensuring fairness and compliance with Federal Transportation Authority guidelines.

Federal Transit Administration (FTA) Reporting and Certification

The Vasquez team has experience with Title 49 U.S. Code reporting, certification requirements, and audits. Through our performance of the Los Angeles County Metropolitan Transportation Authority Operating Data Audit of LADOT Services and our audits of SunLine Transit Agency, San Joaquin Regional Transit District, the Bus-lines for the cities of Alhambra, Baldwin Park, Beverly Hills, El Monte, Norwalk, Montebello, and Gardena, we conducted audits to verify compliance with the Federal Transit Administration (FTA) requirements in collecting and reporting operating data as prescribed in the FTA's Uniform System of Accounts and Records and Reporting System, Final Rule as specified in 49 CFR Part 630, and the latest guidelines as presented by the National Transit Database (NTD) Reporting Manual. Our objectives in these audits were to obtain reasonable assurance that:

- A system exists to record and gather data on a continuing basis in accordance with the FTA and NTD definitions or at least equivalent in assuring quality and precision.
- Data are correctly being measured, and no systematic error exists.
- Source documents supporting the reported data are available, securely stored, and maintained for FTA review and audit for a minimum of three years.
- A system of internal control exists to ensure that the data collection process and recording system are credible.
- Data are consistent with prior reporting periods, and material facts known about the contract services providers' operations are fully disclosed.

GASB Pronouncements

Our firm encourages the early adoption of all applicable Government Accounting Standards Board (GASB) statements. Some of these standards have been instrumental in establishing new financial reporting requirements for state and local governments throughout the United States and in restructuring much of the information presented in the past.

Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

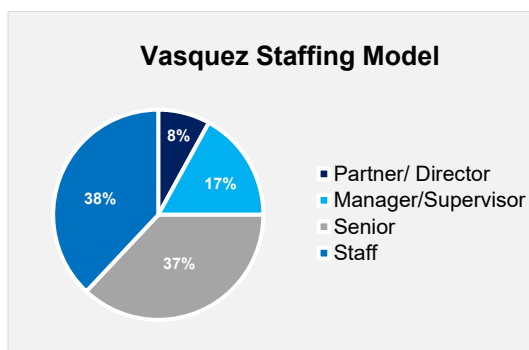
We propose an engagement team with substantial experience auditing governmental transportation entities for MTD's financial and compliance audits. Our industry-focused staff has completed training courses on governmental accounting, auditing, and financial reporting, as well as specialized training on the compliance requirements of the OMB Uniform Guidance, including changes to Single Audit requirements. Additionally, our partners have conducted training sessions for professional organizations on the Uniform Guidance.

Key Audit Personnel Resumes

Our team structure, staffing, service approach, communication, and coordination are refined to fit MTD's unique needs. Vasquez affirms that the key personnel proposed to serve MTD will be available for the full duration of the engagement. Any key team member reassignment will be discussed with MTD in advance and will be acknowledged in writing.

Our senior engagement team members are committed to delivering high-quality work. They will regularly meet with you, answer questions, provide guidance, and promptly help identify and resolve issues. Their extensive experience and proactive approach ensure that your needs are met efficiently and effectively.

Vasquez has built its reputation on close partner involvement and strong client relationships. However, the ultimate success of our client relationships is largely attributable to one key component – our people. Our engagement teams are structured with extensive partner involvement. As a result, our average partner-to-staff leverage ratio is higher than most other firms. As a result, our budgeted hours include higher partner involvement than you may have experienced. Beyond partner leadership and support, an audit is only as good as those who do most of the daily work. Therefore, we are committed to providing a staff resource pool that embodies the attributes you expect of your auditor, including technical expertise in GASB, knowledge of government and utility industries, and soft skills such as respect, empathy, and timely response to questions.



Continuing Education Program

To ensure that our professional staff remains up to date on the latest audit and accounting developments and meets the requirements for maintaining active licensure in good standing, we see that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff.

Our team is held to a high standard of quality; we offer the following CPE Programs for our staff:

- Continuing Education courses provided by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live and in-house for its staff and clients, are conducted by highly qualified professionals from the AICPA and the California CPA Education Foundation.
- Attendance at conferences and seminars related to government accounting sponsored by:
 - Government Finance Officers Association
 - Association of Local Government Auditors
 - California Society of Municipal Finance Officers




Proposed Team

All "key" engagement team members are properly licensed Certified Public Accountants in California. A synopsis of the team members and their respective roles, followed by their resumes with professional designations, affiliations, certifications, licenses, and other information for their technical competence, is as follows:

Team Member	Role
Roger A. Martinez, CPA Lead Partner	Roger A. Martinez, Vasquez Partner and Audit Practice Leader, formerly a KPMG Department of Professional Practice Partner, with over twenty-five (25) years of public accounting experience, will lead and supervise the audit team in performing the engagement and provide technical assistance when appropriate.

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Team Member	Role
	 <p>MARTINEZ, RODER ALEXANDER LICENSE NUMBER: 51957 LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT LICENSE STATUS: CLEAR EXPIRATION DATE: JUNE 30, 2027 SECONDARY STATUS: NA CITY: GLENDALE STATE: CALIFORNIA COUNTY: LOS ANGELES ZIP: 91203</p>
<p>Cristy A. Canieda, CPA, CGMA Quality Control Partner</p>	<p>Cristy A. Canieda, Vasquez Partner and Government Practice Leader, formerly with PwC and with over thirty (30) years of public accounting experience, will serve as the primary professional standards reviewer for issued reports and will work closely with the Lead Partner to review and evaluate the audit fieldwork and reports.</p>  <p>CANIEDA, CRISTY ANNA LICENSE NUMBER: 91074 LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT LICENSE STATUS: CLEAR EXPIRATION DATE: JANUARY 31, 2026 SECONDARY STATUS: NA CITY: GLENDALE STATE: CALIFORNIA COUNTY: LOS ANGELES ZIP: 91203</p>
<p>Erica Ong, CPA, CFE Senior Audit Manager</p>	<p>Erica Ong, Vasquez Senior Audit Manager, formerly with EY, with over ten (10) years of public accounting experience, will work closely with the Lead Partner to plan, coordinate, and review the fieldwork for MTD's audits. She will manage the day-to-day activities and task accomplishments, monitor progress, and ensure schedule compliance.</p>  <p>ONG, PAULINE ERICA TEN LICENSE NUMBER: 143071 LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT LICENSE STATUS: CLEAR EXPIRATION DATE: MAY 31, 2027 SECONDARY STATUS: NA CITY: GLENDALE STATE: CALIFORNIA COUNTY: LOS ANGELES ZIP: 91203</p>
<p>Jason Tagasa, CISA IT Audit Senior Manager</p>	<p>Jason Tagasa, Vasquez IT Audit Senior Manager, formerly with EY, with over ten (10) years of experience in IT consulting and auditing, will perform audit procedures pertaining to MTD's financial systems and information technology. His risk-based controls assessment approach for evaluating and testing internal controls provides added assurance to management and the Governing Board.</p> <p>ISACA Certification Verification on 07 January 2025</p> <p>Name: Jason Tagasa Status: Active Certification Type: CISA Certification Number: 19153674 Date Certified: 11 January 2019 Expiration Date: 31 December 2026</p>
<p>May Yap Senior Audit Associate</p>	<p>May Yap, Vasquez Senior Audit Associate, formerly with EY and with eight (8) years of public accounting experience, will work closely with the engagement team to coordinate the engagement and perform the fieldwork.</p>



ROGER A. MARTINEZ, CPA

Partner

Tel: 213-873-1703

Email: ram@vasquezcpa.com

Areas of Expertise

Roger's areas of expertise include overseeing all aspects of financial, performance, and compliance audits including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to some of the largest and most complex governmental or regulated entities in California. His expertise also includes serving as a quality technical reviewer of governmental entities at a national level.

Representation of Experience

- Alameda Corridor – East Construction Authority
- Alameda Corridor Transportation Authority
- Foothill Transit
- Gold Coast Transit
- Los Angeles County Metropolitan Transportation Authority
- Orange County Transportation Authority
- Plumas County Transportation Commission
- Sunline Transit Agency
- San Joaquin Regional Transit District
- Santa Barbara Metropolitan Transit District
- Imperial County Local Transportation Authority
- Los Angeles World Airports
- Port of Long Beach
- Port of Los Angeles
- Quechan Indian Tribe
- Riverside County Transportation Commission
- San Gabriel Valley Council of Governments
- Southern California Association of Governments
- Transportation Agency for Monterey County

Professional Background and Affiliations

Roger's professional background includes partner in KPMG National Office for a total of 25 years in the profession. Roger has served an extensive number of special purpose governments concentrated in the Western region of the United States. He has provided professional audit and consulting services to some of the largest, most complex governmental entities in California. He is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, Los Angeles Chamber of Commerce, Association of Latino Professionals in Finance and Accounting.

Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from UCLA. He remains current on accounting matters by attending conferences and continuing education courses on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

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Continuing Professional Education

Following are relevant continuing professional education courses completed by Roger A. Martinez in the past three (3) years:

Course Title	Subject Code	Date
Quarterly accounting update Q1 2026	AA	04/09/2026
Financial close automation in health care accounting with Blackline	AA	03/26/2026
Economic Damages: Key Considerations and Trends You Should Know	AA	03/24/2026
CCH Access Engagement Pro-End User Training	AA	03/06/2026
Q1 2026 Quarterly Accounting Webcast	AA	03/19/2026
Q1 2026 Quarterly Sustainability Webcast	AA	02/18/2026
Those Charged with Governance responsibilities for Leadership, Boards, and Others for Fraud Prevention Detection	AA	01/27/2026
2026 EBPAQC Designated Audit Quality Partner Planning	AA	01/22/2026
Quarterly Accounting Update - Q4 2025 Webcast	AA	01/08/2026
Annual Economic Damages Case Law Update	AA	12/17/2025
Q4 2025 Quarterly Accounting Webcast	AA	12/16/2025
Q4 2025 Quarterly Accounting Webcast	AA	12/11/2025
Q4 2025 Quarterly Sustainability Webcast	AA	11/19/2025
AICPA GAS Single Audit Guide: Risk Assessment Process Changes Coming	GV	10/23/2025
Annual Non-Profit Federal Grants Management Webcast	AA	08/25/2025
Private Entity Reporting-Mid-Year Insights	AA	08/20/2025
Southern California Area Meeting - August 2025	AA	08/19/2025
Navigating Compliance and Risk: Understanding the New Administration's Tariffs	AA	07/29/2025
EBPAQC 2024 Designated Audit Quality Partner Planning	AA	07/24/2024
2025 Compliance Supplement and Single Audit Update	GV	07/21/2025
Fraud 101 - Misappropriations	Fraud	06/27/2025
Professional Conduct and Ethics Dealing with Ethical Crises 2024-2025	Ethics	06/25/2025
2025 Governmental Audit Quality Center Annual Update Webcast	GV	06/24/2025
California Regulatory Review The Fastest 100 minutes 2024-2025	AA	06/24/2025
2025 Government and Nonprofit Accounting Updates Seminar	GV	06/10/2025
FASB Update for Private Companies and Not-for-Profit Organizations	AA	05/29/2025
Annual GASB Update	AA	05/06/2025
Annual Yellow Book Update	AA	05/06/2025
Annual Single Audit Update	AA	05/06/2025
ASC 740 Update	AA	05/06/2025
Governmental Accounting and Auditing Virtual Conference 2025	GV	04/23/2025
For-Profit Entities With Federal Funding	GV	03/12/2025
Refresher on Test Controls Training	AA	03/11/2025
Q1 2025 Quarterly Sustainability Webcast	A	03/05/2025



CRISTY A. CANIEDA, CPA, CGMA
Partner, Government Practice Leader

Tel: 213-873-1720

Email: ccanieda@vasquezcpa.com

Areas of Expertise

Cristy's areas of expertise include overseeing all aspects of financial and compliance audits, including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, forecasts, and projections to government agencies; preparation of comprehensive annual financial reports, State Controller's reports.

Prior Experience

- Alameda Corridor East Construction Authority
- Alameda Corridor Transportation Authority
- Coachella Valley Association of Governments
- Los Angeles County Metropolitan Transportation Authority
- Orange County Transportation Authority
- San Gabriel Valley Council of Governments
- San Joaquin Regional Transit District
- Southern California Association of Governments
- SunLine Transit Agency

Professional Background and Affiliations

Cristy's professional background includes PwC. She is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cristy received her Bachelor of Science in Accountancy and Associate in Government Auditing from Enverga University and her Master's in Business Administration from Ateneo Graduate School of Business. She remains current on accounting matters by attending conferences and continuing education courses applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

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Continuing Professional Education

Following are relevant continuing professional education courses completed by Cristy A. Canieda in the past three (3) years:

Course Title	Subject Code	Date
The CPA's Guide to Ethical Leadership - 2025-26	Ethics	01/30/2026
GFOA Best Practices Forum	GV	09/15/2025- 09/19/2025
2025 Government and Nonprofit Accounting Updates Seminar	GV	06/10/2025
2025 GAQC Annual Required Webcast	AA	05/08/25
BDO Alliance Conference	AA	05/04/2025- 05/07/2025
CalCPA Annual Governmental Accounting and Auditing Conference	GV	04/23/2025 04/24/2025
2025 CSMFO Conference	AA	02/18/2025- 02/21/2025
AICPA Townhall Series	AA	01/30/2025
GAQC 2025 Single Audit Lightning Round	AA	01/28/2025
Common Quality Issues in State and Local Government Financial Statement Audits	GV	10/24/2024
Public Sector: Auditing Alternative Investments	AA	06/19/2024
State and Local Government: Review of New Audit Templates	AA	04/02/2024
Audit Documentation	AA	03/01/2024
2024 Government & Nonprofit Updates	AA	02/15/2024
RSM Audit Methodology Refresher	AA	02/09/2024
2024 CSMFO Conference	AA	01/30/2024- 02/01/2024
Fraud Auditing and Investigation	Fraud	01/27/2024
Ethics for California CPAs	Ethics	01/21/2024
Audit Year-End Audit Alert	AA	12/12/2023
Accounting and Auditing for Lessors under ASC 842, Leases	AA	10/19/2023
Q3 State and Local Governments A&A Updates – 2023	GV	10/10/2023
Government Audit Reviewers' Training	GV	09/14/2023
Comparison of IFRS to US GAAP	AA	09/14/2023



ERICA ONG, CPA, CFE
Senior Audit Manager

Areas of Expertise

Erica's practice includes managing all aspects of financial and compliance audits, including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, forecasts, and projections to government agencies and nonprofit organizations, preparation of comprehensive annual financial reports.

Representation of Experience

- Access Services
- Gold Coast Transit District
- Los Angeles County Metropolitan Transportation Authority
- Morongo Basin Transit Authority
- Mountain Area Regional Transit Authority
- Omnitrans
- San Bernardino County Transportation Authority
- Santa Barbara Metropolitan Transit District
- Southern California Regional Rail Authority (Metrolink)
- Transportation Agency for Monterey County
- Tuolumne County Transportation Council
- Victor Valley Transit Authority

Professional Background

Erica's professional background includes being a senior auditor with EY, where her practice focused on external audits, financial reporting, and business consolidation in the logistics, manufacturing, and retail merchandising industry. Her expertise also includes GAAP/IFRS Compliance. Erica is a Certified Public Accountant licensed to practice in California and a Certified Fraud Examiner.

Educational Background

Erica received her Bachelor of Science in Accountancy from the Adventist University of the Philippines. She holds a certificate in Finance with a concentration in Corporate Finance from the University of California Los Angeles. She remains current on accounting matters by attending conferences and continuing education courses applicable to government accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA, the California Board of Accountancy, and the Association of Certified Fraud Examiners.

Continuing Professional Education

Following are relevant continuing professional education courses completed by Erica Ong in the past three (3) years:

Title	Subject Code	Date
Planning for the Long Term: Financial Stress, Cash Flow, and Sustainability	AA	04/23/2026
Avoiding Financial Statement Pitfalls: What Goes Wrong and How to Fix It	AA	04/23/2026
Fraud Risks & Internal Controls: What Keeps Showing Up and Why / Adjourn	Fraud	04/22/2026
Yellow Book 2026: Quality Management and What Auditors Expect	GV	04/22/2026
Single Audit & GAQC Update: What's Changing for 202	GV	04/22/2026
AI in Practice: How Government Accountants and Auditors Are Using It Today	GV	04/22/2026
Materiality That Works: Applying Judgment in Governmental Reporting	GV	04/22/2026
GASB 103 & 104 in Action: Real-World Implementation Deep Dive	GV	04/22/2026
GASB Update	GV	04/22/2026
Building an Effective Whistleblower Program	Ethics	04/16/2026
CCH Access Engagement Pro - End User Training - 4 Hr Web	AA	03/06/2026
Two Sides of the Same Grant: Compliance Through an Auditor & City Lens (Acctg & Auditing, Government)	GV	2/27/2026
Mapping the Audit Journey: Tools and Insights to Guide your Path (Acctg & Auditing, Government)	GV	2/27/2026
Let's Avoid Common Errors seen in GFOA's Certificate of Achievement Program (Acctg & Auditing, Government)	GV	2/27/2026
GASB Update (Acctg & Auditing, Government)	GV	2/27/2026
Auditing Estimates Reminders - 2025 (45096) (Virtual ILT)	AA	10/24/2025
Q3 Audit Update 2025 (45171) (Virtual ILT)	AA	10/21/2025
Accounting & Auditing for Lessees Under ASC 842, Leases (45480) (Virtual ILT)	AA	10/16/2025
Quarterly Accounting Update - Fall 2025 (45730) (Virtual ILT)	AA	10/14/2025
Auditing Estimates Reminders - 2025 (45096)	AA	08/19/2025
Local Government Audit Planning Meeting	GV	08/15/2025
Q2 Audit Update 2025 (45170)	AA	08/09/2025
Q2 Not-for-Profit A&A Update - 2025 (61571)	AA	08/04/2025
Yellow Book and Single Audit	GV	07/29/2025
2025 Compliance Supplement and Single Audit Update	GV	07/21/2025
Fraud in Governmental and Nonprofit Entities	Fraud	06/19/2025
2025 Government and Nonprofit Accounting Update	GV & AA	06/10/2025
You Suspect Fraud? Now What?	Fraud	06/06/2025
Group Audits of SLG Entities	GV	05/13/2025
Non Profit Proposal Budget Training	AA	02/21/2025



JASON TAGASA, CISA
IT Audit Senior Manager

Area of Expertise

Jason's practice is focused on participating in internal audit, compliance, IT risk assurance and financial auditing engagements. He is skilled at audits of various mobile, network and infrastructure systems, databases, ERP applications and data management systems.

- IT Risk Assessment
- Internal Controls Assessment and Optimization
- Business Process and Operations Review
- SOC Reports
- Regulatory Guidance and Compliance (SOX)
- Project and Program Management
- Disaster Recovery and Business Continuity
- IT Security and Vulnerability Assessments
- Internal Audit Support

Professional Background and Affiliations

Jason's professional background includes IT senior auditor with EY. He is a Certified Information Systems Auditor (CISA).

Representation of Experience

- Imperial County Transportation Commission
- San Bernardino County Transportation Authority
- Omnitrans
- Morongo Basin Transit Authority
- Victor Valley Transit Authority
- Mountain Area Region Transit Authority
- Sunline Transit Agency

Educational Background

Jason received his Bachelor of Science in Accounting from the University of Santo Tomas. He remains current on accounting matters by attending conferences and continuing education courses which are focused on information systems and financial reporting, as well as federal and state regulatory matters and auditing requirements.

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Continuing Professional Education

Following are relevant continuing professional education courses completed by Jason Tagasa in the past three (3) years:

Title	Subject Code	Date
2025 Government & Nonprofit Accounting Updates Seminar	GV & AA	06/10/2025
2025 Mid-Year Outlook for Internal Audit: Embracing Change, Managing Risk, and Leading with Insight Webcast	AA	06/05/2025
Group Audits of State & Local Government Entities (62570)	GV	05/13/2025
PMP Certification Training	AA	04/29/2025
Q1 Not-for-Profit A&A Update - 2025 (61570)	GV	04/15/2025
Emerging Trends in SOX Compliance: Navigating the Evolving Landscape Webcast	AA	03/31/2025
Refresher on Test of Controls Training	AA	03/11/2025
From Due Diligence to Resilience: Building Robust Third-Party Risk Management	AA	02/26/2025
Risk-Based IT Compliance: The Case for Business-Driven Cyber Risk Quantification	AA	02/26/2025
Demystifying AI Audits: A Practical Guide to Compliance	AA	02/26/2025
Ethics for California CPAs	AA	02/24/2025
Q1 Audit Update 2024 (45164)	AA	05/15/2024
Compliance- Evaluation of Risk and Performing Test of Controls (60816) Training	AA	05/14/2024
Q1 State Local Governments A&A Updates - 2024 (61555)	AA	05/13/2024
Compliance- Understanding/Documenting Internal Controls (60815)	AA	05/07/2024
Audit Documentation Refresher	AA	03/01/2024
Audit Sampling Refresher	AA	02/21/2024
2024 Government and Nonprofit Updates Training	AA	02/15/2024
Audit Methodology Refresher	AA	02/09/2024
GFOA Best Practices Help You Implement and Monitor Your Internal Controls	GV	02/01/2024
Rethinking Financial Reporting	GV	02/01/2024
GASB Update - Recently Issued Pronouncements	GV	02/01/2024
Comparison of IFRS to U.S. GAAP-2023 (48627)	AA	09/26/2023
Comparison of IFRS to U.S. GAAP-2023 (48627)	AA	09/26/2023
Control Testing for Financial Statements of State and Local Governments (62564)	AA	08/08/2023
Control Testing for Financial Statements of State and Local Governments (62564)	AA	08/08/2023
Testing State and Local Government Expenditures/Expenses When There are Multiple Opinion Units (62568)	AA	07/25/2023



MAY YAP
Audit Senior

Area of Expertise

May's practice is focused on participation in financial and compliance audits, including internal control reviews, and audits of employee benefit plans, performing analytical procedures to determine the reliability of management assertions (occurrence, completeness, accuracy, cutoff, classification, existence, valuation, rights, and obligations).

Representation of Experience

- City of Cudahy
- City of Riverside
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles World Airports
- Santa Barbara Metropolitan Transit District
- University of California, Berkley
- University of California, Davis
- University of California, Irvine
- University of California, Los Angeles
- University of California, Merced
- University of California, San Diego
- University of California, Santa Barbara
- University of California, Riverside

Professional Background

May's professional background includes senior auditor with EY. She is a Certified Public Accountant licensed to practice in the Republic of the Philippines.

Educational Background

May earned her Bachelor of Science degree in Accountancy from Polytechnic University of the Philippines, Manila. She remains current on accounting matters by attending seminars focused on subjects applicable to accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements.

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Continuing Professional Education

Following are relevant continuing professional education courses completed by May Yap in the past three (3) years:

Title	Subject Code	Date
AI in Assurance, Auditing, Compliance, and Risk Analytics	AA	04/02/2026
Annual Professional Ethics Update 2025	Ethics	03/31/2026
Using AI in a Fraud Investigation	AA	03/30/2026
Auditing Update 2026	AA	03/18/2026
AI Fundamentals: Understanding the Basics	AA	03/17/2026
Annual GASB Update 2025	GV	03/17/2026
Not-for-Profit Accounting and Auditing Update 2025	AA	03/10/2026
AI for Accountants and Auditors: Deep Prompting Techniques	AA	03/10/2026
Sustainability Spotlight 2026	AA	03/03/2026
Yellow Book Financial Audits and Attest Engagements	GV	02/19/2026
GAAP Gang Q1 2026	AA	02/17/2026
Independence Update: AICPA, GAGAS and PCAOB 2026	AA	02/17/2026
Yellow Book Update 2026	GV	02/11/2026
Accounting Guidance on Not-for-Profit Revenue Recognition	GV	02/05/2026
Q3 Not-for-Profit A&A update - 2025 (61572)	GV	11/19/2025
Q3 Audit Update 2025 (45171)	AA	10/21/2025
Accounting & Auditing for Lessees under ASC 842, Leases (45480)	AA	10/16/2025
Quarterly Accounting Update - Fall 2025 (45730)	AA	10/08/2025
Q2 State Local Governments A&A Updates - 2025 (61148)	GV	10/03/2025
How to Perform an In-charge Review of a State and Local Government Audit File (61145)	GV	08/22/2025
Compliance- Evaluation of Risk and Performing Test of Controls (60816)	GV	08/18/2025
Implementing GASB 101, Compensated Absences (61144)	GV	06/25/2025
Compliance- Results of Test and Reporting (60817)	GV	06/18/2025
Q1 State Local Governments A&A Updates - 2025 (61147)	GV	06/04/2025
Group Audits of State & Local Government Entities (62570)	GV	05/13/2025
Compliance- Understanding/Documenting Internal Controls (60815)	GV	05/07/2025
Annual Compliance Audit Update- 2024 (61810)	GV	08/09/2024
ICFR Roadshow 2024 Session 1 (41724)	AA	06/11/2024

Work Plan

Approach and Project Schedule

As part of an audit engagement, we leverage a formal project management methodology to ensure that all tasks are planned effectively and ultimately completed on time. Any changes in the schedule will be properly documented and authorized, ensuring transparency and accountability throughout the project. As part of the planning process, we will work with you to agree on a communications plan outlining protocols for periodic status updates and escalations throughout the project. Additionally, we will provide regular status reports throughout the audit, consistent with the established communications plan.

Experienced project managers with strong project management skills are embedded within your audit team. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the auditee, ensuring no surprises during the audit. Additionally, Vasquez will continually seek ways to enhance the management and execution of the audit. We want to ensure that audit planning, scheduling, and budgeting are executed properly and in a timely manner.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience—one in which we become trusted advisers and bring innovative ideas and solutions that deliver value to you.

- **We understand.** Our audit and consulting professionals provide us with a thorough understanding of your business, current situation, needs, and expectations, ensuring no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate consistently and openly at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, proactively resolve emerging issues, and deliver innovative ideas and solutions that add value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.



At Vasquez, we strive to build strong relationships with our clients and continually seek ways to ensure our services align with their needs. It is essential to continually improve our interactions with clients and the delivery of services to them. We do this by adhering to defined client service standards and seeking feedback on our performance. Every financial statement audit engagement presents a different set of challenges. No two organizations are identical; therefore, we tailor the audit to each organization based on the specific risks identified.

Our audit approach is based on a risk assessment process which is planned and executed by experienced auditors. The results as depicted on the following page form the basis for our audit strategy and procedures, and ultimately yield practical comments for strengthening internal controls and improving practices, as well as our opinion on the financial statements and our auditor's reports on internal control and compliance with laws and regulations.



Risk Assessment

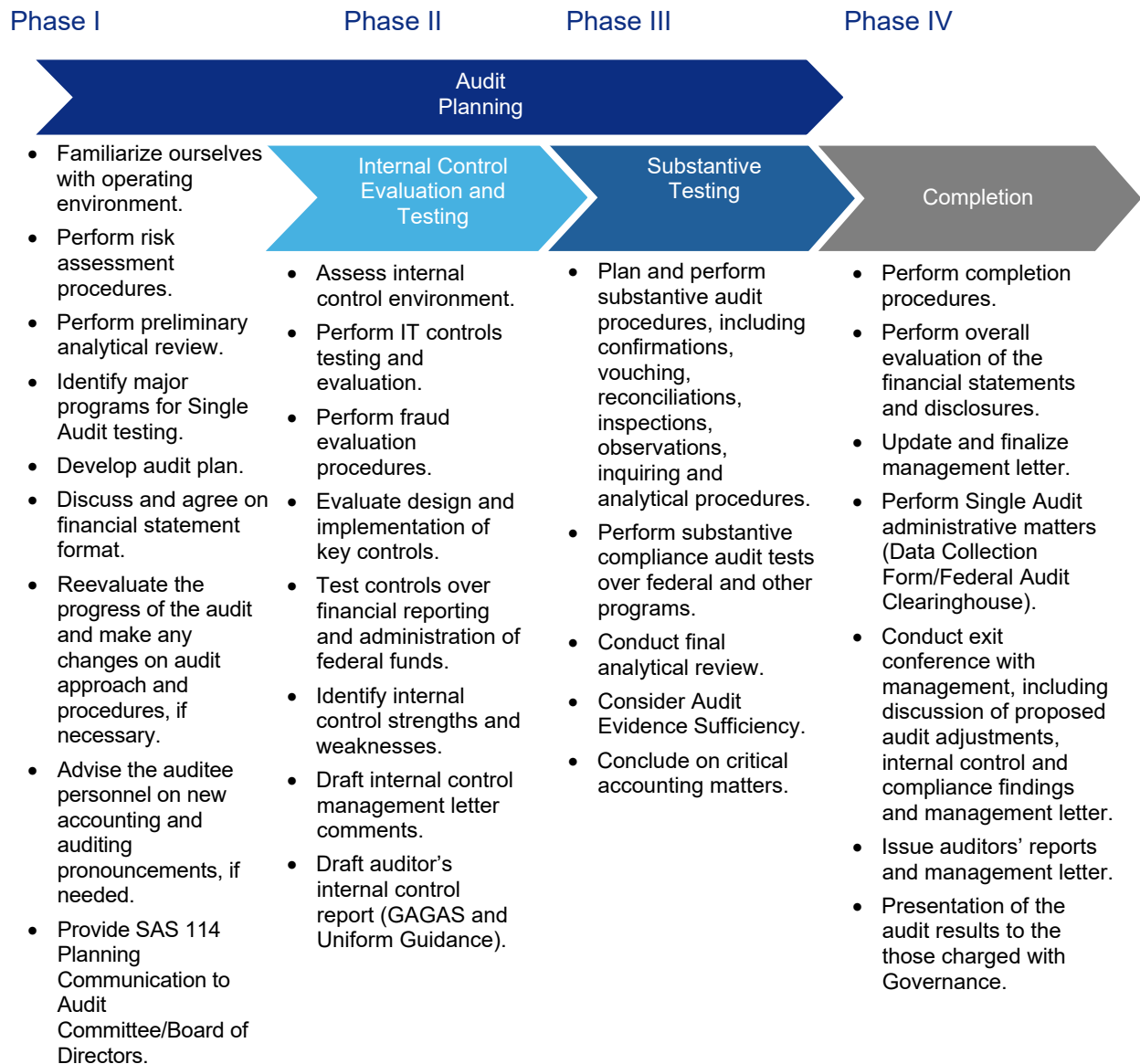
The design of an effective audit plan depends on the audit team's ability to identify and assess the risk that the financial statements contain a material misstatement, whether caused by error or fraud. The risk assessment process will include the following:

- Obtaining an understanding of the auditee and the environment in which they operate. This includes efforts to understand the events, conditions, and organizational activities that might reasonably be expected to affect the risks of material misstatement significantly. Understanding the auditee and the environment will often involve considering factors such as the regulatory environment, business objectives and strategies, and the selection and application of accounting principles.
- Considering information gathered during the engagement acceptance and continuance evaluation, including prior reports, audit planning activities, prior audits, and other non-audit engagements performed for the auditee.
- Inquiring from the audit committee, management, and others within the auditee about risks of material misstatement.
- Obtaining an understanding of the auditee's internal controls over financial reporting.

Performing analytical procedures, such as comparing the auditee's current financial statement account balances to prior year financial statements and budgeted amounts, and/or comparing relevant financial ratios to industry or prior year ratios.

Developing an Audit Strategy

In developing an audit strategy, we may decide to perform tests of the auditee’s internal control over certain systems and processes. We assess the desirability of adopting such a strategy by considering cost-benefit analysis, transaction volume, and prior-year control testing results. If test results indicate that the auditee’s internal controls are effective, we may reduce the extent of substantive testing we perform as a basis for our opinion. The implementation of our audit approach for the auditee will be divided into the following phases:



Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate auditee’s management personnel. The agenda would include, but need not be limited to, the following:
 - The application of generally accepted accounting principles
 - Concerns of the auditee’s management

- Report requirements, refinements, and deadlines
- Initial audit approach and timing schedule
- Assistance by the auditee's personnel
- Establishment of principal contacts
- Progress reporting process
- New reporting requirements and other compliance issues
- Consideration of Fraud in a Financial Statement Audit
- The auditors' responsibility for fraud prevention
- Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
- We believe we must assist the auditee in implementing new accounting, auditing, and compliance requirements. Therefore, we intend to schedule training sessions with the auditee's personnel involved in all audit phases to understand the latest technical changes in their respective areas, as well as the audit requirements and timeline. The training will be provided live or as a webcast, as desired.

Expanding our understanding of the auditee and their operating environments. We will accomplish this by familiarizing ourselves and updating our knowledge of applicable background information pertinent to the auditee, their grants, and the fund structure through our review of the following:

- Applicable state legislation
- Organizational structure
- Minutes of meetings of the Board of Directors of the auditee and other related entities
- Policies and procedures manuals, administrative codes, rules, and regulations
- Long-range and short-term plans of the auditee
- Operational and capital budgets
- Description of the auditee's financial and other information systems
- Recent financial statements and key operating statistics
- Contracts and major commitments
- Grant agreements
- Cost allocation plans
- Possible effects on the auditee of the actions of regulatory agencies
- Fraud Risk Assessment Process

Through our background knowledge of the auditee and because of our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will be able to meet with the auditee's management to discuss areas that might significantly impact the timing and completion of the audits, or that may be of special concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the auditee will have sufficient time to develop the data necessary for the completion of the audit with a minimum amount of disruption to the day-to-day routine.

Our planning process will include a specific review of computer activities performed by the auditee's personnel to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to, system development and maintenance controls, hardware controls, and access controls
- Evaluate the degree of "control consciousness" among personnel
- Determine the potential impact of general control strengths and weaknesses
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the auditee's system, and direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas requiring attention. Until the year-end account balances are finalized, our review will focus on comparing budgets to actual and projected information. We can thus identify sensitive areas to determine whether they require extra attention. We will also focus on unusual fluctuations within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of the auditee's operating environment, we will meet with the auditee's personnel through our analytical review and other planning procedures to identify areas to emphasize during the audit. We will concentrate our efforts on the identified audit concerns and areas we know are important to the auditee's management. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations, and reporting requirements.
- Receipt of all revenue to which the auditee is entitled.
- Purchases authorizations within budgetary limitations.
- We will work directly with the appropriate auditee personnel to discuss financial statements and footnotes in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree on the format for the individual and general-purpose financial statements, as well as any additional requirements that may be relevant due to recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

Phase II – Control Evaluation

The steps included in this phase are as follows:

- Our systems evaluation approach enables us to understand better the various transaction cycles and sub-cycles and how they relate to each other. Using narrative and flowcharting techniques for each cycle, we will identify the critical points in the flow of financial information. Our basic technique begins with the information in the financial statements and traces it back to the source data. This process is infinitely superior to the traditional, tedious method of going from source data to financial statements.
- We will identify the strengths and weaknesses in each transaction sub-cycle and sub-audit areas that have a bearing on the audit objectives. This identification of internal control strengths and weaknesses will enable the audit team to determine the emphasis to be placed on audit testing. It will also serve as a basis for drawing conclusions and recommendations regarding weaknesses in internal accounting control systems and opportunities to improve efficiency and effectiveness.
- Our engagement service team will prepare a tailored audit program unique to the auditee based on identifying internal control strengths and weaknesses. Our audit programs are tailored into a unique, efficient, and effective document addressing the auditee's audit objectives, issues, and systems.
- We will inquire of management and others (including non-accounting personnel) to identify fraud risks.

Our engagement team will discuss and assess the financial statement's susceptibility to fraud and emphasize professional skepticism. We will obtain the information necessary to identify risks of material misstatement due to fraud. We will identify risks that may result in material misstatement due to fraud. We will assess the identified risks after evaluating the anti-fraud programs and controls. We will respond to the identified risks.

We will test transaction cycles using statistical and judgmental sampling methodologies to determine whether the necessary control procedures are prescribed and followed satisfactorily. The sample size will depend on how we assess control audit risk and audit detection risk. Additionally, if any deviations are found in our sample selection, we will expand the sample size accordingly. If the additional sample confirms the deviation problem, we will use statistical techniques to extrapolate the dollar value of the deviation.

Phase III – Substantive Testing

Sampling is one of the methods used to enhance efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective and determine whether the audit procedures will achieve that objective. We will:

- Define the objective of the test.
- Define the population to be sampled, the element of the population to be examined (sampling unit), and what an error is.
- Determine which sampling technique is most appropriate.
- Determine an appropriate sample size and select a sample that is intended to be representative of the population.
- Examine each sample item to determine whether it is an error.

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include various detailed tests and analytical procedures, including ratio analysis, comparisons of actual-to-budget information, and other procedures. Specifically, tests that we have found effective and efficient for the auditee include confirmation of cash, grants receivable, and loan balances, and tests of subsequent receipts for selected receivables.

Analytical Review Procedures – Analytical review procedures, consisting of statistical, ratio, and trend analyses, are performed during every audit phase, from planning to reporting. These analytical testing techniques provide feedback on potential areas of audit concern and comfort concerning the overall reasonableness of the financial statements.

Consideration of Fraud – We will consider the risk of material misstatement of the financial statements due to fraud and design the audit to provide reasonable assurance of detecting fraud that results in material misstatements, in accordance with auditing standards. The consideration of fraud is not separate from that of audit risk; it is integrated into the overall risk assessment process. Although parts of the presentation in detecting fraud may be perceived as sequential, the audit is a continuous process of gathering, updating, and analyzing information about the fair presentation of amounts and disclosures in the financial statements. The procedures and the evaluation of fraud risk will occur continuously throughout the audit.

Adjusting Journal Entries – Any adjusting journal entries proposed by our auditors will be discussed and explained to the auditee. It is our practice to discuss issues and proposed audit entries with the program manager or the management personnel immediately responsible for the program to ensure we have not misunderstood the situation. This will ensure that the proposed entry, management comment, and recommendation are accepted by the manager and that the recommendation is feasible and makes business sense. Our policy is to address issues and resolve them as they arise rather than at the end of the audit. In short, there will not be any surprises.

The final element in our work plan is continuous reporting to the auditee's management personnel to keep them informed of our progress. We believe communication is vital. We have emphasized the importance of maintaining close, continuous relationships throughout this proposal and outlined the specific points at which we will meet to discuss and make decisions.

Phase IV – Completion

The final phase of our audit involves preparing the Independent Auditors' Reports and management letter comments. Given our emphasis on early problem resolution and ongoing communication throughout the audit, the reporting phase will primarily focus on reviewing the fair presentation of the final numbers to be included in the annual financial reports.

All audit engagements are reviewed by a report review specialist who is not otherwise associated with the engagement. Before the commencement of fieldwork and as the engagement progresses toward completion, the report review specialist will aid the partner and the audit team in resolving difficult accounting, auditing, and reporting issues. Upon completion of the partner review and before the report's release, the report review specialist will review the financial statements, our report thereon, the letter communicating reportable control structure conditions, and any other special reports or letters to be issued.

Single Audit Approach

We will utilize an integrated audit approach. This means we will coordinate the Single Audit testing of major federal programs with testing of internal controls and systems during the financial statement audit. Each major program requires a separate opinion on compliance with federal rules and regulations. The scope of our testing will be sufficient and specific enough to allow opinions on each auditee's major programs. In addition, we will perform risk assessment procedures, including:

- Review of prior years' reported findings and
- Consider the extent of continuing or new personnel assigned to administer each major federal program.

Our procedures for testing major federal programs will be performed as follows:

- Hold a planning meeting with the accounting managers and grant administrators.
- Make a preliminary assessment of the condition of the records and controls and determine the procedures necessary to document the systems.
- Obtain copies of the grant agreements under which federal financial assistance is provided.
- Document any program-specific compliance requirements in the agreements beyond those included in the OMB Compliance Supplement.
- Review reports completed to meet the federal financial reporting requirement.
- Document our understanding of program requirements and other laws and regulations.
- Establish detailed work plans and audit timetables in conjunction with management.
- Schedule regular status meetings to monitor the audit process.
- Review the inventory of grants and other federal and state assistance.
- Test the completeness and accuracy of the schedule of expenditures of federal awards.
- Examine external, state, and federal audit reports for control weaknesses, compliance exceptions, or questioned costs.

The extent of testing and sampling depends on several factors, including environmental controls, previous audits, and the locations where controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance.

Performance Improvement Observations

After our audit, separate from any significant internal control deficiencies or items of noncompliance we may have identified and included in the respective auditors' reports, we will also provide our comments and observations for improvements to operating, accounting, and business practices. The diverse experience of our personnel and the fresh perspectives of our team members, combined with their independent, objective viewpoints, will likely yield valuable insights. The findings and other comments will contain, as warranted and appropriate:

- Specific recommendations for improvement of the accounting practices and procedures, and the internal accounting and administrative controls
- Comments on the design, controls, and audit trails of new and redesigned automated systems, along with suggestions to improve processing methods and procedures.
- Suggestions for operational improvements or cost efficiencies noted during our examination
- Comments relative to ensuring compliance with the applicable laws, rules, and regulations
- Comments regarding the implementation of the new GASB pronouncements
- Other comments, recommendations, or observations regarding best practices may be of interest.

This approach will allow us to render an opinion on the financial statements and on compliance with regulatory requirements; it will also enable us to add value to our audit services and share the knowledge gained from surveying a wide range of organizations.

Our Tools



Vasquez utilizes CCH Access Engagement electronic audit workpapers for a more efficient and intelligent audit process. CCH Access Engagement is also useful for financial analysis and reporting, including preparing financial statements.



To help manage the data flow for our testing, we use Vasquez Citrix ShareFile, a secure, regulatory-compliant tool, to handle numerous requests for information more effectively and efficiently, as required for an engagement of this size.



Office 365 provides access to Office applications, online productivity services, and business services, including web conferencing, hosted email, and online storage.



We use IDEA software to analyze data in unique ways, and the audit sampling process.



DataSnippet allows us to conduct document matching, text recognition, and document management.



Vasquez leverages Harvest Valuations as a pricing desk to independently test the fair value of investments as part of our audit procedures.

Timeline

Vasquez will hold at least biweekly progress meetings with MTD's Director of Finance and Administration (Audit Lead) and provide a same-day follow-up email summarizing decisions and next steps.

REPORTS	PLANNING	Start	End
1) Financial Statements	Entrance Meeting with MTD	Week of June 22, 2026	
	List of interim schedules and documents to be provided to MTD furnished by Vasquez (PBC List)	Week of June 22, 2026	
2) Single Audit	Inventory count observation	June 30, 2026	
	Review of prior year FS, board minutes, and other background information	July 6, 2026	Completion
3) State Compliance			
INTERIM FIELDWORK			
	Interim testwork (internal control walkthrough and test of controls)	July 6, 2026	July 24, 2026
YEAR-END FIELDWORK			
	List of final schedules and documents to be provided to MTD furnished by Vasquez (PBC List)	Week of July 27, 2026	
	MTD books to be closed with all schedules and documents available	July 27, 2026	July 31, 2026
	Year-end fieldwork	August 17, 2026	September 14, 2026
	Exit conference	Week of September 14, 2026	
FINANCIAL REPORTING			
	Draft Report and MD&A due from MTD	September 14, 2026	September 18, 2026
	Vasquez's review of the draft report and MD&A	September 21, 2026	September 25, 2026
	Vasquez's delivery of final comments and draft auditor's report on financial statements	September 28, 2026	October 2, 2026
	SMBTD and Vasquez review, agree, and finalize financial statements and the auditor's reports	October 5, 2026	October 9, 2026
	Presentation to MTD's Board of Directors	Week of October 12, 2026	
	Final Report, including the auditor's reports, is completed and available for issuance	Week of October 12, 2026	

Deliverables

We will provide one accessible PDF of all deliverables and ten (10) separately bound hard copies of the Financial Statements and Compliance Reports, as required.

Price Proposal

Our fees for the services outlined in this proposal are based on the assumption that unexpected circumstances will not be encountered during the audit, along with the following:

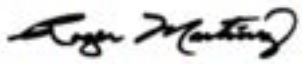
1. Staff is available to answer questions and provide supporting documentation within the agreed timeframe.
2. Audit evidence is provided in an electronic format, and audit fieldwork procedures are conducted primarily remotely.
3. No instances of fraud that will require additional procedures.
4. Vasquez will assist in the preparation of MTD's financial statements. MTD will provide the necessary information to support the financial statements and will designate an individual with suitable skills, knowledge, and experience (SKE) to oversee the service.
5. One (1) major program is subject to the Single Audit Act.
6. The information provided is substantially complete and correct for the year under audit.
7. Other unforeseen events such as contractual difficulties with suppliers, third-party service providers, or clients.

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
Request for Proposals for Financial Audit Services
PRICE PROPOSAL

Description	Price
Fixed Price for Financial Audit for MTD Fiscal Year Ended June 30, 2026	\$ 50,700
Fixed Price for Financial Audit for MTD Fiscal Year Ended June 30, 2027	\$ 52,221
Fixed Price for Financial Audit for MTD Fiscal Year Ended June 30, 2028	\$ 53,788
Fixed Price for Financial Audit for MTD Fiscal Year Ended June 30, 2029 (option)	\$ 55,401
Fixed Price for Financial Audit for MTD Fiscal Year Ended June 30, 2030 (option)	\$ 57,063
TOTAL Price for Base Contract plus all Option Years	\$ 269,173

The Bidder hereby represents and warrants that:

1. It has sufficiently informed itself in all matters affecting the performance of the work, or the furnishing of the labor, services, software, supplies, material, or equipment called for in carrying out the project.
2. It has reviewed the contract documents including the *MTD Master Agreement*, the *Federal Transit Administration Contract Provisions*, and the *Scope of Services*, and agrees to the terms and conditions thereof.
3. Its bid has been thoroughly checked for errors and omissions and the costs, prices, hours, rates, and any other constituents of this Price Proposal are a complete and correct statement of its price for performing all project work required by the contract documents.
4. Its bid is genuine, not sham or collusive, nor made in the interest of any person not herein named; that it has not in any illegal manner sought to secure for itself any advantage over any other bidder.
5. Its bid, including this Price Proposal, is valid for 90 days following the bid due date and time.

	04/27/2026
_____ Authorized Official Signature	_____ Date of Signature
Roger Martinez	Partner
_____ Authorized Official Name	_____ Authorized Official Title
Vasquez & Company LLP	
_____ Business Name of Bidder	

Lobbying Certification

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
Request for Proposals for Financial Audit Services
LOBBYING CERTIFICATION**

The undersigned certifies to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure, if any.



Authorized Official Signature

04/27/26

Date of Signature

Roger Martinez

Authorized Official Name

Partner

Authorized Official Title

Vasquez & Company LLP

Business Name of Vendor

(Signer must match authorized official shown on Bidder Information form)

Noncollusion Declaration/Compensation Certification

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
Request for Proposals for Financial Audit Services
NONCOLLUSION DECLARATION**

The undersigned declares:

I am the Partner of Vasquez & Company LLP,
(title) (business name of bidder)

the party making the included bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and

correct and that this declaration is executed on 04/27/2026, at Glendale, CA.
(date) (city) (state)


Authorized Official Signature

Roger Martinez
Authorized Official Name (printed)

COMPENSATION CERTIFICATION

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.


Authorized Official Signature

04/27/2026
Date of Signature

Roger Martinez
Authorized Official Name

Partner
Authorized Official Title



Appendix 1 – Additional Information

Range of Services

Vasquez is a full-service firm focused on serving government agencies and other tax-exempt organizations. Below is a graph of the different lines of business and service areas.



Independence

Our conflict identification process found no interests or relationships that would be deemed adversarial to MTD. Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, published by the United States General Accounting Office ("Yellow Book"), as they relate to MTD.

Vasquez discloses that it served as MTD's independent auditor for the fiscal years ended June 30, 2021, through 2025.

AICPA Government Audit Quality Center

Vasquez is an AICPA Governmental Audit Quality Center (GAQC) member. Membership in the AICPA GAQC demonstrates our commitment to quality in performing governmental audits. Leveraging the Center's benefits enables us to access resources designed to enhance audit quality and apply audit best practices.

Quality Control

Vasquez has an extensive quality control program designed to monitor compliance with audit and accounting professional standards and firm policies. Our client service approach requires the active involvement of experienced partners and managers in consulting and audit engagements to ensure critical issues are identified and resolved in a timely manner.

Review Process

All audit engagements must undergo a secondary review by either a report review specialist or a concurring reviewer. Before the financial statements and any letters communicating reportable conditions are released, they must be reviewed by a report review specialist who is not otherwise associated with the engagement. The report review specialist's role is supportive of the partner and, organizationally, they are responsible for one or more offices.

Before the commencement of fieldwork and as the engagement progresses toward completion, the report review specialist is expected to aid the partner and the audit team in resolving complicated accounting, auditing, and reporting issues. Upon completion of the partner review and before the release of the report, the report review specialist must review the financial statements, our report thereon, the letter communicating reportable control structure conditions, and any other special reports or letters to be issued.

The audit plan should be reviewed and concurred with by a designated concurring reviewer for the industry before the commencement of fieldwork, if the industry is designated as "high risk" by firm policy or when engagement risk is otherwise assessed as high, and the engagement is a first-time audit for the firm. If a concurring review is performed during planning, the reviewer will also review all of the firm's reports and discuss significant audit findings and issues with the engagement partner.

Performance Monitoring and Assessment

The objective of the engagement performance element of our quality control is to provide reasonable assurance that:

- Engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements,
- Our firm or engagement partner issues reports that are appropriate in the circumstances.

Policies and procedures for engagement performance address all phases of the engagement's design and execution, including performance, supervision, and review responsibilities. Policies and procedures require consultation when appropriate. Also, our firm has established criteria by which all engagements are evaluated to determine whether an engagement quality control review should be performed.

We satisfy the above objectives by establishing and maintaining the following policies and procedures:

- Planning for engagements meets professional, regulatory, and firm requirements.
- Qualified engagement team members review work performed by other team members on a timely basis.
- Vasquez establishes procedures addressing the nature, timing, extent, and documentation of the engagement quality control review.
- Vasquez establishes criteria for the eligibility of engagement quality control reviewers.
- Vasquez requires that consultation take place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the relevant facts known to the engagement team are provided to those consulted; that the nature, scope, and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.

Management follow-up procedure internally called "Voice of the Client" to set the tone of "how we did" and "where we can improve."



www.vasquez.cpa

Vasquez & Company LLP has over 55 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies.



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #:** 12

TYPE: ACTION ITEM

PREPARED BY: SENIOR PURCHASING AGENT VALERIE WHITE

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: **AWARD CONTRACT FOR FINANCIAL AUDIT SERVICES**

RECOMMENDATION:

Staff recommends the Board authorize an award of contract for Financial Audit Services to Vasquez & Company LLP for annual financial and compliance audits for the fiscal years ending June 30, 2026, 2027, and 2028, in an amount not to exceed \$156,709. The contract includes an option to extend services for fiscal years ending June 30, 2029, and 2030, in an amount not to exceed \$112,464, for a total five-year amount of \$269,173.

DISCUSSION:

Background: Santa Barbara Metropolitan Transit District (MTD) maintains a vital fiduciary responsibility to ensure that its annual audits are conducted with the highest possible quality and standards as set forth in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Turning to an independent financial auditor is a critical accountability mechanism. This helps MTD fulfill its fiduciary duty. It also mitigates funding risks by identifying potential noncompliance or internal control issues early. This prevention keeps current funding streams from being interrupted. High-quality audits also strengthen future funding prospects. This builds the District's credibility when seeking more local, state, or federal funding.

Solicitation: To ensure a fair and competitive selection of an independent financial auditor, MTD utilized a Request for Proposals (RFP) process. This method allows for a comprehensive evaluation of a firm's qualifications, experience, and technical approach, rather than relying solely on the lowest bid. The RFP opportunity was publicly advertised in the VC Star and Santa Barbara Independent. It was published on MTD's website and distributed directly to 33 CPA firms. This effort yielded six responsive proposals.

BOARD OF DIRECTORS REPORT

- Badawi & Associates presented robust commitment to audit quality; engagement partner's 25-year tenure; competitive price;
- Brown Armstrong Accountancy Corporation demonstrated 50 years of experience and a vast portfolio of California transit clients, including MTD.
- CLA - Clifton Larson Allen LLP demonstrates technical rigor by employing a specialized Transit Industry Team and proprietary "CLA Intuition" modeling, which is their exclusive analytical approach. This method exceeds the AICPA criteria for specialized expertise.
- Eide Bailly LLP demonstrates expertise exceeding AICPA standards by providing experience with large-scale (multi-billion-dollar) transit projects and over 70 years of California transit experience.
- Moss, Levy & Hartzheim LLP demonstrate extensive California municipal experience, including client Santa Barbara County Association of Governments (SBCAG), and offers competitive pricing.
- Vasquez & Company LLP demonstrates deep transit-specific technical expertise, with an engagement partner holding 25 years of transit experience and receiving an AICPA peer review rating of "pass" without comment—the highest possible rating.

Note: The AICPA stands for the American Institute of Certified Public Accountants. It is the national professional organization for Certified Public Accountants (CPAs) and operates the Governmental Audit Quality Center (GAQC) for Audit Quality Advocacy.

Each firm's license was checked for validity and status (no debarment) with the state and federal governments. An Evaluation Committee was established. It included individuals with the necessary technical skills, including MTD's Director of Finance and Administration. The committee ranked the firms by assessing three critical domains:

- Prior Experience (firm experience with CA public transit agencies receiving TDA/FTA, and the relevant education, experience of assigned personnel and depth of staff to manage peak periods)
- Work Plan (the firm's approach and proposed audit schedule to align with MTD's fiscal year)
- Proposal Price (assessment of fairness and reasonableness compared to the median of received proposals).

Vasquez & Company LLP was determined to be the strongest performer: highly qualified with relevant experiences and superior references: Gold Coast Transit District; Omnitrans; Mountain Area Regional Transit Authority; Imperial County Local Transportation Commission; Victor Valley Transit Authority. Vasquez & Company not only maintains membership in the AICPA Governmental Audit Quality Center (GAQC) but brings over 55 years of specialized experience in governmental auditing, directly aligning with MTD's needs and requirements for deep industry-specific knowledge. Vasquez & Company implement a unique "Voice of the Client" internal management follow-up procedure, which exceeds standard requirements by establishing a formal mechanism for regular feedback on auditor performance, and provides value-added programs and trainings for MTD's staff. The proposed personnel have transit-specific tenure, capable and committed to monitoring the audit through regular progress reports and scheduled meetings. Vasquez's work plan is built on a foundation of proactive communication, including regular status updates. Roger A. Martinez, CPA (Engagement Partner) as the Audit Practice Leader, has over 35 years of experience in providing audit and consulting services to public agencies and nonprofits. He has led audits for some of the largest transit agencies in California, including LA Metro (LACMTA) and the Orange County Transportation Authority (OCTA).

BOARD OF DIRECTORS REPORT

Price Analysis: MTD conducted an Independent Cost Estimate (ICE) before issuing the solicitation using MTD's 2020 contract for Financial Audit Services. The anticipated total cost was \$204,651. The range of proposal prices received for the same 5-year term came in above: \$210,566 - \$331,000 with \$250,993 representing the median offer.

The Vasquez & Company LLP proposal of \$269,173 is 32% above the ICE and 7% from the median proposed price. By independently evaluating technical merit and price, MTD has determined that Vasquez & Company LLP has a fair and reasonable rate for high-quality professional services.

The proposal from Vasquez & Company LLP (attachment 1) includes detailed scope of work and price schedules, which will be incorporated into and made a part of the final Master Agreement.

Attachment:

- Attachment 1 - Vasquez & Company LLP Proposal - Financial Audit Services



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #: 13**

TYPE: ACTION ITEM

PREPARED BY: SENIOR PURCHASING AGENT, VALERIE WHITE

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: **ADVANCED AUTHORITY TO AWARD AND EXECUTE A RENEWABLE DIESEL CONTRACT**

RECOMMENDATION:

Staff recommends the Board grant the General Manager advanced authority to award and execute a renewable diesel supply contract resulting from an upcoming bid solicitation subject to the following conditions:

- Gross price does not to exceed \$4.23 per gallon;
- Fixed-price contract term(s) not to exceed 18 months cumulative (through December 31, 2027); and
- Contract is awarded to the lowest responsive and responsible bidder.

DISCUSSION:

Background: In January 2026, the Board approved a price cap of \$3.23 per gallon for the upcoming Renewable Diesel (RD) contract. However, since that approval, unprecedented global events and regulatory shifts have fundamentally altered the energy market. Staff now requests an increase in the price bid maximum to \$4.23 per gallon. Staff has qualified vendors to ensure a competitive pool of responsive and responsible bidders that have indicated a willingness to provide a fixed-price bid.

Advanced Authority: To achieve budget stability, MTD seeks a firm, fixed-price contract. Qualified suppliers are expected to hedge their bid prices by purchasing commodity futures contracts. So, the winning bidder will seek to enter into its future contracts as quickly as possible following bid submittal to “lock in” the bid price and secure its profit margin. A delay between bid submission and Board approval would force vendors to add a risk premium to their price to account for the market changes. Advanced authority allows staff to award the contract the same day bids are opened, eliminating this premium.

Price Bid Maximum: RD prices correlate strongly with Ultra-Low Sulfur Diesel (ULSD). Based on the futures market, market volatility, and the historical margins MTD has experienced between the market and its contract prices, staff estimates bids will not exceed \$4.23 per gallon. Staff determined that this price bid maximum is fair and reasonable. This price shall include the cost of supply and delivery to MTD but not include applicable fees and taxes.



Santa Barbara Metropolitan Transit District
Operating Summary
9 Months Ended March 31, 2026
 (\$ thousands)

	FY 25-26 Actual	FY 25-26 Budget	Variance Amt	%	FY 24-25 Actual	Variance Amt	%
<i><u>REVENUES</u></i>							
Fare Revenue	\$4,567	\$4,548	\$19	0%	\$3,718	\$849	23%
Grants & Appropriations	16,883	16,494	389	2%	17,861	(978)	-5%
Other Income	461	523	(62)	-12%	576	(116)	-20%
Total Operating Revenue	<u>\$21,910</u>	<u>\$21,565</u>	<u>\$346</u>	2%	<u>\$22,155</u>	<u>(\$245)</u>	-1%
<i><u>EXPENSES</u></i>							
Route Operations	\$14,608	\$14,528	\$81	1%	\$13,937	\$671	5%
Vehicle Maintenance	4,719	5,396	(677)	-13%	4,619	100	2%
Passenger Accommodations	1,552	1,813	(262)	-14%	1,397	154	11%
General Overhead	3,557	3,976	(418)	-11%	3,429	128	4%
Total Operating Expense	<u>\$24,437</u>	<u>\$25,713</u>	<u>(\$1,277)</u>	-5%	<u>\$23,382</u>	<u>\$1,054</u>	5%
Surplus / (Deficit)	<u>(\$2,526)</u>	<u>(\$4,149)</u>	<u>\$1,622</u>		<u>(\$1,227)</u>	<u>(\$1,299)</u>	

Santa Barbara Metropolitan Transit District
Operating Revenue Detail
9 Months Ended March 31, 2026
(\$ thousands)

	<u>FY 25-26</u>	<u>FY 25-26</u>	<u>Variance</u>		<u>FY 24-25</u>	<u>Variance</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Amt</u>	<u>%</u>	<u>Actual</u>	<u>Amt</u>	<u>%</u>
<i><u>FAREBOX REVENUE</u></i>							
Cash Fares	\$1,419	\$1,519	(\$100)	-7%	\$1,199	\$220	18%
Pass Sales	1,545	1,574	(29)	-2%	1,175	370	31%
Contract Fares	1,601	1,334	267	20%	1,335	266	20%
Other Fare Programs	3	121	(118)	-98%	10	(7)	-70%
Subtotal	<u>\$4,567</u>	<u>\$4,548</u>	<u>\$19</u>	<u>0%</u>	<u>\$3,718</u>	<u>\$849</u>	<u>23%</u>
<i><u>GRANTS & APPROPRIATIONS</u></i>							
LTF Sales Tax Revenue	\$7,924	\$7,728	\$196	3%	\$7,763	\$161	2%
FTA Operating Assistance	4,334	4,124	210	5%	5,895	(1,561)	-26%
Measure A Sales Tax	2,041	2,178	(136)	-6%	2,207	(165)	-7%
Other Operating Assistance	1,529	1,389	140	10%	975	555	57%
Property Tax Revenue	1,055	1,075	(20)	-2%	1,021	33	3%
Subtotal	<u>\$16,883</u>	<u>\$16,494</u>	<u>\$389</u>	<u>2%</u>	<u>\$17,861</u>	<u>(\$978)</u>	<u>-5%</u>
<i><u>OTHER INCOME</u></i>							
Advertising on Buses	\$308	\$360	(\$52)	-14%	\$348	(\$40)	-11%
Interest on Investments	129	152	(23)	-15%	207	(78)	-38%
Other Income	24	11	12	110%	21	2	10%
Subtotal	<u>\$461</u>	<u>\$523</u>	<u>(\$62)</u>	<u>-12%</u>	<u>\$576</u>	<u>(\$116)</u>	<u>-20%</u>
Total Operating Revenue	<u>\$21,910</u>	<u>\$21,565</u>	<u>\$346</u>	<u>2%</u>	<u>\$22,155</u>	<u>(\$245)</u>	<u>-1%</u>

Santa Barbara Metropolitan Transit District
Operating Expense Detail
9 Months Ended March 31, 2026
(\$ thousands)

	FY 25-26	FY 25-26	Variance		FY 24-25	Variance	
	Actual	Budget	Amt	%	Actual	Amt	%
<u>ROUTE OPERATIONS</u>							
Drivers	\$9,532	\$9,840	(\$308)	-3%	\$9,172	\$360	4%
Dispatch & Supervision	736	844	(108)	-13%	710	26	4%
Hiring & Training	689	490	199	41%	701	(12)	-2%
Risk & Safety	2,746	2,448	297	12%	2,397	349	15%
Transportation Subsidies	906	906	(0)	0%	958	(51)	-5%
Subtotal	<u>\$14,608</u>	<u>\$14,528</u>	<u>\$81</u>	<u>1%</u>	<u>\$13,937</u>	<u>\$671</u>	<u>5%</u>
<u>VEHICLE MAINTENANCE</u>							
Mechanics	\$1,176	\$1,276	(\$100)	-8%	\$1,060	\$116	11%
Cleaners & Fuelers	595	807	(211)	-26%	573	22	4%
Supervision	749	813	(64)	-8%	733	16	2%
Vehicle Consumables	1,564	1,728	(164)	-9%	1,531	33	2%
Bus Parts & Supplies	564	592	(28)	-5%	508	56	11%
Vendor Services	41	34	7	22%	22	19	87%
Risk & Safety	11	105	(93)	-89%	172	(161)	-94%
Microtransit	19	43	(24)	-56%	19	(0)	0%
Subtotal	<u>\$4,719</u>	<u>\$5,396</u>	<u>(\$677)</u>	<u>-13%</u>	<u>\$4,619</u>	<u>\$100</u>	<u>2%</u>
<u>PASSENGER ACCOMMODATIONS</u>							
Passenger Facilities	\$625	\$696	(\$71)	-10%	\$590	\$35	6%
Transit Development	245	323	(78)	-24%	239	6	2%
Marketing & Community Rela	268	394	(126)	-32%	203	66	32%
Fare Revenue Collection	414	401	13	3%	365	48	13%
Subtotal	<u>\$1,552</u>	<u>\$1,813</u>	<u>(\$262)</u>	<u>-14%</u>	<u>\$1,397</u>	<u>\$154</u>	<u>11%</u>
<u>GENERAL OVERHEAD</u>							
Finance	\$597	\$732	(\$135)	-18%	\$696	(\$99)	-14%
Personnel	292	173	120	69%	285	7	3%
Utilities & Communication	239	291	(53)	-18%	228	10	5%
Operating Facilities	464	511	(47)	-9%	330	134	41%
District Administration	1,965	2,269	(304)	-13%	1,890	75	4%
Subtotal	<u>\$3,557</u>	<u>\$3,976</u>	<u>(\$418)</u>	<u>-11%</u>	<u>\$3,429</u>	<u>\$128</u>	<u>4%</u>
Total Operating Expenses	<u>\$24,437</u>	<u>\$25,713</u>	<u>(\$1,277)</u>	<u>-5%</u>	<u>\$23,382</u>	<u>\$1,054</u>	<u>5%</u>

ROUTE OPERATIONS
9 Months Ended March 31, 2026

	FY 25-26	FY 25-26	Variance		FY 24-25	Variance	
	Actual	Budget	Amt	%	Actual	Amt	%
<u>DRIVERS</u>							
Scheduled	\$5,244,990	\$5,486,462	(\$241,472)	-4%	\$5,247,157	(\$2,166)	0%
Scheduled - Wave	\$50,777	\$134,704	(\$83,927)	-62%	\$0	\$50,777	n/a
Scheduled Overtime	193,118	59,074	134,044	227%	203,702	(10,584)	-5%
Scheduled OT - Wave	4,385	148,173	(143,788)	-97%	0	4,385	n/a
Unscheduled Pay	212,967	185,531	27,436	15%	188,264	24,703	13%
Unscheduled - Wave	0	0	(0)	-100%	0	0	n/a
Driver Lite Duty	0	842	(842)	-100%	0	0	n/a
FICA	563,708	509,945	53,763	11%	489,047	74,661	15%
Pension	682,308	670,190	12,118	2%	648,810	33,498	5%
Health	1,684,466	1,740,081	(55,615)	-3%	1,565,522	118,944	8%
Sick Pay	111,269	147,817	(36,548)	-25%	135,419	(24,151)	-18%
Vacation Pay	365,613	446,612	(80,999)	-18%	407,623	(42,009)	-10%
Holiday Pay	244,786	252,602	(7,816)	-3%	226,143	18,643	8%
Other Paid Leave	138,936	29,683	109,253	368%	31,083	107,853	347%
Unemployment Insurance	16,943	14,246	2,697	19%	14,459	2,485	17%
Uniforms	17,340	13,611	3,729	27%	14,318	3,022	21%
Drivers Subtotal	<u>\$9,531,605</u>	<u>\$9,839,573</u>	<u>(\$307,968)</u>	<u>-3%</u>	<u>\$9,171,545</u>	<u>\$360,060</u>	<u>4%</u>
<u>DISPATCH & SUPERVISION</u>							
Supervisors	\$270,134	\$256,234	\$13,900	5%	\$188,636	81,497	43%
Staff	209,529	254,812	(45,283)	-18%	229,405	(19,877)	-9%
FICA	30,335	46,675	(16,340)	-35%	38,807	(8,471)	-22%
Pension	38,446	56,009	(17,563)	-31%	44,192	(5,746)	-13%
Health	112,718	149,377	(36,659)	-25%	113,410	(692)	-1%
Sick Pay	8,518	10,905	(2,387)	-22%	22,659	(14,140)	-62%
Vacation Pay	35,844	31,879	3,965	12%	44,708	(8,865)	-20%
Holiday Pay	18,309	25,590	(7,281)	-28%	18,708	(399)	-2%
Other Paid Leave	11,277	11,505	(228)	-2%	8,974	2,303	26%
Unemployment Insurance	786	965	(179)	-19%	743	43	6%
Supervision Subtotal	<u>\$735,896</u>	<u>\$843,951</u>	<u>(\$108,055)</u>	<u>-13%</u>	<u>\$710,242</u>	<u>25,654</u>	<u>4%</u>
<u>HIRING & TRAINING</u>							
Staff	\$71,739	\$75,846	(\$4,107)	-5%	\$72,140	(401)	-1%
Student Drivers	194,155	134,672	59,483	44%	298,831	(104,676)	-35%
Existing Drivers/Supers	266,261	86,337	179,924	208%	116,425	149,836	129%
FICA	17,786	25,059	(7,273)	-29%	40,799	(23,012)	-56%
Pension	18,359	18,004	355	2%	24,350	(5,991)	-25%
Health	62,171	70,898	(8,727)	-12%	74,963	(12,792)	-17%
Sick Pay	6,086	5,522	564	10%	9,398	(3,312)	-35%
Vacation Pay	8,427	17,274	(8,847)	-51%	17,623	(9,195)	-52%
Holiday Pay	9,698	10,813	(1,115)	-10%	10,391	(693)	-7%
Other Paid Leave	3,213	3,328	(115)	-3%	2,831	382	13%
Unemployment Insurance	428	536	(108)	-20%	459	(31)	-7%
Medical Exams & License Fe	23,550	21,825	1,725	8%	24,674	(1,124)	-5%
Employment Advertising	155	7,501	(7,346)	-98%	797	(642)	-81%
Training, Travel & Meetings	7,180	12,375	(5,195)	-42%	7,772	(592)	-8%
Hiring & Training Subtotal	<u>\$689,208</u>	<u>\$489,990</u>	<u>\$199,218</u>	<u>41%</u>	<u>\$701,452</u>	<u>(12,244)</u>	<u>-2%</u>

ROUTE OPERATIONS
9 Months Ended March 31, 2026

	FY 25-26 Actual	FY 25-26 Budget	Variance		FY 24-25 Actual	Variance	
			Amt	%		Amt	%
<i>Route Operations Cont'd.</i>							
<u>RISK & SAFETY</u>							
<i>Wages & Benefits</i>							
Staff	\$134,394	\$237,778	(\$103,384)	-43%	\$51,550	82,845	161%
Supervisors	279,804	263,964	15,840	6%	325,830	(46,026)	-14%
Driver Accident Pay	1,668	1,894	(226)	-12%	1,433	235	16%
FICA	29,707	45,744	(16,037)	-35%	33,948	(4,241)	-12%
Pension	29,738	48,230	(18,492)	-38%	30,532	(793)	-3%
Health	80,648	115,701	(35,053)	-30%	84,594	(3,946)	-5%
Sick Pay	7,371	12,101	(4,730)	-39%	7,244	127	2%
Vacation Pay	15,131	29,695	(14,564)	-49%	25,398	(10,266)	-40%
Holiday Pay	15,562	18,359	(2,797)	-15%	13,926	1,636	12%
Other Paid Leave	5,722	6,949	(1,227)	-18%	4,706	1,016	22%
Unemployment Insurance	674	821	(147)	-18%	604	70	12%
Risk & Safety Labor Subtotal	<u>\$600,419</u>	<u>\$781,236</u>	<u>(\$180,817)</u>	<u>-23%</u>	<u>\$579,764</u>	<u>20,655</u>	<u>4%</u>
<u>Public Liability</u>							
Professional Services	\$98,301	\$150,547	(\$52,246)	-35%	\$90,722	7,579	8%
Insurance	727,254	743,563	(16,309)	-2%	652,947	74,307	11%
Current Year Incident Payout	29,030	71,249	(42,219)	-59%	14,793	14,237	96%
Current Year Incident Reser	15,818	97,501	(81,683)	-84%	4,825	10,993	228%
Prior Years Incident Payouts	185,122	56,250	128,872	229%	32,130	152,993	476%
Change in Prior Years Reser	(81,700)	(56,250)	(25,450)	45%	191,443	(273,143)	-143%
Public Liability Subtotal	<u>\$973,826</u>	<u>\$1,062,860</u>	<u>(\$89,034)</u>	<u>-8%</u>	<u>\$986,860</u>	<u>(13,034)</u>	<u>-1%</u>
<u>Workers' Compensation</u>							
Professional Services	\$171,092	\$233,445	(\$62,353)	-27%	\$200,109	(29,017)	-15%
Insurance	169,725	187,707	(17,982)	-10%	160,364	9,361	6%
Current Year Incident Payout	51,190	37,499	13,691	37%	18,225	32,965	181%
Current Year Incident Reser	48,239	93,749	(45,510)	-49%	57,109	(8,870)	-16%
Prior Years Incident Payouts	92,062	318,749	(226,687)	-71%	190,572	(98,510)	-52%
Change in Prior Years Reser	598,628	(318,749)	917,377	-288%	149,834	448,794	300%
Miscellaneous Risk & Safety	40,465	51,653	(11,188)	-22%	53,755	(13,290)	-25%
Workers' Comp Subtotal	<u>\$1,171,400</u>	<u>\$604,053</u>	<u>\$567,347</u>	<u>94%</u>	<u>\$829,968</u>	<u>341,432</u>	<u>41%</u>
Risk & Safety Subtotal	<u>\$2,745,646</u>	<u>\$2,448,149</u>	<u>\$297,497</u>	<u>12%</u>	<u>\$2,396,592</u>	<u>349,054</u>	<u>15%</u>
<u>TRANSPORTATION SUBSIDIES</u>							
ADA Paratransit Service	\$906,085	\$906,085	(\$0)	0%	\$957,501	(51,416)	-5%
Transp. Subsidies Subtotal	<u>\$906,085</u>	<u>\$906,085</u>	<u>(\$0)</u>	<u>0%</u>	<u>\$957,501</u>	<u>(\$51,416)</u>	<u>-5%</u>
TOTAL ROUTE OPERATION	<u>\$14,608,439</u>	<u>\$14,527,748</u>	<u>\$80,691</u>	<u>1%</u>	<u>\$13,937,333</u>	<u>671,107</u>	<u>5%</u>

**Vehicle Maintenance Detail
9 Months Ended March 31, 2026**

	FY 25-26		Variance		FY 24-25		Variance	
	Actual	Budget	Amt	%	Actual	Amt	%	
<i>MECHANICS</i>								
Mechanics	\$685,999	\$767,705	(\$81,706)	-11%	\$634,617	51,382	8%	
Less Mechanic Labor Capital:	(45,060)	(28,653)	(16,407)	57%	(59,067)	14,007	-24%	
Mechanics-OT	56,191	62,005	(5,814)	-9%	44,112	12,079	27%	
FICA	67,681	70,879	(3,198)	-5%	59,836	7,845	13%	
Pension	75,488	82,871	(7,383)	-9%	70,268	5,220	7%	
Health	210,962	200,504	10,458	5%	190,085	20,877	11%	
Sick Pay	17,925	20,057	(2,132)	-11%	28,405	(10,480)	-37%	
Vacation Pay	48,571	43,050	5,521	13%	43,899	4,672	11%	
Holiday Pay	38,340	38,511	(171)	0%	31,895	6,445	20%	
Other Paid Leave	4,372	1,605	2,767	172%	1,582	2,790	176%	
Unemployment Insurance	1,551	1,666	(115)	-7%	1,568	(17)	-1%	
Uniforms	3,677	3,979	(302)	-8%	3,031	646	21%	
Tool Allowance	9,890	11,396	(1,506)	-13%	9,698	192	2%	
<i>Mechanics Subtotal</i>	<u>\$1,175,588</u>	<u>\$1,275,575</u>	<u>(\$99,987)</u>	<u>-8%</u>	<u>\$1,059,929</u>	<u>115,658</u>	<u>11%</u>	
<i>CLEANERS & FUELERS</i>								
Service Workers	\$323,485	\$450,431	(\$126,946)	-28%	\$305,768	17,718	6%	
FICA	29,873	39,684	(9,811)	-25%	27,328	2,545	9%	
Pension	46,460	64,202	(17,742)	-28%	43,888	2,572	6%	
Health	136,553	171,859	(35,306)	-21%	136,205	348	0%	
Sick Pay	4,962	15,560	(10,598)	-68%	8,784	(3,823)	-44%	
Vacation Pay	28,689	32,761	(4,072)	-12%	29,668	(979)	-3%	
Holiday Pay	17,017	22,519	(5,502)	-24%	15,377	1,640	11%	
Other Paid Leave	1,300	1,219	81	7%	0	1,300	n/a	
Unemployment Insurance	1,531	1,456	75	5%	996	535	54%	
Uniforms	1,899	3,640	(1,741)	-48%	2,196	(297)	-14%	
Medical Exams & License Fees	3,340	3,173	167	5%	3,103	237	8%	
<i>Cleaners & Fuelers Subtotal</i>	<u>\$595,110</u>	<u>\$806,504</u>	<u>(\$211,394)</u>	<u>-26%</u>	<u>\$573,315</u>	<u>21,795</u>	<u>4%</u>	
<i>SUPERVISION</i>								
Staff	\$432,930	\$471,155	(\$38,225)	-8%	\$429,107	3,823	1%	
FICA	39,823	40,772	(949)	-2%	37,856	1,968	5%	
Pension	48,647	53,296	(4,649)	-9%	49,997	(1,350)	-3%	
Health	135,819	167,080	(31,261)	-19%	132,657	3,162	2%	
Sick Pay	11,708	8,906	2,802	31%	11,549	158	1%	
Vacation Pay	27,851	29,746	(1,895)	-6%	30,634	(2,783)	-9%	
Holiday Pay	22,771	21,376	1,395	7%	22,404	367	2%	
Other Paid Leave	13,138	8,580	4,558	53%	11,644	1,494	13%	
Unemployment Insurance	651	666	(15)	-2%	692	(41)	-6%	
Training, Travel & Meetings	15,624	11,250	4,374	39%	6,630	8,995	136%	
<i>Supervision Subtotal</i>	<u>\$748,962</u>	<u>\$812,827</u>	<u>(\$63,865)</u>	<u>-8%</u>	<u>\$733,170</u>	<u>15,792</u>	<u>2%</u>	

Vehicle Maintenance Detail
9 Months Ended March 31, 2026

	FY 25-26	FY 25-26	Variance		FY 24-25	Variance	
	Actual	Budget	Amt	%	Actual	Amt	%
<i>Vehicle Maintenance Cont'd.</i>							
VEHICLE CONSUMABLES							
Bus Fuel	\$1,216,922	\$1,291,367	(74,445)	-6%	\$1,167,790	49,132	4%
Wave Fuel	\$6,465	\$18,149	(11,684)	-64%	\$0	6,465	n/a
Oil & Lubricants	105,316	148,232	(42,916)	-29%	137,254	(31,938)	-23%
Wave Lubricants	0	751	(751)	-100%	0	0	n/a
Electric Vehicle Power	93,537	113,889	(20,352)	-18%	98,710	(5,173)	-5%
Wave EV Power	0	3,749	(3,749)	-100%	0	0	n/a
Tire Lease	125,494	115,173	10,321	9%	112,707	12,787	11%
Wave Tires	0	22,500	(22,500)	-100%	0	0	n/a
Tire Mounting	16,170	14,188	1,982	14%	14,334	1,837	13%
Vehicle Consumables Subtotal	\$1,563,905	\$1,727,998	(\$164,093)	-9%	\$1,530,794	33,111	2%
VEHICLE PARTS & SUPPLIES							
Bus Parts Issued	\$487,209	\$506,250	(\$19,041)	-4%	\$438,400	48,809	11%
Wave Vehicle Parts							
Shop Supplies	60,202	55,863	4,339	8%	47,043	13,159	28%
Bus Servicing Supplies	4,797	11,250	(6,453)	-57%	10,768	(5,971)	-55%
Hazmat Disposal & Compliance	12,195	18,751	(6,556)	-35%	12,108	87	1%
Vehicle Part & Supplies Subtotal	\$564,404	\$592,114	(\$27,710)	-5%	\$508,319	56,084	11%
VENDOR BUS REPAIRS							
Vandalism Repairs	\$494	\$3,749	(\$3,255)	-87%	\$101	393	389%
Accident Damage Repairs	32,344	3,749	28,595	763%	4,722	27,622	585%
Accident Claim Collections	(13,496)	(7,501)	(5,995)	80%	(1,715)	(11,781)	687%
Other Vendor Repairs	21,661	33,750	(12,089)	-36%	18,776	2,885	15%
Vendor Bus Repairs Subtotal	\$41,003	\$33,747	\$7,256	22%	\$21,884	19,119	87%
RISK & SAFETY							
Workers' Comp Services	\$7,080	\$12,287	(\$5,207)	-42%	\$35,634	(28,555)	-80%
Workers' Comp Insurance	8,928	9,878	(950)	-10%	8,435	493	6%
Current Year Incident Payouts	1,215	7,501	(6,286)	-84%	0	1,215	n/a
Current Year Incident Reserve	0	18,751	(18,751)	-100%	0	0	n/a
Prior Years Incident Payouts	2,383	37,499	(35,116)	-94%	67,981	(65,599)	-96%
Change in Prior Years Reserve	(8,428)	18,751	(27,179)	-145%	60,262	(68,690)	-114%
Risk & Safety Subtotal	\$11,177	\$104,667	(\$93,490)	-89%	\$172,312	(161,135)	-94%
MICROTRANSIT							
Microtransit Services	17,384	28,950	(11,566)	-40%	17,869	(485)	-3%
Microtransit Materials	1,666	13,980	(12,314)	-88%	1,187	480	40%
Microtransit Subtotal	\$19,051	\$42,930	(\$23,879)		\$19,056	(\$5)	
TOTAL VEHICLE MAINTENANCE	\$4,719,200	\$5,396,362	(\$677,162)	-13%	\$4,618,779	\$100,421	2.2%

**Passenger Accommodations Detail
9 Months Ended March 31, 2026**

	FY 25-26	FY 25-26	Variance		FY 24-25	Variance	
	Actual	Budget	Amt	%	Actual	Amt	%
<i>PASSENGER FACILITIES</i>							
<i>Wages & Benefits</i>							
Supervisors	\$178,319	\$192,370	(\$14,051)	-7%	\$166,951	11,368	7%
TC Advisors	57,880	88,542	(30,662)	-35%	77,379	(19,499)	-25%
Staff	38,828	40,410	(1,582)	-4%	37,614	1,214	3%
FICA	35,846	28,602	7,244	25%	24,237	11,608	48%
Pension	31,359	34,012	(2,653)	-8%	27,703	3,656	13%
Health	81,181	147,797	(66,616)	-45%	103,937	(22,757)	-22%
Sick Pay	24,741	11,453	13,288	116%	7,761	16,980	219%
Vacation Pay	49,990	17,973	32,017	178%	22,882	27,108	118%
Holiday Pay	12,923	15,868	(2,945)	-19%	12,556	367	3%
Other Paid Leave	10,706	4,990	5,716	115%	3,927	6,778	173%
Unemployment Insurance	703	840	(137)	-16%	673	31	5%
<i>Wages & Benefits Subtotal</i>	<i>\$522,475</i>	<i>\$582,857</i>	<i>(\$60,382)</i>	<i>-10%</i>	<i>\$485,621</i>	<i>36,854</i>	<i>8%</i>
<i>Buildings & Grounds</i>							
TC Contract Maintenance	\$81,912	\$84,749	(\$2,837)	-3%	\$80,689	1,223	2%
TC Repairs/Supplies	6,232	5,625	607	11%	6,030	203	3%
Bus Stop Repairs/Supplies	1,435	5,251	(3,816)	-73%	1,915	(481)	-25%
TC Property Insurance	13,107	17,626	(4,519)	-26%	16,122	(3,014)	-19%
<i>Buildings & Grounds Subtotal</i>	<i>\$102,687</i>	<i>\$113,251</i>	<i>(\$10,564)</i>	<i>-9%</i>	<i>\$104,756</i>	<i>(2,069)</i>	<i>-2%</i>
<i>Passenger Facilities Subtotal</i>	<i>\$625,161</i>	<i>\$696,108</i>	<i>(\$70,947)</i>	<i>-10%</i>	<i>\$590,377</i>	<i>34,785</i>	<i>6%</i>
<i>TRANSIT DEVELOPMENT</i>							
Staff	\$148,698	\$190,181	(\$41,483)	-22%	\$137,596	11,102	8%
FICA	14,201	16,488	(2,287)	-14%	12,911	1,290	10%
Pension	17,559	21,552	(3,993)	-19%	16,859	700	4%
Health	34,657	60,329	(25,672)	-43%	35,090	(433)	-1%
Sick Pay	5,789	4,973	816	16%	6,712	(924)	-14%
Vacation Pay	11,388	11,128	260	2%	12,010	(623)	-5%
Holiday Pay	8,483	7,461	1,022	14%	7,350	1,133	15%
Other Paid Leave	3,249	3,030	219	7%	6,087	(2,837)	-47%
Unemployment Insurance	311	332	(21)	-6%	295	16	5%
Training, Travel & Meetings	237	6,376	(6,139)	-96%	4,332	(4,094)	-95%
Planning Services & Supplie	211	1,125	(914)	-81%	0	211	n/a
<i>Transit Development Subtotal</i>	<i>\$244,782</i>	<i>\$322,975</i>	<i>(\$78,193)</i>	<i>-24%</i>	<i>\$239,241</i>	<i>5,540</i>	<i>2%</i>

**Passenger Accommodations Detail
9 Months Ended March 31, 2026**

	FY 25-26 Actual	FY 25-26 Budget	Variance		FY 24-25 Actual	Variance	
			Amt	%		Amt	%
<i>Passenger Accommodations Cont'd.</i>							
MARKETING & COMMUNITY RELATIONS							
Wages & Benefits							
Staff	\$124,569	\$142,051	(\$17,482)	-12%	\$80,940	43,629	54%
FICA	11,906	12,039	(133)	-1%	7,595	4,311	57%
Pension	9,426	15,737	(6,311)	-40%	10,024	(598)	-6%
Health	50,856	47,793	3,063	6%	27,055	23,801	88%
Sick Pay	3,563	3,333	230	7%	2,763	800	29%
Vacation Pay	5,965	6,656	(691)	-10%	9,660	(3,695)	-38%
Holiday Pay	7,140	5,077	2,063	41%	4,464	2,676	60%
Other Paid Leave	6,299	1,110	5,189	468%	2,266	4,034	178%
Unemployment Insurance	480	196	284	145%	215	265	123%
Wages & Benefits Subtotal	\$220,204	\$233,992	(\$13,788)	-6%	\$144,981	75,223	52%
Outside Services							
Media Ad Placement	1,978	\$59,999	(58,021)	-97%	1,804	174	10%
Brochures & Publications	0	7,501	(7,501)	-100%	628	(628)	-100%
Market Research	0	1,876	(1,876)	-100%	9,184	(9,184)	-100%
Promotional Giveaways	0	9,000	(9,000)	-100%	3,197	(3,197)	-100%
Bus/Shuttle Decorations	0	0	0	n/a	0	0	n/a
Other Promotions	5,428	35,699	(30,271)	-85%	4,033	1,395	35%
Route Schedules & Informat	34,244	43,500	(9,256)	-21%	37,332	(3,088)	-8%
Training, Travel & Meetings	6,304	2,250	4,054	180%	1,422	4,882	343%
Outside Services Subtotal	\$47,954	\$159,825	(\$111,871)	-70%	\$57,600	(9,646)	-17%
<i>Marketing & Community Relatio</i>	<u>\$268,158</u>	<u>\$393,817</u>	<u>(\$125,659)</u>	<u>-32%</u>	<u>\$202,581</u>	<u>65,577</u>	<u>32%</u>
FARE REVENUE COLLECTION							
Wages & Benefits							
Staff	\$135,933	\$119,282	\$16,651	14%	\$135,985	(52)	0%
FICA	13,388	11,162	2,226	20%	13,133	255	2%
Pension	16,760	14,590	2,170	15%	17,240	(480)	-3%
Health	53,441	66,371	(12,930)	-19%	56,760	(3,319)	-6%
Sick Pay	5,113	5,322	(209)	-4%	9,270	(4,157)	-45%
Vacation Pay	14,375	13,308	1,067	8%	15,494	(1,119)	-7%
Holiday Pay	6,333	6,388	(55)	-1%	5,996	337	6%
Other Paid Leave	5,843	2,661	3,182	120%	5,892	(49)	-1%
Unemployment Insurance	230	238	(8)	-3%	224	6	3%
Wages & Benefits Subtotal	\$251,415	\$239,322	\$12,093	5%	\$259,994	(8,579)	-3%
Outside Services							
Fare Processing	\$104,314	\$75,001	\$29,313	39%	\$52,345	51,968	99%
Farebox Parts & Repairs	24,527	37,499	(12,972)	-35%	18,369	6,158	34%
Tickets, Tokens & Transfers	33,324	48,749	(15,425)	-32%	34,496	(1,173)	-3%
Outside Services Subtotal	\$162,164	\$161,249	\$915	1%	\$105,211	56,954	54%
<i>Fare Revenue Collection Subto</i>	<u>\$413,580</u>	<u>\$400,571</u>	<u>\$13,009</u>	<u>3%</u>	<u>\$365,205</u>	<u>\$48,375</u>	<u>13%</u>
TOTAL PSNGR ACCOMMODA	<u>\$1,551,681</u>	<u>\$1,813,471</u>	<u>(\$261,790)</u>	<u>-14%</u>	<u>\$1,397,404</u>	<u>154,277</u>	<u>11%</u>

General Overhead Detail
9 Months Ended March 31, 2026

	FY 25-26 Actual	FY 25-26 Budget	Variance		FY 24-25 Actual	Variance	
			Amt	%		Amt	%
FINANCE							
Staff	\$295,043	\$367,168	(\$72,125)	-20%	\$353,508	(58,465)	-17%
FICA	27,384	31,811	(4,427)	-14%	30,907	(3,523)	-11%
Pension	34,770	41,582	(6,812)	-16%	40,581	(5,811)	-14%
Health	132,083	171,243	(39,160)	-23%	158,688	(26,605)	-17%
Sick Pay	3,847	3,173	674	21%	4,723	(877)	-19%
Vacation Pay	27,599	24,836	2,763	11%	28,117	(519)	-2%
Holiday Pay	15,491	19,046	(3,555)	-19%	18,218	(2,727)	-15%
Other Paid Leave	5,722	4,762	960	20%	5,141	581	11%
Unemployment Insurance	568	655	(87)	-13%	617	(49)	-8%
Financial Audit Services	54,900	67,890	(12,990)	-19%	55,600	(700)	-1%
Finance Subtotal	\$597,406	\$732,166	(\$134,760)	-18%	\$696,102	(98,695)	-14%
PERSONNEL							
Staff	\$151,373	\$80,123	\$71,250	89%	\$164,858	(13,485)	-8%
FICA	13,852	7,209	6,643	92%	14,767	(915)	-6%
Pension	16,478	9,424	7,054	75%	11,637	4,841	42%
Health	67,147	60,680	6,467	11%	63,850	3,297	5%
Sick Pay	6,695	1,282	5,413	422%	6,252	443	7%
Vacation Pay	25,696	6,844	18,852	275%	9,120	16,576	182%
Holiday Pay	8,155	5,133	3,022	59%	8,619	(464)	-5%
Other Paid Leave	2,738	1,711	1,027	60%	5,547	(2,809)	-51%
Unemployment Insurance	285	298	(13)	-4%	380	(96)	-25%
Personnel Subtotal	\$292,418	\$172,704	\$119,714	69%	\$285,029	7,388	3%
UTILITIES							
Telephone & Data Communi	\$63,586	\$78,807	(\$15,222)	-19%	\$58,534	5,051	9%
Power, Water & Refuse	166,078	190,499	(24,421)	-13%	152,882	13,196	9%
Two-Way Radios	8,967	21,907	(12,940)	-59%	16,894	(7,927)	-47%
Utilities Subtotal	\$238,631	\$291,213	(\$52,582)	-18%	\$228,310	10,321	5%
OPERATING FACILITIES							
Wages & Benefits							
Staff	\$71,492	\$51,644	\$19,848	38%	\$52,571	18,921	36%
FICA	5,329	4,675	654	14%	5,012	316	6%
Pension	6,642	6,109	533	9%	6,558	84	1%
Health	12,117	12,533	(416)	-3%	11,619	498	4%
Sick Pay	1,166	691	475	69%	2,178	(1,012)	-46%
Vacation Pay	7,866	5,765	2,101	36%	7,261	605	8%
Holiday Pay	2,852	2,767	85	3%	2,759	93	3%
Other Paid Leave	1,013	691	322	47%	1,217	(204)	-17%
Unemployment Insurance	115	119	(4)	-3%	112	3	3%
Wages & Benefits Subtotal	\$108,592	\$84,994	\$23,598	28%	\$89,288	19,304	22%

General Overhead Detail
9 Months Ended March 31, 2026

	FY 25-26 Actual	FY 25-26 Budget	Variance		FY 24-25 Actual	Variance	
			Amt	%		Amt	%
<i>OPERATING FACILITIES (cont'd)</i>							
Service Vehicles							
Parts & Repairs	\$32,010	\$11,250	\$20,760	185%	\$8,558	23,453	274%
Fuel	35,265	48,749	(13,484)	-28%	27,359	7,906	29%
Service Vehicles Subtotal	\$67,275	\$59,999	\$7,276	12%	\$35,916	31,359	87%
Buildings & Grounds							
Contract Maintenance	\$88,508	\$91,035	(\$2,527)	-3%	\$85,574	2,935	3%
Overpass Site Maintenance	49,390	112,874	(63,484)	-56%	483	48,907	10124%
B&G Repairs/Supplies	56,582	63,751	(7,169)	-11%	32,643	23,939	73%
Property Insurance	93,258	97,964	(4,706)	-5%	85,692	7,566	9%
Buildings & Grounds Subtotal	\$287,738	\$365,624	(\$77,886)	-21%	\$204,392	83,346	41%
Operating Facilities Subtotal	\$463,604	\$510,617	(\$47,013)	-9%	\$329,596	134,008	41%
<i>DISTRICT ADMINISTRATION</i>							
Wages & Benefits							
Staff	\$567,000	\$673,096	(\$106,096)	-16%	\$559,386	7,614	1%
Bus Ad Revenue Placement	0	0	0	n/a	0	0	n/a
FICA	49,144	58,152	(9,008)	-15%	45,250	3,894	9%
Pension	62,692	92,146	(29,454)	-32%	61,220	1,472	2%
Health	133,229	180,840	(47,611)	-26%	127,790	5,439	4%
Sick Pay	8,839	9,070	(231)	-3%	2,621	6,217	237%
Vacation Pay	52,696	40,186	12,510	31%	52,455	241	0%
Holiday Pay	31,200	31,275	(75)	0%	27,646	3,554	13%
Other Paid Leave	29,155	7,980	21,175	265%	50,961	(21,806)	-43%
Unemployment Insurance	987	844	143	17%	868	119	14%
Wages & Benefits Subtotal	\$934,942	\$1,093,589	(\$158,647)	-15%	\$928,198	\$6,743	1%
Administrative Services							
Directors Fees	\$5,460	\$6,552	(\$1,092)	-17%	4,440	1,020	23%
Public Officials Insurance	80,051	96,733	(16,682)	-17%	87,208	(7,157)	-8%
Legal Counsel	43,300	56,250	(12,950)	-23%	19,589	23,711	121%
Pension Administration	82,469	751	81,718	10881%	0	82,469	n/a
Office Equipment Maintenance	437,315	536,712	(99,397)	-19%	441,295	(3,980)	-1%
Interest Expense - GASB96	0	0	(0)	-100%	0	0	n/a
Miscellaneous Services	80,003	174,562	(94,559)	-54%	114,561	(34,558)	-30%
Office & Computer Supplies	28,063	54,000	(25,937)	-48%	42,632	(14,569)	-34%
Dues & Subscriptions	43,080	43,592	(512)	-1%	36,088	6,992	19%
Conferences & Training	9,551	18,751	(9,201)	-49%	14,239	(4,688)	-33%
Employee Relations	37,990	47,491	(9,501)	-20%	42,303	(4,313)	-10%
Retiree Health Insurance	66,558	72,599	(6,041)	-8%	64,982	1,576	2%
Mandated Fees & Permits	39,730	31,703	8,027	25%	26,429	13,302	50%
Bus Ad Revenue Program	3,482	0	3,482	34822900%	0	3,482	n/a
Miscellaneous Expenses	16,740	11,250	5,490	49%	13,017	3,723	29%
Bad Debt Expense	0	1,876	(1,876)	-100%	0	0	n/a
COVID-19 Expenses	0	0	0	n/a	625	(625)	-100%
Subscription Amortization Ex	56,511	22,500	34,011	151%	54,275	2,236	4%
Administrative Services Subtotal	\$1,030,302	\$1,175,322	(\$145,020)	-12%	\$961,684	\$68,619	7%
District Administration Subtotal	\$1,965,244	\$2,268,911	(\$303,667)	-13%	\$1,889,882	\$75,362	4%
TOTAL GENERAL OVERHEAD	\$3,557,303	\$3,975,611	(\$418,308)	-11%	\$3,428,919	\$128,384	4%



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 5, 2026 **AGENDA ITEM #:** 14

TYPE: INFORMATION ITEM

PREPARED BY: DIRECTOR OF FINANCE AND ADMINISTRATION NANCY TILLIE

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: **FINANCIAL UPDATE & 3rd QUARTER REVIEW OF FISCAL YEAR (FY) 2025-2026**

RECOMMENDATION:

Staff recommends the Board receive the financial report for the third quarter of FY 2025-2026, for the period of July 1, 2025 through March 31, 2026.

DISCUSSION:

Staff will present an update to the Board on the current financial outlook and the third quarter.

ATTACHMENT:

- Attachment 1 - Fiscal Year 2025-2026 Financial Update Third Quarter

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: May 5, 2026
Subject: General Manager's Report

Operations and Fleet Maintenance

Fleet and Facilities Staff completed the annual Innovative Clean Transit (ICT) required by California Air Resources Board (CARB). This reporting requirement started in 2021 to assist transit agencies in documenting 2025 bus purchases and overall fleet information.

The TransMAC Steering Committee, which administers TransMAC - a mutual aid agreement among over 26 Southern California public transit agencies within the counties of San Diego, Orange, Riverside, San Bernadino, Los Angeles, Kern, Ventura and Santa Barbara - recently approved an expansion of its membership to formally include Santa Barbara County. MTD and the Santa Barbara County Association of Governments (SBCAG) began participating in this program in August 2024. Chief Operating Officer/Assistant General Manager Mary Gregg participated in the recent TransMAC Steering Committee meeting alongside Aaron Bonfilio, Director of Traffic Solutions and Rail and Transit Programs with SBCAG, as the representatives for Santa Barbara County.

Capital Projects

Haley Canopy ZEV Infrastructure Improvements Project

Closeout of the Haley Canopy project is underway. The charging equipment continues to be tested by MTD's maintenance team with New Flyer battery-electric buses. Similar testing will occur with the new Gillig battery-electric buses when they begin to arrive at Terminal 1. Smith MEP remobilized on April 29th to work through punchlist items, complete work associated with added scope, and clean the worksite. Smith is anticipated to be done with the work tied to the latest mobilization by May 8th.

Acquisition of 8 Gillig Battery Electric Buses and Chargers (TIRCP)

Supply chain issues and a Clever Devices foot switch issue continue to impact delivery of the eight Gillig battery-electric buses in production. Staff is in regular communication with Gillig and MTD's in-plant inspector from VVD to track all open items and their resolution. Based upon feedback provided by Gillig, the outstanding production items should be remedied in the next couple of weeks. Bus delivery is now anticipated to begin by mid-May.

Acquisition of 8 Gillig Battery Electric Buses and Chargers (SCCP)

Staff participated in a Pre-Production Meeting (PPM) with the Gillig build team assigned to the production of MTD's second order of eight 40' Gillig battery-electric buses (BEB). The purpose of the PPM is to perform a thorough review of all elements of the buses to be built from mechanical systems and components to aesthetic features. The second order will be nearly identical to the first that is currently in production. The anticipated delivery timeframe for the second order of eight Gillig BEBs is the fourth quarter of this year.

Finance & Administration

Procurement completed the Solicitation for Financial and Single Audit Services, subsequent to the contract expiration of the current audit firm. A Board Report item with a recommendation will be presented at an upcoming meeting. Proposals for Risk Management Insurance Services will be evaluated in mid-May, with a recommendation to be presented to the Board in June. The Renewable Diesel Fuel bid deadline has been extended for another month to see if prices become normalized.

The Low Carbon Transit Operations Program allocation request has been submitted to support the MicroTransit Pilot Program.

All Federal Transit Administration (FTA) 2nd Quarter Federal Fiscal Year (FFY) 26 Milestone Program and Federal Financial Reports have been filed. Additionally, 3rd Quarter reports for the State of California, California Department of Transportation (Caltrans) and Transit and Inter City Rail Program have been completed and submitted.

Information Technologies staff continue work on several projects including server battery back-up replacement, technology planning at Terminal 2, server updates, and ongoing data analysis.

As part of ongoing professional development, Finance management staff attended Supervisor Training.

Planning & Marketing

Staff attended the Santa Barbara County Association of Governments' (SBCAG's) Technical Transportation Advisory Committee (TTAC) on April 2, 2026. TTAC recommended a set of draft Active Transportation Program Large Metropolitan Planning Organization (MPO) Guidelines and received a presentation on Phase 2 of the Highway 246 Passing Lanes Project, which is a Measure A named project.

TTAC also approved an update to SBCAG's Guaranteed Ride Home Program (previously Emergency Ride Home) which now offers increased flexibility for users.

MTD participated in the annual Santa Barbara Earth Day event at Alameda Park on April 25-26, 2026. Staff engaged with attendees and shared information about available services, answering questions, and highlighting how MTD supports environmental sustainability by reducing the number of cars on the road while improving transportation accessibility for community members.

Human Resources & Risk Management

Property, Earthquake, and Equipment Breakdown coverages were renewed. Staff will provide additional information including costs for premiums in the upcoming Board meeting budget presentation in June.