



BOARD OF DIRECTORS AGENDA

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, June 16, 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 June 2, 2026.
- 5. CASH REPORTS - (ACTION MAY BE TAKEN)**
The Board will be asked to review and approve the Cash Reports from May 23, 2026 through June 5, 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. APPROVAL OF UPDATED PUBLIC TRANSPORTATION AGENCY SAFETY PLAN
(PTASP) – (ACTION MAY BE TAKEN - ATTACHMENT)**

Staff recommends that the Board of Directors approve updates to MTD's Public Transportation Agency Safety Plan, Version 7.0, as reviewed and approved by MTD's Safety Committee and signed by MTD's Accountable Executive.

**9. FISCAL YEAR (FY) 2025-26 THIRD QUARTER PERFORMANCE REPORTS –
(INFORMATIONAL)**

Receive a presentation on the Third Quarter Fiscal Year 2025-26 Performance Reports for the period ending March 31, 2026.

**10. PROPERTY/CASUALTY INSURANCE BROKER SERVICES - (ACTION MAY BE
TAKEN - ATTACHMENT)**

Staff recommends that the Board of Directors authorize the General Manager to award and execute a Professional Services Agreement with USI Insurance Services LLC to serve as MTD's Insurance Broker of Record. The contract will be on a carrier-commission basis for a three-year base term beginning July 1, 2026, with a two-year extension option, for a total contract period of up to five years.

11. GENERAL MANAGER'S REPORT - (INFORMATIONAL)

The General Manager will report on updates to District activities.

12. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)

The Board will report on the other related public transit issues and committees.

13. 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, June 2, 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 exception of Director Solórzano and Director Lemberger.

3. REPORT REGARDING THE POSTING OF THE AGENDA

Hillary Blackerby, Planning and Marketing Manager reported that the agenda was posted on May 29, 2026 at MTD's Administrative Office, emailed to those on the agenda list, and posted to MTD's website.

Director Perotte motioned to move Item 8 after Item 12. Director Lapuz seconded the motion. The motion was approved unanimously, with Director Solórzano and Director Lemberger absent.

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 May 5, 2026.

5. CASH REPORTS - (ACTION MAY BE TAKEN)

The Board was asked to review and approve the Cash Reports from April 25, 2026 through May 22, 2026.

Director Tabor moved to approve the consent calendar. Director Lapuz seconded the motion. The motion was approved unanimously, with Director Perotte abstaining from Item 4 and Directors Solórzano and Lemberger absent.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

There was no public comment.

BOARD OF DIRECTORS DRAFT MINUTES

Director Lemberger arrived at 8:33 a.m.

Director Perotte motioned to move Item 11 after Item 6. Director Sarkar seconded the motion. The motion was approved unanimously, with Director Solórzano absent.

7. TIME CERTAIN 8:35 A.M. – AB 2561 VACANCY RATE REPORTING: ANNUAL REPORT - (INFORMATIONAL)

The Board held a public hearing in accordance with AB 2561 and accept and file the staffing/vacancy report.

Director Perotte moved to receive the presentation. Director Sarkar seconded the motion. The motion was approved unanimously, with Director Solórzano absent.

8. 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 action was taken on Closed Session Item 8.

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

9. PRESENTATION OF FINAL DRAFT FISCAL YEAR (FY) 2026-27 OPERATING AND CAPITAL BUDGET - (ACTION MAY BE TAKEN - ATTACHMENT)

Staff recommended the Board adopt the final draft Operating and Capital Budget for FY 2026-27.

Director Sarkar moved to approve the Operating and Capital Budget for FY 2026-27. Director Lapuz seconded the motion. The motion was approved unanimously, with Director Solórzano absent.

10. RENEWABLE DIESEL SUPPLY BID RESULTS - (INFORMATIONAL)

The Board received the results of the Invitation for Bids for Renewable Diesel Supply, where the lowest responsive and responsible bidder, Mansfield Oil Company of Gainesville, Inc. will be awarded the contract for a 6-month period of July 1, 2026, to December 31, 2026 at the following firm, fixed prices:

- Terminal 1 - 550 Olive Street: \$3.8851 per gallon
7,500-gallon minimum delivery size to Underground Storage Tank
- Terminal 2 - 5353 Overpass Road: \$4.0557 per gallon
5,000-gallon minimum delivery size to Aboveground Storage Tanks

11. GENERAL MANAGER'S REPORT - (INFORMATIONAL)

The General Manager reported on updates to District activities.

12. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)

No other business or reports were presented.

BOARD OF DIRECTORS DRAFT MINUTES

13. ADJOURNMENT

The Board adjourned at 9:34 a.m.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of June 16, 2026
For the Period May 23, 2026 through June 5, 2026

MONEY MARKET

Beginning Balance May 23, 2026 **\$4,027,909.69**

Accounts Receivable	1,265,353.10
Measure A Transfer	278,768.40
Passenger Fares	112,281.35
Interest Income	3,795.08
Property Tax Revenue	2,427.16
Prepays & Advertising	1,109.00
Miscellaneous Income	448.82

Total Deposits **1,664,182.91**

Miscellaneous Transfers	(2,075.90)
Bank & Credit Card Fees	(4,952.11)
401(k)/Pension Transfer	(48,422.84)
Payroll Taxes	(188,847.49)
Payroll	(435,566.03)
Accounts Payable	(484,582.63)

Total Disbursements **(1,164,447.00)**

Ending Balance **\$4,527,645.60**

CASH INVESTMENTS

LAIF Account	\$6,665,750.68
Money Market Account	4,527,645.60

Total Cash Balance **\$11,193,396.28**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,052,514.37)
-------------------------	------------------

Working Capital **\$7,140,881.91**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
200199	5/29/2026	ABC BUS COMPANIES INC	BUS PARTS	251.34	
200200	5/29/2026	AMERICAN MOVING PARTS LLC	BUS PARTS	1,863.46	
200201	5/29/2026	AMAZON CAPITAL SERVICES, INC	SUPPLIES	210.03	
200202	5/29/2026	BICKMORE ACTUARIAL DBA	WC ACTUARIAL REVIEW	2,500.00	
200203	5/29/2026	CALIFORNIA ELECTRIC SUPPLY IN	SHOP/B&G SUPPLIES	103.03	
200204	5/29/2026	CENTRAL COAST TANK TESTING	TANK TESTS	150.00	
200205	5/29/2026	CINTAS CORPORATION	SAFETY SUPPLIES	88.47	
200206	5/29/2026	CUMMINS SALES & SERVICE DBA	BUS PARTS & REPAIRS	1,633.88	
200207	5/29/2026	CROSSLINE SUPPLY LLC	BUS PARTS	4,293.53	
200208	5/29/2026	ALLIANT POWER DBA	BUS PARTS	714.53	
200209	5/29/2026	FGL ENVIRONMENTAL INC	STORMWATER TEST	586.00	
200210	5/29/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	1,628.80	
200211	5/29/2026	GIBBS INTERNATIONAL INC	BUS PARTS	1,073.23	
200212	5/29/2026	GILLIG LLC	BUS PARTS	2,857.98	
200213	5/29/2026	GRAINGER INC.	SHOP/B&G SUPPLIES	10.42	
200214	5/29/2026	LENZ PEST CONTROL INC	FUMIGATION SERVICES	129.80	
200215	5/29/2026	MC CORMIX CORP. (GAS)	FUEL-SV/MICROTRANSIT	817.97	
200216	5/29/2026	MISSION LINEN SUPPLY INC	UNIFORM & LINEN SERVICE	695.96	
200217	5/29/2026	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	238.35	
200218	5/29/2026	MOUSER ELECTRONICS	VEHICLE BUS PARTS	84.85	
200219	5/29/2026	NATIONAL DRIVE	PAYROLL DEDUCTION	135.00	
200220	5/29/2026	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	124,863.77	
200221	5/29/2026	NEOPART TRANSIT LLC	BUS PARTS	204.62	
200222	5/29/2026	NFI PARTS DBA	BUS PARTS	1,031.45	
200223	5/29/2026	PREVOST CAR (US) INC.	BUS/SERVICE VEHICLE PARTS	617.80	
200224	5/29/2026	O'REILLY AUTO PARTS DBA	BUS/SERVICE VEHICLE PARTS	167.77	
200225	5/29/2026	RICON CORPORATION	BUS PARTS	425.72	
200226	5/29/2026	SAFETY-KLEEN CORPORATION	SHOP EQUIPMENT MAINTENANCE	776.29	
200227	5/29/2026	SILVAS OIL CO. INC.	LUBRICANTS	7,894.83	
200228	5/29/2026	SOUTHERN CALIFORNIA EDISON	ELECTRIC VEHICLES "FUEL"	1,665.07	
200229	5/29/2026	SOCALGAS	UTILITIES	69.85	
200230	5/29/2026	THE MEDCENTER	MEDICAL EXAMS	1,125.00	
200231	5/29/2026	TAC ENERGY LLC	RENEWABLE DIESEL	24,654.01	
200232	5/29/2026	UNIVERSITY OF CALIFORNIA REG	NETWORK & COMMUNICATION SER	103.92	
200233	5/29/2026	UNITED REFRIGERATION INC.	BUS AIR CONDITIONING SUPPLIES	8.85	
200234	5/29/2026	UNITED WAY OF SB	PAYROLL DEDUCTION	45.00	
200235	5/29/2026	VERIZON WIRELESS	CELLULAR/WIRELESS SERVICE	1,215.55	
200236	5/29/2026	WESTERN STATES CONVERTER &	BUS PARTS	11,569.58	

Check #	Date	Company	Description	Amount	Voids
200237	5/29/2026	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	2,482.62	
200238	5/29/2026	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	55.00	
200239	5/29/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	312.36	
200240	5/29/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	915.05	
200241	5/29/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	153.60	
200242	6/4/2026	ABC BUS COMPANIES INC	BUS PARTS	6,025.99	
200243	6/4/2026	AMAZON CAPITAL SERVICES, INC	SUPPLIES	107.06	
200244	6/4/2026	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	153.00	
200245	6/4/2026	BROWN & BROWN INSURANCE SE	PROPERTY/FLOOD INSURANCE	112,733.29	
200246	6/4/2026	COX COMMUNICATIONS CORP.	INTERNET & CABLE TV	195.63	
200247	6/4/2026	CUMMINS SALES & SERVICE DBA	BUS PARTS & REPAIRS	27,356.38	
200248	6/4/2026	CROSSLINE SUPPLY LLC	BUS PARTS	1,022.59	
200249	6/4/2026	EMERGENCY DRAIN SERVICES DB	DRAIN SERVICES	578.00	
200250	6/4/2026	ESP LOCKSMITH DBA	B&G REPAIRS & SUPPLIES	110.00	
200251	6/4/2026	FAUVER LARGE ARCHBALD&SPR	LEGAL COUNSEL	25,422.74	
200252	6/4/2026	FRONTIER CALIFORNIA INC.	TELEPHONE/RADIO/FIBER OPTIC INT	150.00	
200253	6/4/2026	GIBBS INTERNATIONAL INC	BUS PARTS	789.26	
200254	6/4/2026	GILLIG LLC	BUS PARTS	1,510.39	
200255	6/4/2026	GOLETA WATER DISTRICT	UTILITIES	460.37	
200256	6/4/2026	HR AUTOGLASS DBA	BUS PARTS/REPAIRS	395.00	
200257	6/4/2026	KITCHELL CEM INC.	HALEY CANOPY	8,920.33	
200258	6/4/2026	KIRKS AUTOMOTIVE INC	BUS/AUTO PARTS	591.37	
200259	6/4/2026	LEDDY POWER SYSTEMS, INC.	GENERATOR REPAIRS	2,226.00	
200260	6/4/2026	LENZ PEST CONTROL INC	FUMIGATION SERVICES	120.00	
200261	6/4/2026	MC CORMIX CORP. (GAS)	FUEL-SV/MICROTRANSIT	656.17	
200262	6/4/2026	MILPAS RENTAL INC.	EQUIPMENT RENTAL	1,401.80	
200263	6/4/2026	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	477.00	
200264	6/4/2026	MULLEN & HENZELL	CALLE REAL PROJECT SERVICES	24,169.25	
200265	6/4/2026	MUNOZ JANITORIAL	JANITORIAL SERVICES	9,250.00	
200266	6/4/2026	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	15,079.00	
200267	6/4/2026	NFI PARTS DBA	BUS PARTS	769.55	
200268	6/4/2026	RS DBA	BUS PARTS	30.55	
200269	6/4/2026	SB LOCKSMITHS INC	B&G REPAIR & SUPPLIES	532.80	
200270	6/4/2026	SILVAS OIL CO. INC.	LUBRICANTS	891.21	
200271	6/4/2026	SM TIRE CORP.	BUS TIRE MOUNTING	2,623.68	
200272	6/4/2026	SO. CAL. EDISON CO.	UTILITIES	9,289.56	
200273	6/4/2026	SOCALGAS	UTILITIES	53.75	
200274	6/4/2026	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	354.63	
200275	6/4/2026	SB CITY OF-REFUSE & WATER	UTILITIES	2,224.05	
200276	6/4/2026	TAC ENERGY LLC	RENEWABLE DIESEL	24,794.82	
200277	6/4/2026	UPS SUPPLY CHAIN SOLUTIONS IN	FREIGHT CHARGES	510.38	

Check #	Date	Company	Description	Amount	Voids
200278	6/4/2026	VEHICLE MAINTENANCE PROGRA	BUS PARTS	791.84	
200279	6/4/2026	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,390.85	
				484,582.63	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	\$484,582.63	

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

Date	Company	Description	Amount
5/29/2026	Hiltachk Marketing Group/SB Airport	Advertising on Buses	3,879.00
6/1/2026	Local Transportation Fund	SB 325 - May '26	997,037.13
6/1/2026	Measure A, Section 3 LSTI	Measure A Funds	118,119.76
6/2/2026	Wells Marketing, LLC	Advertising on Buses	2,196.00
6/2/2026	Wells Marketing, LLC	Advertising on Buses	3,581.10
6/2/2026	Wells Marketing, LLC	Advertising on Buses	6,728.40
6/3/2026	Idea Engineering, Inc.	Advertising on Buses	576.00
6/3/2026	Idea Engineering, Inc.	Advertising on Buses	576.00
6/4/2026	S.B.C.A.G.	T2 Capital Reimbursement	132,659.71
Total Accounts Receivable Paid During Period			\$1,265,353.10



BOARD OF DIRECTORS REPORT

MEETING DATE: JUNE 16, 2026 **AGENDA ITEM #: 8**

TYPE: ACTION ITEM

PREPARED BY: CHIEF SAFETY OFFICER MARY GREGG

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: Approval of Updated Public Transportation Agency Safety Plan

RECOMMENDATION:

Staff recommends that the Board of Directors approve updates to MTD’s Public Transportation Agency Safety Plan, Version 7.0, as reviewed and approved by MTD’s Safety Committee and signed by MTD’s Accountable Executive.

DISCUSSION:

MTD’s Safety Committee has completed the Annual Review of the Agency Safety Plan (ASP) and made updates to the Safety Performance Targets (SPTs) to reflect the most current three-year average of MTD’s reportable data to the National Transit Database (NTD), from 2023, 2024 and 2025. SPTs are specific numerical targets based on safety performance measures established under Federal Transit Administration’s (FTA) National Public Transportation Safety Plan (NSP), identifying seven (7) required measures. MTD’s ASP incorporates these measures and includes the SPTs established by Easy Lift, MTD’s contracted ADA/paratransit service provider.

Updated SPTs based on averages 2023, 2024 and 2025

Mode of Transit Service	Fatalities (Total)	Fatalities (Rate)	Injuries (Total)	Injuries (Rate)	Safety Events (Total)	Safety Events (Rate)	System Reliability
Fixed Route Bus	0	0	2.66	0.13	3.66	0.17	9,000
ADA/Paratransit	0	0	5.0	0.20	7.0	0.29	50,000

BACKGROUND:

On July 19, 2018, the Federal Transit Administration (FTA) published the Public Transportation Agency Safety Plan (PTASP) Final Rule, 49 Code of Federal Regulations (CFR) Part 673. Operators of public transportation systems that receive federal funds under FTA’s Section 5307 Urbanized Area Formula Grants, were required to develop an Agency Safety Plan (ASP) by July 20, 2021. MTD’s Board of Directors adopted MTD’s ASP on November 3, 2020.

BOARD OF DIRECTORS REPORT

The Bipartisan Infrastructure Law (BIL) established additional PTASP requirements effective December 31, 2022, for agencies receiving section 5307 funds. Most of those requirements are based on the size of the Urbanized Areas (UZA) that transit agencies serve. With the results of the 2020 Census, published in 2023, MTD moved from serving a small UZA to a large UZA, defined as a population area of 200,000 or more. FTA formally recognized MTD as a large UZA effective October 1, 2023, with the start of the new Federal fiscal year.

FTA published an updated version of the NSP that became effective May 13, 2024, that expanded the SPTs to include an additional seven (7) measures: Collision Rate, Pedestrian Collision Rate, Vehicular Collision Rate, Transit Worker Fatality Rate, Transit Worker Injury Rate, Assaults on Transit Workers, and Rate of Assaults on Transit Workers.

SPTs are calculated on a three-year average. As such, MTD's ASP will reflect these new measures upon the Annual Review by the Safety Committee in 2028.

ATTACHMENT:

Santa Barbara MTD Public Transportation Agency Safety Plan, Version 7.0

PUBLIC TRANSPORTATION AGENCY SAFETY PLAN



The mission of Santa Barbara Metropolitan Transit District is to enhance the mobility of South Coast residents, commuters, and visitors by offering safe, appealing, equitable, environmentally responsible, and fiscally sound transit service.

Public Transportation Agency Safety Plan

Table of Contents

1. DEFINITION OF TERMS USED IN THE AGENCY SAFETY PLAN	2
2. COMMONLY USED ACRONYMS	3
3. PUBLIC TRANSPORTATION AGENCY SAFETY PLAN OVERVIEW.....	4
4. TRANSIT AGENCY INFORMATION	5
5. PLAN DEVELOPMENT, APPROVAL, AND UPDATES	6
6. SAFETY PERFORMANCE TARGETS	7
7. SAFETY MANAGEMENT POLICY	8
8. SAFETY RISK MANAGEMENT	12
9. SAFETY ASSURANCE	16
10. SAFETY PROMOTION	17
11. ADDITIONAL INFORMATION	19

1. Definition of Terms Used in the Agency Safety Plan

Santa Barbara Metropolitan Transit District incorporates all of the Federal Transit Administration's definitions that are in 49 CFR § 673.5 of the Public Transportation Agency Safety Plan regulation.

- **Accident** means an Event that involves any of the following: A loss of life; a report of a serious injury to a person; a collision of public transportation vehicles; an evacuation for life safety reasons.
- **Accountable Executive** means a single, identifiable person who has ultimate responsibility for carrying out the Agency Safety Plan of a public transportation agency; responsibility for carrying out the agency's Transit Asset Management Plan; and control or direction over the human and capital resources needed to develop and maintain both the Agency Safety Plan, in accordance with 49 U.S.C. § 5329(d), and the Transit Asset Management Plan, in accordance with 49 U.S.C. § 5326, of said public transportation agency.
- **Agency or transit agency** means Santa Barbara Metropolitan Transit District, located at 550 Olive Street, Santa Barbara, CA 93101, an operator of a public transportation system.
- **Agency Safety Plan** means the documented comprehensive Public Transportation Agency Safety Plan for a transit agency that is required by 49 U.S.C. 5329 and Part 673.
- **Board of Directors** means governing body of Santa Barbara Metropolitan Transit District.
- **Chief Safety Officer** means the adequately trained individual who has responsibility for safety and reports directly to the transit agency's Accountable Executive.
- **Event** means any Accident, Incident, or Occurrence.
- **Hazard** means any real or potential condition that can cause injury, illness, or death; damage to or loss of the facilities, equipment, rolling stock, or infrastructure of a public transportation system; or damage to the environment.
- **Incident** means an Event that involves any of the following: a personal injury that is not a serious injury; one or more injuries requiring medical transport; or damage to facilities, equipment, rolling stock, or infrastructure that disrupts the operations of the transit agency.
- **Investigation** means the process of determining the causal and contributing factors of an accident, incident, or hazard, for the purpose of preventing recurrence and mitigating risk.
- **National Public Transportation Safety Plan** means the plan to improve the safety of all public transportation systems that receive federal financial assistance under 49 U.S.C. Chapter 53.
- **Occurrence** means an Event without any personal injury in which any damage to facilities, equipment, rolling stock, or infrastructure does not disrupt the operations of a transit agency.
- **Operator** of a public transportation system means a provider of public transportation as defined under 49 U.S.C. 5302.
- **Part 673** means 49 CFR Part 673.
- **Performance measure** means an expression based on a quantifiable indicator of performance or condition that is used to establish targets and to assess progress toward meeting the established targets.
- **Performance target** means a quantifiable level of performance or condition, expressed as a value for the measure, to be achieved within a time period required by the FTA.
- **Public Transportation Agency Safety Plan** means the documented comprehensive Agency Safety Plan for a transit agency that is required by 49 U.S.C. 5329 and Part 673.
- **Risk** means the composite of predicted severity and likelihood of the potential effect of a hazard.
- **Risk mitigation** means a method or methods to eliminate or reduce the effects of hazards.

- **Safety Assurance** means processes within the transit agency's Safety Management System that function to ensure the implementation and effectiveness of safety risk mitigation, and to ensure that the transit agency meets or exceeds its safety objectives through the collection, analysis, and assessment of information.
- **Safety Management Policy** means the transit agency's documented commitment to safety, which defines the transit agency's safety objectives and the accountabilities and responsibilities of its employees in regard to safety.
- **Safety Management System** means the formal, top-down, organization-wide approach to managing safety risk and assuring the effectiveness of a transit agency's safety risk mitigation. SMS is a continuous improvement process that includes systematic procedures, practices, and policies for managing risks and hazards.
- **Safety Performance Target** means a performance target related to safety management activities.
- **Safety Promotion** means a combination of training and communication of safety information to support SMS as applied to the transit agency's public transportation system.
- **Safety Risk Assessment** means the formal activity whereby the transit agency determines Safety Risk Management priorities by establishing the significance or value of its safety risks.
- **Safety Risk Management** means a process within the transit agency's ASP for identifying hazards and analyzing, assessing, and mitigating safety risk.
- **Serious injury** means any injury which: (1) Requires hospitalization for more than 48 hours, commencing within seven days from the date when the injury was received; (2) Results in a fracture of any bone (except simple fractures of fingers, toes, or noses); (3) Causes severe hemorrhages, nerve, muscle, or tendon damage; (4) Involves any internal organ; or (5) Involves second- or third-degree burns, or any burns affecting more than five percent of the body surface.
- **State of Good Repair** means the condition in which a capital asset is able to operate at a full level of performance.
- **Transit Agency** means an operator of a public transportation system.
- **Transit Asset Management Plan** means the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles, for the purpose of providing safe, cost-effective, and reliable public transportation, as required by 49 U.S.C. 5326 and 49 CFR Part 625.

2. Commonly Used Acronyms

Acronym	Word or Phrase
ADA	Americans with Disabilities Act of 1990
AE	Accountable Executive
ASP	Agency Safety Plan (also referred to as a PTASP in Part 673)
BIL	Bipartisan Infrastructure Law
BOD	Board of Directors
Caltrans	California Department of Transportation
CSO	Chief Safety Officer
CFR	Code of Federal Regulations
DOT	Department of Transportation

ESRP	Employee Safety Reporting Program
FTA	Federal Transit Administration
MPO	Metropolitan Planning Organization
NSP	National Public Transportation Safety Plan
Part 673	49 CFR Part 673 (Public Transportation Agency Safety Plan)
SBCAG	Santa Barbara County Association of Governments
SBMTD	Santa Barbara Metropolitan Transit District
SGR	State of Good Repair
SMP	Safety Management Policy
SMS	Safety Management System
SPT	Safety Performance Target
SRM	Safety Risk Management
U.S.C.	United States Code
UZA	Urbanized Area
VRM	Vehicle Revenue Miles
VTT	Verification of Transit Training

3. Public Transportation Agency Safety Plan Overview

Public Transportation Agency Safety Plan

On July 19, 2018, the Federal Transit Administration (FTA) published the Public Transportation Agency Safety Plan (PTASP) Rule. The rule applies to all operators of public transportation systems that are recipients and subrecipients of federal financial assistance under the Urbanized Area Formula Program (49 U.S.C. § 5307). The rule requires these transit operators to develop an Agency Safety Plan (ASP) that include the processes and procedures to implement Safety Management System (SMS). FTA has adopted the principles and methods of SMS as the basis for enhancing the safety of public transportation in the United States.

- The Rule 49 CFR Part 673 became effective on July 19, 2019.
- FTA published a Dear Colleague letter on July 19, 2019, to alert the transit industry of the July 20, 2020 safety compliance deadline.
- FTA published a Notice of Enforcement Discretion on April 22, 2020, effectively extending the compliance deadline to December 31, 2020 due to the COVID-19 pandemic.
- FTA published a Dear Colleague letter on February 17, 2022, to inform the transit industry about Bipartisan Infrastructure Law (BIL) changes to PTASP requirements, those changes being mostly based on the size of the urbanized area, or UZA, that the transit agency serves.
- FTA published an updated version of the National Public Transportation Safety Plan on April 9, 2024, to address changes that are responsive to the BIL for all transit providers subject to the PTASP regulation.

- The final rule updating the PTASP regulation at 49 CFR part 673 became effective May 13, 2024.

SBMTD developed the contents of our Agency Safety Plan to meet all requirements specified in 49 CFR Part 673. SBMTD's ASP addresses all applicable requirements and standards as set forth in FTA's Public Transportation Safety Program and the National Public Transportation Safety Plan.

The Agency Safety Plan is based on the four principles or pillars of the Safety Management System (SMS). SMS is defined as the formal, top-down, organization-wide, data-driven approach to managing safety risk and assuring the effectiveness of safety mitigations. It includes systematic policies, procedures, and practices for the management of safety risk. The four principles or pillars of SMS are:

- (1) Safety Management Policy;
- (2) Safety Risk Management;
- (3) Safety Assurance; and
- (4) Safety Promotion.

SMS is a comprehensive, collaborative approach that brings management and labor together to build on the transit industry's existing safety foundation to control risk better, detect and correct safety concerns earlier, share and analyze safety data more effectively, and measure safety performance more efficiently. SBMTD's SMS focuses on applying resources to risk and is based on ensuring that the agency has the organizational infrastructure to support decision-making at all levels regarding the assignment of resources. The SMS processes in the ASP are for SBMTD's directly operated fixed route bus service.

Key components of SBMTD's SMS include:

- Strong executive safety leadership;
- Defined roles and responsibilities;
- Formal safety accountabilities and communications;
- Effective policies and procedures; and
- Active employee involvement

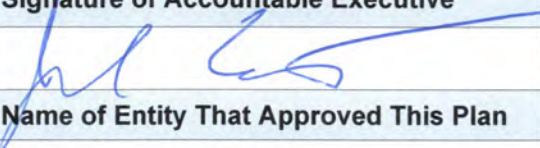
SBMTD monitors the contractor providing its ADA/Paratransit service to ensure they are following their SMS as referenced in Appendix A. Contractor's Agency Safety Plan was developed in coordination with SBMTD and meets all requirements specified in 49 CFR Part 673.

4. Transit Agency Information

Transit Agency Name	Santa Barbara Metropolitan Transit District
Transit Agency Address	550 Olive Street, Santa Barbara, CA 93101
Name and Title of Accountable Executive	Jerry Estrada, General Manager
Name of Chief Safety Officer	Mary Gregg, Chief Operating Officer / Assistant General Manager

Mode(s) of Service Covered by This Plan	Fixed Route Bus	List All FTA Funding Types (e.g., 5307, 5337, 5339)	5307, 5339
Mode(s) of Service Provided by the Transit Agency	Directly Operated Fixed Route Bus; Contracted ADA/Paratransit Service		
Does the agency provide transit services on behalf of another transit agency or entity?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Description of Arrangement(s) N/A
Name and Address of Transit Agency(ies) or Entity(ies) for Which Service Is Provided	N/A		

5. Plan Development, Approval, and Updates

Name of Person Who Drafted This Plan	Mary Gregg, Chief Operating Officer / Assistant General Manager		
Signature by the Accountable Executive	Signature of Accountable Executive	Date of Signature	
		June 8, 2026	
Approval by the Board of Directors or an Equivalent Authority	Name of Entity That Approved This Plan	Date of Approval	
	SBMTD Board of Directors	June 17, 2025	
	Relevant Documentation (Title and Location)		
A copy of SBMTD's Board of Directors Resolution # 2020-05, adopting the Agency Safety Plan, is maintained on file by SBMTD's Chief Safety Officer.			
Certification of Compliance	Name of Entity That Certified This Plan	Date of Certification	
	Santa Barbara Metropolitan Transit District	July 2025	
	Relevant Documentation (Title and Location)		
	Certifications and Assurances, on file at SBMTD's administrative office		
Agency Safety Plan Version Number and Updates			
Version Number	Section/Pages Affected	Reason for Change	Date
1.0	All Pages	New Document	11/03/2020
2.0	Pages 5 & 6	Staff title change, Annual Review timeline	09/07/2021
3.0	Pages 5, 6, 7 & 9	Staff title change, Safety Performance Targets	06/07/2022

4.0	Pages 6, 10, 15 & 18	Updated in cooperation with frontline employees per new requirements of the Bipartisan Infrastructure Law for agencies serving a small Urbanized Area	11/30/2022
5.0	Sections 2, 3, 5, 6 & 11	Annual Review Process / Safety Performance Targets, Acronyms BIL and UZA, Final Rule Timelines for BIL and National Public Transportation Safety Plan, and Supporting Documentation updates.	06/27/2024
6.0	Sections 6 & 11	Annual Review Process / Safety Performance Targets Workplace Violence Prevention Plan added	06/11/2025
7.0	All	Annual Review Process / Safety Performance Targets	06/03/2026

Annual Review and Update of the Agency Safety Plan

This plan has been reviewed and approved by the Joint Labor-Management Safety Committee, and reviewed and updated by the Chief Safety Officer, and will continue to be done so no less than annually by July 20 in perpetuity. All Agency Safety Plan updates shall be signed by the Accountable Executive and approved by SBMTD's Board of Directors.

SBMTD updates this ASP when information, processes or activities change within the agency and/or when Part 673 undergoes significant changes, or annually, whichever comes sooner. Data collected by SBMTD through its Safety Risk Management and Safety Assurance processes is shared with the State Department of Transportation, and the local Metropolitan Planning Organization.

6. Safety Performance Targets

Safety Performance Targets							
<p>Safety Performance Targets (SPTs) are specific numerical targets set by SBMTD based on safety performance measures under the <i>National Public Transportation Safety Plan</i> for: (1) Fatalities, (2) Injuries, (3) Safety Events, and (4) System Reliability (State of Good Repair). Rates for the safety performance targets are calculated by SBMTD per 100,000 vehicle revenue miles (VRM) based on a three-year average from 2021-2023 of SBMTD's reportable data to the National Transit Database (NTD).</p>							
Mode of Transit Service	Fatalities (Total)	Fatalities (Rate)	Injuries (Total)	Injuries (Rate)	Safety Events (Total)	Safety Events (Rate)	System Reliability
Fixed Route Bus	0	0	2.66	0.13	3.66	0.17	9,000
ADA/Paratransit	0	0	5.0	0.20	7.0	0.29	50,000

Safety Performance Target Coordination

SBMTD's Accountable Executive (AE) provides our Agency Safety Plan, including Safety Performance Targets, with the Metropolitan Planning Organization (MPO) in our service area, Santa Barbara County Association of Governments (SBCAG), each year after signature by the AE and its formal approval by MTD's Board of Directors. SBMTD's Chief Safety Officer also provides a copy of our formally approved plan to the State Department of Transportation, Caltrans Region 9. MTD personnel are available to coordinate with both agencies in the selection of each agency's safety performance targets upon request.

Targets Transmitted to the State	State Entity Name	Date Targets Transmitted
		California Department of Transportation, Division of Rail and Mass Transportation (Caltrans)
Targets Transmitted to the Metropolitan Planning Organization(s)	Metropolitan Planning Organization Name	Date Targets Transmitted
		Santa Barbara County Association of Governments (SBCAG)

7. Safety Management Policy

Safety Management Policy

The first component of SBMTD's Safety Management System is Safety Management Policy, which is the foundation the agency's SMS. It states the agency's safety objectives and sets forth the policies, procedures, and organizational structures necessary to accomplish these safety objectives.

Safety Management Policy Statement

Safety is Santa Barbara Metropolitan Transit District's number one priority. We educate, encourage, and endorse a strong culture of safety at every level of the organization. We value the responsibility entrusted in us by the communities that we serve. SBMTD is committed to developing, implementing, maintaining, and constantly improving processes to ensure the safety of our customers, employees, and the public. The agency's overall safety objective is to proactively manage safety hazards and their associated safety risk to achieve the highest level of safety performance, meeting and exceeding established standards for our industry.

All levels of management, employees and contractors are accountable for the delivery of the highest level of safety performance. Our commitment is to:

- **Communicate** the purpose and benefits of the Safety Management System (SMS) to all employees, reaffirming that responsibility for making our operations safer for everyone lies with all employees;
- **Provide** all employees with appropriate safety information and training, to ensure they are competent in safety matters, and assigned only tasks commensurate with their duties and skills;
- **Establish** an effective Employee Safety Reporting Program (ESRP) that will encourage

employees to communicate and report any unsafe work conditions, hazards, or at-risk behavior to the management team;

- **Support** a culture of open reporting of all safety concerns, to ensure that no action will be taken against any employee who discloses a safety concern through the ESRP, unless such disclosure indicates, beyond any reasonable doubt, an illegal act, gross negligence, or a deliberate or willful disregard of regulations or procedures;
- **Identify** hazardous and unsafe work conditions, thoroughly analyzing data from the ESRP, and then developing procedures to mitigate safety risk to an acceptable level;
- **Establish** and measure our safety performance against realistic and data-driven safety performance indicators and safety performance targets.
- **Continually** improve our safety performance through management processes that ensure appropriate safety management action is taken and is effective.

Jerry Estrada

General Manager and Accountable Executive

Safety Management Policy Communication

The Safety Management Policy is communicated throughout the agency, to all employees, managers, and executives, as well as contractors, and to SBMTD's Board of Directors. This is accomplished through various processes, such as:

- New Hire Onboarding – Safety orientation for all new employees regardless of their classifications; training about their roles and responsibilities pertaining to PTASP and the principles of SMS.
- Workshops/training sessions – Conducted for executives, department managers, and supervisors; Verification of Transit Training for bus operators; toolbox safety meetings.
- Safety Communication Board – Newsletters and safety information posted in employee work locations throughout the agency; email blasts to staff, and/or safety committee meetings.

Authorities, Accountabilities, and Responsibilities

Accountable Executive

The General Manager serves as Santa Barbara Metropolitan Transit District's Accountable Executive with the following authorities, accountabilities, and responsibilities under this plan:

- Controls and directs human and capital resources, to support asset management and capital investments needed to develop and maintain SBMTD's Agency Safety Plan and Safety Management System.
- Ensures safety concerns are considered and addressed in the agency's ongoing budget planning process.
- Designates an adequately trained Chief Safety Officer who is a direct report.
- Ensures that the agency's SMS is effectively implemented throughout the organization and safety policy is appropriately communicated throughout the agency.

	<ul style="list-style-type: none"> • Ensures action is taken, as necessary, to address substandard performance in the agency's SMS. • May delegate specific responsibilities, but responsibility for carrying out the ASP and SMS, and ultimate accountability for SBMTD's safety performance, rests with the AE. • Maintains responsibility for carrying out the Transit Asset Management Plan.
<p>Chief Safety Officer or SMS Executive</p>	<p>The Accountable Executive designated the Chief Operating Officer / Assistant General Manager as SBMTD's Chief Safety Officer. The Chief Safety Officer has the following authorities, accountabilities, and responsibilities under this plan:</p> <ul style="list-style-type: none"> • Develops the ASP and SMS policies and procedures. • Authority and responsibility for day-to-day implementation and operation of the agency's SMS. • Manages the Employee Safety Reporting Program. • Chairs the SBMTD Safety Committee and <ul style="list-style-type: none"> ○ Coordinates the activities of the committee; ○ Establishes and maintains the agency's Safety Risk Register and Safety Event Log; and ○ Maintains and distributes minutes of committee meetings. • Briefs the Accountable Executive on SMS progress and status. • Identifies substandard performance in SBMTD's SMS and develops action plans for approval by the AE. • Ensures policies are consistent with the agency's safety objectives. • Provides Safety Risk Management expertise and support for other SBMTD personnel who conduct and oversee Safety Assurance activities.
<p>Agency Leadership and Executive Management</p>	<p>Agency Leadership and Executive Management also have authorities and responsibilities for day-to-day SMS implementation and operation of SBMTD's SMS under this plan. These personnel include the Director of Finance and Administration, Operations Manager, Fleet and Facilities Manager, Planning and Marketing Manager, and Human Resources Manager. They have the following authorities, accountabilities, and responsibilities under this plan:</p> <ul style="list-style-type: none"> • Oversees day-to-day operations of the SMS and communicates safety accountability and responsibility in their departments. • Supports implementation of the SMS throughout the organization. • Ensures employees in their department are following safety rules and regulations in performing their jobs, and their specific roles and responsibilities in the implementation of this Agency Safety Plan and SMS. • Modifies policies in their departments consistent with implementation of the SMS, as necessary. • Completes training on SMS and the ASP elements. • Provides subject matter expertise to support implementation of the SMS as requested by the AE or the CSO, including SRM activities,

	<p>investigation of safety events, development of safety risk mitigations, and monitoring of mitigation effectiveness.</p> <ul style="list-style-type: none"> • Replaces aging facilities, equipment, and infrastructure. • Participates as members of SBMTD's Safety Committee as assigned.
<p>Key Staff</p>	<p>Includes the Safety Committee and may include managers, supervisors, specialists, analysts, database administrators and other key employees who are performing highly technical work and overseeing employees performing critical tasks and providing support in the implementation of the ASP and SMS principles in various departments throughout the agency. These personnel include, but are not limited to, Superintendent of Maintenance, Assistant Superintendent of Maintenance, Fleet Maintenance Supervisor, Superintendent of Operations, Operations Safety and Training Administrator, Risk Administrator. Key Staff responsibilities include:</p> <ul style="list-style-type: none"> • Supports implementation of the SMS throughout the organization. • Promotes safety in employee's respective area of responsibilities and compliance with agency rules and procedures and regulatory requirements. • Ensures employees are complying with the safety reporting program. • Ensures safety of passengers, employees and the public. • Develops and maintains programs to gather pertinent data elements to develop safety performance reports and conduct useful statistical analyses to identify trends and system performance targets. • Establishes clear lines of safety communication and hold accountability for safety performance • Maintains aging facilities, equipment, and infrastructure. • Assists as subject matter experts in safety risk assessment and safety risk mitigation processes.
<p>Employee Safety Reporting Program</p>	
<p>The purpose of an Employee Safety Reporting Program (ESRP) is to establish a system for <u>all employees</u> who identify unsafe conditions or hazards in their day-to-day duties to report them to department and executive management in good faith without fear of reprisal.</p> <p>The ESRP is intended to help the Accountable Executive, Chief Safety Officer, and other executive management get important safety information from across the transit agency.</p> <p>SBMTD has implemented a process that allows and encourages its employees to report safety conditions through verbal reporting to supervisors and management, paper forms such as accident/incident reports, safety meetings and toolbox talks, and local union representation.</p> <p>Some examples of voluntary information typically reported include:</p> <ul style="list-style-type: none"> • Safety concerns in the operating environment; • Policies and procedures that may not be working as intended; • Events that managers might not otherwise know about; and • Information about why a safety event occurred. <p>SBMTD's Chief Safety Officer or designee reviews reported safety conditions and documents safety conditions in the Safety Risk Register.</p>	

The CSO will review and address each employee report, ensuring that hazards and their consequences are appropriately identified and resolved through the agency's Safety Risk Management (SRM) process and that reported deficiencies and non-compliance with rules or procedures are managed through the agency's Safety Assurance process. Findings will be published following mitigation actions, and presented through meetings throughout the year such as those held for Operations Supervisors and VTT for Bus Operators, for example.

Employees may report safety concerns anonymously. If the reporting employee provided his or her name during the reporting process, the CSO or designee follows up directly with the employee when SBMTD determines what action, if necessary, is to be taken and after any mitigations are implemented.

All employees have the obligation to report immediately any unsafe conditions or hazards to their immediate supervisor/department manager and may do so without fear of reprisal. Further, SBMTD encourages participation in the ESRP by protecting employees that report safety conditions in good faith. However, if the report reveals any of the following, SBMTD may take disciplinary action for:

- Willful participation in or conduct of an illegal act;
- Gross negligence, deliberate or willful disregard of regulations or procedures, including reporting to work under the influence of controlled substances;
- Physical assault of a co-worker, passenger, vendor or any member of the public;
- Theft of agency property;
- Unreported safety events, unreported collisions, and unreported passenger injuries or fatalities;
- Or violation of agency Code of Conduct and employment policies.

8. Safety Risk Management

Safety Risk Management Process

The second component of SMS is Safety Risk Management, which includes the following activities: (1) Safety Hazard identification, (2) Safety Risk Assessment, and (3) Safety Risk Mitigation. SRM is the primary method to ensure the safety of our operations, passengers, employees, vehicles, and facilities. It is a process whereby hazards and their consequences are identified, assessed for potential safety risk, and resolved in a manner acceptable to SBMTD's leadership. SBMTD's SRM process allows us to carefully examine what could cause harm and determine whether we have taken sufficient precautions to minimize the harm, or if further mitigations are necessary. SBMTD's SRM process applies to all elements of our system including our operations and maintenance; facilities and vehicles; and personnel recruitment, training, and supervision. In carrying out the SRM process, SBMTD uses the following terms:

- **Event** – Any accident, incident, or occurrence.
- **Hazard** – Any real or potential condition that can cause injury, illness, or death; damage to or loss of the facilities, equipment, rolling stock, or infrastructure belonging to SBMTD; or damage to the environment.
- **Risk** – Composite of predicted severity and likelihood of the potential effect of a hazard.
- **Risk Mitigation** – Method(s) to eliminate or reduce the effects of hazards.
- **Consequence** – An effect of a hazard involving injury, illness, death, or damage to SBMTD property or the environment.

(1) Safety Hazard Identification

The safety hazard identification process offers SBMTD the ability to identify hazards and potential consequences in the operation and maintenance of our system. Hazards can be identified through a variety of sources, including but not limited to:

- Employee Safety Reporting Program (ESRP);
- Review of vehicle camera footage and/or property footage;
- Review of monthly performance data and safety performance targets;
- Observations from supervisors;
- Maintenance reports;
- Comments from customers, passengers, vendors, and third parties;
- Safety Committee, Drivers, Maintenance, and Staff Meetings;
- Results of audits and inspections of vehicles and facilities;
- Results of training assessments;
- Investigations into safety events, incidents, and occurrences; and
- Federal Transit Administration (FTA) and other oversight authorities.

When a safety hazard has been identified, whatever the source, it is reported to the Chief Safety Officer through the procedures established and identified throughout this Agency Safety Plan. The CSO enters the information into the Safety Event Log. The CSO will conduct further analyses of hazards to collect information and identify additional consequences, to inform which hazards should be prioritized for safety risk assessment. In following up on identified hazards, the Chief Safety Officer may:

- Reach out to the reporting party, if available, to gather all known information about the reported hazard;
- Conduct a walkthrough of the affected area, assessing the possible hazardous condition, generating visual documentation, and taking any measurements deemed necessary;
- Conduct interviews with employees in the area to gather potentially relevant information on the reported hazard;
- Review any documentation associated with the hazard (records, reports, procedures, inspections, technical documents, etc.);
- Contact other departments that may have association with or technical knowledge relevant to the reported hazard;
- Review any past reported hazards of a similar nature; and
- Evaluate tasks and/or processes associated with the reported hazard.

Any identified hazard that poses a real and immediate threat to life, property, or the environment must immediately be brought to the attention of the Accountable Executive and addressed through the Safety Risk Management process (with or without the full Safety Committee) for safety risk assessment and mitigation. This means that the Chief Safety Officer believes immediate intervention is necessary to preserve life, prevent major property destruction, or avoid harm to the environment that would constitute a violation of Environmental Protection Agency or California State environmental protection standards. Otherwise, the Safety Committee will prioritize hazards for further SRM activity.

(2) Safety Risk Assessment

SBMTD assesses safety risk associated with identified safety hazards using its safety risk assessment process. Safety risk assessment defines the level or degree of the safety risk by assessing the likelihood and severity of the consequences of hazards, including existing mitigations, and prioritizing hazards based on safety risk.

The following matrix, adopted from the TSI Participation Guide – SMS Principles for Transit,

facilitates the ranking of hazards based on their probability of occurrence and severity of their outcome. The measuring goes from A to F with A being frequent or likely to occur frequently, E being improbable and F being used when potential hazards are identified and later eliminated.

Safety Risk Probability Levels Table			
Level	Description	Specific Individual Item	Fleet Inventory
A	Frequent	Likely to occur often in the life of an item.	Continuously experienced.
B	Probable	Will occur several times in the life of an item.	Will occur frequently.
C	Occasional	Likely to occur sometime in the life of an item.	Will occur infrequently.
D	Remote	Unlikely, but possible to occur in the life of an item.	Unlikely, but can reasonably be expected to occur.
E	Improbable	So unlikely, it can be assumed occurrence may not be experienced in the life of an item.	Unlikely to occur, but possible.
F	Eliminated	Incapable of occurrence. This level is used when potential hazards are identified and later eliminated.	Incapable of occurrence. This level is used when potential hazards are identified and later eliminated.

The Safety Risk Severity presents a typical safety risk denoting the level of severity of the occurrence of a consequence. Hazard severity is a subjective measure of the worst credible mishap resulting from personnel error, environmental conditions, design inadequacies and/or procedural efficiencies for system, subsystem or component failure or malfunction. Severity is ranked as shown below:

Safety Risk Severity Levels Table		
Level	Description	Mishap Result Criteria
1	Catastrophic	Could result in one or more of the following: death, permanent total disability, irreversible significant environmental impact, or monetary loss equal to or exceeding \$10M
2	Critical	Could result in one or more of the following: permanent partial disability, injuries or occupational illness that may result in hospitalization of at least three personnel, reversible significant environmental impact, or monetary loss equal to or exceeding \$1M but less than \$10M
3	Marginal	Could result in one or more of the following: injuries or occupational illness resulting in one or more lost work day(s), reversible moderate environmental impact, or monetary loss equal to or exceeding \$100k but less than \$1M
4	Negligible	Could result in one or more of the following: injuries or occupational illness not resulting in lost work day, minimum environmental impact, or monetary loss less than \$100k.

Safety Risk Probability and Safety Risk Severity are combined into the Safety Risk Index Ranking to help prioritize safety risks according to the table below.

Safety Risk Index Ranking					
1A, 1B, 1C, 2A, 2B	High	Unacceptable			
1D, 2C, 3A, 3B	Serious	Undesirable - with management decision required			
1E, 2D, 2E, 3C, 3D, 3E, 4A, 4B,	Medium	Acceptable - with review by management			
4C, 4D, 4E	Low	Acceptable - without review			
Safety Risk Assessment Matrix					
	Severity →	Catastrophic	Critical	Marginal	Negligible
Probability ↓		1	2	3	4
A-Frequent		1A	2A	3A	4A
B- Probable		1B	2B	3B	4B
C-Occasional		1C	2C	3C	4C
D- Remote		1D	2D	3D	4D
E- Improbable		1E	2E	3E	4E
F- Eliminated					

The Chief Safety Officer documents recommendations regarding hazard rating and mitigation options and reports this information to the Accountable Executive, including assessment activities outcomes documented from Safety Committee meetings. During Safety Committee meetings, the CSO reviews the hazard and its consequence(s) and reviews available information distributed to the committee on severity and likelihood. The CSO may request support from members of the Safety Committee in obtaining additional information to support the safety risk assessment. All Safety Committee risk assessment outcomes will be documented and maintained by the CSO for a period of three years from the date of generation.

(3) Safety Risk Mitigation

The Chief Safety Officer, assisted by the Safety Committee and Key Staff subject matter experts, reviews current safety risk mitigations and establishes procedures to 1) eliminate; 2) mitigate; 3) accept specific risks. Prioritization of safety remediation measures is based on risk analysis and a course of action acceptable to SBMTD management. The safety risk must be mitigated if ranked as Unacceptable (High-Red). Those safety risks that have been mitigated, even those mitigated risks shown as Acceptable status (Low-Green), undergo regular and consistent monitoring to ensure the mitigation strategy is effective.

Key strategies to minimize the types of risks that potentially exist include:

- Development and deployment of policies and procedures that address known hazards and risks,
- Discussion of other actions, strategies and procedures that might help safeguard against unknown/unforeseen risks,
- Training of drivers and other agency staff on all safety policies and procedures,
- Training of drivers and other agency staff on methodologies for handling emergencies, and
- Training of drivers and staff on proper and effective use of emergency equipment and communication technologies and protocol.

Safety risk mitigations are tracked and updated in the Safety Event Log by the Chief Safety Officer.

Safety risk mitigations and strategies are also in place to address infectious diseases. SBMTD identifies exposures and responds with measures that are consistent with the Division of Occupational Safety and Health, known as Cal/OSHA, and the California Department of Public Health.

9. Safety Assurance

Safety Assurance

The third component of SBMTD's SMS is Safety Assurance, which ensures the performance and effectiveness of safety risk controls established under safety risk management. Through our Safety Assurance process, SBMTD:

- Evaluates our compliance with operations and maintenance procedures to determine whether our existing rules and procedures are sufficient to control our safety risk;
- Assesses the effectiveness of safety risk mitigations to make sure the mitigations are appropriate and are implemented as intended;
- Investigates safety events to identify causal factors; and
- Analyzes information from safety reporting, including data about safety failures, defects, or conditions.

Safety Performance Monitoring and Measurement

SBMTD has many processes in place to monitor its entire transit system for compliance with operations and maintenance procedures, including:

- Safety audits,
- Informal inspections,
- Regular review of onboard camera footage to assess drivers and specific incidents,
- Safety surveys,
- ESRP,
- Investigation of safety occurrences,
- Safety review prior to the launch or modification of any facet of service,
- Daily data gathering and monitoring of data related to the delivery of service, and
- Regular vehicle inspections and preventative maintenance.

Results from the above processes are compared against recent performance trends quarterly and annually by the Chief Safety Officer to determine where action needs to be taken. The CSO enters any identified non-compliant or ineffective activities, including mitigations, back into the SRM process for reevaluation by the Safety Committee.

SBMTD monitors the agency's operations identifying safety risk mitigations to determine if they have been implemented and are effective, appropriate, and working as intended through:

- Reviewing results from accident, incident, and occurrence investigations;
- Monitoring employee safety reporting;
- Reviewing results of internal safety audits and inspections; and
- Analyzing operational and safety data to identify emerging safety concerns.

These monitoring mechanisms may include tracking a specific metric on daily, weekly, or monthly logs or reports; conducting job performance observations; or other activities. The Chief Safety Officer will endeavor to make use of existing SBMTD processes and activities before assigning new information

collection activities.

SBMTD's CSO reviews the performance of individual safety risk mitigations, based on the reporting schedule determined for each mitigation, and determines if a specific safety risk mitigation is not implemented or performing as intended. Such reviews may be included as a function of the Safety Committee. If the mitigation is not implemented or performing as intended, a proposed course of action to modify the mitigation or take other action to manage the safety risk is determined by the Safety Committee, and/or Key Staff subject matter experts, and the CSO will approve or modify this proposed course of action and oversee its execution.

SBMTD also conducts investigations of safety events, to find causal and contributing factors and review the existing mitigations in place at the time of the event. These procedures also reflect all traffic safety reporting and investigation requirements established by California Department of Motor Vehicles, including accident reporting requirements under California Vehicle Code §16002 subdivision (a) and subdivision (b).

The Chief Safety Officer maintains all documentation of SBMTD's investigation policies, processes, forms, checklists, activities, and results, and records of any report filed with FTA and/or DMV.

In the event that an incident and/or accident has been determined by the CSO to be preventable, SBMTD will include processes outlined in a Collective Bargaining Agreement for employees represented by a union, in so much as language in the CBA does not conflict with FTA legal requirements under PTASP and as so indicated in this Agency Safety Plan.

The Chief Safety Officer routinely reviews information reported through all internal safety reporting programs (e.g., safety data captured in employee incident/accident reports, safety meeting minutes, customer complaints, and other safety communication channels). When necessary, the CSO ensures that the issues and concerns are investigated or analyzed through the SRM process.

The Chief Safety Officer also analyzes internal and external reviews, including audits and assessments, with findings affecting the agency's safety performance, compliance with operations and maintenance procedures, or the effectiveness of safety risk mitigations. The CSO discusses relevant safety issues and concerns with the Accountable Executive and executive management and documents the results of these reviews in the Safety Event Log.

10. Safety Promotion

Safety Promotion

The fourth component of SBMTD's SMS is Safety Promotion, which includes a combination of training and communication of safety information to employees to enhance the agency's safety performance. There are two parts to Safety Promotion: Competencies and Training; and Safety Communication. Together, these set the tone for the SMS and helps to establish and maintain a robust safety culture.

Competencies and Training

SBMTD's comprehensive safety training program applies to all SBMTD employees directly responsible for safety and the agency dedicates resources to conduct safety training, as well as training on SMS roles and responsibilities

All Employees, understanding of:

- Safety Performance Targets
- Fundamental principles of SMS
- Employee Safety Reporting Program
- Their individual roles and responsibilities under SMS

Managers and Supervisors, understanding of:

- Safety Risk Management
- Safety Assurance
- Safety Promotion
- Their individual roles and responsibilities for SMS

Executive Management, understanding of:

- Management commitment to and support of all SMS activities.

All employees are required to acquire the competencies and knowledge for consistent application of their skills as they relate to safety performance objectives. SBMTD dedicates resources to conduct effective safety-related skill training, the scope of which, including annual refresher training, is appropriate to each employee's individual safety-related job responsibilities and their role in the SMS.

Operations safety-related skill training includes the following:

- New-hire bus operator classroom, behind the wheel, and in-service skill training,
- Bus operator refresher training, and annual ride-check/in-service evaluation,
- Bus operator new bus type familiarization training,
- Bus operator retraining (recertification or return to work),
- Classroom and on-the-job training for operations supervisors and managers
- Accident investigation training for operations supervisors and managers.

Vehicle maintenance safety-related skill training includes the following:

- New-hire Commercial Drivers' License classroom and behind the wheel skill training,
- Ongoing mechanic skill training and mechanic supervisor training,
- Ongoing training for all maintenance personnel, to include Heat Illness Training, Hazard Communications, PPE, High Voltage Safety and Fall Protection,
- Ongoing hazardous material training for vehicle maintenance technicians and supervisors, and
- Training provided by vendors.

SBMTD's Accountable Executive and Agency Leadership and Executive Management team must complete FTA's SMS Awareness online training, and Transportation Safety Institute training as assigned by the Chief Safety Officer.

Safety Communication

SBMTD's Chief Safety Officer and the Human Resources and Risk Department coordinate safety communication activities for the SMS. SBMTD's activities focus on the three categories of communication activity established in 49 CFR Part 673 (Part 673):

- i. Communicating safety and safety performance information throughout the agency
- ii. Communicating information on hazards and safety risks relevant to employees' roles and responsibilities throughout the agency
- iii. Informing employees of safety actions taken in response to reports submitted through the ESRP

Ongoing safety communication is critical and SBMTD ensures communication occurs up, down, and across all levels of the organization. Any lessons learned are communicated to all concerned. Management commitment to address safety concerns and hazards is communicated on a regular basis.

Management encourages and motivates employees to communicate openly, authentically, and without concern for reprisal; ensures employees are aware of SMS principles and understand their safety-related roles and responsibilities; conveys safety critical information such as accident data, injuries, and reported safety concerns and hazards and their resolutions to employees. SBMTD's tools to support safety communication include:

- Safety bulletins and notices
- Posters
- Web based safety training
- Employee Newsletters
- Briefings or Toolbox talks
- Seminars and workshops
- New-hire onboarding and training
- Refresher and Return to Work training
- Safety Committee Meetings

11. Additional Information

Supporting Documentation

SBMTD maintains documentation related to the implementation of its SMS; the programs, policies, and procedures used to carry out this ASP; and the results from its SMS processes and activities for three years after creation. They will be available to the FTA or other Federal or state oversight entity upon request. They include:

- Injury and Illness Prevention Program (IIPP)
- COVID-19 Prevention Program (CPP)
- Emergency Response Plan (ERP)
- Workplace Violence Prevention Plan (WVPP)
- Driver Training Manual 2024
- SBMTD Training Manuals: Gillig, Articulated, Nova, BYD, New Flyer, Transit Buses
- Employee Handbook – Staff
- Employee Manual - Represented
- Operators Manual
- Maintenance Manual
- Code of Conduct Policies
- SBMTD Drug & Alcohol Testing Policy
- Drug Free Workplace Policy
- Policy Against Sexual Harassment
- Bus Maintenance Plan (BMP)
- Facilities & Equipment Maintenance Plan
- Transit Asset Management (TAM) Plan
- Easy Lift Agency Safety Plan



QUARTERLY REPORT

Fiscal Year 2025-26

For the Nine Month Period Ending
March 31, 2026



FY 2025-26 THIRD QUARTER PERFORMANCE REPORTS

Table of Contents

Planning

Ridership Summary	1-5
System Ridership Report	6-13

Community Relations

Customer Service Statistics	14-17
-----------------------------	-------

Transit Operations & Maintenance

Fleet Maintenance Report	18
Road Calls Report	19

Management and Administration

Liability and Workers' Compensation Claims Reports	20
Transit Finance Compliance Report	21
Management Organizational Chart	22



FY 2025-26 THIRD QUARTER PERFORMANCE REPORT

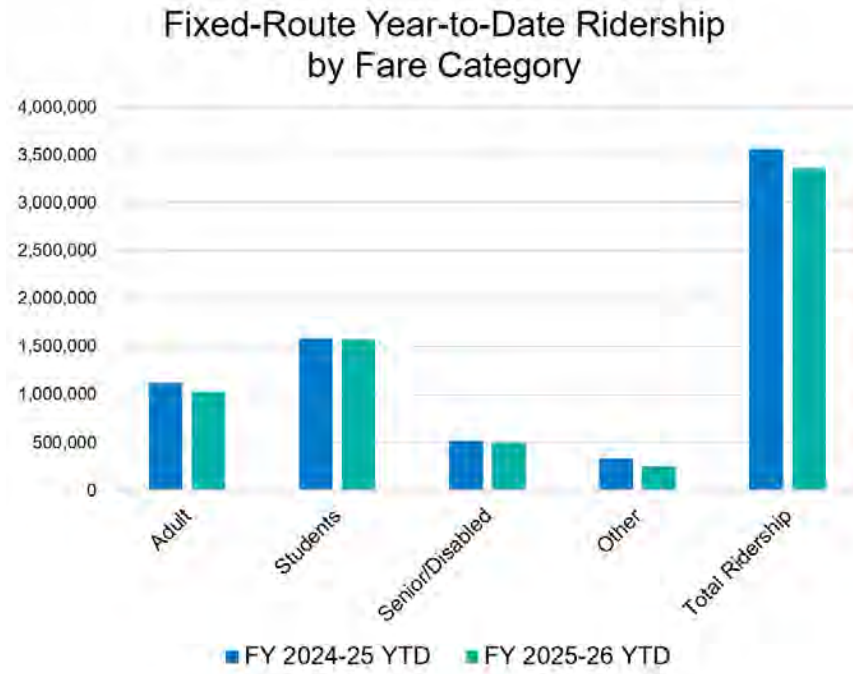
Ridership Summary

For the Nine-Month Period Ending on March 31st, 2026

Ridership Performance Indicators

Systemwide ridership year-to-date (July through March) for FY 2025-26 totaled 3,355,431, representing a 5.8% decrease of approximately 208,068 riders from the same period last year. Systemwide ridership now encompasses fixed-route ridership along with ridership from MTD’s microtransit service, *The Wave*. Ridership declines were most distinct among Lines 1, 2, 20, and 25. For the third quarter, ridership was down by 3.8% from the same quarter last year. Various factors such as MTD’s recent fare increase, fewer weekdays, fewer school days, and other factors, all may have contributed to these ridership declines.

The graph below illustrates third quarter fixed-route ridership, grouped into broad fare categories. The “Adult” and “Other” categories saw the largest ridership decline. “Adult” is composed of full-fare cash, tokens, and prepaid passes, while “Other” contains transfers, free rides (primarily small children), and shuttle ridership. Student ridership remained relatively stable, in part due to consistent demand from UC Santa Barbara (UCSB) and Santa Barbara City College (SBCC).



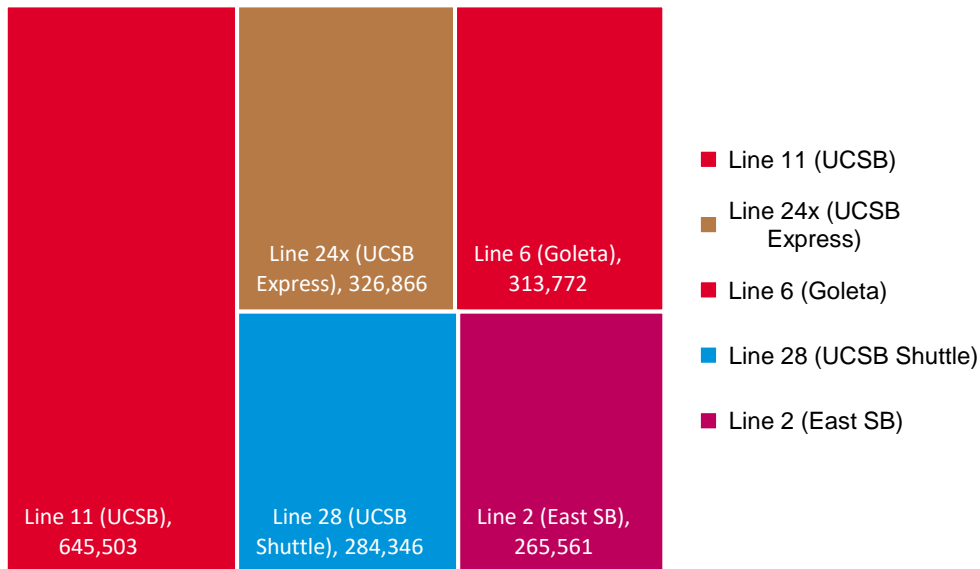
FY 2025-26 THIRD QUARTER PERFORMANCE REPORT

In the third quarter of FY26, fixed-route revenue hours remained consistent while revenue miles increased compared to third quarter data from FY25. Decreases in other metrics such as passengers per revenue hour and passengers per mile can be attributed to the previously mentioned decline in overall ridership. The table below presents various fixed-route metrics for the quarter.

Service Metrics (Fixed-Route)	Quarter			Fiscal Year to Date		
	FY 25-26 Q3	FY 24-25 Q3	%Change	FY 25-26 YTD	FY 24-25 YTD	%Change
Total Passengers	1,201,392	1,250,077	-3.9%	3,352,670	3,561,499	-5.9%
Revenue Hours	43,223	43,119	0.2%	129,937	129,945	0.0%
Revenue Miles	528,428	525,896	0.5%	1,589,067	1,586,022	0.2%
Passengers per Revenue Hour	27.8	29.0	-4.1%	25.8	27.4	-5.9%
Passengers per Mile	2.3	2.4	-4.4%	2.1	2.2	-6.0%

The chart below shows the top 5 lines by ridership, year-to-date. The top lines ordered by ridership were Lines 11, 24x, 6, 28, and 2. Though Line 2 was a higher ridership line, it still sustained a significant decline in ridership YTD when compared with FY25. There were also marked declines in ridership on Lines 1, 19x, 20, and 25. Though Line 19x saw increases in ridership in January and March, a February decline brought the overall quarter ridership down. Overall, consistent turnout from students in addition to growing ridership on *The Wave* has helped soften losses to systemwide ridership. SBCC ridership increased with a 3.5% total increase YTD over FY25, hopefully reversing a many year trend of SBCC student ridership decline.

Top 5 Lines by Ridership, Year-to-Date

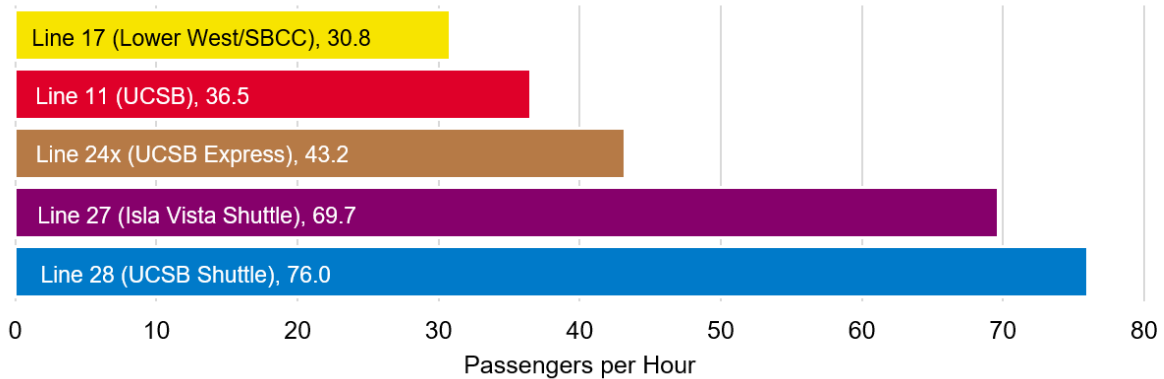


The chart below shows the top 5 lines by passengers per hour in the third quarter, with Line 28 (UCSB Shuttle) ranking first with 76.0 passengers per hour, followed by Line 27 (69.7), Line 24x (43.2), Line 11 (36.5), and Line 17 (30.8). The systemwide average of passengers per revenue hour for the quarter was 27.8, as compared to 29.0 passengers

FY 2025-26 THIRD QUARTER PERFORMANCE REPORT

per revenue hour for the same period in FY25, representing a ~4.2% decrease. Only Lines 5, 27, and 28 saw an increase in passengers per revenue hour during the third quarter.

Top 5 Lines by Passengers per Hour, 3rd Quarter



The Fiscal Year Numbers At-A-Glance below compare certain data from the third quarter YTD of FY 2025-26 to the same period in FY 2024-25. Third quarter year-to-date standing “At Capacity” loads have increased 48% from FY25, while “Too Full to Board” loads have increased by 13.6% in the same period, while wheelchair and bicycle boardings have both decreased.

Fiscal Year Numbers At-A-Glance

Total
Ridership
-5.8%

At-Capacity
Loads
+48.0%

Too Full to
Board
Loads
+13.6%



5,897
wheelchairs
boarded
-31.0%



49,268
bicycles
carried
-8.5%

Service Days and Student Ridership

As shown in the table below, the total number of service days in the third quarter of FY26 was identical to the third quarter of FY25. Comparing FY26 to FY25 data year-to-date, there were two fewer weekdays, two additional Saturdays, four additional SBCC school days, one additional UCSB school day, and two additional secondary school days. Fewer weekdays may account for the reductions in ridership, revenue hours, and revenue miles evidenced in the third quarter year-to-date, when compared to the same period last year. Weekdays have greater ridership and more service, thus more revenue hours as well.

FY 2025-26 THIRD QUARTER PERFORMANCE REPORT

Additional college and K-12 school days occurred in the third quarter due to a change in timing of Spring Break at SBUSD and SBCC, both of which pushed their breaks a week later than the previous year, from March 30-April 3, 2026. Year-to-date, UCSB ridership has decreased by 0.1%, while SBCC ridership increased by 3.5%, which is attributable to the four additional SBCC school days when compared to FY25. The impact of these additional school days is more apparent when looking at quarter-over-quarter performance – SBCC ridership increased by 7.4% in Q3 compared to the same period last year.

While third quarter Youth pass prepaid ridership declined by 6.9% year to date, quite a few students are utilizing Tap2Ride, with booster services receiving 2617 contactless payments in Q3, and 6055 year-to-date.

MTD SERVICE CALENDAR DAYS

<u>SERVICE DAYS</u>	<u>FY 2026</u>		<u>FY 2025</u>		<u>Year to Date</u>
	<u>Q3</u>	<u>YTD</u>	<u>Q3</u>	<u>YTD</u>	<u>Variance</u>
Weekdays	61	185	61	187	(2)
Saturdays	15	43	15	41	2
Sundays	14	44	14	44	0
Total	90	272	90	272	0

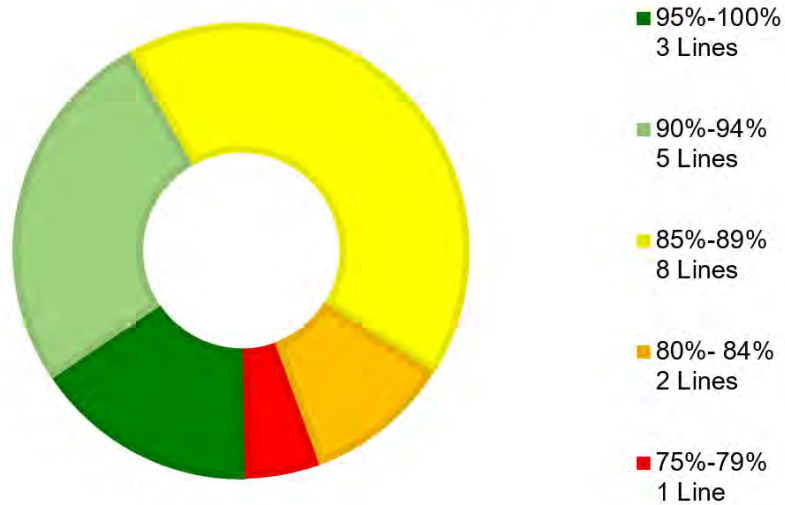
<u>SCHOOL DAYS</u>	<u>FY 2026</u>		<u>FY 2025</u>		<u>Year to Date</u>
	<u>Q3</u>	<u>YTD</u>	<u>Q3</u>	<u>YTD</u>	<u>Variance</u>
SBCC	43	119	39	115	4
UCSB	55	112	54	111	1
Secondary	54	136	52	134	2

On-Time Performance Indicators

Since the acquisition and installation of the Clever Devices AVL system, Planning staff have refined the tools used to measure on-time performance. MTD’s standard is to aim for better than 80% on-time performance (OTP). “On-time” is defined as no more than 5 minutes late and no more than 1 minute early. Timeliness is tracked at scheduled timepoints on each line. The lines included in the chart below represent all of MTD’s fixed-route lines (not counting booster services) in operation during the third quarter of FY26.

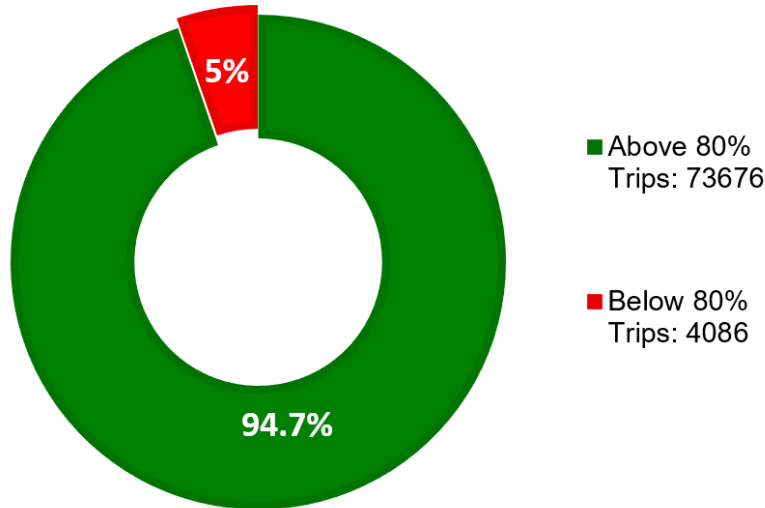
In the third quarter, one line fell below the 80% OTP threshold – Line 20. Construction, heavy passenger loads, congestion, and detour routings are common variables that can negatively impact a line’s on-time performance. Often, these variables and their impact on service varies with time of day. As construction work on Highway 101 continues in Montecito and Summerland, fluctuating traffic patterns have induced significant delays on Line 20.

FY 25-26 3RD QUARTER ON-TIME PERFORMANCE



When assessing the amount of service on a particular line, we can measure the number of trips that a given line takes in a quarter. The graphic below displays the amount of service provided by the lines meeting MTD's goal of 80% or higher for on-time service in the third quarter of FY 25-26.

SYSTEMWIDE TRIP ON-TIME PERFORMANCE BY AMOUNT OF SERVICE ON LINES





FY 2026 System Ridership Report for the 3rd Quarter and for the Nine-Month Period Ending March 31st, 2026

Ridership by Fare Category (January 2026 – March 2026)

Fare Categories	Quarter			YTD		
	Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change
Fixed-Route						
General Fare ⁽²⁾	172,281	174,146	-1.1%	549,421	585,495	-6.2%
Transfers ⁽²⁾	64,917	66,836	-2.9%	197,325	223,336	-11.6%
Full Fare Prepaid ⁽¹⁾	142,022	168,999	-16.0%	465,215	568,649	-18.2%
Santa Barbara City College	71,582	66,631	7.4%	203,972	197,113	3.5%
Senior & Disabled Prepaid ⁽¹⁾	131,337	140,247	-6.4%	413,990	429,061	-3.5%
Shuttle	-	-	0.0%	6,840	5,695	20.1%
UC Santa Barbara	467,539	473,468	-1.3%	1,075,865	1,076,556	-0.1%
Youth Prepaid ⁽¹⁾	101,347	108,193	-6.3%	288,645	309,947	-6.9%
Free	16,357	14,957	9.4%	43,551	50,010	-12.9%
Special Pass Programs	592	2,106	-71.9%	4,665	6,507	-28.3%
Senior Cash	26,200	25,919	1.1%	79,829	82,410	-3.1%
People with Disabilities Cash	2,717	2,775	-2.1%	7,706	9,449	-18.4%
Tokens	4,199	5,800	-27.6%	15,144	17,262	-12.3%
Senior Tap2Ride	157	-	0.0%	257	3	8466.7%
People with Disabilities Tap2Ride	145	-	0.0%	245	6	3983.3%
Total (Fixed-Route)	1,201,392	1,250,077	-3.9%	3,352,670	3,561,499	-5.9%
Demand Response						
The Wave Microtransit ⁽³⁾	1,192	-	100.0%	2,761	-	100.0%
Total (Demand Response)	1,192	-	100.0%	2,761	-	100.0%
Total (All MTD Services)	1,202,584	1,250,077	-3.8%	3,355,431	3,561,499	-5.8%

¹ Includes 10-ride and unlimited 30-day Pass usage from the same category.

² Includes Tap2Ride from the same fare product.

³ For the third quarter, all rides on The Wave were complimentary.

Revenue Hours and Revenue Miles (January 2026 – March 2026)

Metrics	Quarter			YTD		
	Jan 26 - Mar 26	Jan 25 - Mar 25	%Change	FY 2025 - 2026	FY 2024 - 2025	% Change
Fixed-Route						
Passengers	1,201,392	1,250,077	-3.9%	3,352,670	3,561,499	-5.9%
Revenue Hours	43,223	43,119	0.2%	129,937	129,945	0.0%
Passengers per Revenue Hour	27.8	29.0	-4.1%	25.8	27.4	-5.9%
Miles	528,428	525,896	0.5%	1,589,067	1,586,022	0.2%
Passengers per Mile	2.3	2.4	-4.4%	2.1	2.2	-6.0%
Demand Response						
Revenue Hours	481	-	100.0%	1,333	-	100.0%
Revenue Miles	5,162	-	100.0%	12,455	-	100.0%

Source: MTD Passdat Program, MTD Transit Development Department, Planning Section

MTD System Ridership (January 2026 – March 2026)

LINE		Quarter			YTD		
		Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change
1	West Santa Barbara	54,657	62,549	-12.6%	168,468	200,437	-15.9%
2	East Santa Barbara	86,658	100,200	-13.5%	265,561	318,046	-16.5%
3	Oak Park	33,248	34,422	-3.4%	102,243	109,678	-6.8%
4	Mesa / SBCC	21,756	21,625	0.6%	63,986	66,325	-3.5%
5	Mesa / La Cumbre	19,028	18,027	5.6%	57,981	57,312	1.2%
6	Goleta	103,106	106,485	-3.2%	313,772	337,072	-6.9%
7	County Health / Fairview	53,996	55,478	-2.7%	164,828	174,271	-5.4%
10	Cathedral Oaks	-	-	0.0%	-	-	0.0%
11	UCSB	232,892	239,207	-2.6%	645,503	676,400	-4.6%
12x	Goleta Express	32,276	33,585	-3.9%	95,744	103,595	-7.6%
14	Montecito	14,326	14,824	-3.4%	43,947	48,735	-9.8%
15x	SBCC / UCSB Express	28,778	26,864	7.1%	78,934	75,342	4.8%
16	City College Shuttle	-	-	0.0%	-	-	0.0%
17	Lower West / SBCC	25,523	24,312	5.0%	74,626	76,668	-2.7%
19x	SBCC / East SB Express	1,462	1,250	17.0%	4,386	4,936	-11.1%
20	Carpinteria	57,698	65,639	-12.1%	183,435	210,530	-12.9%
23	Winchester Canyon	14,113	13,063	8.0%	36,993	38,058	-2.8%
24x	UCSB Express	119,379	115,256	3.6%	326,866	322,388	1.4%
25	Ellwood	12,088	14,900	-18.9%	36,674	43,606	-15.9%
27	Isla Vista Shuttle	117,694	123,023	-4.3%	265,142	266,703	-0.6%
28	UCSB Shuttle	120,790	127,570	-5.3%	284,346	292,150	-2.7%
36	Seaside Shuttle	-	-	0.0%	-	-	0.0%
37	Crosstown Shuttle	-	-	0.0%	-	-	0.0%
90	West Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
91	East Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
92	Santa Barbara Amtrak Shuttle	-	-	0.0%	-	-	0.0%
	Booster Services	51,924	51,798	0.2%	132,395	133,552	-0.9%
System Subtotal		1,201,392	1,250,077	-3.9%	3,345,830	3,555,804	-5.9%
<i>Downtown Waterfront Shuttles</i>							
33	Downtown Waterfront Shuttle	-	-	0.0%	6,840	5,695	20.1%
		-	-	0.0%	-	-	0.0%
<i>Unknown</i>							
		-	-	0.0%	-	-	0.0%
<i>Demand-Response</i>							
	The Wave Microtransit	1,192	-	100.0%	2,761	-	100.0%
Demand-Response Sub Total		1,192	-	100.0%	2,761	-	100.0%
System Total (Fixed-Route Only)		1,201,392	1,250,077	-3.9%	3,352,670	3,561,499	-5.9%
<i>Related Routes</i>							
11, 24x, 27, 28 UCSB Lines		590,755	605,056	-2.4%	1,521,857	1,557,641	-2.3%
1, 2 East/West		141,315	162,749	-13.2%	434,029	518,483	-16.3%
4, 5, 15x, 16, 17, 19x Mesa Lines		96,547	92,078	4.9%	279,913	280,583	-0.2%
6, 11 State/Hollister		335,998	345,692	-2.8%	959,275	1,013,472	-5.3%

Source: MTD Passdat Program, MTD Transit Development Department, Planning Section

MTD Passengers per Revenue Hour (January 2026 – March 2026)

LINE	Quarter			YTD			
	Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change	
1	West Santa Barbara	21.9	24.9	-12.4%	22.2	26.4	-15.8%
2	East Santa Barbara	22.1	25.5	-13.2%	22.4	26.7	-16.3%
3	Oak Park	14.2	14.7	-3.3%	14.4	15.5	-6.7%
4	Mesa / SBCC	19.6	19.5	0.4%	19.0	19.8	-3.7%
5	Mesa / La Cumbre	12.4	11.7	5.7%	12.5	12.3	1.2%
6	Goleta	24.3	25.1	-3.2%	24.5	26.3	-6.8%
7	County Health / Fairview	14.5	14.9	-2.7%	14.6	15.4	-5.3%
10	Cathedral Oaks	-	-	0.0%	-	-	0.0%
11	UCSB	36.5	37.5	-2.6%	33.5	35.0	-4.4%
12x	Goleta Express	19.6	20.4	-3.8%	19.3	20.8	-7.5%
14	Montecito	11.6	12.0	-3.4%	11.8	13.1	-9.8%
15x	SBCC / UCSB Express	26.8	27.7	-3.1%	25.4	25.8	-1.4%
16	City College Shuttle	-	-	0.0%	-	-	0.0%
17	Low er West / SBCC	30.8	29.3	4.9%	29.7	30.6	-2.8%
19x	SBCC / East SB Express	7.9	7.8	1.7%	6.7	7.8	-13.8%
20	Carpinteria	14.7	16.6	-11.5%	15.4	17.6	-12.6%
23	Winchester Canyon	13.4	12.4	8.1%	11.6	12.0	-2.6%
24x	UCSB Express	43.2	42.4	2.0%	39.3	39.2	0.3%
25	Elwood	17.5	21.5	-18.8%	17.5	20.8	-15.7%
27	Isla Vista Shuttle	69.7	73.1	-4.6%	59.8	59.6	0.4%
28	UCSB Shuttle	76.0	79.9	-4.9%	63.7	63.9	-0.3%
36	Seaside Shuttle	-	-	0.0%	-	-	0.0%
37	Crosstown Shuttle	-	-	0.0%	-	-	0.0%
90	West Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
91	East Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
92	Santa Barbara Amtrak Shuttle	-	-	0.0%	-	-	0.0%
	Booster Services	65.3	66.2	-1.3%	66.9	69.0	-3.1%
	System Subtotal	27.8	29.0	-4.2%	25.9	27.5	-5.9%
<i>Downtown Waterfront Shuttles</i>							
33	Downtown Waterfront Shuttle	-	-	0.0%	10.0	8.2	23.2%
		-	-	0.0%	-	-	0.0%
<i>Unknown</i>							
		-	-	0.0%	-	-	0.0%
	System Total	27.8	29.0	-4.2%	25.8	27.4	-5.9%
<i>Related Routes</i>							
	11, 24x, 27, 28 UCSB Lines	47.6	48.8	-2.6%	41.7	42.6	-2.0%
	1, 2, 37 East/West	22.0	25.3	-12.9%	22.3	26.6	-16.1%
	4, 5, 15x, 16, 17, 19x Mesa Lines	20.4	20.0	2.0%	19.6	19.9	-1.7%
	6, 11 State/Hollister	31.6	32.5	-2.8%	29.9	31.5	-5.2%

Source: MTD Passdat Program, MTD Transit Development Department, Planning Section

MTD “At Capacity” Loads (January 2026 – March 2026)

LINE	Quarter			YTD			
	Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change	
1	West Santa Barbara	3	9	-66.7%	15	44	-65.9%
2	East Santa Barbara	4	13	-69.2%	26	33	-21.2%
3	Oak Park	3	4	-25.0%	9	8	12.5%
4	Mesa / SBCC	-	-	0.0%	-	1	-100.0%
5	Mesa / La Cumbre	-	3	-100.0%	1	7	-85.7%
6	Goleta	10	12	-16.7%	30	43	-30.2%
7	County Health / Fairview	2	-	100.0%	8	-	100.0%
10	Cathedral Oaks	-	-	0.0%	-	-	0.0%
11	UCSB	72	226	-68.1%	271	401	-32.4%
12x	Goleta Express	2	-	100.0%	4	-	100.0%
14	Montecito	1	2	-50.0%	7	22	-68.2%
15x	SBCC / UCSB Express	6	2	200.0%	17	8	112.5%
16	City College Shuttle	-	-	0.0%	-	-	0.0%
17	Lower West / SBCC	3	5	-40.0%	6	27	-77.8%
19x	SBCC / East SB Express	-	-	0.0%	-	-	0.0%
20	Carpinteria	-	1	-100.0%	7	14	-50.0%
23	Winchester Canyon	3	2	50.0%	9	5	80.0%
24x	UCSB Express	43	44	-2.3%	195	113	72.6%
25	Ellwood	-	-	0.0%	-	1	-100.0%
27	Isla Vista Shuttle	275	111	147.7%	561	391	43.5%
28	UCSB Shuttle	392	11	3463.6%	547	40	1267.5%
36	Seaside Shuttle	-	-	0.0%	-	-	0.0%
37	Crosstown Shuttle	-	-	0.0%	-	-	0.0%
90	West Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
91	East Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
92	Santa Barbara Amtrak Shuttle	-	-	0.0%	-	-	0.0%
	Booster Services	18	16	12.5%	75	49	53.1%
System Subtotal		837	461	81.6%	1,788	1,207	48.1%
<i>Downtown Waterfront Shuttles</i>							
33	Downtown Waterfront Shuttle	-	-	0.0%	-	1	-100.0%
		-	-	0.0%	-	-	0.0%
<i>Related Routes</i>							
11, 24x, 27, 28 UCSB Lines		782	392	99.5%	1,574	945	66.6%
1, 2 East/West		7	22	-68.2%	41	77	-46.8%
4, 5, 15x, 16, 17 Mesa Lines		9	10	-10.0%	24	43	-44.2%
6, 11 State/Hollister		82	238	-65.5%	301	444	-32.2%
<i>Unknown/Miscellaneous</i>		-	-	0.0%	-	-	0.0%
System Total		837	461	81.6%	1,788	1,208	48.0%

*Classified as a 30-foot vehicle with 10 or more standees, or a **40-foot vehicle with 20 or more**.
Source: GFI Genfare, MTD Transit Development Department, Planning Section

MTD “Too Full to Board” Loads (January 2026 – March 2026)

LINE	Quarter			YTD			
	Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change	
1	West Santa Barbara	2	17	-88.2%	10	45	-77.8%
2	East Santa Barbara	3	12	-75.0%	25	28	-10.7%
3	Oak Park	1	3	-66.7%	5	10	-50.0%
4	Mesa / SBCC	-	-	0.0%	-	-	0.0%
5	Mesa / La Cumbre	-	-	0.0%	2	2	0.0%
6	Goleta	10	18	-44.4%	32	41	-22.0%
7	County Health / Fairview	-	1	-100.0%	-	1	-100.0%
10	Cathedral Oaks	-	-	0.0%	-	-	0.0%
11	UCSB	201	285	-29.5%	598	624	-4.2%
12x	Goleta Express	12	11	9.1%	29	20	45.0%
14	Montecito	-	-	0.0%	3	5	-40.0%
15x	SBCC / UCSB Express	15	44	-65.9%	60	82	-26.8%
16	City College Shuttle	-	-	0.0%	-	-	0.0%
17	Lower West / SBCC	-	3	-100.0%	2	3	-33.3%
19x	SBCC / East SB Express	-	-	0.0%	-	1	-100.0%
20	Carpinteria	-	1	-100.0%	-	12	-100.0%
23	Winchester Canyon	1	3	-66.7%	7	8	-12.5%
24x	UCSB Express	123	186	-33.9%	461	513	-10.1%
25	Ellwood	1	-	100.0%	2	1	100.0%
27	Isla Vista Shuttle	273	197	38.6%	661	385	71.7%
28	UCSB Shuttle	281	206	36.4%	620	409	51.6%
36	Seaside Shuttle	-	-	0.0%	-	-	0.0%
37	Crosstown Shuttle	-	-	0.0%	-	-	0.0%
90	West Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
91	East Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
92	Santa Barbara Amtrak Shuttle	-	-	0.0%	-	-	0.0%
	Booster Services	1	16	-93.8%	27	47	-42.6%
System Subtotal		924	1,003	-7.9%	2,544	2,237	13.7%
<i>Downtown Waterfront Shuttles</i>							
33	Downtown Waterfront Shuttle	-	-	0.0%	3	6	-50.0%
		-	-	0.0%	-	-	0.0%
<i>Related Routes</i>							
11, 24x, 27, 28 UCSB Lines		878	874	0.5%	2,340	1,931	21.2%
1, 2 East/West		5	29	-82.8%	35	73	-52.1%
4, 5, 15x, 16, 17 Mesa Lines		15	47	-68.1%	64	87	-26.4%
6, 11 State/Hollister		211	303	-30.4%	630	665	-5.3%
<i>Unknown/Miscellaneous</i>		-	-	0.0%	-	-	0.0%
System Total		924	1,003	-7.9%	2,547	2,243	13.6%

* Indicates that passengers were refused service because a vehicle was too full to safely board.
Source: GFI Genfare, MTD Transit Development Department, Planning Section

MTD Bicycles Carried (January 2026 – March 2026)

LINE	Quarter			YTD			
	Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change	
1	West Santa Barbara	382	204	87.3%	964	920	4.8%
2	East Santa Barbara	951	1,232	-22.8%	3,133	4,052	-22.7%
3	Oak Park	168	127	32.3%	513	194	164.4%
4	Mesa / SBCC	199	152	30.9%	530	509	4.1%
5	Mesa / La Cumbre	280	169	65.7%	710	737	-3.7%
6	Goleta	2,084	2,634	-20.9%	7,433	8,666	-14.2%
7	County Health / Fairview	1,264	1,345	-6.0%	4,188	4,757	-12.0%
10	Cathedral Oaks	-	-	0.0%	-	-	0.0%
11	UCSB	3,713	4,271	-13.1%	12,271	13,659	-10.2%
12x	Goleta Express	1,084	1,254	-13.6%	3,479	3,863	-9.9%
14	Montecito	355	261	36.0%	931	933	-0.2%
15x	SBCC / UCSB Express	393	373	5.4%	1,153	1,134	1.7%
16	City College Shuttle	-	-	0.0%	-	-	0.0%
17	Low er West / SBCC	144	118	22.0%	345	441	-21.8%
19x	SBCC / East SB Express	37	31	19.4%	146	197	-25.9%
20	Carpinteria	1,589	1,830	-13.2%	4,640	5,392	-13.9%
23	Winchester Canyon	69	128	-46.1%	208	390	-46.7%
24x	UCSB Express	1,972	1,575	25.2%	5,813	5,409	7.5%
25	Elw ood	188	190	-1.1%	604	611	-1.1%
27	Isla Vista Shuttle	309	307	0.7%	876	766	14.4%
28	UCSB Shuttle	428	377	13.5%	1,308	1,151	13.6%
36	Seaside Shuttle	-	-	0.0%	-	-	0.0%
37	Crosstow n Shuttle	-	-	0.0%	-	-	0.0%
90	West Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
91	East Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
92	Santa Barbara Amtrak Shuttle	-	-	0.0%	-	-	0.0%
	Booster Services	12	18	-33.3%	22	33	-33.3%
System Subtotal		15,621	16,596	-5.9%	49,267	53,814	-8.4%
<i>Downtown Waterfront Shuttles</i>							
33	Dow ntow n Waterfront Shuttle	-	-	0.0%	1	-	100.0%
		-	-	0.0%	-	-	0.0%
<i>Related Routes</i>							
11, 24x, 27, 28 UCSB Lines		6,422	6,530	-1.7%	20,268	20,985	-3.4%
1, 2 East/West		1,333	1,436	-7.2%	4,097	4,972	-17.6%
4, 5, 15x, 16, 17 Mesa Lines		1,016	812	25.1%	2,738	2,821	-2.9%
6, 11 State/Hollister		5,797	6,905	-16.0%	19,704	22,325	-11.7%
<i>Unknown/Miscellaneous</i>		-	3	-100.0%	-	8	-100.0%
System Total		15,621	16,599	-5.9%	49,268	53,822	-8.5%

Source: GFI Genfare, MTD Transit Development Department, Planning Section

MTD Wheelchairs Boarded (January 2026 – March 2026)

LINE	Quarter			YTD			
	Jan 26 - Mar 26	Jan 25 - Mar 25	% Change	FY 2025 - 2026	FY 2024 - 2025	% Change	
1	West Santa Barbara	179	134	33.6%	568	531	7.0%
2	East Santa Barbara	109	232	-53.0%	421	1,106	-61.9%
3	Oak Park	145	96	51.0%	400	392	2.0%
4	Mesa / SBCC	28	26	7.7%	81	99	-18.2%
5	Mesa / La Cumbre	54	84	-35.7%	155	328	-52.7%
6	Goleta	322	430	-25.1%	983	1,419	-30.7%
7	County Health / Fairview	232	282	-17.7%	730	1,217	-40.0%
10	Cathedral Oaks	-	-	0.0%	-	-	0.0%
11	UCSB	333	548	-39.2%	1,120	1,643	-31.8%
12x	Goleta Express	90	81	11.1%	266	327	-18.7%
14	Montecito	28	25	12.0%	109	120	-9.2%
15x	SBCC / UCSB Express	2	5	-60.0%	3	9	-66.7%
16	City College Shuttle	-	-	0.0%	-	-	0.0%
17	Lower West / SBCC	15	30	-50.0%	59	168	-64.9%
19x	SBCC / East SB Express	-	-	0.0%	3	-	100.0%
20	Carpinteria	119	194	-38.7%	421	761	-44.7%
23	Winchester Canyon	11	7	57.1%	29	36	-19.4%
24x	UCSB Express	90	60	50.0%	207	156	32.7%
25	Ellwood	50	44	13.6%	149	119	25.2%
27	Isla Vista Shuttle	23	27	-14.8%	62	42	47.6%
28	UCSB Shuttle	42	15	180.0%	99	31	219.4%
36	Seaside Shuttle	-	-	0.0%	-	-	0.0%
37	Crosstown Shuttle	-	-	0.0%	-	-	0.0%
90	West Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
91	East Goleta Amtrak Shuttle	-	-	0.0%	-	-	0.0%
92	Santa Barbara Amtrak Shuttle	-	-	0.0%	-	-	0.0%
	Booster Services	1	-	100.0%	2	9	-77.8%
System Subtotal		1,873	2,320	-19.3%	5,867	8,513	-31.1%
<i>Downtown Waterfront Shuttles</i>							
33	Downtown Waterfront Shuttle	-	-	0.0%	30	32	-6.3%
		-	-	0.0%	-	-	0.0%
<i>Related Routes</i>							
11, 24x, 27, 28 UCSB Lines		488	650	-24.9%	1,488	1,872	-20.5%
1, 2 East/West		288	366	-21.3%	989	1,637	-39.6%
4, 5, 15x, 16, 17 Mesa Lines		99	145	-31.7%	298	604	-50.7%
6, 11 State/Hollister		655	978	-33.0%	2,103	3,062	-31.3%
<i>Unknown/Miscellaneous</i>		-	-	0.0%	-	-	0.0%
System Total		1,873	2,320	-19.3%	5,897	8,545	-31.0%

Source: GFI Genfare, MTD Transit Development Department, Planning Section

Tap2Ride Contactless Payments Overview

Tap2Ride Transactions Breakdown

Tap2Ride Fare Categories	Quarter			Fiscal Year to Date		
	Jan 26 - Mar 26	Jan 25 - Mar 25	%Change	FY 2025 - 2026	FY 2024 - 2025	%Change
General Fare	79,003	41,867	88.7%	238,443	132,362	80.1%
Transfers ⁽¹⁾	4,704	2,002	135.0%	14,517	6,192	134.4%
Daily Cap ⁽²⁾	2,970	191	1455.0%	7,953	655	1114.2%
Multi Day Cap ⁽³⁾	2,023	690	193.2%	6,967	3,312	110.4%
Senior and People with Disabilities Time Cap ⁽¹⁾	15	-	100.0%	36	-	100.0%
Senior	107	-	100.0%	201	3	6600.0%
Senior Multi Day Cap ⁽³⁾	50	-	100.0%	56	-	100.0%
People with Disabilities	136	-	100.0%	229	6	3716.7%
People with Disabilities Multi Day Cap ⁽³⁾	9	-	100.0%	16	-	100.0%
Total	89,017	44,750	98.9%	268,418	142,530	88.3%

(1) Transfers, refer to tap transactions where a customer taps on another bus within 60 minutes of an original tap at no charge.

(2) Daily Cap, refers to a tap transaction where a customer has reached the equivalent value of a day pass, within the same day.

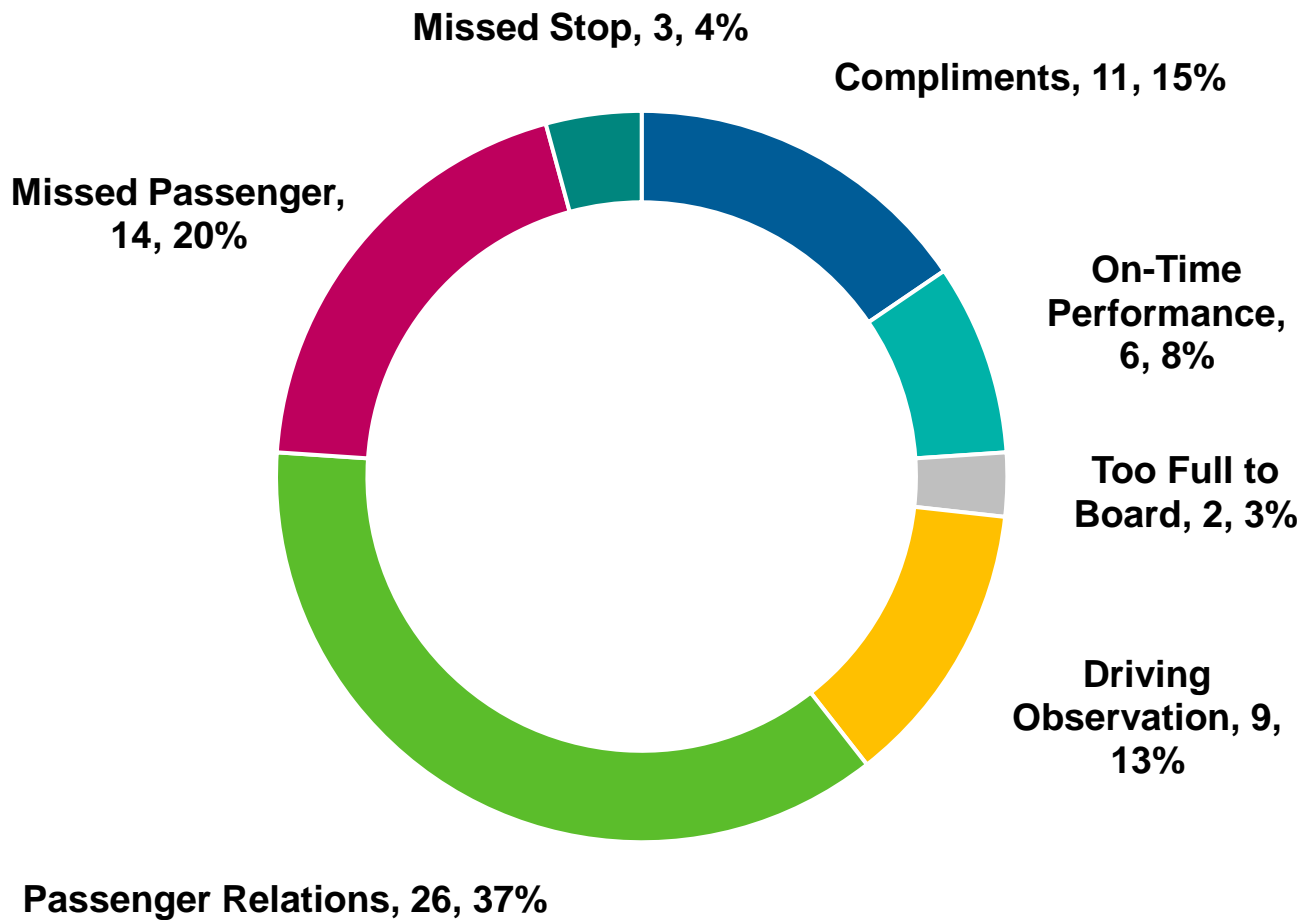
(3) Multi Day Cap, refers to transactions after a customer reaches the value of monthly pass, within a 30-day period.



FY 2025-26 THIRD QUARTER PERFORMANCE REPORTS

Customer Service Report

Third Quarter Customer Service Statistics

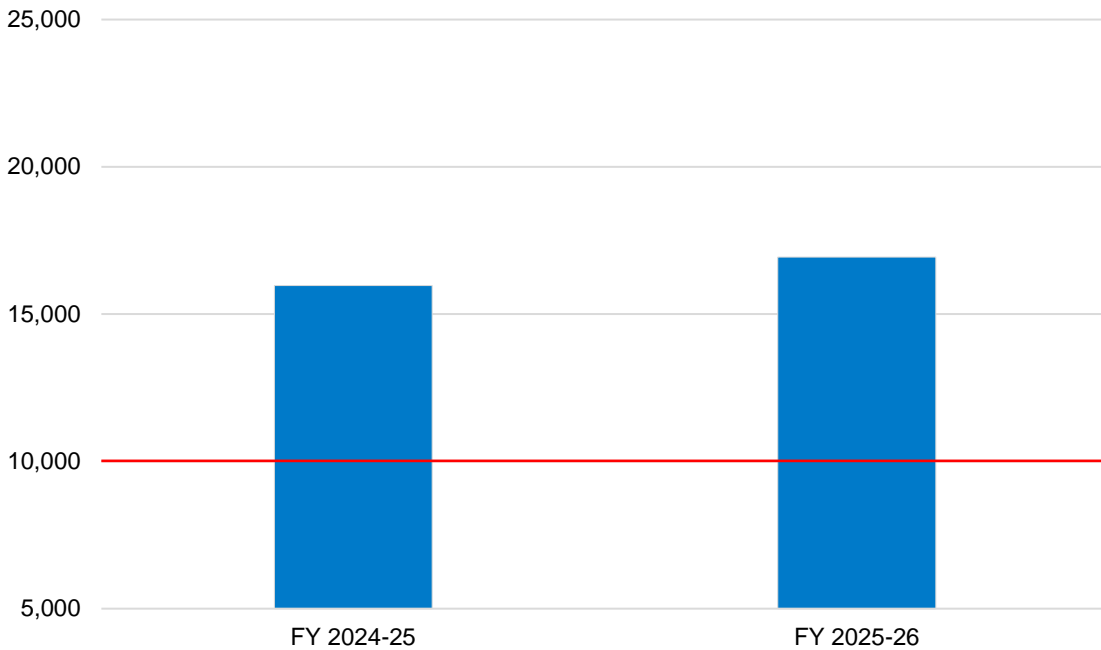


Compliments: Documented praise of MTD Employee's action; **On-Time Performance:** Complaints about buses running late; **Too Full to Board:** Complaints from passengers that could not board the bus; **Driving Observations:** Concerns regarding driving safety; **Passenger Relations:** Perceived negative treatment of passengers by an MTD Employee; **Missed Passengers:** Complaints that passengers were passed up at MTD authorized stops; **Missed Stop:** Complaint from passenger on board a bus where the driver did not stop at requested stop.

Third Quarter Year-over-Year Comparison

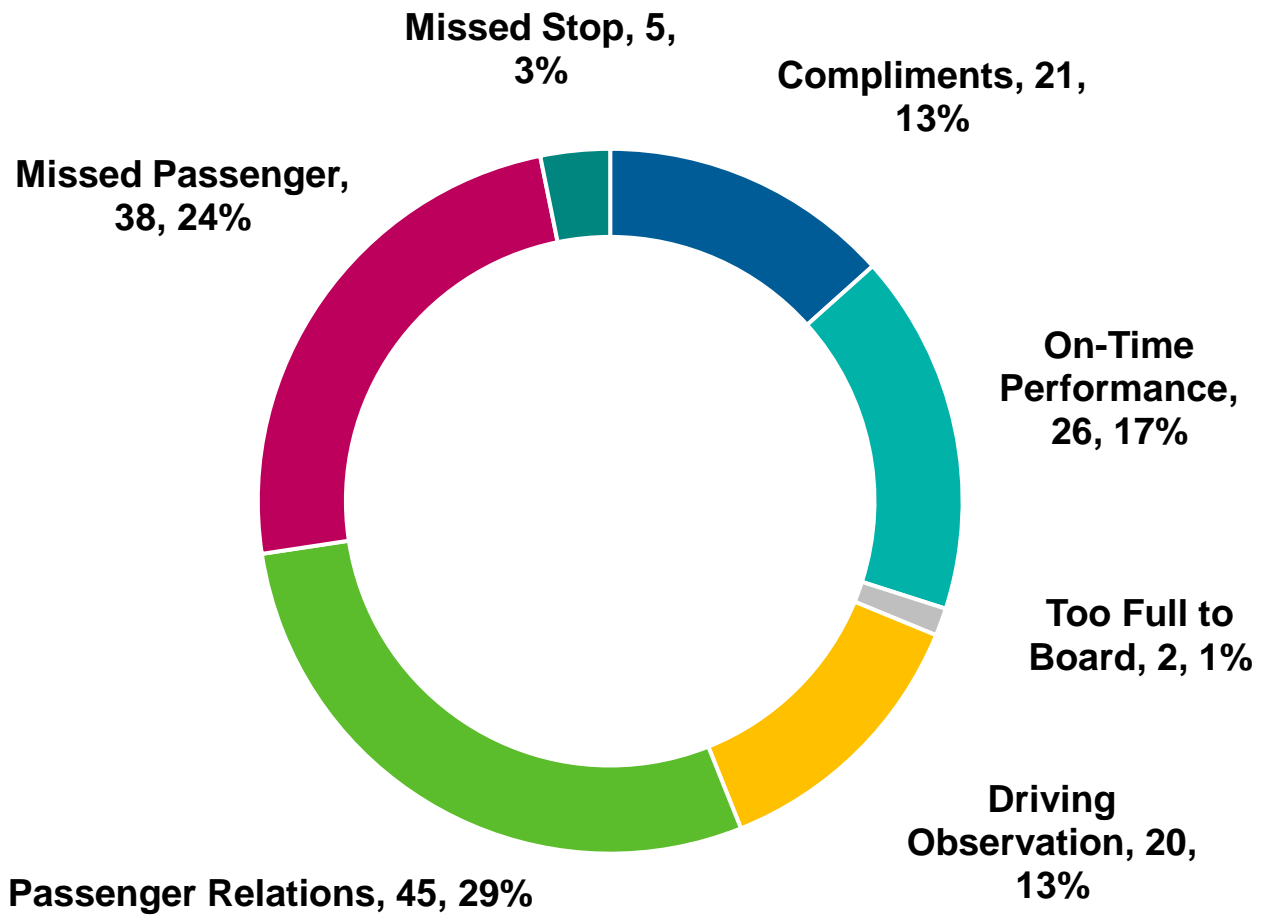


Third Quarter Passenger Boardings per Complaint



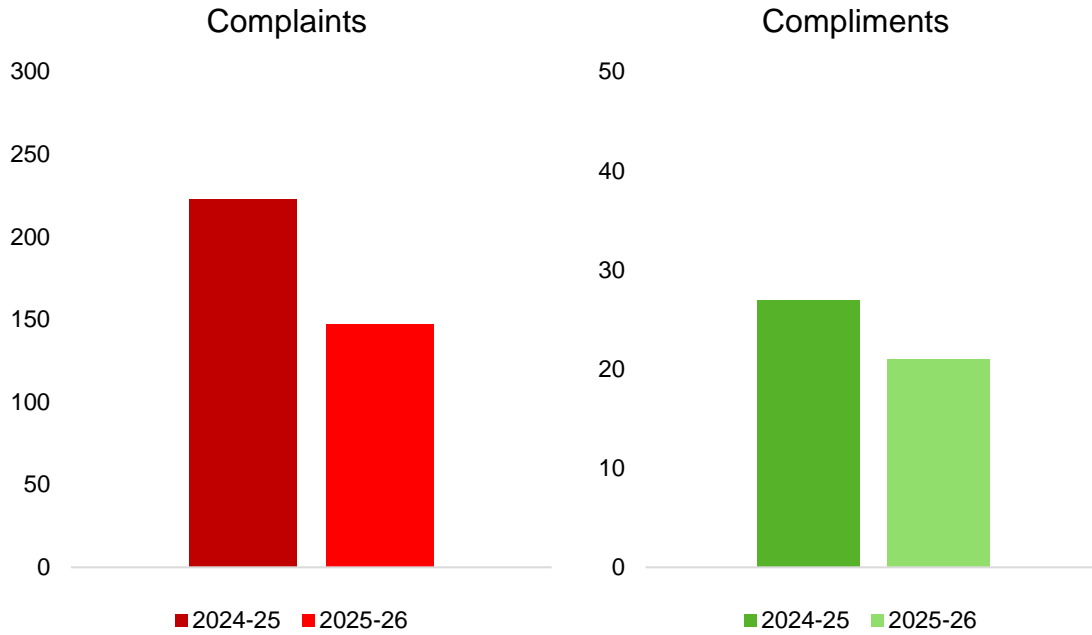
***MTD Performance Standard:** Passenger complaints shall average no more than 1 complaint per 10,000 MTD passenger boardings.

FY 2025-26 Year-to-Date Customer Service Statistics
for the Nine-Month Period Ending March 31, 2026

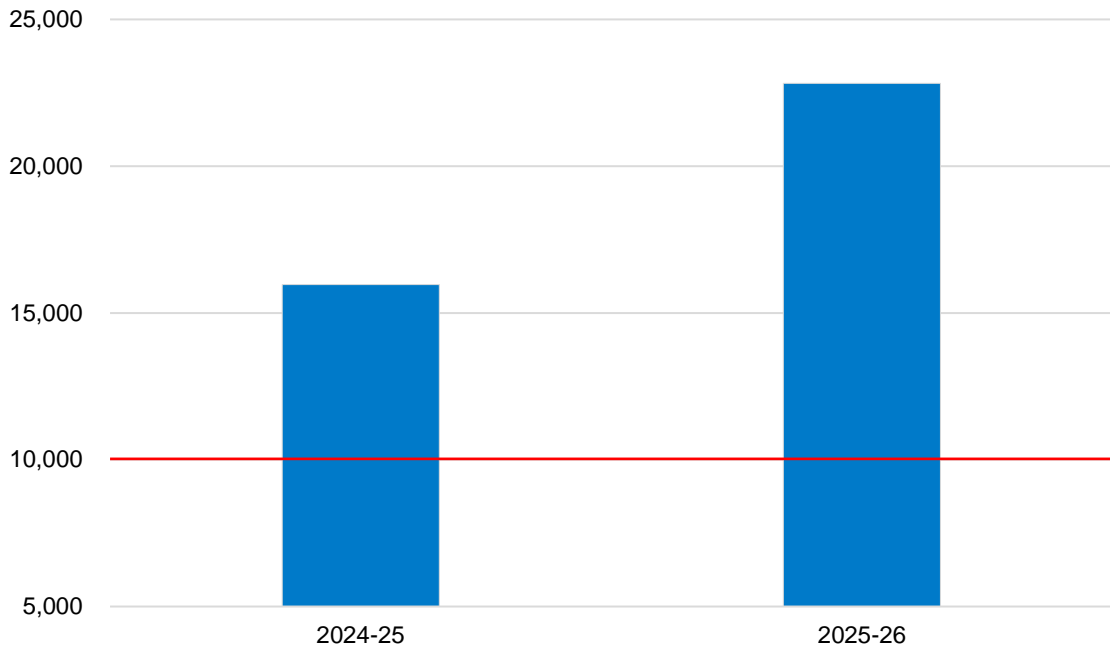


Compliments: Documented praise of MTD Employee's action; **On-Time Performance:** Complaints about buses running late; **Too Full to Board:** Complaints from passengers that could not board the bus; **Driving Observations:** Concerns regarding driving safety; **Passenger Relations:** Perceived negative treatment of passengers by an MTD Employee; **Missed Passengers:** Complaints that passengers were passed up at MTD authorized stops; **Missed Stop:** Complaint from passenger on board a bus where the driver did not stop at requested stop.

YTD Year-over-Year Comparison



YTD Passenger Boardings per Complaint



***MTD Performance Standard:** Passenger complaints shall average no more than 1 complaint per 10,000 MTD passenger boardings.

Fleet Maintenance Report

Performance Indicators

For Fiscal Years 2026-2025



Fleet	FY 2026 Q3 Totals								FY 2025 Q3 Totals								Change	
	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
Gillig 40'	51	419,249	4.56	\$242,610	\$112,619	\$92,655	\$205,273	\$1.07	61	440,875	4.59	\$258,233	\$241,705	\$104,564	\$346,269	\$1.37	-\$0.30	-22.1%
Gillig 29'	6	28,953	4.64	\$16,673	\$33,530	\$13,019	\$46,549	\$2.18	6	30,687	4.89	\$17,048	\$2,554	\$5,955	\$8,510	\$0.83	\$1.35	162.2%
Nova Articulated	3	11,208	3.23	\$10,014	\$21,060	\$11,529	\$32,588	\$3.80	3	11,870	2.89	\$11,277	\$15,524	\$6,276	\$21,800	\$2.79	\$1.01	36.4%
Diesel Fleet:	60	459,410	4.14	\$269,297	\$167,208	\$117,202	\$284,410	\$1.21	70	483,432	4.12	\$286,558	\$259,784	\$116,795	\$376,579	\$1.37	-\$0.17	-12.1%
Fleet	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
Gillig 29' Hybrid	3	21,954	5.01	\$11,267	\$5,791	\$4,151	\$9,942	\$0.97	3	11,393	5.50	\$5,671	\$1,152	\$3,332	\$4,484	\$0.89	\$0.07	8.4%
Gillig 40' Hybrid	14	105,013	4.94	\$55,455	\$27,492	\$21,600	\$49,093	\$1.00	14	72,070	4.63	\$41,069	\$10,978	\$23,378	\$34,356	\$1.05	-\$0.05	-4.9%
Hybrid Fleet:	17	126,967	4.97	\$66,722	\$33,283	\$25,751	\$59,034	\$0.99	17	83,463	5.07	\$46,740	\$12,129	\$26,710	\$38,840	\$1.03	-\$0.03	-3.4%
Fleet	Fleet Count	Miles	MPKW	Elec Cost	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPKW	Elec Cost	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
New Flyer BEB	9	10,745	0.48	\$6,264	\$3,746	\$3,543	\$7,288	\$1.26	9	21,722	0.42	\$14,576	\$307	\$2,719	\$3,026	\$0.81	\$0.45	55.5%
BYD BEB	14	26,062	0.59	\$12,493	\$5,968	\$9,646	\$15,614	\$1.08	14	23,745	0.56	\$12,028	\$3,782	\$9,566	\$13,348	\$1.07	\$0.01	1.1%
Ford EV Vans	3	0	0.00	\$0	\$0	\$0	\$0	\$0.00	3	0	0.00	\$14	\$0	\$37	\$37	N/A	NA	0
Electric Fleet:	26	36,807	0.54	\$18,757	\$9,713	\$13,189	\$22,902	\$1.13	26	45,467	0.49	\$26,619	\$4,089	\$12,322	\$16,411	\$0.95	\$0.19	19.6%
Fleet	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
Ford Gas Transit Vans	5	6,766	12.24	\$2,589	\$218	\$613	\$831	\$0.51	2	931	16.27	\$246	\$0	\$560	\$560	\$0.87	-\$0.36	-41.1%
Unleaded Fleet:	5	6,766	12.24	\$2,589	\$218	\$613	\$831	\$0.51	2	931	16.27	\$246	\$0	\$560	\$560	\$0.87	-\$0.36	-41.6%
Totals:	108	629,950		\$357,365	\$210,423	\$156,755	\$367,177	\$1.15	115	613,293		\$360,163	\$276,002	\$156,388	\$432,390	\$1.29	-\$0.14	-11.0%

Fleet	FY 2026 (Q1-Q3) Totals								FY 2025 (Q1-Q3) Totals								Change	
	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
Gillig 40'	51	1,303,873	4.60	\$756,062	\$423,524	\$299,851	\$723,375	\$1.13	61	1,334,646	4.55	\$762,363	\$647,539	\$301,472	\$949,011	\$1.28	-\$0.15	-11.5%
Gillig 29'	6	78,960	4.65	\$45,037	\$42,043	\$23,033	\$65,077	\$1.39	6	94,608	4.85	\$50,043	\$31,834	\$20,770	\$52,604	\$1.08	\$0.31	28.5%
Nova Articulated	3	43,532	3.47	\$33,798	\$68,992	\$26,853	\$95,845	\$2.98	3	31,270	3.09	\$26,054	\$24,387	\$16,520	\$40,907	\$2.14	\$0.84	39.1%
Diesel Fleet:	60	1,426,365	4.24	\$834,897	\$534,560	\$349,737	\$884,297	\$1.21	70	1,460,524	4.16	\$838,459	\$703,760	\$338,762	\$1,042,522	\$1.29	-\$0.08	-6.4%
Fleet	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
Gillig 29' Hybrid	3	53,783	4.99	\$28,183	\$66,739	\$13,126	\$79,865	\$2.01	3	32,227	5.37	\$15,312	\$7,344	\$9,935	\$17,279	\$1.01	\$1.00	98.7%
Gillig 40' Hybrid	14	253,523	4.86	\$137,204	\$119,895	\$76,222	\$196,117	\$1.31	14	213,863	4.57	\$118,558	\$88,705	\$60,195	\$148,901	\$1.25	\$0.06	5.1%
Hybrid Fleet:	17	307,306	4.92	\$165,387	\$186,634	\$89,348	\$275,982	\$1.44	17	246,090	4.97	\$133,870	\$96,049	\$70,131	\$166,180	\$1.22	\$0.22	17.8%
Fleet	Fleet Count	Miles	MPKW	Elec Cost	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPKW	Elec Cost	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
New Flyer EV's	9	44,500	0.46	\$26,870	\$4,894	\$15,255	\$20,149	\$1.06	9	61,335	0.45	\$38,392	\$1,929	\$8,668	\$10,597	\$0.80	\$0.26	32.7%
BYD EV's	14	79,226	0.57	\$39,206	\$12,634	\$26,713	\$39,347	\$0.99	14	78,549	0.57	\$39,126	\$53,517	\$25,593	\$79,109	\$1.51	-\$0.52	-34.2%
Ford EV Vans	3	0	0.00	\$0	\$0	\$0	\$0	\$0.00	3	0	0.00	\$15	\$0	\$37	\$37	N/A	NA	N/A
Electric Fleet:	26	123,726	0.52	\$66,075	\$17,528	\$41,968	\$59,496	\$1.01	26	139,884	0.51	\$77,532	\$55,446	\$34,298	\$89,743	\$1.20	-\$0.18	-15.1%
Fleet	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Fleet Count	Miles	MPG	Fuel/Oil	Parts	Labor	Parts & Labor	Total Cost per Mile	Total Cost per Mile	
Ford Gas Transit Vans	5	17,452	12.09	\$6,653	\$471	\$1,309	\$1,780	\$0.48	2	931	16.27	\$246	\$0	\$798	\$798	\$1.12	-\$0.64	-57.2%
Unleaded Fleet:	5	17,452	12.09	\$6,653	\$471	\$1,309	\$1,780	\$0.48	2	931	16.27	\$246	\$0	\$798	\$798	\$1.12	-\$0.64	-56.9%
Totals:	108	1,874,849		\$1,073,012	\$739,193	\$482,362	\$1,221,555	\$1.22	115	1,847,429		\$1,050,107	\$855,255	\$443,988	\$1,299,243	\$1.27	-\$0.05	-3.76%



FY 2026 QUARTER PERFORMANCE REPORTS

Road Calls Report

**FY 2026 Q3 National Transit Database Road Calls ("Mechanical System Failures")
For the 3-Month Period Ending March 31, 2026**

Fleet Category	All Reportable Mechanical System Failures (Q3)	Quarterly Miles (Q3)	Miles Between All Reportable Mechanical System Failures (Q3)
BYDs (Units 30-43)	3	26,062	8,687
200 Gas Transit Vans (Units 280-284)	0	6,766	N/A
400 Gilligs (Units 434-450)	6	55,333	9,222
600 Gilligs (Units 600-652)	30	363,916	12,131
700 Gilligs (Units 700-713)	4	28,953	7,238
700 Gillig Hybrids (Units 715-717)	0	21,954	N/A
800 New Flyer EV's (Units 806-814)	4	10,745	2,686
900 Gillig Hybrids (Units 900-915)	2	105,013	52,507
1000 Novas (Units 1001-1003)	6	11,208	1,868
System Total Excluding EVs	48	593,143	12,357
System Total All Vehicles	55	629,950	11,454



FY 2025-26 3rd QUARTER PERFORMANCE REPORTS

Liability Report

Reportable to National Transit Database (NTD)

Fiscal Year End June 30	2026	2025	2024	2023	2022
1 st Quarter: July - September	0	3	0	0	0
2 nd Quarter: October - December	0	0	0	0	1
3 rd Quarter: January - March	1	1	2	0	2
Fiscal Year to Date:	1	4	2	0	3

The NTD defines a Reportable Event (Major Incident) as a safety or security event occurring on transit right-of-way, in a transit revenue facility, in a transit maintenance facility, or involving a transit revenue vehicle meeting any of the following criteria:

- An evacuation for life safety reasons
- Estimated property damage equal to or exceeding \$25,000
- Fatality confirmed within 30 days
- Immediate transport away from the scene for medical attention, except illnesses requiring transport for medical attention
- Collisions involving transit vehicles that require towing away of a transit roadway vehicle or other non-transit roadway vehicle

Workers' Compensation Claims Report

Fiscal Year End June 30	2026	2025	2024	2023	2022
1 st Quarter: July - September	1	4	1	3	5
2 nd Quarter: October- December	0	2	2	1	4
3 rd Quarter: January - March	3	2	6	0	4
Fiscal Year to Date:	4	8	9	4	13

Transit Finance

Compliance Report for Quarter Ending March 31, 2026

As a recipient of Federal funds from the Federal Transit Administration (FTA), the Santa Barbara Metropolitan Transit District (MTD) is subject to a number of rules and regulations and reporting requirements. This report describes actions taken between January 1 and March 31, 2026, to address these requirements.

MTD Compliance Actions

Submitted MTD monthly National Transit Database Safety and Security reports to the Federal Transit Administration (FTA).

Submitted MTD monthly National Transit Database Ridership and Statistical reports to FTA.

Submitted quarterly Milestone Progress Reports and Federal Financial Reports for MTD's FTA grants.

Submitted quarterly Sales and Use Tax Reports.

Submitted quarterly Underground Storage Tank Return.

Submitted quarterly Exempt Bus Operator Return.

Confirmed submittal of quarterly Federal and State Payroll Tax Reports.

Submitted quarterly report to Caltrans for the cap-and-trade Transit and Intercity Rail Capital Program (TIRCP).

Submitted quarterly Multiple Worksite Report to the Department of Labor, Bureau of Labor Statistics.

Submitted report to Caltrans for the SB1 Solutions for Congested Corridors Program (SCCP).

Submitted Annual Single Audit Report to Federal Clearinghouse and State Controller's and State Controller's Office.

Submitted Annual FTA Drug and Alcohol Program MIS Data.

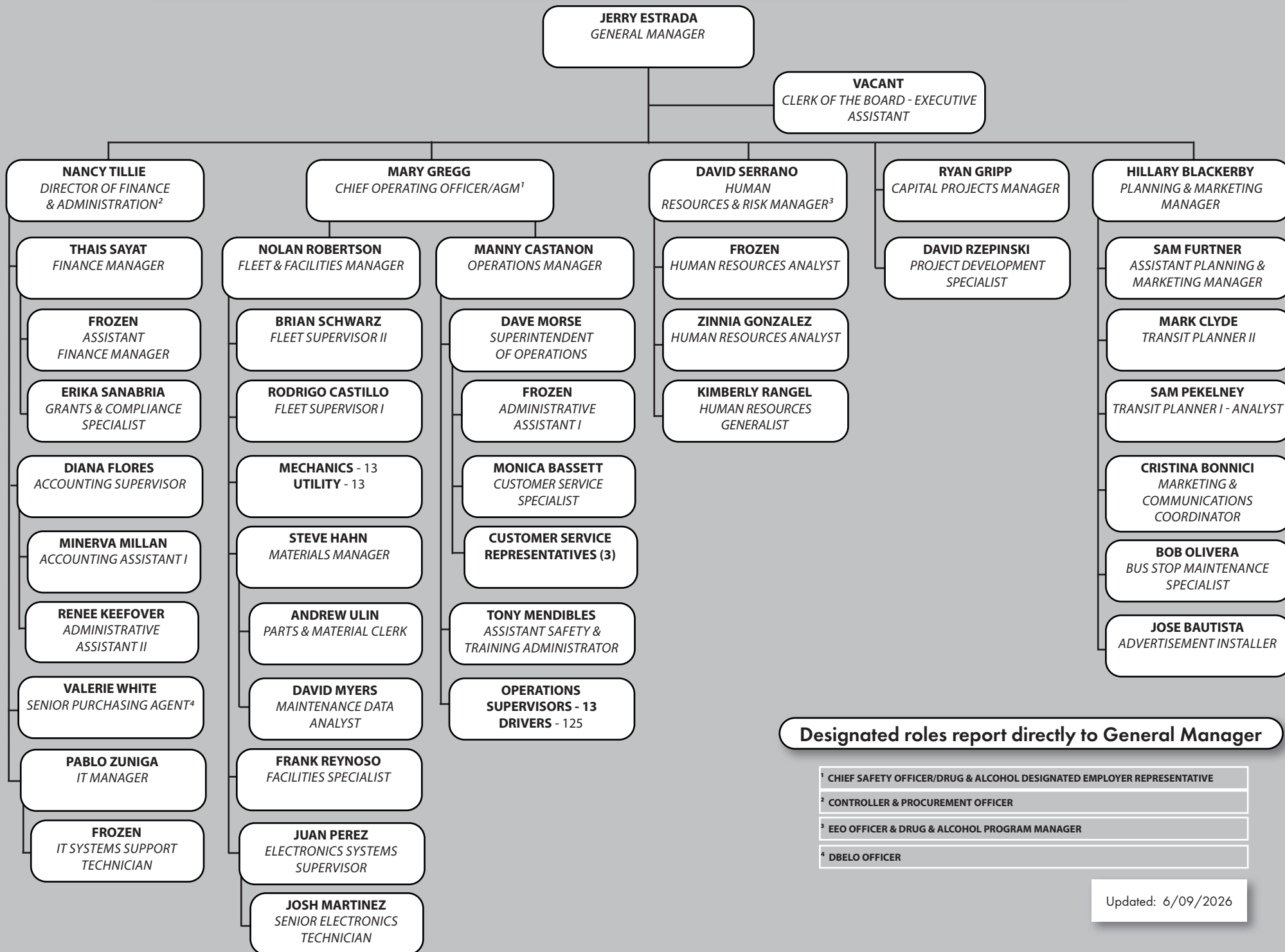
Completed Annual Staff Pension Plan Non-Discrimination Testing and the Form 5500, Annual Return/Report of Employee Benefit Plan.

Submitted Annual Return of Hazardous Waste Generation and Handling Fee Return.

Submitted U.S. Department of Transportation Federal Motor Carrier Safety Administration Biennial Update Report.

Continued to monitor all FTA compliance areas and ensure that MTD is in compliance, including the Americans with Disabilities Act (ADA) complementary paratransit service that is operated by Easy Lift Transportation for MTD. *(MTD is responsible for this service, and must ensure that it complies with all FTA requirements.)*

Santa Barbara Metropolitan Transit District Management Organizational Chart



Designated roles report directly to General Manager

- ¹ CHIEF SAFETY OFFICER/DRUG & ALCOHOL DESIGNATED EMPLOYER REPRESENTATIVE
- ² CONTROLLER & PROCUREMENT OFFICER
- ³ EEO OFFICER & DRUG & ALCOHOL PROGRAM MANAGER
- ⁴ DBELO OFFICER

Updated: 6/09/2026



BOARD OF DIRECTORS REPORT

MEETING DATE: JUNE 16, 2026 **AGENDA ITEM #:** 10

TYPE: ACTION ITEM

PREPARED BY: SENIOR PURCHASING AGENT VALERIE WHITE

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: PROPERTY/CASUALTY INSURANCE BROKER SERVICES

RECOMMENDATION:

Staff recommends that the Board of Directors authorize the General Manager to award and execute a Professional Services Agreement with USI Insurance Services LLC to serve as MTD's Insurance Broker of Record. The contract will be on a carrier-commission basis for a three-year base term beginning July 1, 2026, with a two-year extension option, for a total contract period of up to five years.

DISCUSSION:

EXECUTIVE SUMMARY: To protect MTD's assets, personnel, and public liability exposures, MTD requires specialized insurance brokerage and risk management consulting services. Following a formally advertised, competitive Request for Proposals (RFP) process, five proposals were received and scored by a multidisciplinary evaluation committee. Subsequent to technical shortlisting and in-person interviews, USI Insurance Services LLC emerged as the top-ranked proposer. USI demonstrated strong technical capabilities in public transit risk management, robust resources, and transparency and accountability regarding carrier commissions.

BACKGROUND: In recent years, MTD's risk profile has expanded dramatically due to intensive capital developments, multi-million-dollar infrastructure investments, and technologically advanced operational transformations. Specifically, MTD's risk portfolio now encompasses several complex, high-exposure focus areas that demand enhanced brokerage resources. Consider: The integration of sixteen (16) new Gillig 40' Battery-Electric Buses (BEBs) being placed into the active fleet in 2026; The Terminal 2 Recommissioning - Phase 2 Infrastructure Expansion with a new 13,000-square-foot operations and maintenance building, with the possibility for photovoltaic (PV) solar and facility-wide microgrid and resiliency systems; Microtransit with its flexible, on-demand curb-to-curb service; and The Calle Real Transit-Oriented Development (TOD) project. Recognizing that these major capital milestones each require deep technical resources, specialized risk control, and alternative risk structures (such as Owners Controlled Insurance Programs [OCIPs] or Self-Insured Retentions [SIRs]), Staff issued an RFP to thoroughly assess the broader commercial marketplace.

BOARD OF DIRECTORS REPORT

PROCUREMENT: Utilizing MTD's Procurement Policies for competitive proposals, Staff developed and publicly advertised a comprehensive Property/Casualty Insurance Broker Services RFP. Starting on the issuance date of April 7, 2026, the opportunity was published in the Ventura County Star, the Santa Barbara Independent and hosted publicly on the MTD website. To maximize competition, RFP packages were mailed directly to 36 regional and national commercial insurance brokerages.

By the formal deadline of May 5, 2026, at 10:00 AM, five firms submitted responsive proposals. The combined evaluations of the written technical submittals resulted in the ranking of the firms:

1. Arthur J. Gallagher Risk Management Services Inc.
2. USI Insurance Services LLC
3. Alliant Insurance Services Inc.
4. Brown & Brown Insurance Services Inc.
5. Founders Series, Lockton Companies LLC

The evaluations were performed by an Evaluation Committee comprised of four internal stakeholders, which included: Mary Gregg, Chief Operating Officer / Assistant General Manager; Nancy Tillie, Director of Finance and Administration; David Serrano, Human Resources and Risk Manager; and Zinnia Gonzalez, Human Resources Analyst. The committee had independently evaluated and ranked each written proposal based on the criteria established within the RFP guidelines:

- Firm Experience: Documented performance on public entity accounts of similar size, scope, and technical complexity.
- Personnel: Qualifications, industry designations, and transit-specific tenure of the dedicated account management team.
- Work Plan: The clarity, depth, and feasibility of the firm's strategic marketing plan, timeline adherence, and underwriter engagement.
- Resources & Ongoing Support: Tailored risk control tools, day-to-day certificate responsiveness, claims advocacy, and training capabilities.
- Price / Compensation Strategy: Cost-effectiveness and structured value within public entity pricing benchmarks.

From there, the committee established a competitive shortlist of the three highest-ranked proposers which advanced to oral interview sessions. Proposers were tested heavily on their transit agility, administrative backup capabilities, and specialized strategies for MTD's upcoming capital exposures.

- Alliant was commended for their deep institutional positioning across California transit authorities, specifically their oversight of the California Transit Indemnity Pool (CalTIP).
- Gallagher was recognized for an expansive public entity division representing more than 15,000 public sectors nationally, alongside a very strong consultative risk-modeling layout.
- USI delivered a superior "both-and-then-some" solution. USI combined highly specialized transit credentials (underwriting over 790 transportation clients nationally) with a robust regional construction and real estate practice aligning perfectly with MTD planned expansions.

Although the evaluation committee did not have a single unanimous choice, collectively, the clear logical selection is USI. They captured more than 50% of the first-place ranking from the committee members. In the interview, USI demonstrated its consultative capacity to support MTD in evaluating the most appropriate risk coverage levels and limits, making recommendations for overall insurance plans, reviewing vendor and partner contract language, and implementing

BOARD OF DIRECTORS REPORT

technical strategies to reduce third-party risk exposure across daily transit operations and upcoming capital projects.

Furthermore, USI's local team lead (Barbara Goodwin, Senior Vice President) brought stellar, verified reference credentials from major regional transit systems—including the Golden Gate Bridge Highway Transportation District and the Bay Area Metropolitan Transportation Commission (MTC)—confirming flawless timeline management for budget planning, strong claims advocacy and carrier competency, with an exceptional track record navigating \$400 million+ capital build-outs.

USI operates under California Department of Insurance License #0G11911 and is authorized to transact on behalf of 732 insurers. They are in good standing with the California Secretary of State, and there are no exclusions for federally funded contracts, as reviewed on SAM.gov.

PRICE ANALYSIS: In the property and casualty marketplace, brokerage remuneration is traditionally executed on a standard commission basis paid directly by insurance carriers, rather than a flat fee. For public entities, this carrier-funded commission market standard typically ranges between 10% and 15% of the gross written premium, depending on the complexity of the underlying coverage line (e.g., specialized excess placements vs. standard primary property packages). The London markets (which MTD's excess program must occasionally tap into) utilize distinct internal placement fees directly embedded within. USI has committed to keeping to these standard commission rates.

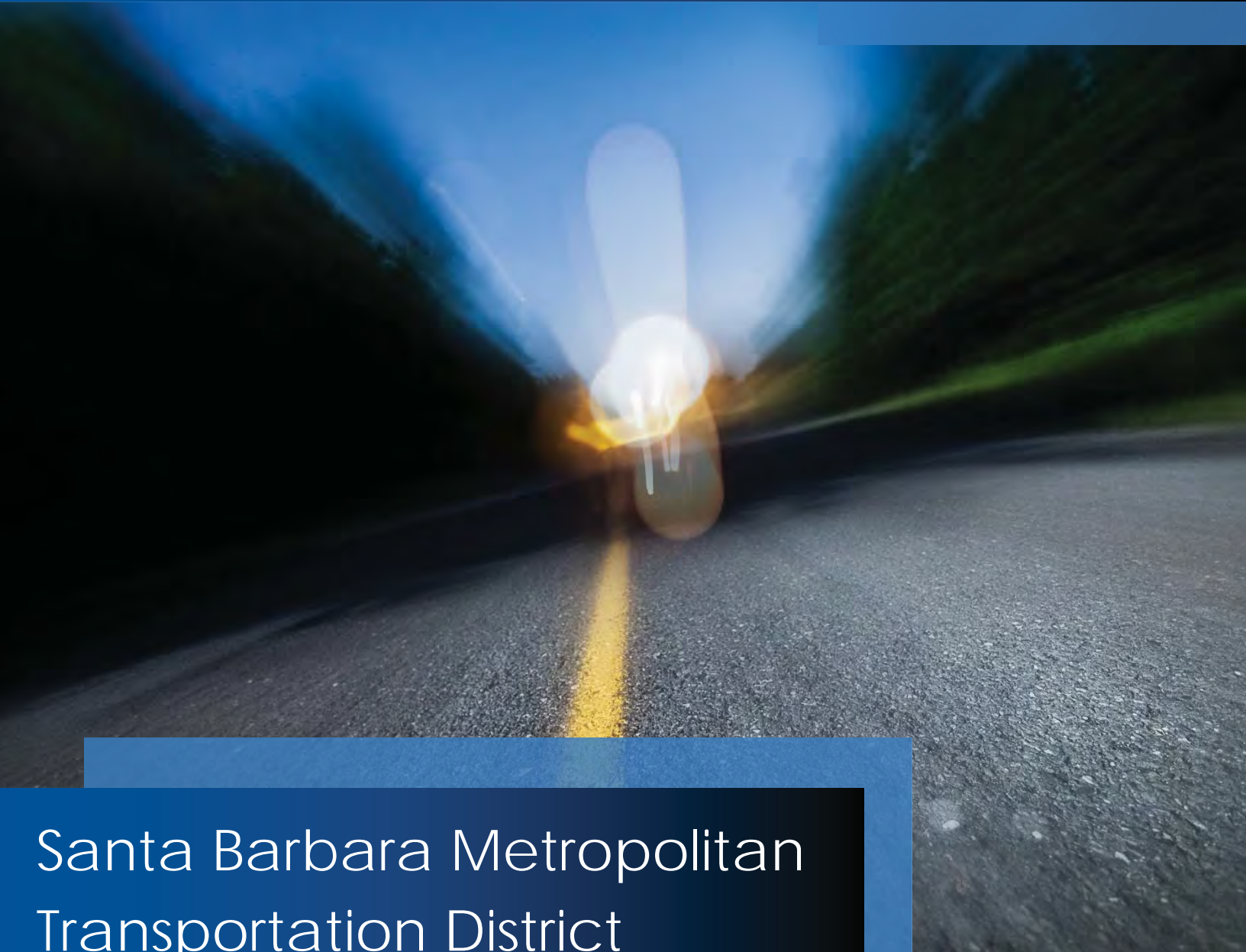
Notably, formal disclosure of historical commission structures were not something the District had previously received, reinforcing MTD's objective of establishing explicit, transparent broker compensation requirements moving forward. In selecting USI, there is a binding commitment to total commission transparency; USI will provide full annual ledger accounting to MTD Staff detailing every dollar collected from underlying placements. The commission structure from USI shall include providing MTD access to a comprehensive risk management suite that includes uncapped access to the USI Risk Management Center (RMC), specialized safety and loss control certifications, board education modules, and dedicated claims-intervention legal support to accelerate carrier payout cycles.

As all brokerage services are funded via carrier-paid commissions built directly into MTD's annual insurance premium, there is no direct budgetary expenditure impact on MTD's general ledger for the broker onboarding. By utilizing USI's marketing techniques and specialized risk containment frameworks, Staff anticipates long-term premium savings and a lower Total Cost of Risk (TCOR) across the following property/casualty programs:

- Business Auto
- Cyber Liability
- Directors and Officers Liability (D&O) & Employer Practices Liability Insurance (EPLI)
- Earthquake
- Equipment Breakdown
- ERISA Bond
- Fiduciary Liability
- Flood
- General Liability
- Property
- Workers' Compensation (CA)
- Workers' Compensation (VA)
(one employee located in Virginia)

ATTACHMENTS:

USI Technical Proposal and the interview presentation handout to be included in an awarded Master Agreement.



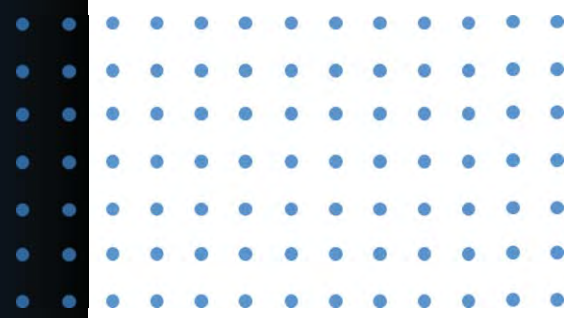
Santa Barbara Metropolitan Transportation District

Response to Property/Casualty Insurance Broker
Services

May 5th, 2026

Barbara Goodwin
Partner, Senior Vice President
USI Insurance Services LLC
575 Market St, Suite 3750
San Francisco, CA 94105
628.201.9053 | barbara.goodwin@usi.com

www.USI.com





Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

LETTER OF TRANSMITTAL

May 5th, 2026

Valerie White
Santa Barbara Metropolitan Transportation District
550 Olive St
Santa Barbara, CA 93101

Dear Valerie White,

USI Insurance Services(USI) is very excited for the opportunity to submit this proposal for Property/Casualty Insurance Broker Services in response to the Santa Barbara Metropolitan Transportation District's (MTD or District) Request for Proposal (RFP). We know MTD provides an important public transit service to residents in Santa Barbara and surrounding areas. The service team responding to this RFP are public transit specialists, having worked with public transit agencies in California for over 25 years. This specialty insurance and risk management expertise couple with MTD's critical mission to provide safe transit service, makes us an exceptional broker and consultant for consideration by MTD.

The following are highlights of USI's qualifications and other services and specialties that distinguish USI:

- ◆ **Transit Experience:** We focus on Property and Casualty insurance for California public transit accounts and have many years of experience insuring clients listed below. Our team's in-depth understanding of bus systems is crucial in differentiating MTD in the market from other transportation accounts. As leaders in public transit, we also handle clients in other parts of the country.
- ◆ **Cost-Effective Solutions:** We understand the impact of budget constraints on your risk management decisions. By leveraging our expertise, we will negotiate competitive pricing and tailor coverage specifically to meet your financial and operational goals.
- ◆ **Market Leverage:** As one of the largest insurance brokers, we work extensively with carriers every day. MTD benefits from our strong market relations for transit accounts, ensuring that we attain the broadest and most competitively priced insurance coverage.
- ◆ **Value-Added Services:** We offer full risk management services and use of Resource Specialists regardless of office location and without profit center conflicts.
- ◆ **Knowledgeable consultation on contracts** – We provide consulting services to our transit clients on a broad range of contracts, from weed abatement to van pools, using Lyft and Uber for paratransit services, all types of construction, purchase of new buses and a variety professional service contracts.
- ◆ **Relentless focus on customer service.** We are a networked team that is "always on." When you need us, we are ready. Every principal team member has mobile access to voice and data communications, and we build redundancies into our teams, so staff members are always available to offer support and service.
- ◆ **Great enthusiasm and teamwork.** Our team communicates, works well together to the benefit of our clients, and has a passion for delivering the highest level of insurance and risk management knowledge to MTD.

We have outlined this transmittal letter according to the structure laid out in MTD's RFP. Note that Barbara Goodwin is the main point of contact and is the official person authorized to enter into contracts for the firm. Barbara's contact information is below.



Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

Offeror's interest and willingness to enter into a contract with MTD to carry out the broker services as described in the attached Scope of Services.

We appreciate the opportunity to work with MTD and would like to express our sincere interest in establishing a business relationship for providing Property/Casualty Insurance Broker Services as described in the RFP's Scope of Services. We are fully prepared and willing to enter into a formal contract to provide the requested services.

USI confirms that this proposal is a firm offer to provide work related to this RFP effective one hundred and eighty (180) days from the due date of the Proposal.

Offeror's willingness to accept the contract terms and conditions included in the MTD Master Agreement and the FTA Contract Provisions.

USI agrees to accept the contract terms and conditions included in the agreement. One exception is MTD following requirement:

- ◆ Paragraph 18, B, X, Deductible Retention – All insurance required for this project shall have a maximum deductible or self-insured retention of \$10,000 per policy.

USI carries a higher deductible, that is in accordance with industry standards.

Offeror's ability and willingness to obtain insurance meets the requirements indicated in paragraph 18 of the Master Agreement.

USI meets the requirements indicated in paragraph 18 of the Master Agreement.

Offeror is currently licensed by the California Department of Insurance and can provide a copy of the license upon request. *Please list all names utilized by the organization in the past, in the event your organization has had any name changes.*

USI Insurance Services LLC is licensed by the California Department of Insurance and we would be happy to provide our license. Our previous name was USI Insurance Services National, Inc. and that firm was also licensed.

USI Insurance Services has operated under the name "USI Insurance Services" since its founding in 1994. USI USI has acquired, merged with, or operates several subsidiaries and affiliated entities under various names, including but not limited to:

- ◆ USI Holdings Corporation
- ◆ USI Insurance Services of Northern California, Inc.
- ◆ Humanex, Inc.
- ◆ Henderson & Phillips, Incorporated

All acquired businesses are eventually integrated under the "USI Insurance Services" brand. If you require additional historical information or documentation regarding previous company names or entities, please let us know and we will be happy to provide further details.



Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

In addition, all of the individuals working with MTD maintain valid and current California property & casualty insurance licenses, most of them for over 30 years. Also, team members maintain professional designations, including the following:

- ◆ Barbara Goodwin, who is Team leader, has her Commercial Property Casualty Underwriter (CPCU) designation and her Associate in Risk Management (ARM-E) designation with an emphasis on Enterprise Risk Management (ERM 57). She has taught ARM, Risk Management and Enterprise Risk Management courses for the Insurance Education Association (IEA) for many years.
- ◆ Sherry Hurte, the Account Executive/Manager for MTD, has her Commercial Lines Coverage Specialist (CLCS) designation. This is a comprehensive program for industry professionals to master commercial lines insurance coverages.

Also, team members take technical insurance continuing education courses to maintain their insurance licenses and for keeping up-to-date on the latest issues in insurance. In addition, many of the team members have college undergraduate and graduate degrees. Our team's knowledge coupled with our years of industry experience underwriting, brokering, servicing clients, and traveling to meet with U.S. and global markets, offers MTD unequalled technical insurance and risk management depth and talent.

There is no prior history of corrective action with the California Department of Insurance, under Offeror's current company name or by any name used in the past (in the event Offeror has changed names in the past). If your organization has changed names in the past, please list all names previously used by Offeror. Offeror shall disclose any actions taken, proposed, or negotiated with Offeror by the State of California Department of Justice, Office of the Attorney General, under current organizational name or under any prior name (if organization has changed names in the past).

Company names have included USI Insurance Services LLC and USI Insurance Services National, Inc. USI has never had any corrective action with the California Department of Insurance.

USI has not undergone any legal name changes. However, USI has acquired, merged with, or operates several subsidiaries and affiliated entities under various names, including but not limited to:

- ◆ USI Holdings Corporation
- ◆ USI Insurance Services of Northern California, Inc.
- ◆ Humanex, Inc.
- ◆ Henderson & Phillips, Incorporated

To the best of our knowledge, there has been no litigation relative to compensation disclosures or practice brought against USI. It is in the nature of a national insurance brokerage business for there to be, from time to time, claims or lawsuits brought by and against the Company about insurance disputes. These matters have been resolved or are being resolved satisfactorily to the Company and have no adverse or material impact on any accounts under consideration.

Offeror's firm and staff proposed to work on MTD's projects have a minimum of five (5) years' expertise and experience in providing insurance brokerage and consulting services with emphasis on the public sector with depth and breadth of services available, comparable to MTD. This applies to both current and past contracts; state entity name, type of services, and date of services provided.

Barbara Goodwin and Sherry Hurte are the two core team members for MTD and have been handling the insurance and risk management needs on public transit accounts for over 25 years. The other team members that will work with MTD have been working with Barbara and Sherry on these accounts for over 10 years. These accounts include the following:



Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

Client Name	Services Offered	Dates
Golden Gate Bridge, Highway and Transportation District	Property & Casualty Insurance, Excess Worker's Compensation, Marine Insurance, Risk Management Consulting Services	2008 to Present
San Mateo County Transit District	Property & Casualty Insurance, Excess Workers' Compensation, Risk Management Consulting Services	1988 to Present
Peninsula Corridor Joint Powers Board (Caltrain)	Property & Casualty Insurance, FELA, Risk Management Consulting Services	1992 to Present
Metropolitan Transportation Commission	Property & Casualty Insurance, Risk Management Consulting Services	2008 to Present
San Mateo County Transportation Authority	Property & Casualty Insurance, Risk Management Consulting Services	1988 to Present
San Mateo County Express Lanes Joint Powers Authority (SMCEL JPA)	Property & Casualty Insurance, Risk Management Consulting Services	2022 to Present
Greater Cleveland Regional Transit Authority	Casualty Insurance, Risk Management Consulting Services	2012 to Present

We are excited by the prospect of partnering with you for Property/Casualty Brokerage Services. Please do not hesitate to reach out with any questions.

Sincerely,

Barbara Goodwin
Partner, Senior Vice President
628.201.9053
barbara.goodwin@usi.com
CA DOI License # 0G11911

TABLE OF CONTENTS

LETTER OF TRANSMITTAL..... 1

COMPANY BACKGROUND AND INFORMATION.....2

REFERENCES 7

FINANCIAL STABILITY 12

OPERATIONAL REQUIREMENTS..... 13

PERSONNEL REQUIREMENTS 35

TRANSITION PLAN 38

PRICE PROPOSAL-COMPENSATION STRATEGY 45

 PRICE PROPOSAL (CONTINUED): ADDITIONAL INFORMATION 51

DISCLOSURES..... 57

APPENDICES 58

- APPENDIX I – USI CYBER ANSWERLYTICS LIST
- APPENDIX II – PARTIAL MTD IT REPORT
- APPENDIX III – TERRORISM & ACTIVE ASSAILANT SOLUTIONS
- APPENDIX IV – RESUMES OF KEY PERSONNEL
- APPENDIX V – UMBRELLA BENCHMARK
- APPENDIX VI – LOSS FORECAST

At USI, we've become a leader by doing things differently. We are truly changing the insurance brokerage and consulting industry with new proprietary solutions, unparalleled resources, and a unique process to deliver results.

— Mike Sicard, CEO

CONFIDENTIAL AND PROPRIETARY: This document and the information contained herein is confidential and proprietary information of USI Insurance Services, LLC ("USI"). Recipient agrees not to copy, reproduce, or distribute this document, in whole or in part, without the prior written consent of USI. Estimates are illustrative given data limitation, may not be cumulative, and are subject to change based on carrier underwriting.

COMPANY BACKGROUND AND INFORMATION

Please provide information regarding your organization, including a short description of your services, length of time in business and company size.

Founded April 28, 1994, incorporated in Delaware, and headquartered in Valhalla, New York, USI is one of the largest insurance brokerage and consulting firms in the world, delivering property and casualty, employee benefits, personal risk, program, and retirement solutions throughout the United States. USI connects over 11,000 industry leading professionals across nearly 200 offices to serve clients' local, national, and international needs. For more information, visit www.usi.com.

USI began with a single office of \$6.5 million of revenue and 40 associates and has become a leading insurance brokerage nationwide with approximately \$3 billion in revenue over the past two decades—through both sustainable, organic growth and a series of strategic acquisitions. USI is owned by KKR and hundreds of USI sales professionals, leadership, and employees. KKR is a global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit, and hedge funds.

USI has become a premier insurance brokerage and consulting firm by leveraging the **USI ONE Advantage**[®]—an interactive platform that integrates proprietary and innovative client solutions, networked local resources, and enterprise-wide collaboration to deliver customized results with positive, bottom-line impact. USI attracts best-in-class industry talent with a long history of deep and continuing investment in our local communities.

USI has been recognized as a **Top Insurance Employer** by Insurance Business America (IBA) for eight consecutive years (2018-2025). IBA's annual Top Insurance Workplaces program ranks leading U.S. insurance organizations based on a series of employee satisfaction metrics, including benefits, compensation, culture, employee development and diversity. For six consecutive years, USI has been named to *Business Insurance's* list of **Best Places to Work in Insurance** (2020-2025).

USI Insurance Services LLC and its insurance operations and subsidiaries are registered to do business and are insurance department licensed in all necessary lines of authority in all 50 U.S. States, District of Columbia, and several U.S. Territories. Here is a map with our office locations:



Services Provided

We are a service provider who listens, understands, and responds to client needs. Specifically;

- We bring broad transportation specialized knowledge that will benefit MTD, for not only efficient purchase of property casualty insurance coverages, but also anticipating and addressing your risk management needs, assuring the lowest possible cost of risk.
- Insurance should not be a deterrent to MTD and its vision, so we work through solutions that enable MTD to continue their business operations.
- Our team has deep experience with unusual third-party contracts, so we can help advise on risk transfer coverages and limits on unique contracts for services that MTD lets.
- We will work to gain mutual respect with a broad section of staff and can work together to develop recommendations that work for multiple stakeholders.

USI will be a superior partner to MTD, balancing insurance placement with our consulting services that mitigate and prevent losses to MTD. We offer a complete spectrum of brokerage and consulting services including, but not limited to:

- ◆ **Analytics** – Provides analytical consulting for risk management clients. Services include loss forecasting and accrual studies, collateral reduction analysis, risk retention analysis, program comparisons and cash flow modeling, cost of risk allocation, and risk bearing capacity analysis.
- ◆ **Insurance program marketing** – Design appropriate coverage and negotiate with carriers for broad terms and low costs.
- ◆ **Physical risk review** – Assess operations to determine your property, business interruption, extra expense, machinery breakdown, flood, and earthquake exposures.
- ◆ **Claim advocacy** – Serve as your claim advocate for all coverage, assisting with property claims to maximize your recovery and minimize the disruption to your operations; offer in-depth coverage analysis and support for difficult liability, automobile, workers compensation, and executive liability claims to protect your assets.
- ◆ **Claims service provider assessment** – Procure and analyze proposals from claims and third-party administrators to determine and tailor the best claims program for your operations.
- ◆ **Loss control support** – Loss control and safety services designed to reduce your losses including OSHA, DOT, liability, and property protection.
- ◆ **Risk modeling** – Provide catastrophe modeling for property risks to analyze overall risk and obtain favorable coverage terms from insurance carriers.
- ◆ **Custom RMIS solutions** – Provide claims data management tools to allow you to manage and analyze your claims information.
- ◆ **Enterprise Risk Management (ERM)** – Helping companies identify possible catastrophic events, ensures capture of a broad array of risk, and provides the means to embed risk management into existing business processes. We offer an unrivaled combination of experience and capabilities to help your business develop and implement an effective ERM strategy.

USI also has served the public sector for project-specific engagements such as:

- ◆ Construction wrap-ups (Owner-Controlled Insurance Program or CCIP)
- ◆ Builders Risk programs
- ◆ Claims audit (third-party administrators)
- ◆ Loss control analysis
- ◆ Safety services—customized contracts to provide supplemental safety professionals to staff (outsourcing)
- ◆ Environmental due diligence
- ◆ Independent risk assessment

- ♦ Litigation management

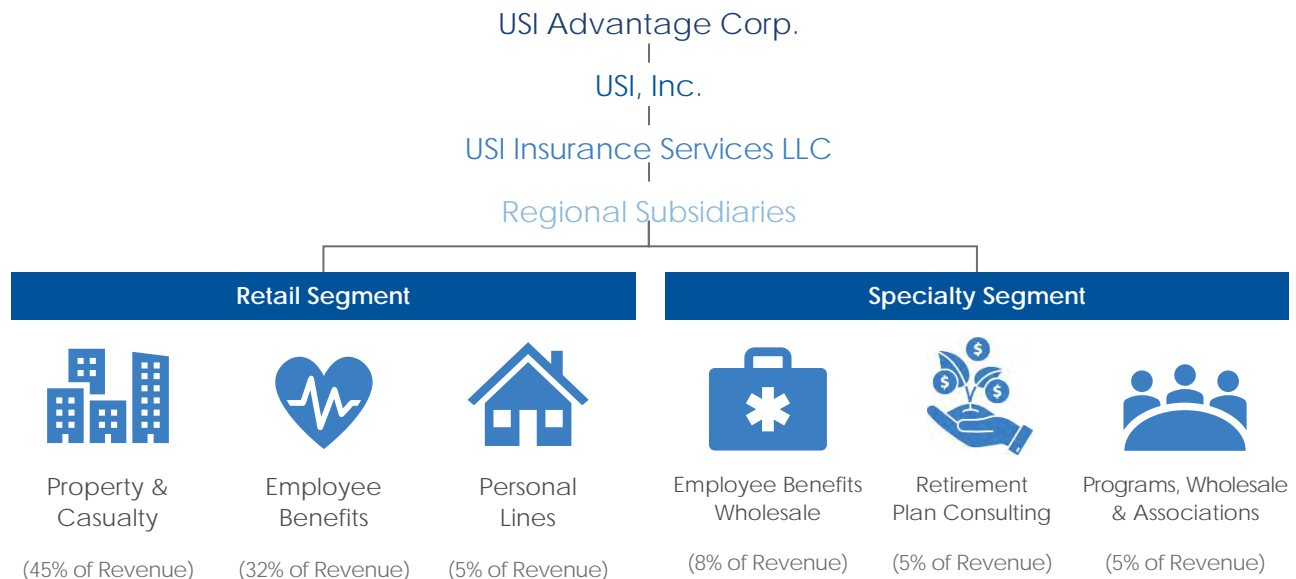
Identify your business structure – corporation, partnership, sole proprietorship, etc. and number of years of operation under this structure. List any and all names previously used by your firm.

USI is a corporation that was founded April 28, 1994, and is incorporated in Delaware. USI has not undergone any legal name changes. However, USI has acquired, merged with, or operates several subsidiaries and affiliated entities under various names, including but not limited to:

- ♦ USI Holdings Corporation
- ♦ USI Insurance Services of Northern California, Inc.
- ♦ Humanex, Inc.
- ♦ Henderson & Phillips, Incorporated

USI Insurance Services, LLC is an operating company wholly owned by USI, Inc.—which, in turn, is majority owned by USI Advantage Corp., which is controlled by entities affiliated with Kohlberg Kravis Roberts & Co. L.P ([KKR](#)).

The remaining shareholders are made up of USI executives and employees, who not only have a financial stake in the company, but also retain decision-making responsibility with respect to day-to-day operations and client engagement.



For any business structure, provide history of acquisition, buyouts or mergers with other entities for the past ten years.

USI continually and actively seeks out opportunities to better serve our clients and increase our industry presence by augmenting our knowledge, resources, and expertise, as well as our geographic footprint; and we continue to strengthen our position as one of the largest insurance brokerage and consulting firms nationwide. **Recent news and acquisitions can be found on our website under “USI in the News” via the following link: www.usi.com/about-usi/usi-in-the-news dating all the way back to 2012.**

Due to the large number of acquisitions, below is a consolidated snapshot of larger transactions over the past ten years. A more detailed list can be provided upon request and found at the above link.

- ◆ In August 2025, USI Insurance Services announced the acquisition of Miami, Oklahoma-based Rogers Insurance Center. Founded in 1997, Rogers Insurance Center is an independent brokerage firm specializing in commercial and personal risk insurance programs.
- ◆ In May 2024, USI announced the acquisition of Odessa, Texas-based Hignojos Insurance Agency. Founded in 2009, Hignojos Insurance Agency is an independent brokerage firm specializing in commercial and personal risk insurance programs.
- ◆ In late 2023, KKR made an additional equity investment of more than \$1 billion in USI. Under the terms of the agreement, Kohlberg Kravis Roberts & Co. (KKR) and USI purchased shares of USI held by Caisse de dépôt et placement du Québec (CDPQ) and certain other investors. Following the deal's closing, KKR became USI's majority single shareholder, with USI's management and employees also retaining their significant ownership in USI.
- ◆ In May 2023, USI Consulting Group (USICG), a national industry-leading, full-service retirement plan consulting and benefits administration firm, announced the acquisition of Bloomfield, Connecticut-based Hooker & Holcombe, Inc (H&H), a regional provider of comprehensive and integrated actuarial, investment advisory, and retirement plan consulting services.
- ◆ In April 2022, USI announced the acquisition of Vincennes, Indiana-based employee benefits brokerage and advisory firm, Benefits 7, Inc.
- ◆ In May 2021, USI announced the completion of its acquisition of the insurance business offered through Northwest Insurance Services from Northwest Bank, a subsidiary of Northwest Bancshares, Inc. (NASDAQ: NWBI). Northwest Insurance Services is a wholly-owned subsidiary of Northwest Bank, offering property and casualty, life, disability and long-term care insurance, as well as group health, life and disability employee benefits.
- ◆ On December 14, 2020, USI announced the acquisition of Sitka, Alaska-based Venneberg Insurance. Founded in 1984, Venneberg Insurance is an independent risk management and insurance agency serving businesses and individuals throughout Southeast Alaska.
- ◆ In February 2019, USI announced the acquisition of New York-based GFI Insurance Brokerage, Inc. Founded in 2003, the insurance brokerage provides commercial property and casualty, employee benefit and personal risk solutions to clients in the Northeast region.
- ◆ On May 7, 2018, USI announced the acquisition of Key Insurance & Benefits Services, Inc., formerly part of KeyBank. Headquartered in Buffalo, N.Y., Key Insurance & Benefits Services, Inc. is a leading regional provider of risk management and employee benefit solutions with with eight offices in upstate New York, Pennsylvania and Connecticut.
- ◆ On December 4, 2017, USI announced the closing on the acquisition of Wells Fargo Insurance Services USA ("WFIS"), formerly part of Wells Fargo & Company. This purchase included the Insurance Brokerage and Consulting, Employee Benefits and Property & Casualty national practices of WFIS, along with its Safehold Special Risk, Small Business Insurance, Student Insurance, Individual Health and Private Risk Management Insurance business lines. This was a major acquisition that essentially doubled the size of USI at the time; also, many of the team members in this proposal were from WFIS, including the Team Leader, Barbara Goodwin.

How many years of experience does your firm have in the United States providing Insurance Brokerage Services? (Provide name and address if prior business name is not the same as Offeror)

USI has over 30 years of experience providing Insurance Brokerage Services.

Please provide a general list of clients and names of contacts from at least several organizations that have knowledge of your company that may vouch for your company's integrity, judgment and performance.

We have provided a list of clients in the [References](#) section, that you can contact. In addition, here is a list of public sector clients that the core service team handles:

Accounts Under Barbara Goodwin and Team

- Golden Gate Bridge, Highway & Transportation District
- San Mateo County Transit District (SamTrans)
- Peninsula Corridor Joint Powers Board (JPB, aka CalTrain)
- San Mateo County Transportation Authority (TA)
- San Mateo County Express Lane – Joint Powers Authority (SMCEL JPA)
- Greater Cleveland Regional Transit Authority (GCRTA)
- San Francisco Bay Area Metropolitan Transportation Commission (MTC)
- The County of Marin

Please provide a list of five clients who have not renewed your agency/firm as Broker of Record within the last ten years. Please include the reasons for the most recent non-renewal.

Many of these clients are not public entities, but they are clients who non-renewed their insurance programs with this service team, for the reasons stated in the chart.

Client	Year Non-Renewed	Reasons for non-renewal
YouGov America	2025	Consolidated U.S. operations with the foreign parent's insurance program managed by Marsh in London. So, the policies we placed here in the U.S. were combined into the parent company's program.
Backblaze	2024	CFO retired and new CFO brought in the team he worked with at a previous company. So, the new broker took over the policies we had placed on Broker of Record letter.
Cities Group Pool	2025	We were the insurance broker that placed Excess Workers' Compensation coverage for the cities who were members on the Cities Group Pool. This pool dissolved when the Program Manager retired, and the members sought Excess Workers' Compensation coverage elsewhere.
San Joaquin Regional Transit District	2021	The new CEO had a relationship with another broker and elected to move this. They eventually joined a pool for their Excess Liability insurance coverages.
Scientific Learning	2020	The Company sold to another Company, so the new parent company handled the insurance.

REFERENCES

Offeror must demonstrate successful prior performance of comparable services in the public sector arena and provide a minimum of three (3) references from California public sector entities and clients that are comparable to MTD for which these types of services have been performed within the past five (5) years. Each reference listed should include all the following information:

Client name, contact name and title, with current email address and telephone number for MTD to contact, as a reference

Type of insurance and/or services provided

Date and length of services provided

Brief description of responsibilities for the account held by service team members that may be proposed to work on the MTD Account

1

Client Name	Golden Gate Bridge, Highway and Transportation District (GGBHTD)
Contact Name, Title	Kelli Vitale, JD, MBA, SIP, Director of Risk Management and Safety
Telephone Number	415-716-9925 or 916-416-2305 (cell)
Email Address	kvitale@goldengate.org
Types of Services Provided	<p>We place the following types of insurance coverages for this client:</p> <ul style="list-style-type: none"> ▪ General Liability and Auto Liability at limits of \$85M ▪ Excess Workers' Compensation ▪ Public Officials and Employment Practices Liability ▪ Cyber Liability ▪ Environmental Liability ▪ Fiduciary Liability ▪ Crime ▪ Property ▪ Earthquake and Flood ▪ Auto Physical Damage ▪ Marine coverages including P&I, Jones Act, Hull, Pollution, MGL, etc. ▪ Risk management consulting services including contractual risk transfer, evaluating self-insured retention levels, reviewing property values, catastrophe modeling, and loss control services. ▪ Claims consulting.
Date and Length of Services Provided	We have been their casualty broker since 2008, and we added the Property and Marine coverages mid-contract in April 2020. So, we place all of the Property, Liability and Marine coverages, plus we provide risk management services.
Service Team Responsibilities	<p>This same service team proposed for MTD, has designed and implemented a comprehensive insurance and risk management program for the GGBHTD, that would offer the same services to MTD. We have:</p> <ul style="list-style-type: none"> ▪ Designed a viable and creative insurance program structure during a very difficult insurance market.

	<ul style="list-style-type: none"> ▪ Procured Cyber Liability insurance and offered IT consulting services described later in this proposal. ▪ Provided claims consulting on unusual and difficult claims resulting in timely closure. ▪ Provided extensive risk control services to help the District prevent and mitigate losses lowering its cost of risk. ▪ For the Property renewal, we worked with the District on property values and adjusted the policy's loss limit based on this joint analysis. ▪ Completed catastrophe modelling to evaluate earthquake and flood limits. ▪ Evaluated self-insurance levels as more thoroughly described below.
--	--

2

Client Name	San Mateo County Transit District (SamTrans), Peninsula Corridor Joint Powers Board (JPB or Caltrain) & San Mateo County Transportation Authority
Contact Name, Title	Marshall Rush, ARM, AIC, Insurance and Claims Administrator
Telephone Number	650.508.7742
Email Address	rushm@samtrans.com
Types of Services Provided	<p>Our team provides insurance brokerage and risk management consultation to the bus program, commuter rail system, and funding agency. In addition, we handle the insurance coverages for the San Mateo County Express Lanes JPA. We place all liability and property coverages for JPB (Caltrain), SamTrans, and Transportation Authority. Specifically, for SamTrans, which is the bus system most similar to MTD, we place the following coverages:</p> <ul style="list-style-type: none"> ▪ General Liability and Auto Liability at limits of \$99M ▪ Excess Workers' Compensation ▪ Public Officials and Employment Practices Liability ▪ Cyber Liability ▪ Environmental Liability ▪ Fiduciary Liability ▪ Crime ▪ Property ▪ Bus Physical Damage ▪ Kidnap & Ransom ▪ Volunteer AD&D ▪ For the railroad, railroad protective liability and FELA ▪ Risk management consulting services including contractual risk transfer, evaluating self-insured retention levels, reviewing property values, and loss control services. ▪ Claims consulting.
Date and Length of Services Provided	1987 to present for SamTrans and 1992 to Present for JPB/Caltrain (start of operations). The current account team has been working with these agencies since 2001.
Service Team Responsibilities	<p>This same service team proposed for MTD, has designed and implemented a comprehensive insurance and risk management program for SamTrans, that would offer the same services to MTD. We have:</p> <ul style="list-style-type: none"> ▪ Designed a viable and creative insurance program structure during a very difficult insurance market. ▪ Procured Cyber Liability insurance and offered IT consulting services described later in this proposal.

	<ul style="list-style-type: none"> ▪ Provided claims consulting on unusual and difficult claims resulting in timely closure. ▪ Provided extensive risk control services to help SamTrans prevent and mitigate losses lowering its cost of risk. ▪ For the Property renewal, we worked with the District on property values and adjusted the policy's loss limit based on this joint analysis. ▪ Evaluated self-insurance levels. ▪ Helped implement a third-party certificate management tracking service. ▪ Introduced Select Actuarial Services for analysis of liability and workers' compensation claims.
--	---

3

Client Name	Metropolitan Transportation Commission (MTC)
Contact Name, Title	Gertruda Luermann, ARM, Senior Program Coordinator
Telephone Number	(415) 820-7992
Email Address	gluermann@bayareametro.gov
Types of Services Provided	<p>We place the following types of insurance coverages for this client:</p> <ul style="list-style-type: none"> ▪ General Liability and Auto Liability at limits of \$20M ▪ Workers' Compensation ▪ Public Officials and Employment Practices Liability ▪ Cyber Liability ▪ Crime ▪ Property insurance for the BAHA building ▪ Drone Liability ▪ Foreign package ▪ Employed Attorneys Professional Liability ▪ Risk management consulting services including contractual risk transfer, evaluating self-insured retention levels, reviewing property values, catastrophe modeling, and loss control services. ▪ Claims consulting.
Date and Length of Services Provided	We have been MTC's insurance broker and risk management consultant since 2008. We place all of the Property, Liability and Workers Compensation coverages, plus we provide risk management services. We handle MTC plus BAHA, which owns the building that MTC and other public entities reside.
Service Team Responsibilities	<p>This same service team proposed for MTD, has designed and implemented a comprehensive insurance and risk management program for MTC, that would offer the same services to MTD. We have:</p> <ul style="list-style-type: none"> ▪ Designed a viable and creative insurance program structure with Self-Insured Retention levels that make sense to MTC. ▪ Procured Cyber Liability insurance and offered IT consulting services described later in this proposal. ▪ Provided claims consulting on unusual and difficult claims resulting in timely closure. ▪ Provided extensive risk control services for the building. ▪ For the Property renewal, we worked with MTC on property values. ▪ Provide expert risk management advice on numerous contracts with third parties. These MTC contracts are extremely complicated with services ranging from the Clipper Fare Payment card, to construction on the bridges, electronic toll systems, bike share programs, electronic toll lanes, etc. This experience benefits all of our clients, since we see so many different projects that they overlap with our clients.

- Our risk management expertise and analysis enables MTC to assess and evaluate risk for the projects it undertakes.
- We've provided training to staff on insurance and requirements in contracts so they can be more proficient in managing their projects.
- USI staff inputs insurance requirements and contracts into MTC's Ebix certificate tracking system. In addition, we are available and responsive in addressing questions from vendors whose certificates are being tracked by Ebix, MTC's certificate tracking service.

Include a one-page summary of the outcome of a service provided to one of the clients listed above.

Golden Gate Bridge, Highway and Transportation District (GGBHTD)

The Excess Liability insurance program we place for Golden Gate Bridge, Highway and Transportation District (GGBHTD) provides liability insurance for bodily injury or property damage to third parties from bus and bridge operations. This insurance we place also provides coverage for employment practices liability, and public officials' liability claims. The current limits for the current GGBHTD's Excess Liability Program are \$85 million, and it has selected Self-Insured Retention levels at amounts that make financial sense as a result of the loss forecasting work that USI has performed on behalf of GGBHTD.

The current Excess Liability insurance market for Public Entities remains extremely challenging, particularly for those entities in California with bus transit operations and a law enforcement component. Many insurers that had traditionally insured these types of risks have withdrawn from the market due to losses that have doubled, tripled, or even quadrupled over the past year especially in highly litigious states like California. GGBHTD is well-aware of the potential for large losses, having experienced some large ones arising from very serious bus/pedestrian accidents. We saw that MTD also had a large claims in 2019 of \$6,883,453. GGBHTD's two large claims in the past 15 years have had a significant impact on how insurance companies view the GGBHTD.

Many insurers have discontinued providing liability insurance for bus operations for the following reasons:

- ◆ Recent large settlements
- ◆ California locale
- ◆ Overall poor experience with auto/bus risks
- ◆ Nuclear verdicts/social inflation (a.k.a. exceptionally high jury awards)

USI has taken a creative approach to designing GGBHTD's insurance program. We have also evaluated alternative risk financing mechanisms to put together the most competitive risk transfer insurance program. **One of the goals that GGBHTD's Director of Risk Management & Safety identified was to evaluate alternative risk financing strategies, in addition to traditional insurance coverage.**

We agree that GGBHTD and MTD should always be considering alternative ways to finance its risk of loss, and we have provided some of the ideas we have explored for clients later on in this proposal, including pools, aggregate limits spread over multiple years, captives, etc. We suggest that this is an evolutionary process, and we have provided the following in response to that request/challenge and as part of the renewal process:

1. **Analytics and Loss Forecast.** USI's Analytics group prepared a Loss Forecasts to show how the GGBHTD's past Auto/GL and WC losses developed, for forecasting future losses. While not prepared by an actuary, it provided GGBHTD with some financial data as it evaluated higher self-insurance retention amounts. As a result of this analysis, the chart showed that the premiums for the higher SIR was justified, based on the historical loss costs. The District therefore increased its self-insured retention (SIR) on its Bus Liability program.

2. **Excess Workers' Compensation Cash Flow Option.** We presented this alternative to GGBHTD in 2018, as a means to save up-front premiums in exchange for assuming longer-tail risk on claims as they develop. These cash flow programs are more popular with larger organizations that have more frequent and severe losses than the District. However, we encourage GGBHTD to look at alternatives, to decide which ones make financial sense. Our Analytics group has prepared a Workers' Compensation stratification of losses to show how financially this alternative has not been viable.

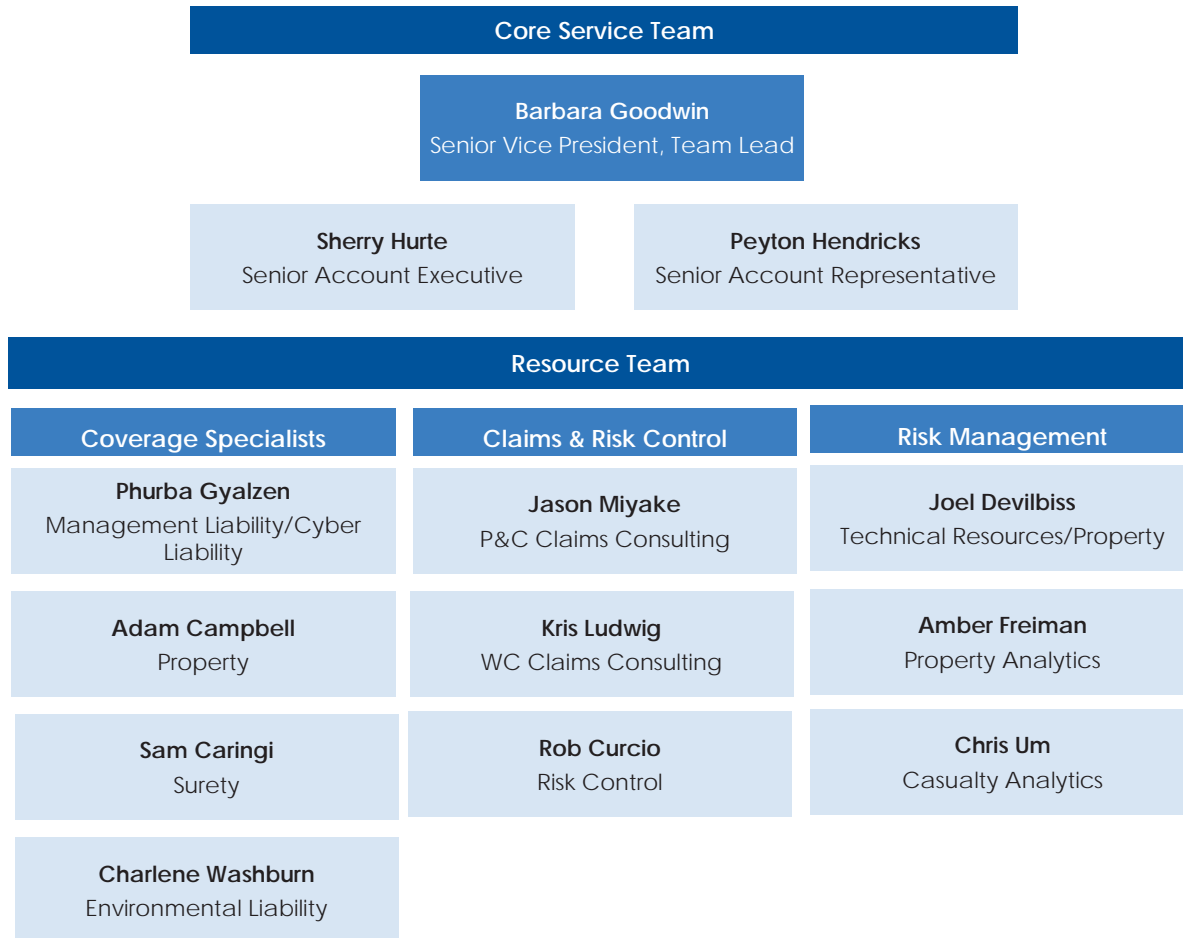
Offerors must provide a complete list of California public entities that discontinued the use of their services within the last ten (10) years.

USI as an organization lost the following California public entity clients in the last ten (10) years for various reasons:

- ◆ Cities Group Pool
- ◆ San Joaquin Regional Transit District
- ◆ Los Angeles County Metropolitan Transportation Authority
- ◆ County of Orange
- ◆ City of Huntington Beach
- ◆ Alameda Contra Costa Transit District

OPERATIONAL REQUIREMENTS

Offeror shall submit a project organization chart to delineate reporting relationships among assigned staff.



Offeror must provide evidence of good organization and best management practices.

Our only goal is your satisfaction. Team Leader Barbara Goodwin has ultimate responsibility for quality control for MTD. Simply saying this is not enough, our actions need to speak to this goal. Barbara has full accountability for the quality and timeliness of service, the deployment of resources, negotiation of service fees and commissions, and for obtaining feedback from you on our performance.

We will ensure unsurpassed brokerage and risk management support for MTD by doing the following:

- ◆ Provide MTD with the best talent our organization has to offer.
- ◆ Benchmark your program against others in the market to make certain we have achieved best available terms and conditions.
- ◆ Engage technical resources including our cyber liability, property, management liability, and analytics specialists for their insight and assistance.

- ◆ Provide you with innovation and creativity — not just in the first phase of our relationship, but throughout it. Periodically, we will bring you new ideas that have worked in other client engagements. We continually share ideas and successes through monthly calls with our public entity team. We also involve the resources of the firm. Our clients are better served when we provide a team of quality people in every discipline — top to bottom.
- ◆ Keep up-to-date on trends in your sector. We will offer suggestions on risk mitigation based upon our knowledge of county organizations and its trends.
- ◆ Seek out the appropriate resource and provide an accurate response in a timely fashion. We will never provide an answer to a question where we are not sure of the answer's accuracy.

As Team Leader, Barbara Goodwin will lead the team, and the delivery of services to MTD. Barbara works closely with Sherry Hurte, who is the Senior Account Executive working with MTD. Barbara and Sherry have been working together for 25 years on public transit accounts, so they have a seamless manner of providing superior service to clients. We provide a summary of the basic responsibilities the team undertakes to assure good organization and best practices.

How USI Assures Best Management Practices

Our basic service delivery model is built on a platform of local daily and administrative services supplemented by national and regional expertise according to discipline and industry. Because we do not have a chargeback or allocation of cost process for these consultants, they are accessible to our clients throughout the country. This is a different platform than many other brokers where internal consulting support requires internal charge backs.

Barbara and Sherry as the core team will develop a close working relationship with the key contact(s) in your organization. We will learn about your business and will be highly knowledgeable about all the resources available within our organization to assist you. While Barbara leads the team, Sherry is responsible for the daily account services that she and the service team fulfill.

Manage Relationships

- ◆ **Accountability** – Ultimate accountability for all aspects of service delivery to the client
- ◆ **Direct and organize service teams** – Ensure that all teams servicing a client are fully integrated, are clear as to client expectations, and that resources are made available
- ◆ **Frequent client contact** – Establish a program for visits for regular updates, reaffirmation of plans and objectives, and for the annual stewardship review
- ◆ **Monitor client objectives** – Anticipate and probe for new information to adjust our services or your risk management programs accordingly
- ◆ **Negotiate broker compensation** – Negotiate our compensation annually, or as needed for new or special projects—our goal is to be transparent with clients on our total compensation package

Assess & Address Client Needs

- ◆ **Client needs analysis** – Understand your unique needs and be able to respond to those needs through the appropriate product, solutions, and service offerings
- ◆ **Industry knowledge** – Understand the current issues in your industry so that we can develop and maintain a responsive and dynamic risk management strategy
- ◆ **Service delivery** – Ensure that we deliver high quality service, within your expected timeframes, to meet or exceed your expectations
- ◆ **Troubleshooting** – Resolve issues on your behalf within USI, with the insurance carriers, or other vendors
- ◆ **Program pricing and placement** – Obtain competitive pricing in the market, placed with good security

- ◆ **Compliance** – Ensure strict adherence to laws and regulations involving the placement of insurance policies, payment of premiums, and giving and receiving of notices

Relationship Development

- ◆ **Stewardship reviews** – Provide an annual stewardship review that summarizes the services provided in the previous year, special projects undertaken, coverage recommendations, and emerging issues
- ◆ **Client satisfaction** – Ask for feedback on our performance annually at a minimum
- ◆ **Procedural issues** – Ensure that there are written protocols in place, especially for claims handling

Policy Servicing

As part of our ongoing assistance in managing your risks, your account team can:

- ◆ Conduct an in-depth review of all policies to ensure coverage is correct and adequate
- ◆ Negotiate payment terms and conditions prior to binding coverage
- ◆ Coordinate and develop underwriting relationships between the client and the insurance carriers or vendors
- ◆ Verify accuracy of experience modifications, audits, and deductible or retrospective calculations
- ◆ Analyze leases and contracts for potential impact on the insurance program
- ◆ Allocate premium, preparing separate invoices to match the allocation if required by the client and allocating losses to applicable operating departments or strategic business units
- ◆ Arrange premium financing with reputable finance companies which offer competitive rates and payment terms
- ◆ Establish a formalized Certificate of Insurance program for clients' vendors
- ◆ Issue Certificates of Insurance and automobile ID cards

Marketing

We exercise quality control in the marketing process in a number of ways:

- ◆ We provide coverage specifications to our underwriters during the marketing process. Once coverage is bound, we compare all binding documents to our original specifications to make sure that all requested coverage is either outlined as provided or detailed as to where coverage is not provided.
- ◆ Maintain monthly open items meetings and closed items reports during the life of the engagement to maintain an audit trail on closed items and to provide constant incentive to bring issues to closure. This keeps open items fresh and outlines team members who have the responsibility to conclude issues. We also encourage occasional underwriter involvement in these meetings, so they can address items that may be their responsibility.
- ◆ Review individual policies, once received, against our binding documents and our specifications. Errors or issues needing clarification are outlined to the underwriter with a copy to the client alerting them that USI has identified the issue and is working to rectify the situation.
- ◆ Document form revisions and maintain a running file of document revisions in a policy development file.
- ◆ Share meeting minutes with all participants and ask if any items were missed or stated incorrectly. We will also provide an agenda for each meeting or conference call well in advance and solicit your input into these agendas.
- ◆ Perform an internal audit process where a compliance team randomly audits the marketing and client management files according to quality standards. All audit results are shared with the individual offices and audit deficiencies are highlighted and necessary improvement steps are outlined in the process.

- ◆ USI uses technology to extensively to improve efficiencies in the service model as well as risk analysis and identification.

USI follows rigorous compliance standards. In addition to quality control standards, offices and files are carefully audited for compliance with state surplus lines regulations including export lists and surplus lines filings, as required by law.

Offeror shall describe the firm’s experience and ability to access insurance markets to maximize availability of coverage and shall include available markets and volume of business. Offeror shall provide a list of support services to MTD such as:

Loss Control (including inspection and services)

Comprehensive Loss Control Services

Loss prevention efforts are one of the most important investments MTD can make when building and sustaining an effective risk management program. Beyond a lower total cost of risk, an effective loss control program can have a significant impact on employee and client satisfaction, market reputation, and stability of earnings. Our goal is to help ensure regulatory compliance, establish innovative loss reduction best practices, and assist management in developing and implementing engineering and management controls to combat loss potential. The services we offer are in a written action plan tailored to your specific needs and requirements.

Rob Curcio works with our public transit district’s locally and is USI’s dedicated Risk Control consultant for MTD. Rob can offer the following risk control services to MTD:

- ◆ Determine MTD’s risk control needs and long-term strategy.
- ◆ Determine carrier risk control objectives.
- ◆ Coordinate, implement, and oversee carrier-based risk control services.
- ◆ Provide feedback on carrier risk control site visit reports and recommendations/guidance on responses to carrier risk control recommendations.
- ◆ Accompany carrier risk control specialists on project assignments (as needed.)
- ◆ Develop and implement specified risk control programs/projects as needs arise.

Rob Curcio will offer to MTD access to the USI Risk Management Center (RMC), exclusive to USI customers. Here is a summary of the information available on that portal:

Risk Management Center	
— Web-based Portal	<ul style="list-style-type: none"> ▪ Safety Policies and Programs ▪ Online training and PowerPoints
— Free Safety Programs	<ul style="list-style-type: none"> ▪ Streaming safety videos, Toolbox Talks, and Learning Management System (LMS).
— Wellness and health management content	<ul style="list-style-type: none"> ▪ Audits and Safety observations: this mobile feature can organize, create, target and resolve issues before they come become incidents. ▪ Certificate of insurance tracking: turns COI tracking into a desktop function to manage certificates of insurance from all sources. Upload and archive COI, RMC tracks and reviews expirations, coverage limits, and policy detail.
— Educational webinars	<ul style="list-style-type: none"> ▪ Incident/Accident reporting: generates incident reports, OSHA 300 log, and first report of injury. Track claims costs, near miss and all incident types. Provides trending

<ul style="list-style-type: none"> — English and Spanish language — Online training and learning management system 	<p>graphics based on data input and tracks liability, property, environmental and fleet incidents.</p> <ul style="list-style-type: none"> ▪ Safety Data Sheet (SDS) tracking: this desktop access feature assists with maintaining a chemical database by location, find SDS information online, and print hazard labels. ▪ OSHA Recordkeeping ▪ HR and benefits resources: includes customizable employee handbooks, recruitment and hiring best practices, training, and so much more. ▪ Ask the Expert: provides the direct access to safety professionals.
--	--

Property Loss Control

In property loss control, we serve as advocates and trusted advisors to the client. We provide property loss control engineering and advisory services in a timely and cost-efficient manner. We are available to all facilities and to the Risk Management team for consulting on any property or business-related hazard risk questions by acting as an extension of your staff on all projects involving the need for physical protection or exposure mitigation.

Specifically, we expect to:

- ◆ Visit major locations to ensure the level of protection is maintained at the appropriate level.
- ◆ Review any planned or contemplated changes to ensure the appropriate level of protection is budgeted with any project.
- ◆ Review specific interdependencies between facilities and supply chain issues that may impede operations.
- ◆ Act as a sounding board with regard to conceptual planning.
- ◆ Provide project review for additions, alterations/renovations, changes in occupancy, process changes, etc.
- ◆ Ensure proper insurance carrier services are provided where applicable.
- ◆ Utilize the carrier review as a check and balance of contractor performance.
- ◆ Review all insurance carrier correspondence and reports. Act as the focal point of managing the carrier resources and involvement with clients.
- ◆ Transmit property insurance recommendation reports to ensure that all matters are addressed and resolved to the satisfaction of clients.
- ◆ Provide alternative suggestions to recommendations that may be more cost-effective.
- ◆ Negotiate with insurers over the appropriateness of alternative solutions and business applicability of implementation timing.
- ◆ Review the prioritization of recommendations and amend as necessary. Decisions on recommendations may be considered as business decisions, especially where large capital expenditures may be involved.
- ◆ During any property insurance renewal process or in the event of any marketing attempt, provide property descriptions and advocacy as needed, with regard to items such as diagrams, water supplies, elements of protection, changes implemented, etc.
- ◆ Review building replacement values using the Marshall & Swift online program. This will act as a guide in determining if values are appropriate for insurance purposes. This is not an appraisal, however, and the team will determine if one is needed.

- ◆ Using the AIR modeling software, conduct natural hazard exposure analysis as a check for actual exposure conditions. Occasionally we find a property is only partially exposed and can adjust the PML on the actual conditions present.
- ◆ Advise and consult with MTD to address questions and concerns regarding any actions or exposures that may affect client properties, assets, and operations.

PATH™ - Uncover Top Business Risks & Unlock Significant ROI

USI PATH is a proprietary risk control platform that delivers a clear, interactive, and transparent journey through the complex risk control process. Offering indisputable data and a clear view into your industry risk profile, PATH provides:

- ◆ Valuable insights into key loss factors and their impacts through a real-time, interactive experience
- ◆ A way to uncover areas of potential improvement for your risk control programs and a path toward better claims results
- ◆ Curated vendor solutions with preferred pricing and ROI projections

With more than 1,500 risk control solutions available, 86% of the solutions offering multiple products to serve you better, and a 9:1 ROI on Personal Safety Alert Devices noticed in year one, PATH will enable you to gain clear insights with visibility into top loss drivers and impact.

Appraisal Services

Property Analytics Valuation Services

Assessing your property values is an important step in the renewal process since your coverage and limits purchased are derived from the values you report to the carriers. The cost to repair or replace your buildings and personal property are impacted by inflationary trends factoring in cost of labor, cost of materials, availability of labor and other items. Valuations need to adjust over time to reflect the current cost to repair or replace building or contents should a loss occur. Similarly, your business interruption values, which change as your revenue increases or decreases, need to also be evaluated at least annually or when acquisitions or divestitures occur.

USI uses various software platforms and benchmarks to advise you on property valuations. Whether it be your building values, equipment values, content values or business interruption values, USI has the tools, resources, and experience to keep your values in alignment with market expectations and current replacement cost estimates. Our Property Analytics & Placement group provides the following services to evaluate the adequacy of your property values:

- ◆ Reviewing your current statement of values for key data points that factor into the valuation of the building, contents, or business interruption calculations
- ◆ Gathering or confirming any missing information through various software platforms, previous appraisals, or previous risk engineering reports completed to assist in developing the correct replacement cost estimates
- ◆ Completing a benchmark review of your building, content, and business interruption values
- ◆ Utilization of CoreLogic (aka Marshall & Swift) and E2 value valuation software to estimate the appropriate replacement cost
- ◆ Assist with completion of Business Interruption and Extra Expense worksheets to evaluate the values reported
- ◆ Review pre-emergency and business continuity plans to evaluate their impact on the business interruption values reported

- ◆ Provide recommendations for building, contents, and business interruption values based on the analysis completed along with estimated premium change based on current program rates
- ◆ Engage with third-party appraisal firms to appraise single locations or multiple locations if needed, at the client's cost

Keeping current with valuations and market expectations is a critical component of every renewal. As these replacement cost factors and your revenues change over time, it is critical to review these values every year to ensure your values are adequate, avoiding under-insurance, harmful exclusions, restrictions, or warranties placed on your policy that will result in a lower claim recovery following a loss. USI will complete this review every year to ensure you are reporting adequate values to align with your changing exposures. Adam Campbell, Joel DeBVilbiss and Amber Freiman will provide support property analytics support services to MTD.

Claims Handling

USI's role as a claims advocate is important to us and MTD. We will assist MTD with receiving a **positive outcome on all claims**. It is also critical for our claims team to provide the following ongoing support:

- ◆ **Advocacy on MTD's behalf** - Advocate and negotiate with insurers on disputed coverage issues to obtain favorable results.
- ◆ **Monitoring and consulting** - Monitor and consult on claims that involve high severity or adverse consequences to ensure proper investigation, aggressive management, and prompt resolution.
- ◆ **Aid in settlement of claims** - Assist with claim settlements and collecting insurance proceeds, including seeking advance payments on large losses.
- ◆ **Support MTD's policies and procedures** - Manage claims in accordance with MTC's policies and guidelines.

Our California claims team has dealt with **bus accidents** of all varieties; fatalities and serious injuries, which are often critical and complex that can develop into problem claims. We regularly **review insurer reservation of rights, denials, disclaimers, requests for non-waivers, and questions**.

Our claims team is well-versed on the special procedures required under **California law for public agency claims** and have worked with our transportation clients to ensure timely-reporting and coordination with multiple carriers, always as a strong advocate on their behalf.

The goal in resolving large claims is to assure that all parties involved with the process have a common understanding of what occurred, what needs to be done and by whom to facilitate a recovery, and what obstacles may arise in route to the final settlement. Jason Miyake is the lead claims consultant for P&C claims.

Complex Casualty Claims

Many claims are challenging and complex due to the incident facts or coverage issues that may arise. Having experienced claim resource advocates who can assist MTD in addressing these challenges is extremely important to obtain optimal claim resolutions. We have developed a network of claims technical expertise and advocacy strategies that include the following services:

- ◆ Proficiency in reviewing specialty coverage line policies such as Liability, Directors & Officers (D&O), Employment Practices Liability (EPL), Environmental, Cyber Liability, Property and Crime
- ◆ Policy interpretation, insurance research, written advocacy, and negotiation to resolve claim denials and adverse coverage allocation issues
- ◆ Clarification of reservations of rights and defense issues such as choice of counsel, conflicts of interest, independent counsel, and reimbursement of fees and expenses

- ◆ Resolution of insurance carrier disputes that may involve primary/excess or additional insured issues
- ◆ Contract review
- ◆ Establishment of relationships with insurance carrier's executive claims leaders to assist in resolving claim administration disagreements
- ◆ Placement guidance and policy form review

Strategic Claim Reviews

With so much at stake in the outcome of a claim, a strategic claims review provides MTD with the opportunity to take an active role in the claim process and thereby make informed decisions.

A strategic claims review can provide a Risk Manager and Claims Lead with a second opinion regarding reserves and help drive claim resolution strategies. The process reduces the potential for claims "falling through the cracks" and being neglected by staff for an extended period. It also reduces the risk of financial surprises if reserves are under or overstated.

Our strategic claim reviews are planned and scheduled discussions with adjusting staff to assess claim handling performance and strategies with the goal of maximizing claim outcomes for our clients. Our methods include in-person meetings or virtual reviews, depending on the needs and structure of the program.

This process affects the closure of neglected files as well as aids in developing strategies to eliminate or cap the cost of claims with future financial exposures.

Workers' Compensation Claims Solutions

We provide an innovative solution for clients who are interested in reducing workers compensation costs, but do not have the breadth of internal resources to develop and manage their program. Our Workers' Compensation Claims Solutions team can be engaged to manage the claim process in its entirety and help lower your total cost of risk (TCOR). Our turnkey approach includes:

- ◆ Assuming claim management responsibilities from report through resolution
- ◆ Marshalling modified duty return-to-work programs
- ◆ Maintaining OSHA recordkeeping and state compliance posting notices
- ◆ Creating advanced strategies to reduce the Experience Modification Factor (EMF)

In a typical workers compensation claims scenario, claims are reported directly to the insurance carrier. Since MTD is self-insured, then claims are reported to the Excess Workers' Compensation carrier if they meet certain criteria; the policy defines these criteria, but it is typically similar to the Excess Liability program, including the "7 deadly sins" such as fatalities, head injuries and loss of limb, and/or claims that are reserved at 50% of the SIR. USI expects to spend greater attention on these types of claims, or on those that are considered "problematic" claims. Through early intervention and constructive engagement, we get the claim off on the right foot, resulting in better managed medical care, quicker return to work, and more satisfied and productive employees.

Our clients can expect:

- ◆ Effective three-point contact with the employee, physician, and carrier/claims staff
- ◆ Facilitation of injured employees to approved medical vendors
- ◆ Diligent oversight of insurance carrier/claims staff protocols
- ◆ Active dialogue on claim progress with client
- ◆ Outcomes measurement

Kris Ludwig is the USI WC Claims consultant who will be working with MTD.

Claim Reports

Reporting Losses, Updates, Loss Data Reports Deductible Stratification, & Summarized History

Assisting clients with claims documentation and developing clear claim reporting instructions are core advocacy services and will be addressed within the first 30 days of our appointment. We will facilitate monthly loss reports from the carrier/vendor and, in collaboration with MTD, evaluate loss runs for accuracy to assure data integrity. Other customized reports such as deductible stratification and summarized histories are available through ClaimsLens.

Certificate of Insurance and Endorsement Management

The USI account manager for MTD will handle all certificate related questions, and we have a 24 hour or less turnaround time for certificate. USI service teams have multiple backups in the event your dedicated account managers are not available. This ensures any requests will be handled as soon as possible and not when the service team member returns from absence. Additionally, USI offers secure web-based tools, such as InsurLink, USI's portal for client collaboration and self-service resources, which enables our clients with 24/7 access to issue standard certificates instantly from any web-based computer and offers the following services:

- ◆ Multiple certificate templates
- ◆ Ability for you to issue certificates
- ◆ Ability for you to view and reissue previously issued certificates
- ◆ Ability for you to add new certificate holders
- ◆ Password protection to limit access to the program at your discretion
- ◆ Mobile app to view and issue certificates on the go

InsurLink

Our Portal for Client Collaboration and Self-Service Resources

— Viewing or issuing Certificates of insurance	▪ Certificate of Insurance – Our service team will issue certificates of insurance for you. If you need to print a copy of a certificate or would prefer to issue your own certificates, you can use this service to instantly view, print, or email a certificate directly from your computer or mobile device.
— Viewing, printing, or emailing Auto ID cards	▪ Auto ID reprint – View, print, or email Auto ID cards
— Sharing Information	▪ Policy Information – Review policies and endorsements and other key program documents
	▪ Document sharing – Post and update Statements of Value, schedules of insurance and similar documents.

InsurLink services come at no cost to our clients.

Additionally, we offer the certificate holders CertVault, a secure website to retrieve all their certificates.

USI also offers an online platform called the RMC (Risk Management Central) Certificate of Insurance (COI) Tracker that allows clients to manage incoming subcontractor and vendor certificates of insurance

to prevent unexpected liabilities. This tool is part of USI's Risk Management Center platform and is described below.

RMC Certificate of Insurance Tracker

This tool, which is part of the RMC platform, turns certificate management into a desktop function allowing you to minimize risk efficiently and effectively by maintaining up-to-date vendor records. This helps your company minimize liability assumed from uninsured or under-insured vendors, contractors, suppliers, or tenants. The time to load individual certificates for the first time can range from 1 – 5 minutes depending on the level of detail desired to input into the system. Workflows may be established to allow certificate requests, expiring certificates, and non-compliant certificates to be easily batched together and managed simultaneously rather than one at a time saving significant time and resources. Reports on all aspects of the certificate management process may be pulled in excel format with the simple click of a mouse.

If MTD wants a more robust certificate tracking service, these are offered by specialty firms, such as Ebix, described later in this proposal. MTD would contract directly with Ebix, and would pay a fee to them. We provide services that support setting MTD up in Ebix, and can help answer questions.

Other services, including but not limited to those outlined in the attached Scope of Services.

Consultation on 3rd Party Contracts

All of our public entity clients' contract with third-party consultants, vendors, and suppliers to complete various projects. We assume that MTD mitigates their risk of loss by effectively transferring risk through contracts. We have a tremendous amount of knowledge and experience in this facet of risk management consulting. Unlike many other brokers who simply provide their clients with a one-size fits all "contract insurance guide", we consulted with our clients to update their insurance requirements.

Here are examples of value-added third-party contract services:

Complex contracts – Barbara and Sherry routinely consult on challenging or large complex contracts advising on the types of coverage to require, adequate limits, and coverage terms and conditions.

Leases or Licenses – Sherry regularly consults with our clients' Real Estate Department on Leases and other Licensing documents to ensure that these third parties have the proper insurance coverages.

Training – We regularly prepare and present training materials on this subject matter, for risk management staff, procurement, legal and other impacted staff.

Contract manual – We prepared a contract manual (for an additional fee) for one client that they reference for insurance requirements in contracts. For others, we prepared a coverage matrix that they use as a guide for insurance levels.

Surety Needs of Public Entities

USI has surety brokers who also provide consultative services to our public entity clients, as they decide whether to require performance, bid and payment bonds for construction or other projects. Our specialists will review existing language in contracts and will speak directly to procurement, risk management and legal staff at public agencies since surety bonds are so unique. USI will review MTD's needs and offer to engage Sam Caringi as a surety specialist for MTD.

Casualty Risk Analytics Consulting

USI's Analytics Consulting Team can provide analytical consulting for MTD. Many of our public entities appreciate an analysis of their losses, to evaluate different levels of Self-Insured Retentions they should consider and also Liability limits. Upon policy renewals, our Analytics Consulting Team can provide MTD loss forecasts for the casualty coverages at **various deductibles/retentions** so that we can provide appropriate cash flows and decision tools allowing you to be aware of the program costs associated with the programs being presented. These services are available to MTD as needed, and these services will be offered by Chris Um.

A summary of the casualty analytic services available to clients are as follows:

Accrual analysis (outstanding liability)	<ul style="list-style-type: none"> ▪ Determine appropriate remaining liabilities to accrue on financial statements ▪ Communication of reserves to outside accounting firms ▪ Interim report updates of annual actuary analysis
Risk retention analysis	<ul style="list-style-type: none"> ▪ Evaluate risk versus reward (premiums versus expected losses) ▪ Quantify potential variability to determine pessimistic case ▪ Consider management's risk appetite
Cash flow analysis of risk financing alternatives	<ul style="list-style-type: none"> ▪ Compare alternative programs on a Net Present Value (NPV) basis ▪ Discount at client's weighted average cost of capital or internal rate of return
Cost of risk allocation	<ul style="list-style-type: none"> ▪ Engage business units in loss reduction efforts ▪ Customize to satisfy client's goals and objectives
Risk bearing capacity analysis	<ul style="list-style-type: none"> ▪ Financial statement analysis used in conjunction with traditional loss analysis methods ▪ Starting point in determining acceptable retention levels ▪ Shows impact of unbudgeted retained losses on financial statement

USI analyzed MTD's Self-Insured Retention and Limit for its Excess Liability program, and provided some charts that Chris prepared, sharing that analysis.

USI Answerlytics

USI has negotiated discounted rates and priority access to IT vendors that can provide IT security services in support of MTD's Cyber security efforts. USI has prepared a list of these vendors, called Answerlytics Curated Providers (ACP), to help USI clients meet and maintain the cyber controls and practices on which cyber underwriters focus. The types of services these vendors provide are:

- ◆ Multi-Factor Authentication
- ◆ 24/7 Network Monitoring
- ◆ Backup Practices
- ◆ End Point Detection
- ◆ Network Segmentation
- ◆ Privacy Controls
- ◆ M&A Review and Vendor Controls
- ◆ Patching, Pen-Testing and Vulnerability Scans

- ◆ Domain Administrator Group Hardening
- ◆ Law Firms with Cyber Expertise
- ◆ Cyber Risk Assessment
- ◆ Privileged Access Management

Please refer to [Appendix I](#) for a recent copy of this proprietary list of vendors for MTD.

Based on the Offeror's review of MTD's existing property/casualty insurance portfolio (presented in the attached Scope of Services), provide suggestions for enhancing, consolidating and/or adding additional coverage(s) for the benefit of MTD including but not limited to:

Insurance

Alternative Risk Financing, including but not limited to Self-Insurance, Captive Insurance and Risk Retention Groups

Finite Risk Programs

The USI team proposed to be working with MTD, are public transit specialists, who are knowledgeable and creative in providing risk financing solutions to our clients. Here, we are offering recommendations for enhancing coverages, and also exploring alternative risk financing solutions that we have presented to other public entity clients. We have organized this section according to the various coverages that MTD currently has, or that we can propose. We provided further details on MTD's specific coverages in the Price Proposal-Compensation Strategy section that specifically asks for comments on limits and coverages, and additional coverages MTD should consider.

Business Auto Liability and General Liability

It is best to combine the Auto Liability and General Liability insurance coverage for public bus districts, given that the individual claims can impact both policies. While a little unclear, it looks like MTD's coverages may be combined and that its coverage are written by one insurer, National Interstate Insurance Company. This carrier is well known for writing competitive premiums for those clients it has written for a long time, and likes its risk profile.

It also looks like National Interstate handles MTD's claims, and charges separately for that.

We did see that MTD had one very large claim of \$6,883,453 on 10/10/19. After that big claim, the next largest claim is \$254K. As described earlier, the current Excess Liability insurance market for Public Entities remains extremely challenging, particularly for those entities in California with bus transit operations and a law enforcement component. Many insurers that had traditionally insured these types of risks have withdrawn from the market due to losses that have doubled, tripled, or even quadrupled over the past few years, especially in highly litigious states like California. Therefore, that \$6.8M loss in 2019, may be closer to \$10M or even more, in today's dollars.

Below are some ideas and strategies we have implemented at our other public bus districts that may be of interest to MTD:

- ◆ **Add coverage for the Public Officials Liability and Employment Practices Liability to the Excess Liability coverage program.** Many insurers in this public entity space will include those coverages, which could be an economic way to cover these exposures. We should also mention since our other clients have such high SIR levels, we have placed standalone Public

Officials/Employment Practices Liability policies to fill the Self-Insured Retentions on the Liability programs.

- ♦ **Quota share vs. layering** – As insurance carriers have withdrawn from writing insurance or have substantially reduced limits for public bus districts, we have structured quota share programs with multiple markets sharing layers. That way, we are not so reliant on one insurer to provide the limits; for MTD, National Interstate appears to provide the entire \$15M in limits. If it non-renews this insurance, or cuts back on limits, MTD is vulnerable to seeing significant premium increases. By attracting new markets to participate on the program now, it reduces MTD’s reliance on a single market.
- ♦ **Higher retentions** – MTD may want to consider higher retentions in exchange for premium savings. We provided some analytics which show potential claim costs with higher self-insurance levels, and how substantial premium savings may offset the rare large losses. For other clients, these higher levels of self-insurance enabled USI to access more markets willing to offer quotations, and use that as leverage to negotiate for the very best premiums.
- ♦ **London and Bermuda capacity** - USI attracted London capacity for significant premium savings, by adding aggregate limits to the Auto (Bus) Liability insurance. This was a creative approach, which generated over 30% in premium savings for another client.
- ♦ **Limits** - Evaluate whether MTD’s limits are adequate. USI provided some benchmarking later for MTD’s consideration.
- ♦ **Carriers** - We intend to access every possible insurance carrier willing to write Bus Liability insurance for MTD since insurance carrier appetites change every year.
- ♦ **Understanding the exposure** - USI ensures that insurance underwriters understand the exposure. For one client, we highlighted the distinction for “law enforcement,” compared to our client’s “armed security force,” who are not fully sworn officers. This distinction is perceived by underwriters as a lower exposure resulting in lower premiums.

USI will discuss MTD’s goals every year, considering the insurance market changes each year.

Self-Insurance, Pooling and Captives

As described earlier and also later in this proposal, our clients’ express interest in a liability insurance pool or alternative risk financing mechanisms, such as Captives. While Auto Liability remains a tough class of business in the traditional insurance market, there has not been any growth in the formation of new pools for large public bus districts, for the following reasons:

1. There has been “adequate” capacity in the traditional insurance market, although such capacity has become more limited for bus districts in California, especially for the lead layer. While casualty insurance pricing has been hardening for individual insureds, pools have also seen their reinsurance premiums increasing substantially. These pools rely on the same insurance companies that MTD does, for reinsurance.
2. With pools, members fund the pool and therefore share losses. As a result, even members with limited losses may have to pay assessments since there is not as much spread-of-risk as traditional insurance.
3. One rail agency client is considering establishing a single parent captive to fund \$79M xs. \$323M in Rail Liability insurance limits, instead of paying premiums in the London/Bermuda market.

Cyber Liability

This insurance protects the organization from Cyber Liability losses, described in the following chart:

Key Definitions

The Key Definitions contain generic definitions for common types of insurance. Not all coverage types are defined and some of those that are defined may not be included in your insurance program.

Privacy Liability: Covers liability arising from failure by the Insured or an Independent Contractor to properly manage, store, destroy or otherwise control Personal Information, or an unintended violation of the Insured's privacy policy that results in the violation of any Privacy Regulation.

Network Security Liability: Covers liability arising from a failure of Network Security, meaning those activities performed by the Insured, or by others on behalf of the Insured, to protect against unauthorized access to, unauthorized use of, a denial-of-service attack against, or transmission of unauthorized, corrupting or harmful software code to the Insured's computer system.

Internet/Multimedia Liability: Covers liability arising from the electronic publishing, dissemination, releasing, gathering, transmission, production, webcasting, or other distribution of Internet Content on the Insured's website.

Network Extortion: First party coverage. Reimburses for payments made under duress to address an extortion threat.

Data Breach Expenses: Covers Notification, Monitoring, Call Center Services as required by law, Forensics and Loss Control, PR & Crisis Communication Services.

Regulatory Proceedings: First party coverage. Covers Defense and Penalties related to civil proceedings brought by FTC, FCC or similar governmental entity.

Digital Asset Protection: First Party coverage. Pays costs incurred to replace, restore or re-collect Digital Assets due to corruption or destruction caused by a Network Security failure.

Business Interruption: First Party coverage. Pays Income Loss and Extra Expense incurred by the Insured during the Period of Restoration resulting directly from a covered Interruption of service as a direct result of a data security event.

Social engineering (impersonation fraud) is also an important coverage that is typically included in a Cyber Liability program and/or Crime insurance program. It covers loss caused by the good faith transfer of money, securities, or other property as a direct result of fraudulent instructions given by a person purporting to be a vendor, client, supplier, or employee authorized to provide such instruction.

Cyber Liability is critical for all of our public transit clients, and we feel that MTD is currently under-insured. We provide more details about the specific reasons for under-insurance based on benchmark data included in this proposal, later in the Price-Proposal compensation strategy section that requests comments on insurance limits and retention amounts.

Commercial insurance is the best and most cost-effective way to protect MTD for Cyber Liability losses, rather than through alternative risk financing approaches. Cyber insurers not only provide the insurance, but many insurers also offer network scans that would alert MTD of vulnerabilities but also provide other support such as a breach coach once MTD realizes there may be a problem. Our Cyber specialist ran a scan and identified vulnerabilities as per the attached report, which should be helpful for improving MTD's IT security.

Please see a portion of the attached report in [Appendix II](#). USI would be happy to provide the full report upon request.

Directors and Officers Liability and Employment Practices Liability

Public officials (directors and officers) liability and employment practices liability (EPL) are important coverages that MTD maintains. This insurance policy pays claims for MTD arising from employment practices for coverage of discrimination, harassment, and wrongful termination claims. In addition, the public official's liability insurance covers potential claims made against the Board Members for alleged wrongful acts.

Many of our public entity clients have experienced losses on this insurance program. As a result, there are a limited number of insurers offering this coverage, even though we market this every year to the pertinent insurance carriers. But insurance is still an effective way to finance losses for these types of claims, and we don't recommend alternative risk financing mechanisms for this exposure. USI does have the following questions from the information MTD provided in the list of insurance coverages in the Scope of Services:

- ◆ The \$3M claim/\$6M agg limits shown look unusual, so USI would like to see why it's structured that way. Maybe it's separate D&O and EPL limits, but it is still an unusual structure.
- ◆ We would like to confirm that the definition of insured specifically includes public officials.
- ◆ Does the EPL provide broad coverage for 3rd parties? Third party Liability insurance covers claims brought by non-employees (such as customers, passengers and vendors) against your employees.

Fiduciary Liability

This policy will pay on your behalf sums MTD becomes legally obligated to pay as a result of a covered wrongful act. A wrongful act means a breach of fiduciary duty, including negligence, by you in the discharge of duties as respects the retirement plans. If you are involved in any way with the management of that plan, you are likely considered a fiduciary and are personally liable for your actions. We see that MTD has a \$2M limit for this insurance coverage.

Property, Equipment Breakdown, Earthquake and Flood

We see that MTD has separate policies for Property (including Equipment Breakdown), Earthquake and Flood. It would be possible to combine all of these coverages into one policy, to achieve some economy of scale. We would have to identify an insurer willing to take on all of those exposures, but we do have some of our public entities with combined programs.

The property insurance market is now being impacted by some catastrophic (i.e., hurricane /earthquake/ flood/ wildfire) losses that are occurring with increasing frequency. However, despite these events, the property market has softened for our public entity clients, and we have achieved premium savings and improved coverage terms.

Some of the innovative strategies that USI has implemented to attain premium savings and improved coverage terms for our clients that MTD may also benefit from, are as follows:

- ◆ Evaluate whether the policy's loss limit is appropriate based on the concentration of values. For one client, we were able to reduce the loss limit from \$125M to \$76M; the loss limit is the maximum possible loss per occurrence. This resulted in premium savings. We evaluate this loss limit each year to ensure it is adequate to cover the client in case of a loss.
- ◆ Increased the deductible from \$100K to \$250K for meaningful premium savings, since it made financial sense. We had then looked at increasing the deductible from \$250K this year to \$400K, but the premium savings was only \$20K, so it did not make financial sense.

- ◆ Accompanied the insurer on some loss control visits, even during Covid, at some key locations it wanted to survey. By accompanying the insurer, we were able to address many of their questions, making them comfortable with insuring our client.
- ◆ Evaluate the replacement cost values on the buildings each year, using Marshall Swift, to ensure the values are appropriate. Given high inflation rates, insurance carriers are automatically expecting clients to increase their values, so by running these Marshall Swift reports, we're proactively advising the insurance markets that the client has proper insurance values. By doing that, we negotiated removal of the 125% margin clause for one client; this provision restricts coverage to 125% of the value shown for each location on the Statement of Values. The coverage is vastly better without the margin clause since the client will then have coverage for each location up to the policy's loss limit instead.
- ◆ USI creates a Catastrophe (CAT) modeling report which provides detail on what exposure MTD would have to catastrophes, including wildfire, earthquakes and flood. Other clients have used that report to establish the limits of insurance they purchase.

We market the Property placement every year to various insurance companies to ensure we negotiate the broadest program at the most competitive premium.

MTD already has Earthquake and Flood insurance coverages, and we will continually look at options for insuring these catastrophes with the traditional insurance market.

Self-Insurance, Pooling and Captives

As mentioned above, USI provides analytical consulting for risk management clients; this enables us to provide attractive risk financing techniques for clients. Specifically for Property, USI presented the following "outside the box" solution:

1. **Parametric Earthquake Solution.** USI engaged Swiss Re to discuss / present a parametric index insurance solution that provides the rapid disbursement of funds that public entities incur following an earthquake.
2. **Parametric Earthquake coverage for Bridges.** USI worked with another insurer to quote parametric coverage for the SF Bay Area bridges, for not only damage to the bridges, but also potential lost revenues.

Excess Workers' Compensation

We see that MTD self-insures its workers' compensation claims, and purchases Excess Workers' Compensation insurance to cover potentially catastrophic claims. MTD self-insures the first \$250,000 of a single claim and purchases unlimited statutory limits above that retention.

There are not a lot of markets willing to write Excess Worker's Compensation insurance for public entities given their claim frequency and severity, plus the long tail on these claims. It looks like MTD is currently insured in the PRISM program. Other markets currently offering Excess Workers' Compensation insurance for CA public entities include Safety National, Midwest Employers, Arch and Chubb (ACE).

Other Coverages MTD Should Consider

Crime - We have seen claims from public agencies where employees have embezzled cash. Crime insurance responds to claims arising from theft of money, securities and other tangible property by employees. These embezzlement claims generally go undetected for a long period of time, so the claims can be large. Most of our public entity clients purchase crime insurance since the premiums are reasonable compared to the risk.

These policies are also expanded to include fraud by third parties (forgery, for example), theft of property from the premises, and social engineering (impersonation fraud).

We do see that MTD has an ERISA bond, but not a separate Crime policy. The ERISA bond can be added to the broader Crime policy.

Drones - Drones are becoming extremely popular and many public entities are buying them for surveying, inspections and photography. Insurance claims of bodily injury, property damage, and invasion of privacy can be costly, and since this is excluded on standard programs, separate insurance is available at very low premiums.

Non-owned aircraft liability - Some of our public agency clients will charter aircraft or helicopters to take pictures of major construction projects. Some also have employees who are pilots, who may fly their personal aircraft for business. Since the general liability insurance policy excludes aircraft liability losses, the public entity procures a non-owned aircraft liability insurance policy.

Kidnap, ransom & extortion - This specialty insurance covers ransom payments, extortion threats, and related expense costs for negotiators and crisis management specialists.

Sexual Abuse and Molestation (SAM) – While losses from this exposure are more common in schools and churches, the MTD does have an exposure to this. We would like to confirm that MTD's excess liability program has coverage for this. Standalone insurance policies are available, if interested.

Environmental Liability – We assume MTD has numerous environmental exposures, including underground and above ground fuel storage, storm water run-off, and air emissions from vehicles. MTD's environmental risks should be well controlled and are frequently audited by local, regional, State and Federal agencies.

Our other public transit districts purchase multi-year (3-year) pollution liability policies with a premium that is paid in the first year of placement. USI markets this insurance every three years, and a three-year policy is a cost-effective way to insure this exposure. We consult with our environmental specialist broker, Charlene Washburn on this coverage, plus we also work with her on any third-party contracts with any unique environmental exposures.

Auto physical damage – MTD owns a fleet of buses and currently self-insures the physical damage losses to them. A few of our public transit clients purchase insurance for such damage. Many public agencies own a fleet of pool cars and 24-hour vehicles, We can look at insurance, and consider various valuation options such as replacement, actual cash or stated value.

Employed Lawyers Liability – Some of our public entity clients have this insurance that covers lawyers who are employed by MTD. Coverage also includes pro bono work that MTD's attorneys may be doing as well.

Standalone Terrorism Insurance / Active Assailant - In 2016, a new "Active Shooter" coverage was introduced to the public entity insurance market, at first designed especially for educational institutions and is now available to all public entities.

Most of our public transit clients do not currently purchase this separate insurance, but instead rely on the TRIA coverage included in their insurance programs. While TRIA has been in place since 2001, no event has yet been declared a terrorist act. We therefore strongly recommend that clients consider Terrorism insurance coverage, at a minimum. But there are many other related coverages that we recommend, and USI has developed proprietary products through our London broker partner, Price Forbes. Here is a suite of the insurance coverages available and that we offer:

- ◆ Terrorism and Sabotage (As an alternative to TRIA)
- ◆ Political Violence (War on Land)
- ◆ Strikes, Riots and Civil Commotion (SRCC) with writeback for Looting

- ◆ Terrorism Liability (First Party + Third Party)
- ◆ Nuclear, Chemical, Biological, Radiological Malicious Acts (Property Damage and Liability)
- ◆ Active Assailant/Malicious Attack
- ◆ Cyber Terrorism Writeback for ensuing Physical Damage (including Malicious Cyber Attack)
- ◆ Confiscation, Expropriation, Nationalization, Deprivation (as Sub-Limits)

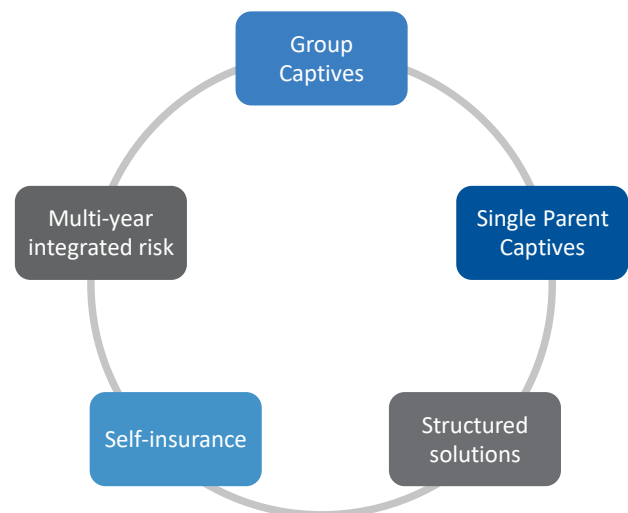
We provided further details about these products from in the attached PowerPoint presentation in [Appendix III](#).

Alternative Risk Financing

While we have already included some commentary above on different self-insurance levels MTD should consider, there are other various forms of alternative risk transfer (ART) solutions described below. When the traditional insurance market is unable to respond to a client's particular financial objective or insurance needs, our expert alternative risk professionals work with clients and colleagues to identify and understand the client's objectives and custom-design innovative, non-traditional risk financing solutions to address these specific objectives. We are actively working with our public transit clients exploring some of these options currently; we have a Captive presentation to one this week, which is an option we would happily discuss with MTD.

We offer objective expertise in a wide range of alternative risk solutions including:

- ◆ Single parent captives including 813(b) captives, segregated cell/rent-a-captives, group captives, risk retention groups, risk purchasing groups, and other risk financing vehicles
- ◆ Group captives and association captives
- ◆ Multi-year/multi-line integrated risk
- ◆ Dual trigger programs
- ◆ Structured solutions including finite risk transactions
- ◆ Self-insurance
- ◆ Collateral alternatives
- ◆ Contingent capital
- ◆ Loss portfolio transfers
- ◆ Credit enhancement solutions
- ◆ Weather-related products



The applicability of each of the above ART solutions depends on the client's specific exposures to loss, the amount of risk transfer required, the need for balance sheet protection, contractual requirements, and other factors. We provide the brief following overview of some of the above solutions and its applicability to MTD.

Captive Risk Financing

The use of captives in insurance can be a confusing concept. On one extreme, companies who are unfamiliar with the concept believe captive risk financing is a magic bullet that can be used to solve all of their traditional market pricing and coverage problems. On the other extreme, companies believe captives are solely the domain of the Fortune 1000 and not applicable to smaller companies.

The reality is there are a variety of types of captives which are used to finance a variety of risks to achieve a variety of objectives. The use of captives to finance risk has increased significantly since the market began hardening in 2018. In particular, single parent captives (or segregated cell rent-a-captives) represent the most customized and formalized form of risk financing and are created to help companies achieve additional benefits above and beyond what their current insurance program is providing. Most importantly, single parent captives or rent-a-captives are **not** a form of risk transfer by themselves.

Ultimately, the benefits derived from financing risks via a captive must exceed the startup capitalization and annual operating costs of the captive. We have outlined the major reasons in forming a single parent captive and provide both specific and general commentary about the applicability of these objectives to MTD.

The Major Benefits of Single Parent Captive Risk Financing

Quantitative

- ◆ Look to build up surplus and generate investment income by proactively funding for uninsured or underinsured exposures, deductible/SIR layers, higher severity/lower frequency risks
- ◆ Deploy surplus to leverage and stabilize traditional lines placements in future years
 - Quota share layers of vertical and horizontal property and casualty towers to recapture premiums and ventilate limits
 - Self-insure risks formerly purchased in the commercial market more efficiently
- ◆ Improved access to reinsurance capacity for potentially lower premiums and broader coverage
- ◆ Access government backstop for terrorism to recapture premiums and provide broader coverage including NBCR, unlimited contingent time element coverage, and others

Qualitative

- ◆ Dedicated vehicle to house risk
- ◆ Self-insure retained risks more efficiently
- ◆ Regulated entity may improve governance, transparency, and visibility around exposures to loss and risk retention
- ◆ Reduce dependence upon traditional commercial insurance markets in long term
- ◆ Improved awareness of enterprise risk wide exposures to loss among leadership
- ◆ Appropriation protection

Cost Considerations

A feasibility study will cost between \$15,000 and \$25,000 depending on which benefits are to be addressed. The feasibility study will include pro-forma financials, coverage recommendations, domicile recommendations, among other issues. In addition, the feasibility study will ultimately become part of the application to the domicile selected.

The capitalization of a captive will be dependent upon what limits are reinsured by the captive. Onshore domiciles typically require capital in a 3:1 premium to surplus ratio while offshore domiciles are a bit more liberal at 5:1 or higher.

Structured Solutions Including Finite Risk

Structured insurance solutions have changed dramatically in the post-Sarbanes Oxley (SOX) world primarily because accounting professionals have become more conservative in their interpretation of accounting guidelines pertaining to insurance transactions. Additionally, several corporate and reinsurance finite transactions which were improperly structured resulted in significant fines levied by the SEC and other federal and state agencies. The result has been that these placements have become increasingly more difficult to structure and transact, and we expect this trend to continue for the foreseeable future, especially those that seek insurance accounting treatment relative to those that are deposit accounting transactions.

Although the structuring of finite risk transactions has changed, the reasons why insureds would be interested in pursuing a finite risk program have not changed, i.e.:

- ◆ Client requires an insurance policy to address the underlying exposure
- ◆ Client may desire to obtain long-term budgeting and financial reporting objectives by building up funds in a dedicated vehicle
- ◆ Client desires coverage for a multi-year term

We can discuss the other ART solutions, to determine if these are applicable to MTD.

Offeror shall identify all proposed intermediaries Offeror intends to use in arranging for placements or access to insurance markets required by MTD's existing insurance program. Offeror must include the following:

Managing General Agents

Wholesale and Surplus Lines Brokers

London Market

Reinsurance Brokers

Market Access

USI has access to the entire global insurance market, encompassing over 100 U.S. domestic, U.S. wholesale, London, European, Bermuda, Asia Pacific or reinsurance markets. USI also has access to numerous proprietary programs, including our **Builder's Risk** program, plus also our **Terrorism** program described previously. We also have access to over 30 additional industry-specific programs through our wholly owned subsidiary Safehold Special Risk.

USI approaches market selection on a direct-first mentality, which means placing and negotiating business directly with the insurer instead of through an intermediary, where possible. This allows for stronger carrier relationships for the insured, larger lines of capacity available, smoother claims handling, more client resources available and more leverage when negotiating programs.

When determining which markets to approach for your submission, USI can harness the size of our national property and liability book to find the markets that are writing risks like yours in terms of size, class of business, geography, premium spend, total insured values, loss history and exposures. This

allows us to develop a marketing list that aligns with your risk profile, giving you a higher probability of creating competition and obtaining a favorable renewal.

We also consider the best access point for each market (domestic, international, direct or wholesale) based on what we are seeing quoted, since some access points will be more advantageous than others based on capacity or appetite changes occurring at the insurers. When you select USI as your broker, we will complete our analysis and provide you with a detailed list of proposed markets along with preferred access points. This list will be updated and provided to you from submission through binding so you stay informed on the status of each insurer and whether the selected markets will be viable for your program.

No matter the risk profile, USI has the resources, technology, relationships, reach and experience to identify, engage and negotiate the most competitive program for your risk profile, regardless of where the markets are located.

Wholesale and Surplus Lines and Managing General Agents/Underwriters

Based on the catastrophic nature with these bus liability claims, the standard insurance marketplace cannot meet many of our clients' insurance needs. Therefore, coverage can be placed through the excess and surplus lines marketplace, and some written by admitted markets. We have been extremely successful in using the wholesale and admitted marketplace and thoroughly understand its workings. Each insurer has a different niche, for example, some prefer to write primary layers, while others only participate on excess layers due to reinsurance treaty restrictions. Also, we must help them understand the exposure.

As described, we access many U.S. markets directly; however, we utilize a wholesaler if it is to the insured's advantage. In some cases, a market may only be accessed through a wholesaler. In other cases, a wholesaler may have a preferred relationship with particular markets. For our public entity clients, we have utilized wholesale and surplus lines experts from AmWins and CRC. We have also utilized Managing General Agents/Underwriters from Allied Public Risk.

London and Reinsurance Access

In London and Bermuda, we use a licensed Lloyd's/Bermuda broker as required by law. For many years, we have worked closely with the independent Lloyd's broker Price Forbes and their transportation teams in London and Bermuda. The Price Forbes transportation team handles a large volume of U.S. rail business, and they are considered by many, including underwriters, to be the premier rail broker in London and Bermuda.

For the Terrorism products described previously, we have an exclusive program through Price Forbes. We can also access the reinsurance market through Price Forbes and have done so to get critical capacity for railroads, which we place \$323M in limits.

Offeror must describe/demonstrate the ability to respond efficiently and timely to requests for services.

Our only goal is your satisfaction. Team Leader Barbara Goodwin has ultimate responsibility for quality control for MTD. Simply saying this is not enough, our actions need to speak to this goal. We will ensure unsurpassed service for MTD by doing the following:

- ◆ Provide you the best talent our organization has to offer.
- ◆ Benchmark your program against others in the market to make certain we have achieved the best available terms and conditions.

- ◆ Engage technical resources including our cyber liability, property, management liability, and analytics specialists for their insight and assistance.
- ◆ Provide you with innovation and creativity — not just in the first phase of our relationship, but throughout it. Periodically, we will bring you new ideas that have worked in other client engagements. We continually share ideas and successes through monthly calls with our public entity team. We also involve the resources of the firm. Our clients are better served when we provide a team of quality people in every discipline — top to bottom.
- ◆ Keep up-to-date on **trends** in your sector. We will offer suggestions on risk mitigation based upon our knowledge of clients' organizations and their trends.
- ◆ Seek out the appropriate resource and provide an accurate response in a timely fashion. We will never provide an answer to a question where we are not sure of the answer's accuracy.

The core public transit team of Barbara Goodwin as the Team Leader and Sherry Hurte as the Account Executive have worked together with public agencies for 25 years. Barbara, Sherry, and the team members selected provide exceptional insurance brokerage and risk management services to public entities locally. Our team has been described by clients as being knowledgeable, ethical, creative, **responsive, helpful, and public entity insurance experts**. Recent quotes from our public entity clients include:

“Great news about the excess liability! Thank you for doing the great work you do and saving us a bit of money in the process!!”

— *Deputy General Manager, Administration and Development at Golden Gate Bridge, Highway and Transportation District*

“Hi Barbara, you always exceed my expectations!”

— *Risk Administrator from San Joaquin Regional Transit District*

“I just want to thank the both of you and your team for the tireless job you do for us at SamTrans/Caltrain. You carry a heavy load for us and you are very much appreciated.”

— *Risk and Insurance Administrator from Caltrain and SamTrans*

“You are the best!”

— *Senior Program Coordinator, Risk Management, Metropolitan Transportation Commission*

PERSONNEL REQUIREMENTS

Assigned staff must have a minimum of five (5) years of expertise and experience with emphasis on the public sector with depth and breadth of services available. This applies to current and past contracts. Please state:

Entity name

Type of services and

Date of services provided

Staff Name	Staff Role	Entity Name(s)	Type of Services Provided	Date of Services Provided
Barbara Goodwin	Team Leader	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Leads service delivery, strategy and other coverage negotiations; Conducts pre-renewal meetings; Prepares Board Reports; Risk assessment; Risk Transfer Strategies; Leads negotiation on complex coverages; etc.	25 years
Sherry Hurte	Senior Account Executive	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Leads marketing effort on coverages; Prepares specifications; Prepares renewal proposal; Leads service team on invoicing, certificates; Checks policies; Binds coverages; Daily contact for contract review, coverage interpretation, certificate management and technical advice.	30 years
Peyton Hendricks	Account Representative	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Prepares the specification request; prepares invoices and sends to the clients; Works with Certificate group to prepare Certificates; and supports Sherry with service delivery needs.	1 year
Phurba Gyalzen	Management Liability/Cyber Liability	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater	Conducts risk analysis, marketing and product development for Cyber, Public Officials and Employment Practices Liability coverages; Consults with claims team on claims, as needed.	12 years

		Cleveland Regional Transit Authority, County of Marin		
Adam Campbell	Property Consultant	Golden Gate Bridge Highway & Transportation District, Caltrain, County of Marin	Reviews the property program and specifications; identifies markets; works with Analytics team on Property values; Works with London to get Active Assailant and Terrorism quotes.	10 years
Sam Caringi	Senior Account Executive, Surety	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Provides helpful risk management advice on what surety bonds MTD should require in its construction or other contracts.	10 years
Charlene Washburn	Environmental Liability	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority	Responsible for overall environmental risk and market strategy; Consults with claims team on complex claims; Provides advice on environmental coverage requirements to third parties.	15 years
Jason Miyake	P&C Claims Consulting	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, County of Marin	Provides recommendations on pending litigated claims, claim reviews and risk scenarios that might impact MTD.	10 years
Kris Ludwig	Workers' Compensation Consultant	SamTrans, Metropolitan Transportation Commission	Provides ongoing Workers' Compensation Claims consulting; Provides advocacy for clients.	10 years
Rob Curcio	Risk Control Consultant	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Provides loss control services; Implements appropriate techniques to address liability, personnel, and property conservation exposures to loss; Minimizes a clients' potential to loss while increasing their operating efficiency.	10 years
Joel DeVilbiss	Technical Resources/Property	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, County of Marin	Oversees technical resources team and service delivery in California.	10 years

Chris Um	Casualty Analytics	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans	Manages Casualty Analytics and placement including loss forecasting, stratification, deductible and collateral analysis.	3 years
Amber Freiman	Property Analytics	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Creates Marshall Swift reports to help develop replacement property values; Conducts wildfire modeling and severity zone analysis.	8 years

Offeror shall document and provide resumes of key personnel assigned to MTD’s account which includes the following:

Education

Experience/Qualifications

Professional Credentials (where applicable)

Area of Special Expertise in Insurance Brokerage and Consulting Services provided to Governmental Public Service Entities

Please see [Appendix IV](#) for resumes of Key Personnel.

Note that USI is assigning this service team to work with MTD. We will advise MTD of any changes in personnel to the team. We understand that MTD would like to approve any changes to the service team.

TRANSITION PLAN

Proposals should explain the methodology, time frame, and plan for transitioning brokers and completing this project, and how Offeror will meet the required deadlines of January 31 and March 31, for July 1 effective placement with no lapse in existing coverage as detailed in the Scope of Services under the “Placement of Insurance Policies” section. *The Awarded Broker may need to meet different timelines based upon existing and expiring coverages, which will need to be renewed before policy expiration.*

If selected as the broker and consultant for MTD, to begin reviewing the current program, we will identify immediate certificate, claim, and risk control needs, and then execute Broker of Record Letters for existing policies. At the same time, we will look to schedule an onsite visit(s) as soon as possible to introduce the service team working with MTD. Performing a thorough review of your insurance program will allow us to identify any coverage improvement and premium savings opportunities. Our risk control specialists will develop a tailored set of risk improvement plans that better focus carrier resources and assure these same resources are utilized effectively.


Working collaboratively with MTD, USI will create a smooth transition through proactive communication and thoughtful planning.

- ◆ Audit of existing program
- ◆ Commitment to deliverables via a customized Annual Service Calendar
- ◆ Transparent renewal process
- ◆ Planning for results

Client Acquisition and First Year



From there, we will work with MTD on developing and implementing a multi-year strategy. Upon appointment as your broker, we meet with you to finalize a timeline and set goals to meet and exceed your expectations. Following is a rough timeline, but we have provided a more detailed one later.

Brokerage Services	
Account Strategy	Timeline
Evaluate the current insurance programs to ensure adequate insurance protection and optimum costs.	Continual Service 
Identify risk, evaluate, develop recommendations on risk management and insurance program design, and communicate to MTD.	
Evaluate alternative risk financing approaches to the program design in addition to traditional insurance coverages.	
Continue ongoing discussions with insurance and risk financing markets to assess possible program designs.	
Develop and finalize total risk management and insurance program design with MTD.	
Create a renewal marketing strategy plan including new coverage options, discuss with MTD during a pre-renewal meeting, and present the results, quotations, and options to MTD during the annual renewal meeting.	
Oversee preparation of the specifications for insurance marketing (see next sections for the marketing services which summarize the entire marketing process).	
Respond to miscellaneous email and telephone inquiries regarding various insurance and risk management issues.	
Assist MTD with losses (see claims services below).	
Oversee and complete various projects (see Consulting Services below).	
Work with MTD to ensure we understand all of its operations and strategize on how we should cover each one of them on the insurance programs.	

Brokerage Services	
Marketing	Timeline
Assemble applications and develop questionnaires and spreadsheets for soliciting renewal information from MTD.	120 days before renewal
Collect renewal information and completed applications from MTD.	
Review all new exposures to loss, including new operations, equipment, and property.	
Prepare specifications for the insurance marketplace.	
Talk to insurers and assess interest level in writing insurance for MTD.	
Market and obtain quotations.	
Evaluate quotations and analyze pricing, coverages, service (underwriting, claims and loss control), and financial stability of the insurance carriers.	
Negotiate revisions to the insurance program from underwriters.	
Develop placement recommendations for MTD following the evaluation of quotations received.	
Prepare renewal proposals for MTD including comparisons with expiring program and between the various quotations.	

Brokerage Services	
Marketing	Timeline
Present and discuss proposals with MTD.	30 days prior to renewal
Bind and invoice the approved coverages with the various insurers.	
Deliver insurance binders and invoices to MTD for payment.	
Prepare premium allocation based on final premiums bound.	

Brokerage Services	
Account Management Services	Timeline
Review property and casualty policies to ensure that their terms and conditions match the programs originally negotiated.	We check them carefully upon receipt
Receive requests for changes from MTD and negotiate with the markets to make such changes. Send endorsements to MTD.	Ongoing
Prepare insurance summaries that give a synopsis of the coverage limits, terms and conditions.	We prepare these when checking the policies
Deliver policies and insurance summaries to MTD.	TBD
Keep copies of the policies and summaries in files.	Ongoing
Invoice changes mid-term.	Ongoing
Review requests for insurance certificates and issue certificates of insurance accordingly.	Ongoing
Perform day-to-day accounting and financial activities associated with handling MTD's insurance. We will submit invoices and other paperwork promptly.	Ongoing
Process underwriter audits, invoices, and other endorsements in a timely manner.	Ongoing
Provide Automobile Identification Cards in accordance with your needs and customize where appropriate (USI protocol — 100% accuracy, issued five (5) days prior to binding, immediate turnaround on requests post binding).	Ongoing

If selected as the broker and consultant for MTD, to begin reviewing the current program, we will identify immediate certificate, claim, and risk control needs, and then execute Broker of Record Letters for existing policies. At the same time, we will look to schedule an onsite visit(s) as soon as possible to introduce the service team working with MTD. Performing a thorough review of your insurance program will allow us to identify any coverage improvement and premium savings opportunities. Our risk control specialists will develop a tailored set of risk improvement plans that better focus carrier resources and assure these same resources are utilized effectively.

Working collaboratively with MTD, USI will create a smooth transition through proactive communication and thoughtful planning. The following graphic encapsulates the transition plan from day 1 to 3 years and beyond:

Furnish a proposed schedule\Outline sequentially the activities that would be undertaken in completing the work.

The mission of USI insurance Services has always been to be a trusted leader in providing our clients with knowledgeable advice, creative and cost-effective risk transfer solutions, and unparalleled service. We believe that honesty, trust, and integrity are essential for meeting the highest standards of client expectations and

corporate governance. With USI, our clients have the benefit and experience of a large broker combined with the personal attention and service of a local broker.

Our approach as the Insurance Broker and Consultant would be to continue to support and assist MTD in lowering their total cost of risk. In our experience, the best approach to accomplish this goal is to actively employ the risk management process.

Framework for Assessing, Treating, and Monitoring Risk



What are your critical concerns?	Assess Risk	Evaluate Options	Mitigate/Transfer Risks	Monitor Process
<ul style="list-style-type: none"> Update risk profile using info from client meetings, public docs Review loss experience Review uninsurable, uninsured, under-insured exposures Visit major facilities 	<ul style="list-style-type: none"> Prioritize Quantify Risk control inspections Review exposures and values Review contract compliance limits Claims review 	<ul style="list-style-type: none"> Avoid Assume Control Transfer Establish risk retention and transfer strategy Discuss current insurance market conditions Re-evaluate and strategize for renewal Review placement strategy 	<ul style="list-style-type: none"> Retain Insure Transfer to others Control and prevent Contract management Claims management Premium forecast Establish insurance renewal timeline Risk mitigation 	<ul style="list-style-type: none"> Quarterly review Quality control Regular communications Follow and monitor renewal timeline Review risk treatment options and implement MTD's decisions Quarterly meetings Ongoing communications Policy checking InsurLink portal

In our experience, the best approach to accomplish this goal is to actively employ the risk management process. We believe the risk management process provides an excellent framework for an organization to lower their cost of risk. By using this process, an organization can maximize safety to third parties and its own employees by applying risk control techniques, effectively manage claims and self-insured retentions, and reduce costs by transferring risk via both insurance and through the indemnification and insurance language in 3rd party contracts.

How the USI service team will implement the work plan

The USI insurance team always strives to provide the best service to MTD to support MTD's mission. We hope these tables more fully communicate the breadth of our activities, which sometimes go behind the scenes, in performing insurance brokerage and consultation services for MTD.

Proposed Phase I – Transition		
Description of Transition Activity (Within the First 30 Days)	Responsible Party	Target Date
MTD appoints USI Broker of Record	MTD	7/1/26
USI presents BOR letter(s) to insurers (there is a 10-day waiting period unless waived)	USI	7/8/26
USI team ensures a seamless transition of service	USI	Ongoing
Communicate with all insurers and schedule personal visits as required	USI	7/17/26
Set date for kick off meeting	MTD/USI	7/20/26
Conduct kick-off meeting: <ul style="list-style-type: none"> ▪ Obtain MTD contact information, obtain most recent copies of policies, exposure schedules, and pertinent documents from MTD ▪ Review open claims and establish claim handling guidelines ▪ Review all other open items and strategies for resolution ▪ Obtain current certificates of insurance and automobile ID cards database ▪ Request copies of current pertinent contracts ▪ Agree on loss control visit schedule ▪ Review carrier inspection activities ▪ Schedule future open items meetings 	MTD/USI	TBD
Review policies and provide recommendations for any improvements	USI	July/Aug
Finalize and execute Client Service Agreement (CSA)	MTD/USI	July

Proposed Phase II – Renewal Process		
Description of Transition Activity (Begin at Least 120 Days Prior to Renewals)	Responsible Party	Target Date
Schedule and conduct pre-renewal strategy meeting: <ul style="list-style-type: none"> ▪ Discuss MTD’s risk management goals and objectives ▪ Discuss any changes to underwriting information ▪ Review current market conditions ▪ Review benchmarking and analytics ▪ Agree to any changes to limits, retentions, and coverage ▪ Agree to renewal targets (pricing and terms and conditions) ▪ Agree to carrier participation and required meetings ▪ Agree to the use of any wholesale broker or intermediary ▪ Establish a renewal timeline 	MTD/USI	August for 1/1 January for 5/24 February for 6/30
Update schedule of insurance and assist in the preparation of the underwriting submissions	MTD/USI	90 days before
Deliver underwriting submission to insurers along with required target date for receipt of proposals	USI	75 days before
Prepare presentation for underwriter meetings; develop the most effective communication strategy for MTD’s risk	USI	75 days before
Meet with underwriters	MTD/USI	As needed
Schedule insurers visits to facilities, if needed	USI	As needed

Proposed Phase II – Renewal Process		
Description of Transition Activity (Begin at Least 120 Days Prior to Renewals)	Responsible Party	Target Date
Receive primary quotations from the carrier(s)	USI	50 days before
Conduct negotiations with insurers and discuss premium allocations. Comply with MTD's interest in negotiating at least 3 quotations	USI	45 days before
Summarize all quotation(s) from insurers (including assessment of their financial soundness) and present recommended program	USI	30 days before
MTD elects desired program option(s)	MTD	5 days before
Provide premium allocations		5 days before
Receive binding authority from MTD	MTD/USI	5 days before
Bind coverage with insurers	USI	5 days before
Deliver accurate binders	USI	3 days before
Invoice required premiums and transmit funds to carriers (including any future returned premiums to MTD)	MTD	5 days after
Review policies for accuracy and deliver to MTD; including any requests for required changes	USI	30 days after
Conduct post-renewal review meeting	MTD/USI	Within 30 days
Benchmark performance compared to initial targets	MTD/USI	Within 30 days
Set objectives for future renewals	MTD/USI	Within 30 days
Prepare and send insurance summary	USI	Within 30 days

Proposed Phase III – Execution		
Description of Transition Activity (Ongoing)	Responsible Party	Target Date
Conduct property risk control visits as scheduled	USI	Ongoing
Ongoing claims service and claim reviews per agreement	MTD/USI	Ongoing
Coordinate carrier site visits and review and comment on their recommendations	USI	Ongoing
Review and evaluate insurance for capital improvement projects including risk transfer, or Builders Risk, OCIP, CCIP or other risk transfer strategies	USI	Ongoing
Provide day-to-day loss control and claims consultation	USI	Ongoing
Provide annual total cost of risk report	MTD/USI	Ongoing
Provide annual stewardship report	USI	TBD
Provide budget forecast of premiums for MTD	USI	11/1/26
Provide summary of commissions	USI	February 28
Ongoing processing of certificates of insurance and automobile ID cards	USI	Ongoing
Complete contract reviews as requested	USI	Ongoing

Proposed Phase III – Execution		
Description of Transition Activity (Ongoing)	Responsible Party	Target Date
Underwriter meetings for relationship building	MTD/USI	Ongoing
Periodic open items meetings as scheduled	MTD/USI	Ongoing
Training and education to Board and others on insurance and risk management. Barbara teaches ARM classes and is very happy to conduct any training as needed. The service team can also train on certificates, policy endorsements and binders.	USI	Ongoing

Property

USI provided a significant amount of information previously in this proposal about ideas for improving MTD's Property insurance program. We just emphasize here USI's interest in engaging our Property Analytics group to assist with developing proper insurance valuations, plus also perform catastrophe modeling when evaluating the adequacy of current earthquake and flood insurance coverages.

PRICE PROPOSAL (CONTINUED): ADDITIONAL INFORMATION

Offerors shall describe any unique services they can provide to MTD that will distinguish their firm from other potential firms.

Distinguishing USI from other Brokers

We offer MTD these qualitative advantages:

- ◆ **Power broker** – Our Team Leader Barbara Goodwin, has been recognized by Risk and Insurance magazine as “Power Broker” in the field of Transportation for her outstanding technical knowledge, brokering skills, risk management services, and client solutions. This national industry magazine selected Barbara as a winner twice, based on input from Barbara’s transportation clients, so it further confirms Barbara’s and her team’s strength in providing exceptional insurance brokering and risk management services to clients.
- ◆ **Transit experience** – We focus on insurance for California public transit accounts and have many years of experience insuring clients such as Golden Gate Bridge, Highway and Transportation District, Peninsula Corridor Joint Powers Board (Caltrain), SamTrans, the, and MTC. Our team’s in-depth understanding of transit funding mechanisms, bus, and rail systems is crucial in differentiating MTD in the market, and in providing practical risk management advice on contract insurance requirements. We are also quite knowledgeable on other public entity risk exposures given work with the County of Marin; this collective experience, and utilization of the risk management process will be helpful to MTD.
- ◆ **Technical knowledge and professional education** - Our team has a demonstrated commitment to ongoing continuing education and has earned multiple professional designations, e.g., CPCU, MBA, and ARM-E, with an emphasis on enterprise risk management. Barbara Goodwin has demonstrated a strong commitment to the industry, by teaching ARM and other Risk Management classes to insurance and risk management professionals in the Bay Area for many years. Our team’s knowledge coupled with our years of industry experience underwriting, brokering, servicing clients, and traveling to meet with U.S. and global markets, offers MTD unequal technical depth.
- ◆ **Collaboration with clients** - We work closely with clients to mutually set priorities, differentiate their account in the market, and create custom, broad-based programs at cost effective terms.
- ◆ **Underwriting relationships and market knowledge** – Our team has broad experience in the U.S., London, European, and Bermuda transit markets. We develop long-term relationships with underwriters, particularly those specializing in transportation, and enjoy over 25 years of experience working with underwriters in the U.S., London, and Bermuda.
- ◆ **Value added services** - We offer full risk management services and use of Technical Resource Specialists regardless of office location and without profit center conflicts.
- ◆ **Specialized knowledge consultation on contracts** – As mentioned above, Barbara and Sherry regularly consult with and respond to inquiries from clients on risk management issues including contractual risk transference, safety and risk control situations, claims, and potentially challenging insurance coverage questions. We often engage other team members on these requests, including

claims staff who can provide helpful advice on how particular policy language can impact claims. We respond very quickly to requests and will also be proactive in involving MTD staff in situations that warrant their attention.

- ◆ **Contract consultation from our surety specialist** – As described, our Surety consultant provides an assessment and input on bond requirements and compliance.

Our integrated delivery of services means MTD has access to our full range of capabilities and personnel including resources and specialists, data analytics, enterprise risk management, surety, and claims. What truly sets us apart from our competition is our:

- ◆ **Relentless focus on customer service.** We are a networked team that is “always on.” When you need us, we are ready. Every principal team member has mobile access to voice and data communications, and we build redundancies into our teams, so staff are always available to offer support and service.
- ◆ **Great enthusiasm and teamwork.** Our team communicates, works well together to the benefit of our clients, and has a passion for delivering the highest level of insurance and risk management knowledge to MTD. **We not only like each other, but we enjoy what we do.**
- ◆ **Leading edge creativity and innovation.** We love the challenge of developing new insurance and risk management solutions for the emerging exposures of our clients.

Our experience with public transit – Setting USI Apart

With extensive experience insuring public transit and working closely with our clients, we view transportation operations and insurance from many different perspectives. Our clients include public bus districts, light rail, heavy rail, commuter rail operations, regional transportation planning commissions, express toll lanes, and a world class bridge and highway. We routinely respond to a variety of client questions regarding third party vendors, contractors, construction-related projects, insurance wordings, surety and other matters. Our team also strategizes with these clients on self-insurance levels. **Few teams can match the public transportation experience that our USI team offers.**

The core service team working with MTD handles the following larger public entity accounts:

Accounts Under Barbara Goodwin and Team

- Golden Gate Bridge, Highway & Transportation District
- San Mateo County Transit District (SamTrans)
- Peninsula Corridor Joint Powers Board (JPB, aka CalTrain)
- San Mateo County Transportation Authority (TA)
- San Mateo County Express Lane – Joint Powers Authority (SMCEL JPA)
- Greater Cleveland Regional Transit Authority (GCRTA)
- San Francisco Bay Area Metropolitan Transportation Commission (MTC)
- The County of Marin

In addition, USI offices draw on our team’s public transit experience for input on various client issues and marketing assistance. Our team leader, **Barbara Goodwin**, regularly consults with other producers and teams across the USI network on transportation accounts and assists on projects across the U.S.

Public Entity Experience

As a company, we have several industry sectors to deliver insurance products and services. USI is committed to serving public sector clients. We serve as broker for public entity clients at all levels, including public transportation, state, municipal, public works, and public education. We support a **national/regional public sector resource group** to provide industry knowledge, market information, and assistance to the USI brokers

who serve governmental entities throughout the country. We meet monthly to discuss risk management trends, the public entity insurance marketplace, newly developed resources, and other issues relevant to our public entity clients.

With over 3,000 public sector clients, USI demonstrates the capacity to address the current and emerging needs of MTD.



Our client base includes the following:

Approximately 3,000
Public sector clients

799
Transportation clients

449
Municipalities/
counties

234
Airport clients

Approximately 400
Utility clients or clients
who include utilities

181
Fire and Rescue

Surety - Financial Guarantees, Performance Bonds and Letters of Credit

With a national network of surety team members, our Surety Practice has become a recognized leader in the surety industry providing a national presence in the industry with localized representation. **Sam Caringi** is the USI surety specialist who consults on USI's contracts as described above.

We Understand the Surety Needs of Public Entities

Sam and team have extensive specialized knowledge with surety issues that are important to transportation agencies and Public Entities. Instead of just recommending a one-size-fits-all surety requirement, Sam takes the time to consider broader objectives important to clients and recommend surety options that best serve all stakeholders.

Providing the Best Services for Our Clients

At USI, we are uniquely positioned to provide in-depth to the underwriting analysis process, allowing us to maximize credit portfolios. Our work is not just about solutions we create, it is how we deliver them. As one of the largest surety brokers, we draw from our practice resources to identify and prioritize ways to impact and develop our clients' surety program. We become an extension of their surety or risk management team providing solutions for:

- ◆ Surety cost structure
- ◆ Carrier underwriting changes
- ◆ Environmental Surety placement
- ◆ Replacement for letter of credit
- ◆ Analyze surety requirements designed to protect public funds/taxpayers' dollars
- ◆ Broker compensation
- ◆ Financial accountability
- ◆ Program monitoring and tracking
- ◆ Contract terms and conditions

We understand that our services will sometimes be consultative in nature.

Online Program for Bond Processing

USI has a national contract with InSureVision Technologies (IVT), the developer of the SurePath Network, a web-based surety bond processing system. IVT is a Microsoft Certified Solution Provider with extensive experience in the surety industry with special expertise in internet development, including transition from paper-based processes to digitally enhanced processes.

SurePath allows surety clients to:

- ◆ Request a bond online – all designated service team members are alerted via email of the pending bond request.
- ◆ Monitor bond requests.
- ◆ View and present a variety of bond lists including: outstanding bonds, released/closed bonds, bonds pending renewal.
- ◆ Obtain your outstanding bond liability.
- ◆ Use bond requests to attach comments and supporting documents with broker instructions.
- ◆ Customize reports using the SurePath database as determined by client needs.
- ◆ Be as involved or as little involved in the Surety process.
- ◆ SurePath allows USI to keep on top of each client's bond accounts in an efficient, timely manner. The SurePath system is used by all major surety operations within USI.

Include a description of any services not previously covered which may be of particular value to MTD and if the programs or resource is included in the proposal price or is offered at an additional cost option.

USI has already described many of services, offered by third parties, that would contract directly with MTD, and would charge a separate fee. A listing of some of the services are also included below.

Third-Party Certificate Tracking through a firm such as Ebix

Ebix is a full-service certificate of insurance management vendor that provides certificates online that are compliant and validated. Ebix is the largest provider of certificate of insurance management services in the United State and North America. Ebix does all of the day-to-day transactions work to:

- ◆ Request evidence of insurance from client's vendors/business partners
- ◆ Receive and review incoming evidence of coverage

- ◆ Verify that coverage received meets requirements of underlying client agreement
- ◆ Identify any/all coverage deficiencies, send deficiency notifications via email/USPS to advise of correction action required
- ◆ Send reminder requests in advance of all upcoming expirations to obtain renewal certificates
- ◆ Provide call center services to respond to phone inquiries from vendor and insurance agents
- ◆ Maintain a complete history of all documents received from vendors
- ◆ Provide clients with a web-based user interface to client for:
 - Viewing/printing certificates/endorsements
 - Check compliance
 - Run reports

With Ebix, MTD's role would be:

- ◆ Provide items to support implementation of Ebix service
- ◆ Vendor ID information (e.g. name, address, classification for reporting etc.)
- ◆ Coverage requirements associated with each vendor
- ◆ Preference questionnaire
- ◆ Address exception items identified by Ebix
- ◆ Make business decisions on referral items and default items

Normally, the initial data from the client would be supplied via an Excel spreadsheet. USI can offer to help MTD manage this relationship with Ebix, and fill service needs as needed.

Actuarial

USI has the capability of providing casualty analytical services that do not require an actuarial certification to assist MTD in making decisions on their insurance programs, including review of retention/deductible limits, analysis of alternative risk financing programs, and allocation systems along with loss forecasting. We have described each of these services previously in this proposal. While USI has these internal analytics capabilities, if MTD requests that an **actuary** evaluate MTD's liabilities for Workers' Compensation and third-party General and Auto Liability claims, we can introduce an actuary to MTD. We have connected a few of our clients with **Select Actuarial Services** (SAS, LLC).

- ◆ Select Actuarial Services is an independent consulting firm serving a vital role in helping organizations measure their cost of risk, and, ultimately, achieve their risk management and business objectives. **Select Actuarial Services (SAS, LLC) is a Women Owned Business Entity (WBE)**. Four of the five founding Partners, Mary Frances Miller, Cheryl White, Laura Sprouse and Thomas Meyer, are still with the company today. Laura Sprouse would be the lead actuary for MTD.
- ◆ Select Actuarial Services provides expert, professional property/casualty actuarial consulting services necessary to the sound management and administration of risk management and insurance programs. The firm's colleagues have over 160 years of combined property/casualty actuarial experience, with eight credentialed actuaries holding Membership in the American Academy of Actuaries (MAAA). Six of their colleagues have attained the highest level of qualification for actuaries in the United States, Fellowship in the Casualty Actuarial Society (FCAS).
- ◆ Select's studies are objective evaluations of risk financing programs. Reports are logically self-contained. They pride themselves on producing clearly written reports that can be understood by non-actuaries. The selection of actuarial techniques is related to the client's insurance and risk management program. Support for subjective judgments is explicitly identified and can be readily scrutinized. Report conclusions

have clean audit trails and can be replicated by non-actuaries. This approach ensures the value of actuarial studies in helping clients achieve their objectives.

Specialized Loss Control Services

- ◆ We do not do Job Safety Analysis for numerous employee positions but can create one as an example
- ◆ We can look over accident forms used for investigations and provide such forms, but we cannot do an injury investigation.
- ◆ We do not do electrical evaluations and detailed panel inspections such as Infrared Thermographic Testing.
- ◆ Industrial Hygiene testing.
- ◆ Business continuity planning.
- ◆ We do not certify clean rooms or provide any type of special certifications.
- ◆ We don't do in the vehicle driver evaluations or ride-alongs
- ◆ We do not perform Cyber Protection services i.e. monitoring, ethical hacking, etc. These services are offered through vendors USI has vetted, but which charge an additional preferred fee.

Claims Adjusting or Third-Party Administration

USI does not do any claims adjusting that would be handled by the insurance companies and/or a third-party administrator (TPA). Instead, we provide consulting support on MTD's behalf.

Response to Property/Casualty Insurance Broker Services:

Santa Barbara Metropolitan Transit District



June 2, 2026

About USI



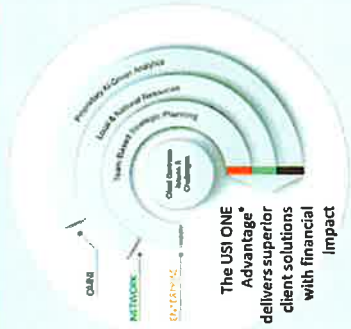
Top ranked
brokerage across multiple
specialties and sectors

"Top Insurance Employer"
Eight Years in a Row!

Insurance Business America, 2018 - 2025



**Local
Expertise
National
Resources**



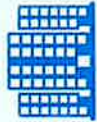
The USI ONE
Advantage[®]
delivers superior
client solutions
with financial
impact

500,000 +
clients served



approximately
\$3 BILLION
IN
Revenue

150 +
Years of
brokerage
experience
through our acquired agencies



~ 200 Local offices
Servicing local, national,
and international needs.

PROPERTY & CASUALTY

EMPLOYEE BENEFITS

PERSONAL RISK

PROGRAMS



USI's Public Entity Practice

3,000 Public Sector
Clients Nationally

799 Transportation
Clients

Core Team handles public transit clients

Average Client Feedback:

- Consultative and Collaborative
- Creative and Resourceful
- Responsive and Client-Centric
- Knowledgeable and Assertive
- Clear communicators



Core Service Team

Barbara Goodwin
Senior Vice President, Team Lead

Sherry Hurte
Senior Account Executive

Peyton Hendricks
Senior Account Representative

Resource Team

Coverage Specialists

Phurba Gyalszen
Management Liability/Cyber
Liability

Adam Campbell
Property

Sam Carling
Surety

Charlene Washburn
Environmental Liability

Claims & Risk Control

Jason Miyake
P&C Claims Consulting

Kris Ludwig
WC Claims Consulting

Rob Curcio
Risk Control

Risk Management

Joel Devillibus
Technical Resources/Property

Amber Feilman
Property Analytics

Chris Um
Casualty Analytics

Peter Short
Construction/OCCIP

The USI Advantage



We combine the
resources of a global
provider with
outstanding local
service to provide the
most value to our
clients.

- Focus on:
- Relationships
 - Service excellence
 - Flexible solutions
 - Long-term goals
 - Commitment to community

- Offer:
- Market leverage
 - Intellectual capital
 - In-depth talent
 - Deep carrier relationships
 - World-class technology

Topics of Discussion

Public Transit Experts

GL/AL Excess Casualty

- Combine GL/AL
- Add POL/EPL
- Quota share vs. layering
- Higher Retentions
- London & Bermuda
- Evaluate limits
- Marketing
- Promote as "best in class"
- Fixed Route Bus
- Microtransit – The Wave

Cyber Liability

- \$1M limit is low
- Social Engineering Fraud
- Contingent BI/PD
- Review coverages (USI Privatsale)
- USI Answerlytics

D&O Liability / Employment Practice Liability

- \$3M/\$6M limit structure is unusual
- Public Officials coverage
- Third-party EPL

Excess Workers' Compensation:

- Catastrophe coverage
- Statutory limits
- Below market SIR at \$250K

Fiduciary Liability

- \$2M limit
- Valuation services

Other

- Crime
- Drones
- Non-owned aircraft liability
- Kidnap, ransom & extortion
- Sexual Abuse and Molestation (SAM)
- Pollution
- Auto Physical Damage
- Employed Lawyers Liability
- Active Assailant/Terrorism

“

"Great news about the excess liability! Thank you for doing the great work you do and saving us a bit of money in the process!"

— *Deputy General Manager, Administration and Development of Golden Gate Bridge, Highway and Transportation District*

"Hi Barbara, you always exceed my expectations!"

— *Risk Administrator from San Joaquin Regional Transit District*

"I just want to thank the both of you and your team for the tireless job you do for us at Sonoma/Caltrain. You carry a heavy load for us and you are very much appreciated."

— *Risk and Insurance Administrator from Caltrain and Sonoma*

"You are the Best!"

— *Senior Program Coordinator, Risk Management, Metropolitan Transportation Commission*

”

Consultative Approach with Value-Added Services

- Third-party contract consulting**
 - Paratransit – Easy Lift Transportation
 - Van pools
 - Tire contracts
 - Banking services
 - Benefits contracts
 - Tree removal
 - Fuel services
 - Surety Consulting
 - Highlight market trends
 - Comprehensive Coverage and Policy Form Analysis
 - Recommend Marketing approach
 - Meet with MTD to discuss risk exposures
 - Discuss MTD's risk tolerance levels
 - Evaluate Retention levels and Alternative Risk Financing
- Claims**
 - Claims protocols & approach
 - High impact advocacy and consultative claims services
- Loss Control**
 - USI Risk Management Center (RMC)
 - Coordinate, implement and oversee carrier-based risk control services
 - Develop and implement tailored risk control programs/projects as need arises

Our Commitments to MTD

1
2
3
4
5
6
7

Assess MTD's risks and design the broadest and most cost-effective insurance program.

Identify MTD's "best in class" qualities and showcase these together with superior risk control services to markets.

Provide support for achieving "Zero Emission" goal.

USI will provide the best-in-class public entity, insurance and risk management specialists.

USI will provide helpful risk transfer advice on contracts for capital project and service contracts.

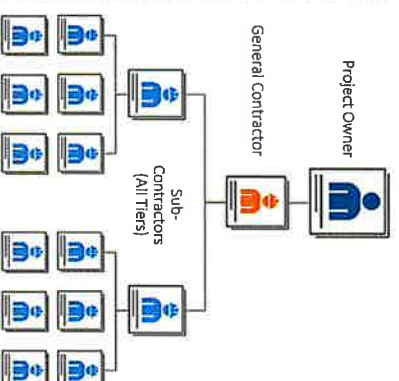
Provide targeted and helpful Loss Control Solutions.

Provide aggressive and successful Claims advocacy.

Construction – Traditional vs CIP

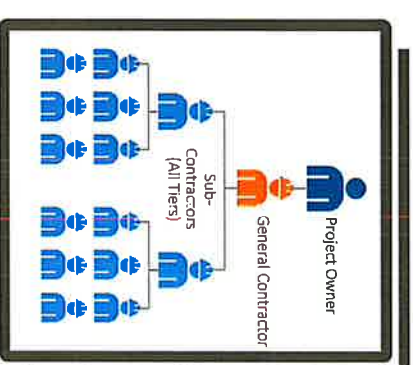
Traditional Approach

Individual policies at every tier of project stakeholders.



Controlled Insurance Program Approach

Single procured policy covering all stakeholders.



Construction – Builders Risk

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: June 16, 2026
Subject: General Manager's Report

Operations and Fleet Maintenance

The Operations Department congratulates Operator Jose Guardado on successfully passing Commercial Class B DMV testing. Jose will now advance to the next phase of training, which includes night driving and route familiarization alongside senior Operators. Operator-in-Training Manny Mendez is expected to complete his training for his Commercial Class B license testing within the next few weeks.

Verification of Transit Training (VTT) classes were conducted this past week. This mandatory training is provided quarterly for all Bus Operators and Operations Supervisors. Multiple sessions are scheduled throughout the week at varying times to accommodate the Department's diverse work schedules.

The new Amtrak service continues to be well received by the public. MTD supports this service through its First Mile Last Mile connections, which operate on weekday mornings and afternoons.

Terminal 2 (T2) will conclude operations next week in preparation for Phase 2 capital improvements. The facility has successfully supported service operations during the past two bid periods as part of its soft-launch implementation.

The Maintenance Department continues to work through the Post-Delivery Inspection (PDI) process with Gillig in preparation for acceptance of eight new battery-electric buses. Concurrently, the buses are being equipped with fareboxes, two-way radios, bicycle racks, and credit card readers. Upon completion of the PDI and equipment installation process, Operations will begin operator training to prepare the vehicles for entry into revenue service.

Administration

Year end audit projects are in process between the departments to ensure Inventory can be completed most accurately and efficiently. A consultant has been selected for processing the Department of Motor Vehicles documentation on the eight (8) Gillig 40' Heavy Duty Battery Electric Buses received. An Elevator Maintenance contract has been awarded to KONE.

The District currently employs 121 Bus Operators and continues to actively recruit to reach the authorized staffing level. One new Bus Operator was onboarded on June 11, 2026, and another began employment on June 15, 2026. The District recently interviewed an additional candidate on June 11, 2026, and is currently in the process of extending an offer of employment. Two additional candidate interviews are scheduled, and the District is hopeful to extend further offers that will support progress toward the authorized complement of 125 drivers. Recruitment efforts remain ongoing, with candidates at various stages of the hiring process.

Recruitment efforts are ongoing to fill one vacancy for Service Person. Phone screenings are currently being conducted, and one candidate has been scheduled for an in-person interview on June 17, 2026. Additional candidates will continue to be evaluated throughout the recruitment process.

The Clerk of the Board position is currently vacant. Recruitment is pending for an alternative position of Office Administrator that will conduct some of the Clerk of the Board duties at the direction of the General Manager.

The June renewal of the Excess Workers Compensation coverage was approved by the Board at the May meeting; coverage renews on July 1 through PRISM Risk. Three other coverages renew in August - Flood coverage; Cyber Liability coverage, and ERISA coverage.

Planning & Marketing

Staff attended a meeting of the Santa Barbara County Association of Governments' (SBCAG's) Technical Transportation Advisory Committee (TTAC) on June 4, 2026, held in person in Solvang. The Committee received updates on Federal and State funding, and on the Measure A Strategic Plan, with an update of the Plan slated for 2027. The Committee provided feedback on a draft scope of services for Measure A renewal and a public information roadmap. This is in anticipation of seeking a renewal of Measure A in 2032. The committee also recommended approval of an FTIP amendment and recommended approval on the Draft Measure A Program of Projects for FY 26/27, the Local Surface Transportation Program apportionments for FY 25/26, and an amendment to the 2025 Federal Transportation Improvement Program.

MTD's 12th Annual Youth Art Poster Contest took place in April, and winners were selected from an impressive group of 182 entries from the region's 1st through 6th graders. Winners have received recognition at their schools or afterschool programs and will have their art featured in MTD's fleet for the next year.