

Agenda



Regular Board Meeting of the Board of Directors

Meeting Location:

**Basin Transit Operations Center
62405 Verbena Road
Joshua Tree, CA 92252**

It is the intention of Basin Transit to comply with the Americans with Disabilities Act in all respects. If you have a disability and need accommodation to participate in the meeting, please call the Assistant Board Secretary at 760-366-2986 or email michal@basin-transit.com for assistance so the necessary arrangements can be made.

Public comments may be submitted via email to the Assistant Board Secretary at michal@basin-transit.com prior to January 21, 2026, at 5:00 PM with your name, telephone number, and subject of your public comment (agenda item or non-agenda item). If you send written comments, your comments will be made part of the official record of the proceedings and read into the record if they are received by the deadline above.

Board of Directors

Daniel L. Mintz, Sr., Chair
Merl Abel, Vice Chair
Jeff Drozd
Jennifer Henning
Dawn Rowe (Danielle Harrington Designee)
McArthur Wright

Officers

Cheri Holsclaw, Board Secretary
Michal Brock, Assistant Board Secretary



REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

Thursday, January 22, 2026
62405 Verbena Road, Joshua Tree CA 92252
5:00 PM

1.0 CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Board Members: Abel, Drozd, Harrington, Henning, Wright
and Chair Mintz

2.0 SPECIAL RECOGNITIONS AND PRESENTATIONS

2.1 Employee of the Quarter

3.0 PUBLIC COMMENTS

3.1 This is a time for comments from the public on any subject not on the agenda. The Brown Act prohibits the Basin Transit Board of Directors from responding at length to questions on matters not on the agenda. Matters may, however, be referred to staff for scheduling on a future agenda. Comment time is limited to three minutes.

3.2 Public comments on specific agenda items will be deferred until consideration of the item on the agenda. Comment time is limited to three minutes.

4.0 CONSENT CALENDAR—All matters listed under the Consent Calendar are to be considered routine by the Basin Transit Board and will be enacted by one motion in the form listed. Any item may be removed from the Consent Calendar and considered separately by the Board under item 5.0 on the agenda. The public may comment on Consent Calendar items prior to Board action (roll call vote).

4.1 [Minutes of November 20, 2025 Board Meeting](#)
Staff Recommendation: Approve Minutes

4.2 [Treasurer's Report for October and November 2025](#)
Staff Recommendation: Approve Treasurer's Reports

4.3 [Warrant Register through November 30, 2025](#)
Staff Recommendation: Approve Warrant Register

- 4.4 [Ridership Reports](#)
Staff Recommendation: Receive and File
- 4.5 [Financial Reports](#)
Staff Recommendation: Receive and File
- 4.6 [Taxi Report](#)
Staff Recommendation: Receive and File
- 4.7 [General Manager's Report](#)
Staff Recommendation: Receive and File
- 4.8 [Operations Report](#)
Staff Recommendation: Receive and File
- 4.9 [Ralph M. Brown Act](#)
Staff Recommendation: Receive and File
- 4.10 [Audited Financial Report for Fiscal Year 2025](#)
Staff Recommendation: Receive and File
- 4.11 [Health Summary Plan Description](#)
Staff Recommendation: Approve Health Summary Plan Description Update
- 4.12 [Approval of Purchase Orders](#)
Staff Recommendation: Provide Authorization to Staff to Issue Purchase Orders to RVBA, FMC, and FMS
- 4.13 [2026 Board Calendar](#)
Staff Recommendation: Adopt Basin Transit's 2026 Board Calendar

ACTION: Move_____ 2nd_____ Roll Call Vote

5.0 ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION AND/OR PARTICIPATION AND/OR ADDED AGENDA ITEMS

6.0 OLD BUSINESS

NONE

7.0 NEW BUSINESS

- 7.1 [Election of Board Officers for Calendar Year 2026](#)
Staff Recommendation: Elect Chair, Vice-Chair and Secretary with Terms to Expire January 2027

ACTION: Move_____ 2nd_____ Roll Call Vote

- 7.2 [Election of Member “At-Large” for Calendar Year 2026 and 2027](#)
Staff Recommendation: Elect Basin Transit Member “At-Large” for Two-Year Term

ACTION: Move_____ 2nd_____ Roll Call Vote

- 7.3 [Basin Transit Sub-Committee Assignments](#)
Staff Recommendation: Discuss and Assign Board Members as Appropriate

ACTION: Move_____ 2nd_____ Roll Call Vote

- 7.4 [Revisions to FY26 Operating Budget](#)
Staff Recommendation: Authorize Revisions to FY26 Operating Budget

ACTION: Move_____ 2nd_____ Roll Call Vote

- 7.5 [Disposal of 2004 Ford Ranger](#)
Staff Recommendation: Approve Disposal of Ranger

ACTION: Move_____ 2nd_____ Roll Call Vote

- 7.6 [Bus Stop Improvements \(IFB #26-01\)](#)
Staff Recommendation: Approve IFB #26-01, Bus Turnouts and Shelters; Authorize Staff to Award Project to Lowest Responsive Bidder

ACTION: Move_____ 2nd_____ Roll Call Vote

8.0 CLOSED SESSION

NONE


9.0 GENERAL MANAGER UPDATE

10.0 FUTURE BOARD INITIATED AGENDA ITEMS

11.0 BOARD MEMBER COMMENTS - This is the time for comments from the Board members on any subject.

12.0 ADJOURNMENT - The next regularly scheduled board meeting will be held on Thursday, March 26, 2026, at 5:00 PM at the Basin Transit Operations Center, 62405 Verbena Road, Joshua Tree CA 92252.

All items appearing on this Agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board. **This agenda is certified to have been posted on or before January 19, 2026, at 5:00 PM.**



Michal Brock, Assistant Board Secretary

1/16/2026

Date

BASIN TRANSIT

TO: Board of Directors

FROM: Cheri Holsclaw, General Manager

DATE: January 22, 2026

RE: Minutes of the November 20, 2025 Board Meeting

STAFF RECOMMENDATION: APPROVE MINUTES

BASIN TRANSIT

**REGULAR MEETING OF
THE BOARD OF DIRECTORS**

Thursday, November 20, 2025, 5:00 p.m.
Basin Transit Operations Center
62405 Verbena Road
Joshua Tree, CA 92252

ACTION MINUTES

1.0 CALL TO ORDER – Chair Mintz called the meeting to order at 5:01 p.m.

PLEDGE OF ALLEGIANCE – Timothy Nash

ROLL CALL

Members Present:

Merl Abel
Jennifer Henning
Ben Sasnett

Danielle Harrington
Dan Mintz
McArthur Wright

Members Absent:

Jeff Drozd

2.0 SPECIAL RECOGNITIONS AND PRESENTATIONS

2.1 Recognition of Employee of the Quarter: Matt Atkins, Operations Manager, recognized Thomas Hathaway as the Employee of the Quarter.

3.0 PUBLIC COMMENTS ON NON-AGENDA ITEMS

NONE

4.0 CONSENT CALENDAR

4.1 Minutes of the September 25, 2025 Board Meeting

4.2 Treasurer's Report for August 2025 through September 2025

4.3 Warrant Register through September 30, 2025

4.4 Ridership Reports

4.5 Financial Reports

4.6 Taxi Report

4.7 General Manager's Report(s)

4.8 Operations Report

4.9 Purchase of Bus Shelters

4.10 Resolution 25-05 – Authorize the Procurement Director to Perform Contract Actions Necessary to Maintain the Procurement Program

4.11 Transit Operating, Capital Plan (TOCP) Reallocation

4.12 End-of Year Employee Recognition

ACTION: Board Member Wright moved to approve the Consent Calendar (items 4.1 - 4.12); seconded by Board Member Harrington: motion passed by Roll Call Vote (6-0).

5.0 ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION AND/OR PARTICIPATION AND/OR ADDED AGENDA ITEMS

NONE

6.0 OLD BUSINESS

NONE

7.0 NEW BUSINESS

7.1 Award ADA Paratransit Plan Contract

Cheri Holsclaw requested authorization from the Board to award the ADA Paratransit Plan contract to Capitol Government Contract Specialists (Capitol GCS).

ACTION: Vice-Chair Abel moved to approve authorization to award Basin Transit's ADA Paratransit Plan contract to Capitol GCS; seconded by Board Member Wright: motion passed by Roll Call Vote (6-0).

7.2 Resolution 25-06 - Board Member Stipends

Cheri Holsclaw requested that the Board adopt Resolution 25-06, implementing a Board Member stipend increase to \$150 per meeting attended, effective November 20, 2025.

ACTION: Vice Chair Abel moved to adopt Resolution 25-06; seconded by Board Member Wright, motion passed by Roll Call Vote (6-0).

7.3 Legislative Updates

Cheri Holsclaw gave an oral report on legislative updates related to Senate Bill 707, Assembly Bill 1637, Assembly Bil 394, and Senate Bill 71. No action taken.

8.0 CLOSED SESSION

NONE

9.0 GENERAL MANAGER UPDATE

Cheri announced that Basin Transit staff achieved 100 days without a preventable accident. She also announced the upcoming Fill the Bus/Rider Appreciation Day event on Saturday, November 22, 2025, at the Yucca Valley Walmart. Cheri further extended an invitation to the Board to attend Basin Transit's End of Year Employee Recognition event on Sunday, December 7, 2025.

10.0 FUTURE BOARD INITIATED AGENDA ITEMS

NONE

11.0 BOARD MEMBER COMMENTS

The following Board Members made comments:

Board Member Sasnett

Board Member Henning

Board Member Wright

Vice-Chair Abel

Chair Mintz

12.0 ADJOURNMENT

The meeting adjourned at 5:14 p.m., Thursday, November 20, 2025.

Respectfully submitted,



Michal Brock, Assistant Board Secretary

BASIN TRANSIT

TO: Board of Directors

FROM: Cheri Holsclaw, General Manager

DATE: January 22, 2026

RE: Treasurer's Report for October and November 2025

STAFF RECOMMENDATION: APPROVE TREASURER'S REPORT

BASIN TRANSIT
TREASURER'S REPORT
October 31, 2025

Beginning Balance:	September 30, 2025	7,737,184
Receipts		1,600,228
Disbursements		970,387
Interest Received		<u>39,745</u>
Ending Balance:	October 31, 2025	<u>8,406,771</u>

LOCATION OF FUNDS:	BALANCE	INTEREST EARNED	INTEREST RATE
US Bank General	\$ 54,087	-	0.00%
US Bank Class E	\$ - \$	-	0.00%
Pacific Western Bank Procurement Fees	\$ 1,960,184 \$	-	0.00%
US Bank MAIN	\$ 2,757,322 \$	-	0.00%
Pacific Western Bank	\$ 143,863 \$	-	0.00%
LAIF	\$ 3,654,482 \$	-	0.00%
US Bank PTMISEA	\$ 0 \$	-	0.00%
US Bank LCTOP	\$ 273,534 \$	-	0.00%
US Bank SGR (SB1)	\$ 216,996 \$	-	0.00%
	\$	-	0.00%
TOTAL INVESTMENTS	<u>\$ 9,060,468</u> <u>\$</u>	<u>-</u>	

BASIN TRANSIT
TREASURER'S REPORT
November 30, 2025

Beginning Balance:	October 31, 2025	8,406,771
Receipts		5,622,508
Disbursements		2,533,270
Interest Received		306
Ending Balance:	November 30, 2025	11,496,315

LOCATION OF FUNDS:	BALANCE	INTEREST EARNED	INTEREST RATE
US Bank General	\$ 54,175	-	0.00%
US Bank Class E	\$ - \$	-	0.00%
Pacific Western Bank Procurement Fees	\$ 1,964,092 \$	-	0.00%
US Bank MAIN	\$ 4,554,540 \$	-	0.00%
Pacific Western Bank	\$ 94,505 \$	-	0.00%
LAIF	\$ 5,000,482 \$	-	0.00%
US Bank PTMISEA	\$ 0 \$	-	0.00%
US Bank LCTOP	\$ 265,206 \$	-	0.00%
US Bank SGR (SB1)	\$ 217,012 \$	-	0.00%
	\$	-	0.00%
TOTAL INVESTMENTS	\$ 12,150,012	\$ -	

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Warrant Register through November 30, 2025

STAFF RECOMMENDATION: APPROVE WARRANT REGISTER

1:51 PM
01/14/26
Cash Basis

BASIN TRANSIT
WARRANT REGISTER
October 2025

Date	Name	Memo	Paid Amount
10/01/2025	INTERMEDIA.NET	TELEPHONE	-536.79
10/03/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-73.25
10/03/2025	ADP	OUTSIDE SERVICES	-235.85
10/03/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-11,359.47
10/03/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-5,193.24
10/03/2025	CALPERS 457 PROGRAM	SUPPL RETIREMENT	-4,810.76
10/03/2025	ADP	WAGES	-84,001.96
10/03/2025	ADP	WAGES	-15,667.03
10/03/2025	SENTINEL BENEFITS	OUTSIDE SERVICES	-25.00
10/03/2025	ADP	WAGE GARNISHMENTS	-75.00
10/05/2025	SOUTHERN CALIFORNIA EDISON	UTILITIES	-13,281.19
10/06/2025	SPECTRUM	TELEPHONE	-181.25
10/07/2025	ARCO	FUEL	-227.10
10/09/2025	THE GAS COMPANY	FUEL	-1,001.50
10/09/2025	THE GAS COMPANY	FUEL	-1,001.50
10/09/2025	THE GAS COMPANY	FUEL	-1,001.50
10/09/2025	THE GAS COMPANY	FUEL	-381.82
10/10/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-139.98
10/10/2025	BURRTEC	UTILITIES	-103.08
10/10/2025	BURRTEC	UTILITIES	-251.76
10/10/2025	BURRTEC	UTILITIES	-233.11
10/10/2025	AMAZON CAPITAL SERVICES, INC	OFFICE, FACILITY & SHOP SUPPLIES	-1,202.44
10/10/2025	BENEFIT COORDINATORS CORP	DENTAL INSURANCE	-1,544.30
10/10/2025	BROADLUX INC.	CNG MAINTENANCE	-1,000.03
10/10/2025	CLEAN ENERGY	CNG MAINTENANCE	-1,462.02
10/10/2025	COPPER MOUNTAIN BROADCASTING	MARKETING & PROMOTION	-440.00
10/10/2025	DIAMOND ENVIRONMENTAL SERVICES	UTILITIES	-126.19
10/10/2025	DS LOCKSMITHING	OUTSIDE SERVICES	-205.00
10/10/2025	FOSTER & FOSTER, INC.	OUTSIDE SERVICES	-6,750.00
10/10/2025	GILLIG LLC	PARTS	-14.12
10/10/2025	HI DESERT WATER DISTRICT	UTILITIES	-670.14
10/10/2025	KCDZ	MARKETING & PROMOTION	-460.00
10/10/2025	KIMBALL MIDWEST	SHOP SUPPLIES	-1,734.84
10/10/2025	NAPA AUTO PARTS	PARTS, FLUIDS. SHOP SUPPLIES	-568.56
10/10/2025	O'REILLY AUTO PARTS	PARTS	-1,252.56
10/10/2025	PALM SPRINGS MOTORS	PARTS	-130.42
10/10/2025	PARKHOUSE TIRES	TIRES	-3,353.79
10/10/2025	PRUDENTIAL OVERALL SUPPLY	UNIFORMS & SHOP SUPPLIES	-546.01
10/10/2025	QUILL CORPORATION	OFFICE & FACILITY SUPPLIES	-151.61
10/10/2025	SAFETY-KLEEN	FLUIDS	-1,528.36
10/10/2025	SCHROEDER PLUMBING	OUTSIDE SERVICES	-330.00
10/10/2025	SOUTHWEST NETWORKS	PROFESSIONAL SERVICES	-343.75
10/10/2025	SUNNY AND SONS	OUTSIDE SERVICES	-99.00
10/10/2025	TRILLIUM SOLUTIONS, INC	OPERATIONS SUPPORT	-900.00

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BASIN TRANSIT
WARRANT REGISTER
October 2025

10/10/2025	YUCCA VALLEY TOWING INC	OUTSIDE SERVICES	-360.00
10/10/2025	SALINA HIDAY	UNIFORM REIMBURSEMENT	-63.03
10/10/2025	THOMAS HATHAWAY	EMPLOYEE EXPENSE	-58.00
10/10/2025	NOEMI ADDERLEY	MILEAGE REIMBURSEMENT	-170.10
10/10/2025	CALACT	TRAINING/MEETINGS	-730.00
10/10/2025	JOE MEER	TRAINING/MEETINGS	-1,145.00
10/10/2025	CALPERS HEALTH/RETIREMENT	HEALTH INSURANCE	-29,794.78
10/10/2025	ADP	OUTSIDE SERVICES	-631.02
10/10/2025	SPECTRUM	TELEPHONE	-181.25
10/14/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-569.24
10/14/2025	ARCO	FUEL	-151.94
10/15/2025	HI DESERT WATER DISTRICT	UTILITIES	-119.15
10/15/2025	HI DESERT WATER DISTRICT	UTILITIES	-65.74
10/15/2025	TWENTYNINE PALMS WATER DISTRICT	UTILITIES	-25.29
10/15/2025	CALPERS HEALTH/RETIREMENT	CERBT	-14,165.00
10/15/2025	CALPERS HEALTH/RETIREMENT	CEPPT	-10,034.00
10/15/2025	TWENTYNINE PALMS WATER DISTRICT	UTILITIES	-88.17
10/16/2025	AMAZON CAPITAL SERVICES, INC	OFFICE, FACILITY & SHOP SUPPLIES	-121.53
10/16/2025	CHARLES ABBOTT & ASSOCIATES INC.	OUTSIDE SERVICES	-2,095.00
10/16/2025	DESERT ARC	OUTSIDE SERVICES	-270.00
10/16/2025	FORENSIC DRUG TESTING	EMPLOYEE EXPENSE	-288.95
10/16/2025	GEYSER EQUIPMENT LLC	JOSHUA TREE FACILITY - BUS WASH	-33,869.82
10/16/2025	KCDZ	MARKETING & PROMOTION	-460.00
10/16/2025	NAPA AUTO PARTS	PARTS, FLUIDS. SHOP SUPPLIES	-2,489.12
10/16/2025	VERIZON	TELEPHONE	-1,480.74
10/16/2025	VISUAL EDGE IT	PRINTING & REPRODUCTION	-34.57
10/16/2025	VOYAGER	FUEL	-956.33
10/16/2025	THE GAS COMPANY	FUEL	-16,783.51
10/16/2025	DAVID PANGUS PLUMBING	JOSHUA TREE FACILITY - BUS WASH	-17,000.00
10/16/2025	VISION SERVICE PLAN	VISION INSURANCE	-474.66
10/17/2025	ADP	WAGES	-81,355.25
10/17/2025	ADP	WAGES	-14,934.80
10/17/2025	US BANK	CREDIT CARD PYMNT	-9,403.36
10/17/2025	[EMPLOYEE]	WAGES	-235.49
10/17/2025	CALPERS 457 PROGRAM	SUPPL RETIREMENT	-603.54
10/17/2025	CALPERS 457 PROGRAM	SUPPL RETIREMENT	-4,817.24
10/17/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-11,401.12
10/17/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-4,728.96
10/17/2025	ADP	OUTSIDE SERVICES	-233.15
10/17/2025	ADP	WAGE GARNISHMENTS	-41.86
10/20/2025	JOSHUA BASIN WATER DISTRICT	UTILITIES	-684.93
10/20/2025	JOSHUA BASIN WATER DISTRICT	UTILITIES	-254.90
10/21/2025	ARCO	FUEL	-192.30
10/23/2025	AIS	PRINTING & REPRODUCTION	-125.79
10/23/2025	AMAZON CAPITAL SERVICES, INC	OFFICE, FACILITY & SHOP SUPPLIES	-533.89

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BASIN TRANSIT
WARRANT REGISTER
October 2025

10/23/2025	CLEAN ENERGY	CNG MAINTENANCE	-3,000.00
10/23/2025	GOLD MOUNTAIN CALIFORNIA NEW MEDIA INC.	MARKETING & PROMOTION	-1,516.03
10/23/2025	NAPA AUTO PARTS	PARTS, FLUIDS. SHOP SUPPLIES	-1,091.45
10/23/2025	PALM SPRINGS MOTORS	PARTS	-1,140.96
10/23/2025	PRUDENTIAL OVERALL SUPPLY	UNIFORMS & SHOP SUPPLIES	-298.40
10/23/2025	QUILL CORPORATION	OFFICE & FACILITY SUPPLIES	-343.13
10/23/2025	RUSSELL AIR CONDITIONING INC.	OUTSIDE SERVICES	-575.00
10/23/2025	SUNNY AND SONS	OUTSIDE SERVICES	-99.00
10/23/2025	VALLEY INDEPENDENT PRINTING	PRINTING & REPRODUCTION	-633.25
10/24/2025	SPECTRUM	TELEPHONE	-311.67
10/24/2025	AREG ABARYANTS	TREP MILEAGE REIMBURSEMENTS	-120.00
10/24/2025	TREP	TREP MILEAGE REIMBURSEMENTS	-2,654.48
10/25/2025	JOSHUA TREE LANDSCAPE & GROUNDS MAINT	OUTSIDE SERVICES	-833.75
10/25/2025	THE GAS COMPANY	UTILITIES	-14.79
10/25/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-395.42
10/28/2025	ARCO	FUEL	-113.04
10/28/2025	[EMPLOYEE]	WAGES	-982.27
10/31/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-74.78
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-1,701.75
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-350.00
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-384.09
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-1,284.60
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-573.00
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-174.70
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-448.97
10/31/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-270.00
10/31/2025	ADP	WAGES	-81,277.69
10/31/2025	ADP	WAGES	-15,255.33
10/31/2025	ADP	OUTSIDE SERVICES	-235.85
10/31/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-11,348.88
10/31/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-4,712.59
10/31/2025	CALPERS 457 PROGRAM	SUPPL RETIREMENT	-4,314.59
10/31/2025	ADP	WAGE GARNISHMENTS	-41.86
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			-565,389.12
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BASIN TRANSIT
WARRANT REGISTER
November 2025

Date	Name	Memo	Paid Amount
11/01/2025	INTERMEDIA.NET	TELEPHONE	-533.98
11/02/2025	SPECTRUM	TELEPHONE	-181.25
11/03/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-73.51
11/03/2025	SENTINEL BENEFITS	OUTSIDE SERVICES	-25.00
11/04/2025	ARCO	FUEL	-175.40
11/04/2025	JOSHUA TREE LANDSCAPE & GROUNDS MAINT	OUTSIDE SERVICES	-765.00
11/05/2025	AMAZON CAPITAL SERVICES, INC	OFFICE, FACILITY & SHOP SUPPLIES	-535.49
11/05/2025	BENEFIT COORDINATORS CORP	DENTAL INSURANCE	-1,487.00
11/05/2025	CITY OF TWENTYNINE PALMS	PROFESSIONAL FEES	-50.00
11/05/2025	CLEAN ENERGY	CNG MAINTENANCE	-3,004.00
11/05/2025	DIAMOND ENVIRONMENTAL SERVICES	UTILITIES	-126.19
11/05/2025	GEYSER EQUIPMENT LLC	BUS WASH	-1,016.75
11/05/2025	GILLIG LLC	PARTS	-283.95
11/05/2025	KIMBALL MIDWEST	PARTS	-89.65
11/05/2025	NAPA AUTO PARTS	PARTS, FLUIDS. SHOP SUPPLIES	-475.74
11/05/2025	O'REILLY AUTO PARTS	PARTS	-19.89
11/05/2025	PRUDENTIAL OVERALL SUPPLY	UNIFORM & SHOP SUPPLIES	-7,882.26
11/05/2025	QUILL CORPORATION	OFFICE & FACILITY SUPPLIES	-60.39
11/05/2025	RUTAN & TUCKER, LLP	PROFESSIONAL FEES	-3,474.06
11/05/2025	SUNNY AND SONS	OUTSIDE SERVICES	-158.00
11/05/2025	VOYAGER	FUEL	-264.09
11/05/2025	PRUDENTIAL OVERALL SUPPLY	UNIFORM & SHOP SUPPLIES	-243.02
11/05/2025	ADAH MARTINEZ	MARKETING & PROMOTION REIMB.	-90.00
11/05/2025	PATRICK FERREE	EMPLOYEE EXPENSE	-193.94
11/05/2025	WCC TECHNOLOGIES GROUP	29 PALMS SHED PROJECT	-7,000.00
11/05/2025	SOUTHERN CALIFORNIA EDISON	UTILITIES	-9,319.35
11/05/2025	CALPERS HEALTH/RETIREMENT	HEALTH INSURANCE	-30,576.42
11/07/2025	ADP	OUTSIDE SERVICES	-624.27
11/10/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-139.98
11/10/2025	BURRTEC	UTILITIES	-251.76
11/10/2025	BURRTEC	UTILITIES	-233.11
11/10/2025	BURRTEC	UTILITIES	-103.08
11/10/2025	MODEL 1 COMMERCIAL VEHICLES, INC.	BUS #325	-227,738.72
11/10/2025	SPECTRUM	TELEPHONE	-181.25
11/11/2025	ARCO	FUEL	-152.78
11/14/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-572.38
11/14/2025	ADP	WAGES	-86,816.57
11/14/2025	ADP	WAGES	-16,700.83
11/14/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-11,639.91
11/14/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-4,858.79
11/14/2025	CALPERS 457 PROGRAM	SUPPL RETIREMENT	-4,891.94
11/14/2025	ADP	OUTSIDE SERVICES	-233.15
11/14/2025	ADP	WAGE GARNISHMENT(S)	-41.86

BASIN TRANSIT WARRANT REGISTER

November 2025

11/15/2025	HI DESERT WATER DISTRICT	UTILITIES	-65.74
11/15/2025	HI DESERT WATER DISTRICT	UTILITIES	-127.71
11/15/2025	TWENTYNINE PALMS WATER DISTRICT	UTILITIES	-25.29
11/15/2025	CALPERS HEALTH/RETIREMENT	CERBT	-14,165.00
11/15/2025	CALPERS HEALTH/RETIREMENT	CEPPT	-10,034.00
11/15/2025	TWENTYNINE PALMS WATER DISTRICT	UTILITIES	-67.21
11/16/2025	VISION SERVICE PLAN	VISION INSURANCE	-477.57
11/18/2025	ARCO	FUEL	-154.61
11/20/2025	JOSHUA BASIN WATER DISTRICT	UTILITIES	-577.43
11/20/2025	JOSHUA BASIN WATER DISTRICT	UTILITIES	-254.90
11/20/2025	TIMOTHY NASH	EMPLOYEE EXPENSE	-50.00
11/20/2025	AIS	PRINTING & REPRODUCTION	-108.52
11/20/2025	AMAZON CAPITAL SERVICES, INC	OFFICE, FACILITY & SHOP SUPPLIES	-1,968.01
11/20/2025	AVALON URGENT CARE	EMPLOYEE EXPENSE	-450.00
11/20/2025	CITY OF TWENTYNINE PALMS	PROFESSIONAL FEES	-50.00
11/20/2025	CITY OF TWENTYNINE PALMS PARKS & REC	MARKETING & PROMOTION REIMB.	-20.00
11/20/2025	CLEAN ENERGY	CNG MAINTENANCE	-6,565.25
11/20/2025	COPPER MOUNTAIN BROADCASTING	MARKETING & PROMOTION REIMB.	-460.00
11/20/2025	DESERT ARC	OUTSIDE SERVICES	-270.00
11/20/2025	GOLD MOUNTAIN CALIFORNIA NEW MEDIA INC	MARKETING & PROMOTION REIMB.	-744.75
11/20/2025	KCDZ	MARKETING & PROMOTION REIMB.	-460.00
11/20/2025	KK RENTS LLC	OUTSIDE SERVICES	-435.66
11/20/2025	KULIK GOTTESMAN SIEGEL & WARE LLP	PROFESSIONAL FEES	-297.00
11/20/2025	NAPA AUTO PARTS	PARTS, FLUIDS. SHOP SUPPLIES	-210.48
11/20/2025	O'REILLY AUTO PARTS	PARTS	-840.42
11/20/2025	PARKHOUSE TIRES	TIRES	-3,768.26
11/20/2025	PRUDENTIAL OVERALL SUPPLY	UNIFORM & SHOP SUPPLIES	-239.12
11/20/2025	QUILL CORPORATION	OFFICE & FACILITY SUPPLIES	-294.22
11/20/2025	RUTAN & TUCKER, LLP	PROFESSIONAL FEES	-568.40
11/20/2025	SOUTHWEST NETWORKS	PROFESSIONAL FEES	-218.75
11/20/2025	SUNNY AND SONS	OUTSIDE SERVICES	-99.00
11/20/2025	Sunset Rotary	MARKETING & PROMOTION REIMB.	-25.00
11/20/2025	THE GAS COMPANY	FUEL	-10,734.02
11/20/2025	VERIZON	TELEPHONE	-1,480.74
11/20/2025	VISUAL EDGE IT	PRINTING & REPRODUCTION	-35.87
11/20/2025	XPRESS GRAPHICS AND PRINTING	PRINTING & REPRODUCTION	-102.03
11/20/2025	ZONAR	OPERATIONS SUPPORT	-11,328.83
11/20/2025	ROY DAVIS	UNIFORM REIMB.	-53.88
11/20/2025	JOE MEER	TRAINING, MEETING, & MILEAGE REIMB	-276.40
11/20/2025	TSR CONSTRUCTION	BUS STOP IMPROVEMENTS	-2,783.00
11/20/2025	ROBERT ARVIZU	TRAINING/MEETINGS	-480.00
11/20/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-276.60
11/20/2025	ANITA PETKE	TRAINING/MEETINGS	-58.50
11/20/2025	NOEMI ADDERLEY	MILEAGE REIMB	-98.00

BASIN TRANSIT
WARRANT REGISTER
November 2025

11/20/2025	HI-DESERT GLASS	OUTSIDE SERVICES	-542.60
11/21/2025	NOEMI ADDERLEY	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	SYLVIA L ARAIZA	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	ROBERT ARVIZU	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	MATTHEW ATKINS	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	PAULA BALDWIN	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	SHEMIKA BORTEE	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	MICHAL BROCK	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	GARY COOPER	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	BLAS CRUZ	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	ROY DAVIS	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	CORY DOUGLASS	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	PATRICK FERREE	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	SABRINA FRANKLIN	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	SYMON GARCIA	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	JOSE GIRON	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	CHRISTINA GUTIERREZ	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	GEORGE HALLAS	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	THOMAS HATHAWAY	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	SALINA HIDAY	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	CHERI HOLSCLOW	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	DOUG HUNTER	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	EDWARD JANDT	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	GARY JOHNSON	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	LYDIA KNUDSON	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	CYNTHIA LOPEZ	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	NICHOLAS LUTRELL	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	HECTOR MANZANO	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	ADAH MARTINEZ	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	JOE MEER	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	VENTURA MUNOZ III	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	TIMOTHY NASH	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	SCOTT NOBEN	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	JAMES OROZCO	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	ROBIN OSIP	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	MICHAEL PADILLA	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	RENEE PAYNE	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	ANITA PETKE	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	CHRISTOPHER RASMUSSEN	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	JANUARY RODRIGUEZ	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	ESMERALDA VILLA	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	JAMES WATSON	SAFETY INCENTIVE PRGM	-100.00
11/21/2025	FORENSIC DRUG TESTING	EMPLOYEE EXPENSE	-568.85
11/21/2025	US BANK	CREDIT CARD PYMNT	-4,341.15

BASIN TRANSIT WARRANT REGISTER

November 2025

11/24/2025	SPECTRUM	TELEPHONE	-311.67
11/24/2025	DAN MINTZ	BOARD MEMBER STIPEND	-150.00
11/24/2025	DANIELLE HARRINGTON	BOARD MEMBER STIPEND	-150.00
11/24/2025	JENNIFER HENNING	BOARD MEMBER STIPEND	-150.00
11/24/2025	McARTHUR WRIGHT	BOARD MEMBER STIPEND	-150.00
11/24/2025	MERL ABEL	BOARD MEMBER STIPEND	-150.00
11/25/2025	JOSHUA TREE LANDSCAPE & GROUNDS MAINT	OUTSIDE SERVICES	-833.75
11/25/2025	ARCO	FUEL	-164.11
11/25/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-395.52
11/25/2025	THE GAS COMPANY	UTILITIES	-34.83
11/26/2025	MATTHEW ATKINS	TRAINING/MEETINGS	-431.10
11/26/2025	RENEE PAYNE	EMPLOYEE EXPENSE	-58.00
11/26/2025	ROBERT ARVIZU	UNIFORM REIMB	-250.00
11/26/2025	GEORGE HALLAS	UNIFORM REIMB	-215.45
11/26/2025	PRIME GLASS INC	OUTSIDE SERVICES	-1,487.00
11/28/2025	AREG ABARYANTS	TREP MILEAGE REIMBURSEMENT	-120.00
11/28/2025	TREP	MILEAGE REIMBURSEMENTS	-2,949.76
11/28/2025	ADP	WAGES	-80,349.18
11/28/2025	ADP	WAGES	-14,449.90
11/28/2025	ADP	OUTSIDE SERVICES	-351.95
11/28/2025	CALPERS 457 PROGRAM	SUPPL RETIREMENT	-4,929.03
11/28/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-11,534.20
11/28/2025	CALPERS HEALTH/RETIREMENT	RETIREMENT	-4,724.63
11/28/2025	ADP	WAGE GARNISHMENT(S)	-41.86
11/30/2025	FRONTIER COMMUNICATIONS	TELEPHONE	-74.78
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-2,420.54
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-257.40
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-156.59
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-63.96
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-696.70
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-40.00
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-385.24
11/30/2025	[EMPLOYEE]	HRA REIMBURSEMENTS	-542.95
			-633,657.58
			-633,657.58

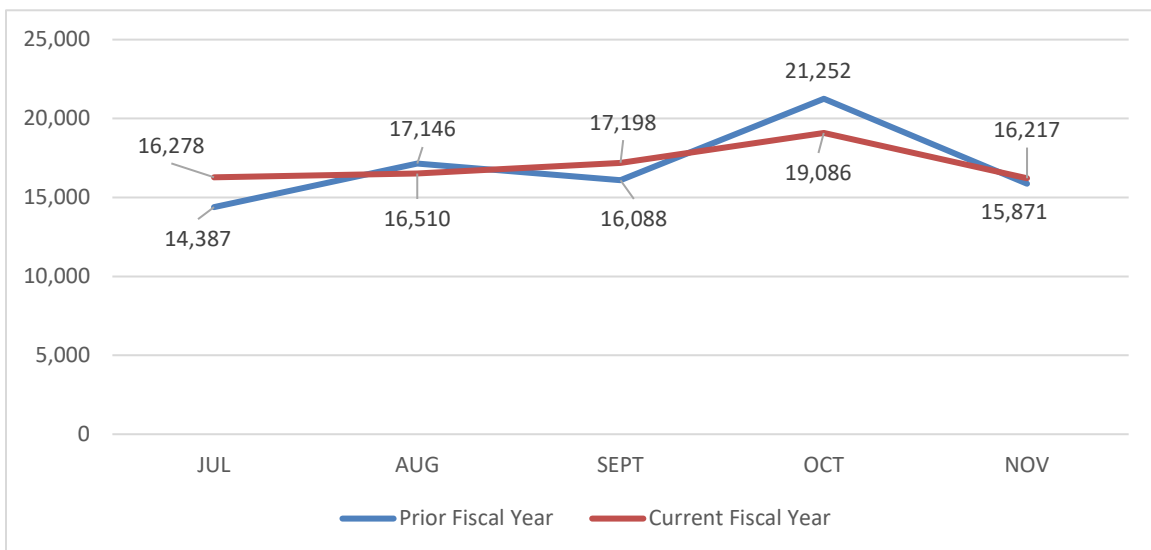
BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Ridership Reports

Ridership in October of the previous fiscal year was significantly higher due to the free rides offered in celebration of Basin Transit's 35th anniversary, which temporarily boosted overall usage.

With 85,289 passengers during the first five (5) months, we are still on track to meet our FY26 Target of 161,000.



STAFF RECOMMENDATION: RECEIVE AND FILE



Monthly Ridership Report

October, FY 2026

Total (All Day Types)

Service	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Route Subtotals						
1	10,138	9,097	12.0	10.3	23.09%	5.05%
12	556	457	3.5	2.5	0.93%	5.72%
15	156	120	2.3	2.4	1.18%	11.30%
21	1,027	926	4.5	3.3	6.86%	1.58%
3A	2,157	1,841	8.7	6.0	15.66%	2.60%
3B	2,257	2,321	9.0	8.6	13.77%	4.57%
7A	1,916	1,783	8.2	4.8	13.82%	1.83%
7B	1,754	1,597	7.3	6.1	12.69%	2.73%
Ready Ride	1,291	944	2.2	1.6	0.22%	1.00%
Program Subtotals						
Commuter Service	712	577	3.1	2.5	1.01%	7.06%
Demand Response	1,291	944	2.2	1.6	0.22%	1.00%
Neighborhood Shuttles	19,249	17,565	9.3	7.4	16.75%	3.57%
System Total	21,252	19,086	7.3	5.9	12.11%	3.35%



FY 2026 -- Monthly Performance Statistics
Systemwide Summary
All Routes

Performance Statistics for October

Level Item	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Reporting Route #:										
1	9,097	880.0	\$147,690	\$7,457	10.3	\$16.24	\$167.83	\$0.82	\$8.47	5.05%
3A	1,841	309.0	\$42,541	\$1,104	6.0	\$23.11	\$137.67	\$0.60	\$3.57	2.60%
3B	2,321	271.0	\$41,008	\$1,874	8.6	\$17.67	\$151.32	\$0.81	\$6.92	4.57%
7A	1,783	372.0	\$52,119	\$955	4.8	\$29.23	\$140.11	\$0.54	\$2.57	1.83%
7B	1,597	264.0	\$41,168	\$1,124	6.1	\$25.78	\$155.94	\$0.70	\$4.26	2.73%
12	457	180.0	\$31,091	\$1,777	2.5	\$68.03	\$172.73	\$3.89	\$9.87	5.72%
15	120	51.0	\$9,855	\$1,114	2.4	\$82.13	\$193.24	\$9.28	\$21.84	11.30%
21	926	285.0	\$46,549	\$734	3.3	\$50.27	\$163.33	\$0.79	\$2.58	1.58%
Ready Ride	944	601.0	\$98,536	\$981	1.6	\$104.38	\$163.95	\$1.04	\$1.63	1.00%
Program:										
Commuter Service	577	231.0	\$40,946	\$2,891	2.5	\$70.96	\$177.26	\$5.01	\$12.52	7.06%
Demand Response	944	601.0	\$98,536	\$981	1.6	\$104.38	\$163.95	\$1.04	\$1.63	1.00%
Neighborhood Shuttles	17,565	2,381.0	\$371,075	\$13,248	7.4	\$21.13	\$155.85	\$0.75	\$5.56	3.57%
Mode:										
Bus (Motorbus)	17,565	2,381.0	\$371,075	\$13,248	7.4	\$21.13	\$155.85	\$0.75	\$5.56	3.57%
Commuter Bus	577	231.0	\$40,946	\$2,891	2.5	\$70.96	\$177.26	\$5.01	\$12.52	7.06%
Demand Response	944	601.0	\$98,536	\$981	1.6	\$104.38	\$163.95	\$1.04	\$1.63	1.00%
System Total:	19,086	3,213.0	\$510,557	\$17,120	5.9	\$26.75	\$158.90	\$0.90	\$5.33	3.35%



Monthly Ridership Report

November, FY 2026

Total (All Day Types)

Service	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Route Subtotals						
1	7,357	7,932	9.6	10.2	18.08%	31.06%
12	350	386	2.5	2.5	4.32%	15.57%
15	229	190	3.2	2.5	8.61%	10.12%
21	783	766	4.1	3.0	5.64%	7.76%
3A	1,586	1,566	7.2	2.8	9.77%	9.05%
3B	1,699	1,746	7.6	8.1	9.47%	27.60%
7A	1,464	1,581	6.8	6.6	13.41%	15.51%
7B	1,278	1,233	5.8	5.8	5.97%	16.64%
Ready Ride	1,125	817	2.2	1.5	0.71%	1.74%
Program Subtotals						
Commuter Service	579	576	2.8	2.5	5.88%	13.77%
Demand Response	1,125	817	2.2	1.5	0.71%	1.74%
Neighborhood Shuttles	14,167	14,824	7.6	6.5	12.59%	20.47%
System Total	15,871	16,217	6.1	5.4	9.74%	16.08%



FY 2026 -- Monthly Performance Statistics
Systemwide Summary
All Routes

Performance Statistics for November

Level Item	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Reporting Route #:										
1	7,932	775.0	\$111,036	\$34,488	10.2	\$14.00	\$143.27	\$4.35	\$44.50	31.06%
3A	1,566	570.0	\$58,842	\$5,327	2.8	\$37.57	\$103.23	\$3.40	\$9.35	9.05%
3B	1,746	216.0	\$27,243	\$7,519	8.1	\$15.60	\$126.13	\$4.31	\$34.81	27.60%
7A	1,581	240.0	\$29,817	\$4,624	6.6	\$18.86	\$124.24	\$2.92	\$19.27	15.51%
7B	1,233	211.0	\$27,432	\$4,564	5.8	\$22.25	\$130.01	\$3.70	\$21.63	16.64%
12	386	156.0	\$24,469	\$3,811	2.5	\$63.39	\$156.85	\$9.87	\$24.43	15.57%
15	190	76.0	\$12,138	\$1,228	2.5	\$63.88	\$159.70	\$6.46	\$16.16	10.12%
21	766	256.0	\$35,135	\$2,725	3.0	\$45.87	\$137.25	\$3.56	\$10.64	7.76%
Ready Ride	817	529.0	\$82,569	\$1,433	1.5	\$101.06	\$156.09	\$1.75	\$2.71	1.74%
Program:										
Commuter Service	576	232.0	\$36,606	\$5,039	2.5	\$63.55	\$157.79	\$8.75	\$21.72	13.77%
Demand Response	817	529.0	\$82,569	\$1,433	1.5	\$101.06	\$156.09	\$1.75	\$2.71	1.74%
Neighborhood Shuttles	14,824	2,268.0	\$289,504	\$59,248	6.5	\$19.53	\$127.65	\$4.00	\$26.12	20.47%
Mode:										
Bus (Motorbus)	14,824	2,268.0	\$289,504	\$59,248	6.5	\$19.53	\$127.65	\$4.00	\$26.12	20.47%
Commuter Bus	576	232.0	\$36,606	\$5,039	2.5	\$63.55	\$157.79	\$8.75	\$21.72	13.77%
Demand Response	817	529.0	\$82,569	\$1,433	1.5	\$101.06	\$156.09	\$1.75	\$2.71	1.74%
System Total:	16,217	3,029.0	\$408,680	\$65,720	5.4	\$25.20	\$134.92	\$4.05	\$21.70	16.08%

BASIN TRANSIT

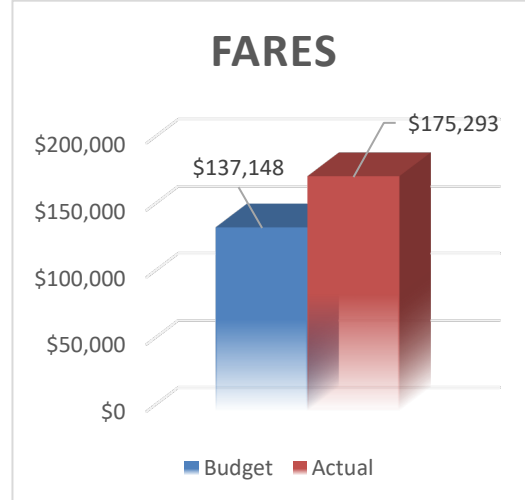
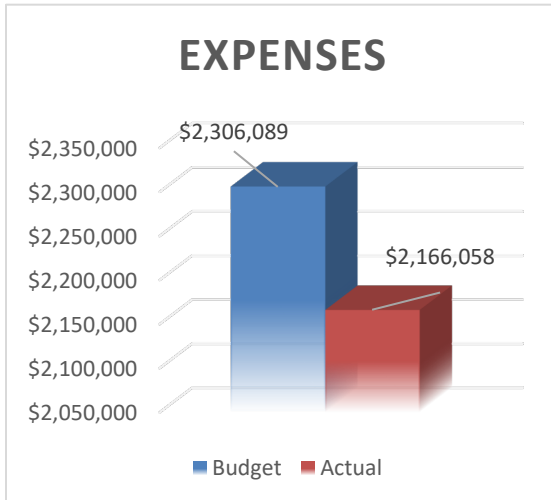
TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Financial Report

Basin Transit received \$3,639,476 in Transit and Intercity Rail Capital Program (TIRCP) funds.

At the conclusion of November, Basin Transit expenses were \$140,031 (6%) below budget.

Passenger Fares were \$38,145 (28%) higher than the budgeted amount, primarily due to higher than anticipated fare collection on fixed route.



STAFF RECOMMENDATION: RECEIVE AND FILE

BASIN TRANSIT
Statement of Expenditures - Accrual Basis
During Fiscal Year ending 06/30/2026
For Period Ending 10/31/2025

Line	Administrative Exp.	FY 25/26 Budget	OCTOBER		Year to Date		Year to Date Variance	%
			Budget	Actual	Budget	Actual		
1	Mgmt. Salaries	\$ 152,528.00	\$ 17,599.38	\$ 17,577.60	\$ 52,798.15	\$ 52,654.05	\$ 144.10	0%
2	Office Salaries	\$ 189,751.00	\$ 21,894.35	\$ 21,954.38	\$ 65,683.04	\$ 58,311.65	\$ 7,371.39	11%
3	Board Members	\$ 6,300.00	\$ -	\$ -	\$ 2,100.00	\$ 1,200.00	\$ 900.00	43%
4	Payroll Taxes	\$ 12,236.00	\$ 1,411.85	\$ 863.33	\$ 4,235.54	\$ 2,619.47	\$ 1,616.07	38%
5	Health & Welfare	\$ 77,712.00	\$ 6,476.00	\$ 5,714.82	\$ 25,904.00	\$ 27,855.31	\$ (1,951.31)	-8%
6	Retirement:PERS	\$ 56,565.00	\$ 6,526.73	\$ 7,171.64	\$ 19,580.19	\$ 21,419.18	\$ (1,838.99)	-9%
7	Mileage	\$ 5,000.00	\$ 416.67	\$ 170.10	\$ 1,666.67	\$ 547.68	\$ 1,118.99	67%
8	Outside Services	\$ 31,228.00	\$ 2,602.33	\$ 2,062.58	\$ 10,409.33	\$ 7,574.23	\$ 2,835.10	27%
9	Prof. Fees	\$ 78,507.00	\$ 6,542.25	\$ 4,311.21	\$ 26,169.00	\$ 21,884.89	\$ 4,284.11	16%
10	Utilities	\$ 187,698.00	\$ 15,641.50	\$ 15,248.30	\$ 62,566.00	\$ 56,416.82	\$ 6,149.18	10%
11	Marketing/Promotions	\$ 50,493.00	\$ 4,207.75	\$ 1,664.75	\$ 16,831.00	\$ 11,380.76	\$ 5,450.24	32%
12	Office Supplies	\$ 17,389.00	\$ 1,449.08	\$ 1,921.65	\$ 5,796.33	\$ 6,578.86	\$ (782.53)	-14%
13	Postage	\$ 2,503.00	\$ 208.58	\$ 120.99	\$ 834.33	\$ 634.16	\$ 200.17	24%
14	Printing/Reproduction	\$ 14,425.00	\$ 1,202.08	\$ 1,390.22	\$ 4,808.33	\$ 1,891.07	\$ 2,917.26	61%
15	Training/Meetings	\$ 14,831.00	\$ 1,235.92	\$ 2,591.90	\$ 4,943.67	\$ 3,858.27	\$ 1,085.40	22%
16	Total Administrative	\$ 897,165.00	\$ 87,414.47	\$ 82,763.47	\$ 304,325.59	\$ 274,826.40	\$ 29,499.19	10%
Maintenance Expense								
17	Mechanic Salaries	\$ 188,641.00	\$ 21,766.27	\$ 21,733.63	\$ 65,298.81	\$ 66,302.16	\$ (1,003.35)	-2%
18	Utility Workers & Maint Admin Salaries	\$ 144,452.00	\$ 16,667.54	\$ 17,665.78	\$ 50,002.62	\$ 49,178.90	\$ 823.72	2%
19	Payroll Taxes	\$ 7,994.00	\$ 922.38	\$ 567.19	\$ 2,767.15	\$ 1,668.28	\$ 1,098.87	40%
20	Health & Welfare	\$ 30,932.00	\$ 2,577.67	\$ 3,444.67	\$ 10,310.67	\$ 11,114.23	\$ (803.56)	-8%
21	Retirement:PERS	\$ 26,514.00	\$ 3,059.31	\$ 2,420.82	\$ 9,177.92	\$ 6,966.49	\$ 2,211.43	24%
22	Uniforms	\$ 4,551.00	\$ 379.25	\$ 613.24	\$ 1,517.00	\$ 1,554.88	\$ (37.88)	-2%
23	Outside Services	\$ 65,777.00	\$ 5,481.42	\$ 2,795.85	\$ 21,925.67	\$ 25,000.21	\$ (3,074.54)	-14%
24	Parts	\$ 74,463.00	\$ 6,205.25	\$ 6,173.03	\$ 24,821.00	\$ 23,394.97	\$ 1,426.03	6%
25	Fluids	\$ 18,613.00	\$ 1,551.08	\$ 192.76	\$ 6,204.33	\$ 5,767.89	\$ 436.44	7%
26	Tires	\$ 63,251.00	\$ 5,270.92	\$ -	\$ 21,083.67	\$ 20,214.44	\$ 869.23	4%
27	Accident Repair	\$ 26,369.00	\$ 2,197.42	\$ -	\$ 8,789.67	\$ 2,646.30	\$ 6,143.37	70%
28	Tools	\$ 750.00	\$ 62.50	\$ -	\$ 250.00	\$ 291.23	\$ (41.23)	-16%
29	Consulting	\$ 1,000.00	\$ 83.33	\$ 95.00	\$ 333.33	\$ 95.00	\$ 238.33	72%
30	Shop Supplies	\$ 1,250.00	\$ 104.17	\$ 744.02	\$ 416.67	\$ 6,149.91	\$ (5,733.24)	-1376%
31	Facility Supplies	\$ 7,527.00	\$ 627.25	\$ 1,216.90	\$ 2,509.00	\$ 2,941.70	\$ (432.70)	-17%
32	Training/Meetings	\$ 5,000.00	\$ 416.67	\$ 1,624.15	\$ 1,666.67	\$ 2,084.77	\$ (418.10)	-25%
33	Shelter Maintenance	\$ 2,000.00	\$ 166.67	\$ -	\$ 666.67	\$ 300.88	\$ 365.79	55%
34	CNG Stations Maint.	\$ 75,000.00	\$ 6,250.00	\$ 9,569.25	\$ 25,000.00	\$ 48,554.19	\$ (23,554.19)	-94%
35	Total Maintenance	\$ 744,084.00	\$ 73,789.08	\$ 68,856.29	\$ 252,740.83	\$ 274,226.43	\$ (21,485.60)	-9%
Operations Expense								
36	Mgmt/Supv Salaries	\$ 205,015.00	\$ 23,655.58	\$ 22,753.93	\$ 70,966.73	\$ 67,670.11	\$ 3,296.62	5%
37	Operator Wages	\$ 1,552,484.00	\$ 179,132.77	\$ 167,168.64	\$ 537,398.31	\$ 495,160.88	\$ 42,237.43	8%
38	Dispatch Wages	\$ 291,521.00	\$ 33,637.04	\$ 31,591.20	\$ 100,911.12	\$ 98,152.21	\$ 2,758.91	3%
39	Payroll Taxes	\$ 49,176.00	\$ 5,674.15	\$ 3,345.53	\$ 17,022.46	\$ 9,821.23	\$ 7,201.23	42%
40	Health & Welfare	\$ 298,861.00	\$ 24,905.08	\$ 25,748.52	\$ 99,620.33	\$ 102,524.65	\$ (2,904.32)	-3%
41	Retirement:PERS	\$ 276,227.00	\$ 31,872.35	\$ 28,706.24	\$ 95,617.04	\$ 97,366.01	\$ (1,748.97)	-2%
42	Safety Incentive Program	\$ 12,900.00	\$ 1,075.00	\$ -	\$ 4,300.00	\$ -	\$ 4,300.00	100%
43	Workers'Comp	\$ 243,000.00	\$ 20,250.00	\$ 18,085.08	\$ 81,000.00	\$ 72,340.32	\$ 8,659.68	11%
44	Other Employee Exp.	\$ 36,409.00	\$ 3,034.08	\$ 1,471.63	\$ 12,136.33	\$ 10,180.54	\$ 1,955.79	16%
45	Mileage	\$ 1,850.00	\$ 154.17	\$ -	\$ 616.67	\$ -	\$ 616.67	100%
46	Uniforms	\$ 8,076.00	\$ 673.00	\$ 63.03	\$ 2,692.00	\$ 9,867.86	\$ (7,175.86)	-267%
47	Outside Services	\$ 16,635.00	\$ 1,386.25	\$ -	\$ 5,545.00	\$ 2,052.30	\$ 3,492.70	63%
48	Tel/Cell/Internet/Fax	\$ 53,638.00	\$ 4,469.83	\$ 5,390.04	\$ 17,879.33	\$ 21,300.21	\$ (3,420.88)	-19%
49	Radio Expense	\$ 5,935.00	\$ 494.58	\$ -	\$ 1,978.33	\$ -	\$ 1,978.33	100%
50	Fuel	\$ 336,885.00	\$ 28,073.75	\$ 17,777.83	\$ 112,295.00	\$ 80,055.42	\$ 32,239.58	29%
51	Trainings/Meetings	\$ 4,400.00	\$ 366.67	\$ 410.23	\$ 1,466.67	\$ 842.03	\$ 624.64	43%
52	Insurance	\$ 396,077.00	\$ 33,006.42	\$ 30,647.82	\$ 132,025.67	\$ 124,002.28	\$ 8,023.39	6%
53	Deferred Comp Match	\$ 53,680.00	\$ 6,193.85	\$ 5,777.40	\$ 18,581.54	\$ 17,595.12	\$ 986.42	5%
54	Total Operations	\$ 3,842,769.00	\$ 398,054.56	\$ 358,937.12	\$ 1,312,052.53	\$ 1,208,931.17	\$ 103,121.36	8%
55	Grand Total of Op Exp	\$ 5,484,019.00	\$ 559,258.12	\$ 510,556.88	\$ 1,869,118.95	\$ 1,757,984.00	\$ 111,134.95	6%

BASIN TRANSIT
Statement of Income
During Fiscal Year ending 06/30/2026
For Period Ending 10/31/2025

			OCTOBER		Year to Date		Year to Date Variance	%
			Budget	Actual	Budget	Actual		
Other Revenue								
1	Interest	\$ 87,966.00	\$ 7,330.50	\$ 39,712.24	\$ 29,322.00	\$ 79,679.69	\$ 50,357.69	172%
2	Other Revenue	\$ 22,848.00	\$ 1,904.00	\$ 280.00	\$ 7,616.00	\$ 1,255.95	\$ (6,360.05)	-84%
3	CNG Fuel	\$ 100,000.00	\$ 8,333.33	\$ 7,149.37	\$ 33,333.33	\$ 25,841.48	\$ (7,491.85)	-22%
4	Renewable Gas Credits	\$ 71,951.00	\$ 5,995.92	\$ 12,298.98	\$ 23,983.67	\$ 23,214.68	\$ (768.99)	-3%
5	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%
6	Gain on Sale of Assets	\$ 3,427.00	\$ 285.58	\$ -	\$ 1,142.33	\$ -	\$ (1,142.33)	100%
7	Total Other Revenue	\$ 286,192.00	\$ 23,849.33	\$ 59,440.59	\$ 95,397.33	\$ 129,991.80	\$ 34,594.47	36%

			OCTOBER		Year to Date		Year to Date Variance	%
			Budget	Actual	Budget	Actual		
Passenger Fares								
8	Fixed Route	\$ 233,528.00	\$ 19,460.67	\$ 13,247.94	\$ 77,842.67	\$ 82,778.00	\$ 4,935.33	6%
9	Ready Ride	\$ 23,648.00	\$ 1,970.67	\$ 981.00	\$ 7,882.67	\$ 7,103.05	\$ (779.62)	-10%
9	Palm Spr./Palm Des.	\$ 38,429.00	\$ 3,202.42	\$ 2,891.07	\$ 12,809.67	\$ 13,766.77	\$ 957.10	7%
10	LCTOP FY25/26 K-12 Free Fare Program	\$ 33,550.00	\$ 2,795.83	\$ 3,199.00	\$ 11,183.33	\$ 10,365.50	\$ (817.83)	-7%
11	Total Fare Revenue	\$ 329,155.00	\$ 27,429.58	\$ 20,319.01	\$ 109,718.33	\$ 114,013.32	\$ 4,294.99	4%

			Invoiced		YTD Invoiced	Fund Balance
			Budget	Actual		
Current Support Funding - Operations						
12	Local Transit Funds	\$ 4,120,055.00	\$ -	\$ 1,030,644.00	\$ 2,061,288.00	\$ 2,058,767.00
13	Section 5311 Operating Asst (FY26)	\$ 555,516.00	\$ -	\$ -	\$ 566,145.00	\$ (10,629.00)
14	Measure I	\$ 153,100.00	\$ -	\$ 12,270.68	\$ 50,528.50	\$ 102,571.50
16	AB 2766	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -
17	Total Sup. Fund.Ops	\$4,868,671.00	\$ -	\$ 1,082,914.68	\$ 2,717,961.50	\$ 2,150,709.50

18	Total Operating Revenues	\$ 5,484,019.00		\$ 1,162,674.28	\$ 2,961,966.62	\$ 2,189,598.95
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			Grant Amt	Invoiced	Invoiced in Previous FY(s)	Invoiced Current FY	Fund Balance
Current Year Capital Funding - Capital							
19	Operations Support Equip	STA FY26	\$ 83,550.00			\$ 58,101.68	\$ 25,448.32
20	CERBT / CEPPT Trust	LTF FY26	\$ 290,388.00			\$ 72,597.00	\$ 217,791.00
21	Engine Overhauls	SGR FY26	\$ 50,000.00			\$ 50,000.00	\$ -
22	Bus Stop Improvements/PV Stops	STA/LCTOP FY26	\$ 214,246.00				\$ 214,246.00
23	Shop Equipment	SGR FY26	\$ 20,000.00			\$ 20,000.00	\$ -
24	Non-Revenue Vehicles	STA/SGR FY26	\$ 110,000.00			\$ 81,547.00	\$ 28,453.00
25	Facilities	STA/LTF FY26	\$ 615,341.00			\$ 42,168.35	\$ 573,172.65
26	Total Current Capital Funding		\$ 1,383,525.00	\$ -	\$ -	\$ 324,414.03	\$ 1,059,110.97

			Grant Amt	Invoiced	Invoiced in Previous FY(s)	Invoiced Current FY	Fund Balance
Previous Year(s) Capital Funding - Capital							
27	AVL/GPS Equipment	STA FY19	\$ 85,000.00		\$ 19,535.31		\$ 65,464.69
28	Bus Wash System	STA FY20	\$ 67,950.00		\$ 38,770.06	\$ 22,973.25	\$ 6,206.69
29	Bus Wash System	STA FY21	\$ 7,500.00				\$ 7,500.00
30	Bus Stop Improvements/PV Stops	STA/LTF/LCTOP FY25	\$ 220,200.00		\$ 219,812.26		\$ 387.74
31	CNG Compressor	LTF FY23	\$ 650,000.00		\$ 69,275.46		\$ 580,724.54
32	Cost Allocation Study	STA FY19	\$ 20,000.00		\$ 19,835.08		\$ 164.92
33	Engine Overhauls	STA/LTF FY25	\$ 159,422.66		\$ 58,190.76		\$ 101,231.90
34	Facilities	STA/LTF FY23	\$ 150,000.00		\$ 109,226.32	\$ 40,773.68	\$ -
35	Facilities	LTF FY24	\$ 1,012,587.00		\$ 9,687.47	\$ 23,700.00	\$ 979,199.53
36	Facilities	LTF FY25	\$ 84,081.00				\$ 84,081.00
37	Fare Media Structure	STA FY21	\$ 50,000.00				\$ 50,000.00
38	GMV OPIS ITS System	STA/LTF/SGR FY25	\$ 905,550.01		\$ 305,387.09	\$ 635.01	\$ 599,527.91
39	Operations Support Equip	STA FY25	\$ 50,000.00		\$ 49,659.76	\$ 340.24	\$ (0.00)
40	Short Range Transit Plan (SRTP)	STA FY25	\$ 100,000.00		\$ 78,415.96		\$ 21,584.04
41	Staff Vehicles Replacemen	STA FY20	\$ 50,000.00		\$ 49,812.68		\$ 187.32
42	Vehicles Replacements: 1 Class E	STA FY19	\$ 68,368.00		\$ 12,385.95	\$ 11,192.10	\$ 44,789.95
43	Vehicle Replacements	STA FY22 / CMAQ	\$ 287,076.00				\$ 287,076.00
44	Vehicle Replacements	LTF FY23	\$ 1,079,970.00		\$ 384,387.81	\$ 695,582.19	\$ -
45	Vehicle Replacements	STA/CMAQ FY24	\$ 823,183.00				\$ 823,183.00
46	Vehicle Replacements	STA/LTF/CMAQ FY25	\$ 1,164,329.00			\$ 83,477.95	\$ 1,080,851.05
47	Zero Emission RFP	ZETCP FY25	\$ 246,734.00				\$ 246,734.00
48	Zero Emission Projects	LTF/LCTOP FY23	\$ 369,937.22		\$ 24,060.00		\$ 345,877.22
49	Total Prior Capital Funding		\$7,651,887.89	\$ -	\$ 1,448,441.97	\$ 878,674.42	\$5,324,771.50

FY 24/25 Procurement Budget			Sent	Invoiced	Sent	Invoiced	Fund Balance
50	Procurement Bid Income	\$ 350,000.00		\$ 31,577.86		\$ 163,020.09	\$ 186,979.91
51	Procurement Bid Expenses	\$ (197,302.00)	\$ 15,789.60		\$ 49,808.08		\$ (147,493.92)
52	TAG Program	\$ (80,000.00)	\$ -		\$ -		\$ (80,000.00)
53	Total Procurement Budget	\$ 72,698.00	\$ 15,789.60	\$ 31,577.86	\$ 49,808.08	\$ 163,020.09	\$ 113,212.01

FY 24/25 TREP Budget		Grant Amt	Sent	Invoiced	Sent	Invoiced	Fund Balance
56	5310 TREP Revenue	<i>FY26 Award Allocation</i> \$ 114,526.00				\$ 24,344.84	\$ 90,181.16
57	Program Administrator	\$ (2,298.00)	\$ 232.54		\$ 2,059.61		\$ (238.39)
58	Client Relations Clerk	\$ (53,325.00)	\$ 4,646.62		\$ 17,447.79		\$ (35,877.21)
59	TREP Program Expenses	\$ (1,000.00)	\$ -				\$ (785.00)
60	Mileage Reimbursements	\$ (57,903.00)	\$ 2,757.56		\$ 12,474.16		\$ (45,428.84)
61	Total TREP Funding	\$ -	\$ 7,636.72	\$ -	\$ 31,981.56	\$ 24,344.84	\$ (7,636.72)

BASIN TRANSIT
Statement of Expenditures - Accrual Basis
During Fiscal Year ending 06/30/2026
For Period Ending 11/30/2025

Line	Administrative Exp.	FY 25/26 Budget	NOVEMBER		Year to Date		Year to Date Variance	%
			Budget	Actual	Budget	Actual		
1	Mgmt. Salaries	\$ 152,528.00	\$ 11,732.92	\$ 14,648.00	\$ 64,531.08	\$ 67,302.05	\$ (2,770.97)	-4%
2	Office Salaries	\$ 189,751.00	\$ 14,596.23	\$ 13,841.40	\$ 80,279.27	\$ 71,546.97	\$ 8,732.30	11%
3	Board Members	\$ 6,300.00	\$ 1,050.00	\$ 750.00	\$ 3,150.00	\$ 1,950.00	\$ 1,200.00	38%
4	Payroll Taxes	\$ 12,236.00	\$ 941.23	\$ 630.98	\$ 5,176.77	\$ 3,250.45	\$ 1,926.32	37%
5	Health & Welfare	\$ 77,712.00	\$ 6,476.00	\$ 5,830.06	\$ 32,380.00	\$ 33,685.37	\$ (1,305.37)	-4%
6	Retirement:PERS	\$ 56,565.00	\$ 4,351.15	\$ 4,752.63	\$ 23,931.35	\$ 26,171.81	\$ (2,240.46)	-9%
7	Mileage	\$ 5,000.00	\$ 416.67	\$ 134.40	\$ 2,083.33	\$ 682.08	\$ 1,401.25	67%
8	Outside Services	\$ 31,228.00	\$ 2,602.33	\$ 2,435.89	\$ 13,011.67	\$ 10,010.12	\$ 3,001.55	23%
9	Prof. Fees	\$ 78,507.00	\$ 6,542.25	\$ 2,213.75	\$ 32,711.25	\$ 24,098.64	\$ 8,612.61	26%
10	Utilities	\$ 187,698.00	\$ 15,641.50	\$ 11,186.60	\$ 78,207.50	\$ 67,603.42	\$ 10,604.08	14%
11	Marketing/Promotions	\$ 50,493.00	\$ 4,207.75	\$ 2,379.00	\$ 21,038.75	\$ 13,759.76	\$ 7,278.99	35%
12	Office Supplies	\$ 17,389.00	\$ 1,449.08	\$ 3,021.67	\$ 7,245.42	\$ 9,600.53	\$ (2,355.11)	-33%
13	Postage	\$ 2,503.00	\$ 208.58	\$ 834.85	\$ 1,042.92	\$ 1,469.01	\$ (426.09)	-41%
14	Printing/Reproduction	\$ 14,425.00	\$ 1,202.08	\$ 3,320.80	\$ 6,010.42	\$ 5,211.87	\$ 798.55	13%
15	Training/Meetings	\$ 14,831.00	\$ 1,235.92	\$ 2,326.39	\$ 6,179.58	\$ 6,184.66	\$ (5.08)	0%
16	Total Administrative	\$ 897,165.00	\$ 72,653.71	\$ 68,306.42	\$ 376,979.29	\$ 342,526.74	\$ 34,452.55	9%
Maintenance Expense								
17	Mechanic Salaries	\$ 188,641.00	\$ 14,510.85	\$ 14,891.51	\$ 79,809.65	\$ 81,193.67	\$ (1,384.02)	-2%
18	Utility Workers & Maint Admin Salaries	\$ 144,452.00	\$ 11,111.69	\$ 11,140.59	\$ 61,114.31	\$ 60,319.49	\$ 794.82	1%
19	Payroll Taxes	\$ 7,994.00	\$ 614.92	\$ 382.76	\$ 3,382.08	\$ 2,051.04	\$ 1,331.04	39%
20	Health & Welfare	\$ 30,932.00	\$ 2,577.67	\$ 4,983.01	\$ 12,888.33	\$ 16,097.24	\$ (3,208.91)	-25%
21	Retirement:PERS	\$ 26,514.00	\$ 2,039.54	\$ 1,633.07	\$ 11,217.46	\$ 8,599.56	\$ 2,617.90	23%
22	Uniforms	\$ 4,551.00	\$ 379.25	\$ 604.20	\$ 1,896.25	\$ 2,159.08	\$ (262.83)	-14%
23	Outside Services	\$ 65,777.00	\$ 5,481.42	\$ 6,231.48	\$ 27,407.08	\$ 31,231.69	\$ (3,824.61)	-14%
24	Parts	\$ 74,463.00	\$ 6,205.25	\$ 1,175.81	\$ 31,026.25	\$ 24,570.78	\$ 6,455.47	21%
25	Fluids	\$ 18,613.00	\$ 1,551.08	\$ 400.37	\$ 7,755.42	\$ 6,168.26	\$ 1,587.16	20%
26	Tires	\$ 63,251.00	\$ 5,270.92	\$ 4,174.96	\$ 26,354.58	\$ 24,389.40	\$ 1,965.18	7%
27	Accident Repair	\$ 26,369.00	\$ 2,197.42	\$ -	\$ 10,987.08	\$ 2,646.30	\$ 8,340.78	76%
28	Tools	\$ 750.00	\$ 62.50	\$ -	\$ 312.50	\$ 291.23	\$ 21.27	7%
29	Consulting	\$ 1,000.00	\$ 83.33	\$ -	\$ 416.67	\$ 95.00	\$ 321.67	77%
30	Shop Supplies	\$ 1,250.00	\$ 104.17	\$ 311.62	\$ 520.83	\$ 6,461.53	\$ (5,940.70)	-1141%
31	Facility Supplies	\$ 7,527.00	\$ 627.25	\$ 809.80	\$ 3,136.25	\$ 3,751.50	\$ (615.25)	-20%
32	Training/Meetings	\$ 5,000.00	\$ 416.67	\$ 1,612.23	\$ 2,083.33	\$ 3,697.00	\$ (1,613.67)	-77%
33	Shelter Maintenance	\$ 2,000.00	\$ 166.67	\$ -	\$ 833.33	\$ 300.88	\$ 532.45	64%
34	CNG Stations Maint.	\$ 75,000.00	\$ 6,250.00	\$ 3,405.31	\$ 31,250.00	\$ 51,959.50	\$ (20,709.50)	-66%
35	Total Maintenance	\$ 744,084.00	\$ 59,650.58	\$ 51,756.72	\$ 312,391.42	\$ 325,983.15	\$ (13,591.73)	-4%
Operations Expense								
36	Mgmt/Supv Salaries	\$ 205,015.00	\$ 15,770.38	\$ 15,288.27	\$ 86,737.12	\$ 82,958.38	\$ 3,778.74	4%
37	Operator Wages	\$ 1,552,484.00	\$ 119,421.85	\$ 112,354.36	\$ 656,820.15	\$ 607,515.24	\$ 49,304.91	8%
38	Dispatch Wages	\$ 291,521.00	\$ 22,424.69	\$ 20,020.60	\$ 123,335.81	\$ 118,172.81	\$ 5,163.00	4%
39	Payroll Taxes	\$ 49,176.00	\$ 3,782.77	\$ 2,178.23	\$ 20,805.23	\$ 11,999.46	\$ 8,805.77	42%
40	Health & Welfare	\$ 298,861.00	\$ 24,905.08	\$ 2,442.56	\$ 124,525.42	\$ 126,967.21	\$ (2,441.79)	-2%
41	Retirement:PERS	\$ 276,227.00	\$ 21,248.23	\$ 23,009.33	\$ 116,865.27	\$ 120,375.34	\$ (3,510.07)	-3%
42	Safety Incentive Program	\$ 12,900.00	\$ 1,075.00	\$ 4,211.52	\$ 5,375.00	\$ 4,211.52	\$ 1,163.48	22%
43	Workers'Comp	\$ 243,000.00	\$ 20,250.00	\$ 18,085.08	\$ 101,250.00	\$ 90,425.40	\$ 10,824.60	11%
44	Other Employee Exp.	\$ 36,409.00	\$ 3,034.08	\$ 3,218.19	\$ 15,170.42	\$ 13,398.73	\$ 1,771.69	12%
45	Mileage	\$ 1,850.00	\$ 154.17	\$ -	\$ 770.83	\$ -	\$ 770.83	100%
46	Uniforms	\$ 8,076.00	\$ 673.00	\$ 269.33	\$ 3,365.00	\$ 10,137.19	\$ (6,772.19)	-201%
47	Outside Services	\$ 16,635.00	\$ 1,386.25	\$ 470.78	\$ 6,931.25	\$ 2,523.09	\$ 4,408.16	64%
48	Tel/Cell/Internet/Fax	\$ 53,638.00	\$ 4,469.83	\$ 5,930.72	\$ 22,349.17	\$ 27,230.93	\$ (4,881.76)	-22%
49	Radio Expense	\$ 5,935.00	\$ 494.58	\$ 125.00	\$ 2,472.92	\$ 125.00	\$ 2,347.92	95%
50	Fuel	\$ 336,885.00	\$ 28,073.75	\$ 17,550.99	\$ 140,368.75	\$ 97,606.41	\$ 42,762.34	30%
51	Trainings/Meetings	\$ 4,400.00	\$ 366.67	\$ 494.07	\$ 1,833.33	\$ 1,336.10	\$ 497.23	27%
52	Insurance	\$ 396,077.00	\$ 33,006.42	\$ 37,138.52	\$ 165,032.08	\$ 161,140.90	\$ 3,891.18	2%
53	Deferred Comp Match	\$ 53,680.00	\$ 4,129.23	\$ 3,829.23	\$ 22,710.77	\$ 21,424.35	\$ 1,286.42	6%
54	Total Operations	\$ 3,842,769.00	\$ 304,665.99	\$ 266,616.78	\$ 1,616,718.51	\$ 1,497,548.06	\$ 119,170.45	7%
55	Grand Total of Op Exp	\$ 5,484,019.00	\$ 436,970.28	\$ 386,679.92	\$ 2,306,089.22	\$ 2,166,057.95	\$ 140,031.27	6%

BASIN TRANSIT
Statement of Income
During Fiscal Year ending 06/30/2026
For Period Ending 11/30/2025

			NOVEMBER		Year to Date		Year to Date Variance	%
			Budget	Actual	Budget	Actual		
1	Other Revenue							
1	Interest	\$ 87,966.00	\$ 7,330.50	\$ 274.50	\$ 36,652.50	\$ 79,954.19	\$ 43,301.69	118%
2	Other Revenue	\$ 22,848.00	\$ 1,904.00	\$ 220.00	\$ 9,520.00	\$ 1,475.95	\$ (8,044.05)	-84%
3	CNG Fuel	\$ 100,000.00	\$ 8,333.33	\$ 3,478.05	\$ 41,666.67	\$ 29,319.53	\$ (12,347.14)	-30%
4	Renewable Gas Credits	\$ 71,951.00	\$ 5,995.92	\$ 3,504.11	\$ 29,979.58	\$ 26,718.79	\$ (3,260.79)	-11%
5	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%
6	Gain on Sale of Assets	\$ 3,427.00	\$ 285.58	\$ -	\$ 1,427.92	\$ -	\$ (1,427.92)	100%
7	Total Other Revenue	\$ 286,192.00	\$ 23,849.33	\$ 7,476.66	\$ 119,246.67	\$ 137,468.46	\$ 18,221.79	15%

			NOVEMBER		Year to Date		Year to Date Variance	%
			Budget	Actual	Budget	Actual		
8	Passenger Fares							
8	Fixed Route	\$ 233,528.00	\$ 19,460.67	\$ 52,081.29	\$ 97,303.33	\$ 134,859.29	\$ 37,555.96	39%
9	Ready Ride	\$ 23,648.00	\$ 1,970.67	\$ 1,433.10	\$ 9,853.33	\$ 8,536.15	\$ (1,317.18)	-13%
9	Palm Spr./Palm Des.	\$ 38,429.00	\$ 3,202.42	\$ 5,038.98	\$ 16,012.08	\$ 18,805.75	\$ 2,793.67	17%
10	LCTOP FY25/26 K-12 Free Fare Program	\$ 33,550.00	\$ 2,795.83	\$ 2,726.75	\$ 13,979.17	\$ 13,092.25	\$ (886.92)	-6%
11	Total Fare Revenue	\$ 329,155.00	\$ 27,429.58	\$ 61,280.12	\$ 137,147.92	\$ 175,293.44	\$ 38,145.52	28%

Current Support Funding - Operations			Invoiced		YTD Invoiced	Fund Balance
12	Local Transit Funds	\$ 4,120,055.00	\$ -	\$ -	\$ 2,061,288.00	\$ 2,058,767.00
13	Section 5311 Operating Asst (FY26)	\$ 555,516.00	\$ -	\$ -	\$ 566,145.00	\$ (10,629.00)
14	Measure I	\$ 153,100.00	\$ -	\$ 13,796.80	\$ 64,325.30	\$ 88,774.70
15	TIRCP - SB 125	\$ -	\$ -	\$ 3,639,476.00	\$ 3,639,476.00	\$ -
16	AB 2766	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ -
17	Total Sup. Fund.Ops	\$4,868,671.00	\$ -	\$ 3,653,272.80	\$ 6,371,234.30	\$ 2,136,912.70

18	Total Operating Revenues	\$ 5,484,019.00	\$ 3,722,029.58	\$ 6,683,996.20	\$ 2,193,280.02
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Current Year Capital Funding - Capital			Grant Amt	Invoiced	Invoiced in Previous FY(s)	Invoiced Current FY	Fund Balance
19	Operations Support Equip	STA FY26	\$ 83,550.00			\$ 58,101.68	\$ 25,448.32 x
20	CERBT / CEPPT Trust	LTF FY26	\$ 290,388.00			\$ 72,597.00	\$ 217,791.00 x
21	Engine Overhauls	SGR FY26	\$ 50,000.00			\$ 50,000.00	\$ -
22	Bus Stop Improvements/PV Stops	STA/LCTOP FY26	\$ 214,246.00				\$ 214,246.00
23	Shop Equipment	SGR FY26	\$ 20,000.00			\$ 20,000.00	\$ -
24	Non-Revenue Vehicles	STA/SGR FY26	\$ 110,000.00			\$ 81,547.00	\$ 28,453.00
25	Facilities	STA/LTF FY26	\$ 615,341.00			\$ 42,168.35	\$ 573,172.65 x
26	Total Current Capital Funding		\$ 1,383,525.00	\$ -	\$ -	\$ 324,414.03	\$ 1,059,110.97

Previous Year(s) Capital Funding - Capital			Grant Amt	Invoiced	Invoiced in Previous FY(s)	Invoiced Current FY	Fund Balance
27	AVL/GPS Equipment	STA FY19	\$ 85,000.00		\$ 19,535.31		\$ 65,464.69
28	Bus Wash System	STA FY20	\$ 67,950.00		\$ 38,770.06	\$ 22,973.25	\$ 6,206.69 x
29	Bus Wash System	STA FY21	\$ 7,500.00				\$ 7,500.00
30	Bus Stop Improvements/PV Stops	STA/LTF/LCTOP FY25	\$ 220,200.00		\$ 219,812.26		\$ 387.74
31	CNG Compressor	LTF FY23	\$ 650,000.00		\$ 69,275.46		\$ 580,724.54
32	Cost Allocation Study	STA FY19	\$ 20,000.00		\$ 19,835.08		\$ 164.92
33	Engine Overhauls	STA/LTF FY25	\$ 159,422.66		\$ 58,190.76		\$ 101,231.90
34	Facilities	STA/LTF FY23	\$ 150,000.00		\$ 109,226.32	\$ 40,773.68	\$ - x
35	Facilities	LTF FY24	\$ 1,012,587.00		\$ 9,687.47	\$ 23,700.00	\$ 979,199.53 x
36	Facilities	LTF FY25	\$ 84,081.00				\$ 84,081.00
37	Fare Media Structure	STA FY21	\$ 50,000.00				\$ 50,000.00
38	GMV OPIS ITS System	STA/LTF/SGR FY25	\$ 905,550.01		\$ 305,387.09	\$ 635.01	\$ 599,527.91 x
39	Operations Support Equip	STA FY25	\$ 50,000.00		\$ 49,659.76	\$ 340.24	\$ (0.00) x
40	Short Range Transit Plan (SRTP)	STA FY25	\$ 100,000.00		\$ 78,415.96		\$ 21,584.04
41	Staff Vehicles Replacemen	STA FY20	\$ 50,000.00		\$ 49,812.68		\$ 187.32
42	Vehicles Replacements: 1 Class E	STA FY19	\$ 68,368.00		\$ 12,385.95	\$ 11,192.10	\$ 44,789.95 x
43	Vehicle Replacements	STA FY22 / CMAQ	\$ 287,076.00				\$ 287,076.00
44	Vehicle Replacements	LTF FY23	\$ 1,079,970.00		\$ 384,387.81	\$ 695,582.19	\$ - x
45	Vehicle Replacements	STA/CMAQ FY24	\$ 823,183.00				\$ 823,183.00
46	Vehicle Replacements	STA/LTF/CMAQ FY25	\$ 1,164,329.00			\$ 83,477.95	\$ 1,080,851.05 x
47	Zero Emission RFP	ZETCP FY25	\$ 246,734.00				\$ 246,734.00
48	Zero Emission Projects	LTF/LCTOP FY23	\$ 369,937.22		\$ 24,060.00		\$ 345,877.22
49	Total Prior Capital Funding		\$7,651,887.89	\$ -	\$ 1,448,441.97	\$ 878,674.42	\$5,324,771.50

FY 24/25 Procurement Budget			Sent	Invoiced	Sent	Invoiced	Fund Balance
50	Procurement Bid Income	\$ 350,000.00		\$ 32,003.93		\$ 195,024.02	\$ 154,975.98
51	Procurement Bid Expenses	\$ (197,302.00)	\$ 11,415.40		\$ 61,223.48		\$ (136,078.52)
52	TAG Program	\$ (80,000.00)	\$ 40,452.75		\$ 40,452.75		\$ (39,547.25)
53	Total Procurement Budget	\$ 72,698.00	\$ 51,868.15	\$ 32,003.93	\$ 101,676.23	\$ 195,024.02	\$ 93,347.79

FY 24/25 TREP Budget		Grant Amt	Sent	Invoiced	Sent	Invoiced	Fund Balance
56	5310 TREP Revenue	<i>FY26 Award Allocation</i> \$ 114,526.00				\$ 24,344.84	\$ 90,181.16
57	Program Administrator	\$ (2,298.00)	\$ 66.44		\$ 2,126.05		\$ (171.95)
58	Client Relations Clerk	\$ (53,325.00)	\$ 4,040.54		\$ 21,488.33		\$ (31,836.67)
59	TREP Program Expenses	\$ (1,000.00)	\$ -				\$ (785.00)
60	Mileage Reimbursements	\$ (57,903.00)	\$ 3,052.84		\$ 15,527.00		\$ (42,376.00)
61	Total TREP Funding	\$ -	\$ 7,159.82	\$ -	\$ 39,141.38	\$ 24,344.84	\$ (14,796.54)

BASIN TRANSIT

TO: Board of Directors
FROM: Michal Brock, Office Manager
DATE: January 22, 2026

RE: Taxi Report

October 2025

Cab Companies:	2
Registered Cabs:	3
Registered Drivers:	4

New Driver Permits:	0
Driver Permit Renewals:	0
Taxi Business Applications:	0

November 2025

Cab Companies:	2
Registered Cabs:	3
Registered Drivers:	4

New Driver Permits:	0
Driver Permit Renewals:	0
Taxi Business Applications:	0

Fiscal-Year-to-Date 2025/26 Taxi Administration Financial Summary

- As of November 30, 2025, expenditures are \$522.16 or 18% over the FYTD budget.
- As of November 30, 2025, revenues are \$141.67 or 12% over the FYTD budget.
- The net FYTD operating gain (loss) after expenses is (\$2,202.99).

STAFF RECOMMENDATION: RECEIVE AND FILE

MORONGO BASIN TRANSIT AUTHORITY
TAXI ADMINISTRATION
Statement of Expenditures
During Fiscal Year ending 6/30/26
For Period ending 10/31/2025

Line		FY 25/26	MONTH	OCTOBER	Year to Date		Year to Date	
		Budget	Budget	Actual	Budget	Actual	Variance	%
	Administrative Exp.							
1	Legal Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2	Insurance	\$ 1,200.00	\$ 100.00	\$ 100.00	\$ 400.00	\$ 400.00	\$ -	0%
3	Taxicab Administrator	\$ 2,700.00	\$ 225.00	\$ 232.54	\$ 900.00	\$ 1,666.48	\$ 766.48	85%
4	Office Clerk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
5	Drug & Alcohol Testing	\$ 240.00	\$ 20.00		\$ 80.00	\$ 36.85	\$ (43.15)	-54%
6	Background Checks	\$ 64.00	\$ 5.33	\$ -	\$ 21.33	\$ -	\$ (21.33)	-100%
7	Printing/Office/Meters	\$ 550.00	\$ 45.83	\$ 58.00	\$ 183.33	\$ 188.22	\$ 4.89	3%
8	Rent & Utilities	\$ 2,400.00	\$ 200.00	\$ 200.00	\$ 800.00	\$ 800.00	\$ -	0%
9	Total Administrative Exp.	\$ 7,154.00	\$ 596.17	\$ 590.54	\$ 2,384.67	\$ 3,091.55	\$ 706.88	30%

MORONGO BASIN TRANSIT AUTHORITY
TAXI ADMINISTRATION
Statement of Income

Line		FY 25/26	MONTH	OCTOBER	Year to Date		Variance	%
		Budget	Budget	Actual	Budget	Actual		
	REVENUE							
10	Taxi Business Permit	\$ -	\$ -	\$ -		\$ -	\$ -	100%
11	Driver Permit Fees	\$ 100.00	\$ 8.33	\$ -	\$ 33.33	\$ -	\$ (33.33)	-100%
12	Vehicles Permit Fees	\$ 2,400.00	\$ 200.00	\$ 300.00	\$ 800.00	\$ 1,000.00	\$ 200.00	25%
13	Driver Renewal Fees	\$ 180.00	\$ 15.00	\$ -	\$ 60.00	\$ -	\$ (60.00)	-100%
14	Transfer Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%
15	Fines	\$ 100.00	\$ 8.33	\$ -	\$ 33.33	\$ -	\$ (33.33)	-100%
16	TOTAL REVENUE	\$ 2,780.00	\$ 231.67	\$ 300.00	\$ 926.67	\$ 1,000.00	\$ 73.33	8%

\$ (2,091.55)

MORONGO BASIN TRANSIT AUTHORITY
TAXI ADMINISTRATION
Statement of Expenditures
During Fiscal Year ending 6/30/26
For Period ending 11/30/2025

Line		FY 25/26	MONTH	NOVEMBER	Year to Date		Year to Date	
		Budget	Budget	Actual	Budget	Actual	Variance	%
	Administrative Exp.							
1	Legal Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2	Insurance	\$ 1,200.00	\$ 100.00	\$ 100.00	\$ 500.00	\$ 500.00	\$ -	0%
3	Taxicab Administrator	\$ 2,700.00	\$ 225.00	\$ 66.44	\$ 1,125.00	\$ 1,732.92	\$ 607.92	54%
4	Office Clerk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
5	Drug & Alcohol Testing	\$ 240.00	\$ 20.00		\$ 100.00	\$ 36.85	\$ (63.15)	-63%
6	Background Checks	\$ 64.00	\$ 5.33	\$ -	\$ 26.67	\$ -	\$ (26.67)	-100%
7	Printing/Office/Meters	\$ 550.00	\$ 45.83	\$ 45.00	\$ 229.17	\$ 233.22	\$ 4.05	2%
8	Rent & Utilities	\$ 2,400.00	\$ 200.00	\$ 200.00	\$ 1,000.00	\$ 1,000.00	\$ -	0%
9	Total Administrative Exp.	\$ 7,154.00	\$ 596.17	\$ 411.44	\$ 2,980.83	\$ 3,502.99	\$ 522.16	18%

MORONGO BASIN TRANSIT AUTHORITY
TAXI ADMINISTRATION
Statement of Income

Line		FY 25/26	MONTH	NOVEMBER	Year to Date		Variance	%
		Budget	Budget	Actual	Budget	Actual		
	REVENUE							
10	Taxi Business Permit	\$ -	\$ -	\$ -		\$ -	\$ -	100%
11	Driver Permit Fees	\$ 100.00	\$ 8.33	\$ -	\$ 41.67	\$ -	\$ (41.67)	-100%
12	Vehicles Permit Fees	\$ 2,400.00	\$ 200.00	\$ 300.00	\$ 1,000.00	\$ 1,300.00	\$ 300.00	30%
13	Driver Renewal Fees	\$ 180.00	\$ 15.00	\$ -	\$ 75.00	\$ -	\$ (75.00)	-100%
14	Transfer Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%
15	Fines	\$ 100.00	\$ 8.33	\$ -	\$ 41.67	\$ -	\$ (41.67)	-100%
16	TOTAL REVENUE	\$ 2,780.00	\$ 231.67	\$ 300.00	\$ 1,158.33	\$ 1,300.00	\$ 141.67	12%

\$ (2,202.99)

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: General Manager's Report

STAFF RECOMMENDATION: RECEIVE AND FILE



General Manager's Report

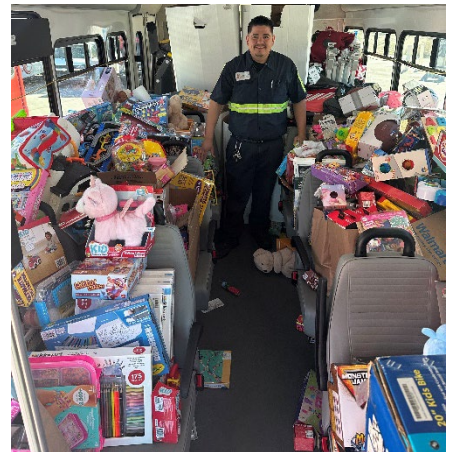
January 2026

CAPITAL PROJECTS

- A new evaporated cooler was successfully installed in the maintenance shop.
- Basin Transit has taken delivery of a new staff vehicle, a 2025 Jeep Compass.
- Staff began working with the Marine Corps Air Ground Combat Center (MCAGCC) to improve bus stops on base.

ACTIVITIES

- In partnering with the Way Station for our “Fill the Bus” event, they handed out 312 food boxes and fed 1,248 individuals in the Morongo Basin. During this event, Basin Transit also handed out goodies including over 60 winter jackets.
- “Stuff the Bus” was a tremendous success, thanks to the support of our community, allowing the Boys & Girls Club to distribute toys on two separate occasions.
- In December, we started a 15 Day Countdown media campaign to advertise route changes and the pilot services to Palm Springs, effective January 1st.



PROCUREMENT

Assignments to other agencies took place at a slower pace due to the holidays, but transactions for Modoc and Nevada Counties, Access Los Angeles, Omnitrans, Sacramento County DOT, Cities of Newport Beach, Ridgecrest, Truckee and Porterville.

Staff has completed work on RFP 26-01 for release. This will be the paratransit cutaway and vans bid. A minimum of 4,258, and a maximum of 11,258 buses are committed to be purchased by 168 public agencies over the next 5 years. Awards are expected to be brought before the board for approval by late spring or early summer.

Over 160 dinners provided by food drive

YUCCA VALLEY — Basin Transit collected 143 turkeys and 22 hams at its Fill the Bus event held Nov. 22 at the Walmart Super Center.

Donors also gave non-perishable food. All donations directly benefited local families through the Way Station.

This year's annual event was hosted in partnership with the San Bernardino County Transportation Authority. It was held in honor of Rider Appreciation Day.

"Partnerships like this are what make our region stronger," said Cheri Holsclaw, general manager of Basin Transit.

"We are honored to work alongside SBCTA and the Way Station to uplift our community during the holiday season."

For information about Basin Transit programs, visit basin-transit.com.



Basin Transit's Board Chair Dan Mintz staffs the prize wheel during the 2025 "Fill the Bus/Ride Happy" event Nov. 22 at the Yucca Valley Walmart. There were 160 dinner entrées collected plus a lot of side dish items.

COURTESY PHOTO

Holiday se



A bell choir performs at the Association's community event Sunday, Nov. 23, at the



Residents take part in the Association's community event Sunday, Nov. 23.

Worship with us

St. Martin in the Fields Church

72348 Larrea Avenue,
Twentynine Palms
760-367-7133

facebook.com/stmartins29

St. Mary's of the Valley

7495 Church St., Yucca Valley
760-365-2287

Saturday 4 p.m. Sunday at 8, 9:30 and 11 (in Spanish)

Oasis Community Church

Come Worship Jesus with us!
6631 Utah Trail, 29 Palms

Sundays at 10a.m. & on Facebook
Occ29palms.org



Church celebrates birth with music,

YUCCA VALLEY — A large display of nativity scenes and live Christmas music will ring in the Christmas season at the Church of Jesus Christ of Latter-day Saints.

The Yucca Valley stake's annual "Celebration of the Birth of Jesus Christ: will be held 10

a.m. to 5 p.m. Saturday, Dec. 6, at 56885 Onaga Trail.

Children can make crafts and local musicians will perform Christmas music from noon to 2 p.m.

Light refreshments will be served.

"We welcome all who would like to come and see





COURTESY PHOTO

San Bernardino County Fire Department personnel and Basin Transit volunteers team up outside Walmart during the Dec. 6 Stuff the Bus toy drive.

Basin Transit celebrates record-breaking toy drive

YUCCA VALLEY — Basin Transit's annual Stuff the Bus toy drive met its goal, as donors filled a bus with gifts for local children and teens.

This year's event, held Dec. 6 at the Walmart Supercenter in Yucca Valley, brought in new toys, games, craft kits and sports equipment — more than enough to support the Boys & Girls Club of the Hi-Desert's holiday distribution efforts for families in need.

"We are continually amazed by the kindness and support shown by our community," said Cheri Holsclaw, general manager of Basin Transit.

"Filling an entire bus with gifts is no small achievement, and it speaks to the heart of the Morongo Basin. These donations will bring joy and comfort to so many children this



COURTESY PHOTO

Volunteers from the Boys & Girls Club of the Hi-Desert, San Bernardino County Fire Department and Basin Transit gather outside Walmart to support the Stuff the Bus toy drive Dec. 6.

holiday season."

Holsclaw and the Basin Transit staff thanked the Boys & Girls Club of the

Hi-Desert, San Bernardino County Fire Department, Walmart and every resident who donated.

BASIN TRANSIT

TO: Board of Directors
FROM: Matthew Atkins, Operations Manager
DATE: January 22, 2026

RE: Operations Report

STAFF RECOMMENDATION: RECEIVE AND FILE



Operations Report

January 22, 2026

PERSONNEL

Staffing

Total Coach Operators: October - 27, November - 26

Total Dispatchers: October - 4, November - 4

Overtime

Operators: October – 3.68%, November – 2.63%

Dispatchers: October – 10.2%, November – 2.4%

OPERATIONS/ SAFETY/ CUSTOMER SERVICE

On-time performance for the reporting period:

Ready Ride: October – 99.5%, November – 99.8%

Fixed Route: October – 74.3%, November – 77.0%

*Fixed Route On-time Performance is based on 100% of our time points (12,597 for October and 10,827 for November) recorded by GMV. A small sampling of about 80 – 120 time points per month is what was used in the past.

Staff received three (3) customer contacts for October and November. These contacts were all recorded as complaints about drivers. All complaints have been addressed with customer follow-up.

As of November 30, 2025, our team proudly reached 110 consecutive days without a preventable accident or injury. November 20 marked our 100th straight accident-free day, triggering a well-earned safety bonus for all employees. This outstanding achievement is a direct result of everyone's dedication, teamwork, and commitment to keeping each other safe.

EMPLOYEE TRAINING/RECRUITMENT

Training staff is completing DMV testing and route training for the two (2) trainees who began on November 24th.



MAINTENANCE

The following is the maintenance mileage, road call and cost per mile information for October and November.

October: 4 road calls with 0 tows

Mileage: 58,382 with a CPM (cost per mile) of \$0.84

November: 2 road calls & 0 tows

Mileage: 53,238 with a CPM (cost per mile) of \$1.02

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Ralph M. Brown Act

Senate Bill 707 went into effect January 1, 2026, requiring agencies to distribute the Ralph M. Brown Act to all serving members of a legislative body. The updated Brown Act is included following the staff report for your reference. A hard copy is available upon request.

STAFF RECOMMENDATION: RECEIVE AND FILE

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§ 54950. Declaration, intent; sovereignty

In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

§ 54950.5. Short title

This chapter shall be known as the Ralph M. Brown Act.

§ 54951. Local agency

As used in this chapter, “local agency” means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.

§ 54952. Legislative body, definition

As used in this chapter, “legislative body” means:

- (a) The governing body of a local agency or any other local body created by state or federal statute.
- (b) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decision making or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter.
- (c)(1) A board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that either:

(A) Is created by the elected legislative body in order to exercise authority that may lawfully be delegated by the elected governing body to a private corporation, limited liability company, or other entity.

(B) Receives funds from a local agency and the membership of whose governing body includes a member of the legislative body of the local agency appointed to that governing body as a full voting member by the legislative body of the local agency.

(2) Notwithstanding subparagraph (B) of paragraph (1), no board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that receives funds from a local agency and, as of February 9, 1996, has a member of the legislative body of the local agency as a full voting member of the governing body of that private corporation, limited liability company, or other entity shall be relieved from the public meeting requirements of this chapter by virtue of a change in status of the full voting member to a nonvoting member.

(d) The lessee of any hospital the whole or part of which is first leased pursuant to subdivision (p) of Section 32121 of the Health and Safety Code after January 1, 1994, where the lessee exercises any material authority of a legislative body of a local agency delegated to it by that legislative body whether the lessee is organized and operated by the local agency or by a delegated authority.

§ 54952.1. Member of a legislative body of a local agency; conduct

Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has already assumed office.

§ 54952.2. “Meeting” defined; prohibited communications; social media; exclusions from chapter

(a) As used in this chapter, “meeting” means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b)(1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(3) (A) Paragraph (1) shall not be construed as preventing a member of the legislative body from engaging in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. A member of the legislative body shall not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.

(B) For purposes of this paragraph, all of the following definitions shall apply:

(i) “Discuss among themselves” means communications made, posted, or shared on an internet-based social media platform between members of a legislative body, including comments or use of digital icons that express reactions to communications made by other members of the legislative body.

(ii) “Internet-based social media platform” means an online service that is open and accessible to the public.

(iii) “Open and accessible to the public” means that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

§ 54952.3. Simultaneous or serial order meetings of a subsequent legislative body; compensation and stipends

(a) A legislative body that has convened a meeting and whose membership constitutes a quorum of any other legislative body may convene a meeting of that other legislative body, simultaneously or in serial order, only if a clerk or a member of the convened legislative body verbally announces, prior to convening any simultaneous or serial order meeting of that subsequent legislative body, the amount of compensation or stipend, if any, that each

member will be entitled to receive as a result of convening the simultaneous or serial meeting of the subsequent legislative body and identifies that the compensation or stipend shall be provided as a result of convening a meeting for which each member is entitled to collect compensation or a stipend. However, the clerk or member of the legislative body shall not be required to announce the amount of compensation if the amount of compensation is prescribed in statute and no additional compensation has been authorized by a local agency.

(b) For purposes of this section, compensation and stipend shall not include amounts reimbursed for actual and necessary expenses incurred by a member in the performance of the member's official duties, including, but not limited to, reimbursement of expenses relating to travel, meals, and lodging.

§ 54952.6. Action taken

As used in this chapter, “action taken” means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

§ 54952.7. Copies of chapter to members of legislative body of local agencies

A local agency shall provide a copy of this chapter to any person elected or appointed to serve as a member of a legislative body of the local agency

§ 54953. Meetings to be open and public; attendance; teleconferencing; remote participation as a reasonable accommodation

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b)(1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If

the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as expressly provided in this chapter.

(4) The teleconferencing requirements of this subdivision shall not apply to remote participation described in subdivision (c).

(c)(1) Nothing in this chapter shall be construed to prohibit a member of a legislative body with a disability from participating in any meeting of the legislative body by remote participation as a reasonable accommodation pursuant to any applicable law.

(2) A member of a legislative body participating in a meeting by remote participation pursuant to this subdivision shall do both of the following:

(A) The member shall participate through both audio and visual technology, except that any member with a disability, as defined in Section 12102 of Title 42 of the United States Code, may participate only through audio technology if a physical condition related to their disability results in a need to participate off camera.

(B) The member shall disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any of those individuals.

(3) Remote participation under this subdivision shall be treated as in-person attendance at the physical meeting location for all purposes, including any requirement that a quorum of the legislative body participate from any particular location. The provisions of subdivision (b) and Sections 54953.8 to 54953.8.7, inclusive, shall not apply to remote participation under this subdivision.

(d)(1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3)(A) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of either of the following during the open meeting in which the final action is to be taken:

(i) A local agency executive, as defined in subdivision (d) of Section 3511.1.

(ii) A department head or other similar administrative officer of the local agency.

(B) This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(e) For purposes of this section, both of the following definitions apply:

(1) "Disability" means a physical disability or a mental disability as those terms are defined in Section 12926 and used in Section 12926.1, or a disability as defined in Section 12102 of Title 42 of the United States Code.

(2)(A) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(B) Notwithstanding subparagraph (A), "teleconference" does not include one or more members watching or listening to a meeting via webcasting or any other similar electronic medium that does not permit members to interactively speak, discuss, or deliberate on matters.

(3) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting.

§ 54953.1. Testimony of members before grand jury

The provisions of this chapter shall not be construed to prohibit the members of the legislative body of a local agency from giving testimony in private before a grand jury, either as individuals or as a body.

§ 54953.2. Legislative body meetings to meet protections and prohibitions of the Americans with Disabilities Act

All meetings of a legislative body of a local agency that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

§ 54953.3. Conditions to attendance

A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to the persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

§54953.4. Public access to meetings held by eligible legislative bodies

(a) The Legislature finds and declares that public access, including through translation of agendas as required by this section, is necessary for an informed populace. The Legislature encourages local agencies to adopt public access requirements that exceed the requirements of this chapter by translating additional languages, employing human translators, and conducting additional outreach.

(b) (1) In addition to any other applicable requirements of this chapter, a meeting held by a eligible legislative body pursuant to this chapter shall comply with both of the following requirements:

(A) (i) (I) (ia) All open and public meetings shall include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform, except if adequate telephonic or internet service is not operational at the meeting location. If adequate telephonic or internet service is operational at the meeting location during only a

portion of the meeting, the legislative body shall include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform during that portion of the meeting.

(ib) (Ia) On or before July 1, 2026, an eligible legislative body shall approve at a noticed public meeting in open session, not on the consent calendar, a policy regarding disruption of telephonic or internet service occurring during meetings subject to this sub-subclause. The policy shall address the procedures for recessing and reconvening a meeting in the event of disruption and the efforts that the eligible legislative body shall make to attempt to restore the service.

(Ib) If a disruption of telephonic or internet service that prevents members of the public from attending or observing the meeting via the two-way telephonic service or two-way audiovisual platform occurs during the meeting, the eligible legislative body shall recess the open session of the meeting for at least one hour and make a good faith attempt to restore the service. The eligible legislative body may meet in closed session during this period. The eligible legislative body shall not reconvene the open session of the meeting until at least one hour following the disruption, or until telephonic or internet service is restored, whichever is earlier.

(Ic) Upon reconvening the open session, if telephonic or internet service has not been restored, the eligible legislative body shall adopt a finding by rollcall vote that good faith efforts to restore the telephonic or internet service have been made in accordance with the policy adopted pursuant to sub-sub-subclause (Ia) and that the public interest in continuing the meeting outweighs the public interest in remote public access.

(II) Subclause (I) does not apply to a meeting that is held to do any of the following:

(ia) Attend a judicial or administrative proceeding to which the local agency is a party.

(ib) Inspect real or personal property provided that the topic of the meeting is limited to items directly related to the real or personal property.

(ic) Meet with elected or appointed officials of the United States or the State of California, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(id) Meet in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(ie) Meet in an emergency situation pursuant to Section 54956.5.

(ii) If an eligible legislative body elects to provide a two-way audiovisual platform, the eligible legislative body shall publicly post and provide a call-in option, and activate any automatic captioning function during the meeting if an automatic captioning function is included with the two-way audiovisual platform. If an eligible legislative body does not elect to provide a two-way audiovisual platform, the eligible legislative body shall provide a two-way telephonic service for the public to participate in the meeting, pursuant to subclause (I).

(B) (i) All open and public meetings for which attendance via a two-way telephonic service or a two-way audiovisual platform is provided in accordance with paragraph (1) shall provide the public with an opportunity to provide public comment in accordance with Section 54954.3 via the two-way telephonic or two-way audiovisual platform, and ensure the opportunity for the members of the public participating via a two-way telephonic or two-way audiovisual platform to provide public comment with the same time allotment as a person attending a meeting in person.

(2) (A) An eligible legislative body shall reasonably assist members of the public who wish to translate a public meeting into any language or wish to receive interpretation provided by another member of the public, so long as the interpretation is not disrupting to the meeting, as defined in Section 54957.95. The eligible legislative body shall publicize instructions on how to request assistance under this subdivision. Assistance may include any of the following, as determined by the eligible legislative body:

(i) Arranging space for one or more interpreters at the meeting location.

(ii) Allowing extra time during the meeting for interpretation to occur.

(iii) Ensuring participants may utilize their personal equipment or reasonably access facilities for participants to access commercially available interpretation services.

(B) This section does not require an eligible legislative body to provide interpretation of any public meeting, however, an eligible legislative body may elect to provide interpretation of any public meeting.

(C) The eligible legislative body is not responsible for the content or accuracy of any interpretation facilitated, assisted with, or provided under this subdivision. An action shall not be commenced or maintained against the eligible legislative body arising from the content or accuracy of any interpretation facilitated, assisted with, or provided under this subdivision.

(3) An eligible legislative body shall take the following actions to encourage residents, including those in underrepresented communities and non-English-speaking communities, to participate in public meetings:

(A) Have in place a system for electronically accepting and fulfilling requests for meeting agendas and documents pursuant to Section 54954.1 through email or through an integrated agenda management platform. Information about how to make a request using this system shall be accessible through a prominent direct link posted on the primary internet website home page of the eligible legislative body.

(B) (i) Create and maintain an accessible internet webpage dedicated to public meetings that includes, or provides a link to, all of the following information:

(I) A general explanation of the public meeting process for the eligible legislative body.

(II) An explanation of the procedures for a member of the public to provide in-person or remote oral public comment during a public meeting or to submit written public comment.

(III) A calendar of all public meeting dates with calendar listings that include the date, time, and location of each public meeting.

(IV) The agenda posted online pursuant to paragraph (2) of subdivision (a) of Section 54954.2.

(ii) The eligible legislative body shall include a link to the webpage required by subparagraph (A) on the home page of the eligible legislative body's internet website.

(C) (i) Make reasonable efforts, as determined by the legislative body, to invite groups that do not traditionally participate in public meetings to attend those meetings, which may include, but are not limited to, all the following:

(I) Media organizations that provide news coverage in the jurisdiction of the eligible legislative body, including media organizations that serve non-English-speaking communities.

(II) Good government, civil rights, civic engagement, neighborhood, and community group organizations, or similar organizations that are active in the jurisdiction of the eligible legislative body, including organizations active in non-English-speaking communities.

(ii) Legislative bodies shall have broad discretion in the choice of reasonable efforts they make under this subparagraph. No action shall be commenced or maintained against an eligible legislative body arising from failing to provide public meeting information to any specific group pursuant to this subparagraph.

(c) (1) (A) The agenda for each meeting of an eligible legislative body shall be translated into all applicable languages, and each translation shall be posted in accordance with Section 54954.2. Each translation shall include instructions in the applicable language describing how to join the meeting by the telephonic or internet-based service option, including any requirements for registration for public comment.

(B) The accessible internet webpage provided under subparagraph (B) of paragraph (3) of subdivision (b) shall be translated into all applicable languages, and each translation shall be accessible through a prominent direct link posted on the primary internet website home page of the eligible legislative body.

(2) A translation made using a digital translation service shall satisfy the requirements of paragraph (1).

(3) The eligible legislative body shall make available a physical location that is freely accessible to the public in reasonable proximity to the physical location in which the agenda and translations are posted as described in paragraph (1), and shall allow members of the public to post additional translations of the agenda in that location.

(4) The eligible legislative body is not responsible for the content or accuracy of any translation provided pursuant to this subdivision. No action shall be commenced or maintained against an eligible legislative body arising from the content, accuracy, posting, or removal of any translation provided by the eligible legislative body or posted by any person pursuant to this subdivision.

(5) For the purposes of this section, the agenda does not include the entire agenda packet.

(d) This section shall not be construed to affect or supersede any other applicable civil rights, nondiscrimination, or public access laws.

(e) For purposes of this section, all of the following definitions apply:

(1) (A) “Applicable languages” means languages, according to data from the most recent American Community Survey, spoken jointly by 20 percent or more of the applicable population, provided that 20 percent or more of the population that speaks that language in that city or county speaks English less than “very well.”

(B) For the purposes of subparagraph (A), the applicable population shall be determined as follows:

(i) For an eligible legislative body that is a city council or county board of supervisors, the applicable population shall be the population of the city or county.

(ii) For an eligible legislative body of a special district, the applicable population shall be either of the following, at the discretion of the board of directors of the special district:

(I) The population of the county with the greatest population within the boundaries of the special district.

(II) The population of the service area of the special district, if the special district has the data to determine what languages spoken by the population within its service area meet the requirements of paragraph (A).

(C) If more than three languages meet the criteria set forth in subparagraph (A), “applicable languages” shall mean the three languages described in subparagraph (A) that are spoken by the largest percentage of the population.

(D) An eligible legislative body may elect to determine the applicable languages based upon a source other than the most recent American Community Survey if it makes a finding, based upon substantial evidence, that the other source provides equally or more reliable data for the territory over which the eligible legislative body exercises jurisdiction.

(2) “Eligible legislative body” means any of the following:

(A) A city council of a city with a population of 30,000 or more.

(B) A county board of supervisors of a county, or city and county, with a population of 30,000 or more.

(C) A city council of a city located in a county with a population of 600,000 or more.

(D) The board of directors of a special district that has an internet website and meets any of the following conditions:

(i) The boundaries of the special district include the entirety of a county with a population of 600,000 or more, and the special district has over 200 full-time equivalent employees.

(ii) The special district has over 1,000 full-time equivalent employees.

(iii) The special district has annual revenues, based on the most recent Financial Transaction Report data published by the California State Controller, that exceed four hundred million dollars (\$400,000,000), adjusted annually for inflation commencing January 1, 2027, as measured by the percentage change in the California Consumer Price Index from January 1 of the prior year to January 1 of the current year, and the special district employs over 200 full-time equivalent employees.

(3) “Two-way audiovisual platform” means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service.

(4) “Two-way telephonic service” means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(f) This section shall become operative on July 1, 2026.

(g) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

§ 54953.5. Right to record proceedings; conditions; audio or video recordings made by or under direction of local agencies

(a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any recording of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.

§ 54953.6. Prohibitions or restrictions on broadcasts of proceedings of legislative body; reasonable findings

No legislative body of a local agency shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

§ 54953.7. Allowance of greater access to meetings than minimal standards in this chapter

Notwithstanding any other provision of law, legislative bodies of local agencies may impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in this chapter. In addition thereto, an

elected legislative body of a local agency may impose those requirements on appointed legislative bodies of the local agency.

§ 54953.8. Legislative body of local agency; use of alternative teleconferencing provisions for notice and public participation

(a) The legislative body of a local agency may use teleconferencing as authorized by subdivision (b) of Section 54953 without complying with the requirements of paragraph (3) of subdivision (b) of Section 54953 in any of the circumstances described in Sections 54953.8.1 to 54953.8.7, inclusive.

(b) A legislative body that holds a teleconference meeting pursuant to this section shall, in addition to any other applicable requirements of this chapter, comply with all of the following:

(1) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(A) A two-way audiovisual platform.

(B) A two-way telephonic service and a live webcasting of the meeting.

(2) In each instance in which notice of the time of the teleconference meeting held pursuant to this section is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(3) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(4) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(5) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(6)(A) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to paragraph (5), to provide public comment until that timed public comment period has elapsed.

(B) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to paragraph (5), or otherwise be recognized for the purpose of providing public comment.

(C) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to paragraph (5), until the timed general public comment period has elapsed.

(7) Any member of the legislative body who participates in a teleconference meeting from a remote location pursuant to this section and the specific provision of law that the member relied upon to permit their participation by teleconferencing shall be listed in the minutes of the meeting.

(8) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(9) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(c) A local agency shall identify and make available to legislative bodies a list of one or more meeting locations that may be available for use by the legislative bodies to conduct their meetings.

(d)(1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(e) A member of a legislative body who participates in a teleconference meeting from a remote location pursuant to this section shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with those individuals.

(f) The teleconferencing provisions described in Section 54953 and Sections 54953.8.1 to 54953.8.7, inclusive, are cumulative. A legislative body may elect to use any teleconferencing provisions that are applicable to a meeting, regardless of whether any other teleconferencing provisions would also be applicable to that meeting.

(g) For purposes of this section, the following definitions apply:

(1) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to paragraph (7) of subdivision (b), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(2) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(3) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service. A two-way audiovisual platform may be structured to disable the use of video for the public participants.

(4) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(5) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

54953.8.1. Teleconference- health authority

(a) A health authority may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section.

(b) Nothing in this section or Section 54953.8 shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority.

(c) For purposes of this section, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

§ 54953.8.2. Teleconference -state of emergency

(a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 during a proclaimed state of emergency or local emergency, provided that it complies with the requirements of that section and the teleconferencing is used in either of the following circumstances:

(1) For the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) After a determination described in paragraph (1) is made that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(b) If the state of emergency or local emergency remains active, in order to continue to teleconference pursuant to this section, the legislative body shall, no later than 45 days after teleconferencing for the first time pursuant to this section, and every 45 days thereafter, make the following findings by majority vote:

(1) The legislative body has reconsidered the circumstances of the state of emergency or local emergency.

(2) The state of emergency or local emergency continues to directly impact the ability of the members to meet safely in person.

(c) This section shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(d) Notwithstanding paragraph (1) of subdivision (b) of Section 54953.8, a legislative body conducting a teleconference meeting pursuant to this section may elect to use a two-way telephonic service without a live webcasting of the meeting.

(e) For purposes of this section, the following definitions apply:

(1) “Local emergency” means a condition of extreme peril to persons or property proclaimed by the governing body of the local agency affected, in accordance with Section 8630 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), as defined in Section 8680.9, or a local health emergency declared pursuant to Section 101080 of the Health and Safety Code. Local emergency, as used in this section, refers only to local emergencies in the boundaries of the territory over which the local agency exercises jurisdiction.

(2) “State of emergency” means state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2).

54953.8.3. Teleconference- quorum in singular location

(a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, provided that the legislative body complies with the requirements of Section 54953.8 and all of the following additional requirements:

(1) A member of the legislative body notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting.

(2) The member shall participate through both audio and visual technology.

(3) (A) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for just cause for more than the following number of meetings, as applicable:

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a “meeting” shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(b) The minutes for the meeting shall identify the specific provision in subdivision (c) that each member relied upon to participate remotely. This subdivision shall not be construed to require the member to disclose any medical diagnosis or disability, or any personal medical information that is otherwise exempt under existing law, including, but not limited to, the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code).

(c) For purposes of this section, “just cause” means any of the following:

(1) Childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. “Child,” “parent,” “grandparent,” “grandchild,” and “sibling” have the same meaning as those terms do in Section 12945.2.

(2) A contagious illness that prevents a member from attending in person.

(3) A need related to a physical or mental condition that is not subject to subdivision (c) of Section 54953.

(4) Travel while on official business of the legislative body or another state or local agency.

(5) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the member that requires the member to participate remotely.

(6) A physical or family medical emergency that prevents a member from attending in person.

(7) Military service obligations that result in a member being unable to attend in person because they are serving under official written orders for active duty, drill, annual training, or any other duty required as a member of the California National Guard or a United States Military Reserve organization that requires the member to be at least 50 miles outside the boundaries of the local agency.

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

54953.8.4. Teleconference- eligible neighborhood council

(a) An eligible neighborhood council may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following have occurred:

(1) (A) The city council for a city described in paragraph (2) of subdivision (b) considers whether to adopt a resolution to authorize eligible neighborhood councils to use teleconferencing as described in this section at an open and regular meeting.

(B) If the city council adopts a resolution described in subparagraph (A), an eligible neighborhood council may elect to use teleconferencing pursuant to this section if a majority of the eligible neighborhood council votes to do so. The eligible neighborhood council shall notify the city council if it elects to use teleconferencing pursuant to this section and its justification for doing so.

(C) Upon receiving notification from an eligible neighborhood council described in subparagraph (B), the city council may adopt a resolution to prohibit the eligible neighborhood council from using teleconferencing pursuant to this section.

(2) After completing the requirements of subparagraph (A) of paragraph (1), an eligible neighborhood council that holds a meeting pursuant to this subdivision shall do all of the following:

(A) At least a quorum of the members of the eligible neighborhood council shall participate from locations within the boundaries of the city in which the eligible neighborhood council is established.

(B) At least once per year, at least a quorum of the members of the eligible neighborhood council shall participate in person from a singular physical location that is open to the public and within the boundaries of the eligible neighborhood council.

(3) If the meeting is during regular business hours of the offices of the city council member that represents the area that includes the eligible neighborhood council, the eligible neighborhood council shall provide a publicly accessible physical location from which the public may attend or comment, which shall be the offices of the city council member who represents the area where the eligible neighborhood council is located, unless the eligible neighborhood council identifies an alternative location.

(4) If the meeting is outside regular business hours, the eligible neighborhood council shall make reasonable efforts to accommodate any member of the public that requests an accommodation to participate in the meeting.

(b) For purposes of this section, the following definitions apply:

(1) “Accommodation” means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

(2) “Eligible neighborhood council” means a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to this chapter.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

§54953.8.5. Teleconference- eligible community college student organization.

(a) An eligible community college student organization may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) An eligible community college student organization may only use teleconferencing as described in Section 54953.8 after all the following have occurred:

(A) The board of trustees for a community college district considers whether to adopt a resolution to authorize eligible community college student organizations to use teleconferencing as described in this section at an open and regular meeting.

(B) If the board of trustees for a community college district adopts a resolution described in subparagraph (A), an eligible community college student organization may elect to use teleconferencing pursuant to this section if a majority of the eligible community college student organization votes to do so. The eligible community college student organization shall notify the board of trustees if it elects to use teleconferencing pursuant to this section and its justification for doing so.

(C) Upon receiving notification from an eligible community college student organization as described in subparagraph (B), the board of trustees may adopt a resolution to prohibit the eligible community college student organization from using teleconferencing pursuant to this section.

(D) (i) Except as specified in clause (ii), at least a quorum of the members of the eligible community college student organization shall participate from a singular physical location that is accessible to the public and is within the community college district in which the eligible community college student organization is established.

(ii) The requirements described in clause (i) shall not apply to the California Online Community College.

(iii) Notwithstanding the requirements of clause (i), a person may count toward the establishment of a quorum pursuant to clause (i) regardless of whether the person is participating at the in-person location of the meeting or remotely if the person meets any of the following criteria:

(I) The person is under 18 years of age.

(II) The person is incarcerated.

(III) The person is unable to disclose the location that they are participating from because of either of the following circumstances:

(ia) The person has been issued a protective court order, including, but not limited to, a domestic violence restraining order.

(ib) The person is participating in a program that has to remain confidential, including, but not limited to, an independent living program.

(IV) The person provides childcare or caregiving to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. For purposes of this subclause, “child,” “parent,” “grandparent,” “grandchild,” and “sibling” have the same meaning as those terms are defined in Section 12945.2.

(2) An eligible community college student organization that holds a meeting by teleconference as described in Section 54953.8 shall do the following, as applicable:

(A) (i) Except as specified in subparagraph (B), if the meeting is during regular business hours of the offices of the board of trustees of the community college district, the eligible community college student organization shall provide a publicly accessible physical location from which the public may attend or comment, which shall be the offices of the board of trustees of the community college district, unless the eligible community college student organization identifies an alternative location.

(ii) Except as specified in subparagraph (B), if the meeting is outside regular business hours, the eligible community college student organization shall make reasonable efforts to accommodate any member of the public that requests an accommodation to

participate in the meeting. For the purposes of this subparagraph, “accommodation” means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

(B) The requirements described in subparagraph (A) shall not apply to the California Online Community College.

(b) For purposes of this section, “eligible community college student organization” means a student body association organized pursuant to Section 76060 of the Education Code, or any other student-run community college organization that is required to comply with the meeting requirements of this chapter, that is in any community college recognized within the California Community Colleges system and includes the Student Senate for California Community Colleges.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

§ 54953.6. Teleconference- eligible subsidiary body

(a) An eligible subsidiary body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) The eligible subsidiary body shall designate one physical meeting location within the boundaries of the legislative body that created the eligible subsidiary body where members of the subsidiary body who are not participating remotely shall be present and members of the public may physically attend, observe, hear, and participate in the meeting. At least one staff member of the eligible subsidiary body or the legislative body that created the eligible subsidiary body shall be present at the physical meeting location during the meeting. The eligible subsidiary body shall post the agenda at the physical meeting location, but need not post the agenda at a remote location.

(2) (A) A member of the eligible subsidiary body shall visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, except if the member has a physical or mental condition not subject to subdivision (c) of Section 54953 that results in a need to participate off camera.

(B) The visual appearance of a member of the eligible subsidiary body on camera may cease only when the appearance would be technologically infeasible, including, but not

limited to, when the member experiences a lack of reliable broadband or internet connectivity that would be remedied by joining without video.

(C) If a member of the eligible subsidiary body does not appear on camera due to challenges with internet connectivity, the member shall announce the reason for their nonappearance prior to turning off their camera.

(3) An elected official serving as a member of an eligible subsidiary body in their official capacity shall not participate in a meeting of the eligible subsidiary body by teleconferencing pursuant to this section unless the use of teleconferencing complies with the requirements of paragraph (3) of subdivision (b) of Section 54953.

(4) (A) In order to use teleconferencing pursuant to this section, the legislative body that established the eligible subsidiary body by charter, ordinance, resolution, or other formal action shall make the following findings by majority vote before the eligible subsidiary body uses teleconferencing pursuant to this section for the first time, and every six months thereafter:

(i) The legislative body has considered the circumstances of the eligible subsidiary body.

(ii) Teleconference meetings of the eligible subsidiary body would enhance public access to meetings of the eligible subsidiary body, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to comment at an in-person meeting of the legislative body authorizing the subsidiary body to meet entirely remotely.

(iii) Teleconference meetings of the eligible subsidiary body would promote the attraction, retention, and diversity of eligible subsidiary body members.

(B) (i) An eligible subsidiary body authorized to use teleconferencing pursuant to this section may request to present any recommendations it develops to the legislative body that created it.

(ii) Upon receiving a request described in clause (i), the legislative body that created the subsidiary body shall hold a discussion at a regular meeting held within 60 days after the legislative body receives the request, or if the legislative body does not have another regular meeting scheduled within 60 days after the legislative body receives the request, at the next regular meeting after the request is received.

(iii) The discussion required by clause (ii) shall not be placed on a consent calendar, but may be combined with the legislative body's subsequent consideration of the findings described in subparagraph (A) for the following 12 months.

(iv) The legislative body shall not take any action on any recommendations included in the report of a subsidiary body until the next regular meeting of the legislative body following the discussion described in clause (ii).

(C) After the legislative body makes the findings described in subparagraph (A), the eligible subsidiary body shall approve the use of teleconferencing by majority vote before using teleconference pursuant to this section.

(D) The legislative body that created the eligible subsidiary body may elect to prohibit the eligible subsidiary body from using teleconferencing pursuant to this section at any time.

(b) (1) For purposes of this section, “eligible subsidiary body” means a legislative body that meets all of the following:

(A) Is described in subdivision (b) of Section 54952.

(B) Serves exclusively in an advisory capacity.

(C) Is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, grants, or allocations of funds.

(D) Does not have primary subject matter jurisdiction, as defined by the charter, an ordinance, a resolution, or any formal action of the legislative body that created the subsidiary body, that focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals.

(2) An eligible subsidiary body may include members who are elected officials, members who are not elected officials, or any combination thereof.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

§54953.8.7. Teleconference- eligible multijurisdictional body

(a) An eligible multijurisdictional body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) The eligible multijurisdictional body has adopted a resolution that authorizes the eligible multijurisdictional body to use teleconferencing pursuant to this section at a regular meeting in open session.

(2) At least a quorum of the members of the eligible multijurisdictional body shall participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

(3) A member of the eligible multijurisdictional body who receives compensation for their service on the eligible multijurisdictional body shall participate from a physical location that is open to the public. For purposes of this paragraph, “compensation” does not include reimbursement for actual and necessary expenses.

(4) A member of the eligible multijurisdictional body may participate from a remote location provided that:

(A) The eligible multijurisdictional body identifies each member of the eligible multijurisdictional body who plans to participate remotely in the agenda.

(B) The member shall participate through both audio and visual technology.

(5) A member of the eligible multijurisdictional body shall not participate in a meeting remotely pursuant to this section, unless the location from which the member participates is more than 20 miles each way from any physical location of the meeting described in paragraph (2).

(6) The provisions of this section shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for more than the following number of meetings, as applicable:

(A) Two meetings per year, if the legislative body regularly meets once per month or less.

(B) Five meetings per year, if the legislative body regularly meets twice per month.

(C) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(D) For the purpose of counting meetings attended by teleconference under this paragraph, a “meeting” shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(b) For the purposes of this section, both of the following definitions apply:

(1) “Eligible multijurisdictional body” means a multijurisdictional board, commission, or advisory body of a multijurisdictional, cross-county agency, the membership of which board, commission, or advisory body is appointed, and the board, commission, or advisory body is otherwise subject to this chapter.

(2) “Multijurisdictional” means either of the following:

(A) A legislative body that includes representatives from more than one county, city, city and county, or special district.

(B) A legislative body of a joint powers entity formed pursuant to an agreement entered into in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

§ 54954. Time and place of regular meetings; special meetings; emergencies

(a) Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

(b) Regular and special meetings of the legislative body shall be held within the boundaries of the territory over which the local agency exercises jurisdiction, except to do any of the following:

(1) Comply with state or federal law or court order, or attend a judicial or administrative proceeding to which the local agency is a party.

(2) Inspect real or personal property which cannot be conveniently brought within the boundaries of the territory over which the local agency exercises jurisdiction provided that the topic of the meeting is limited to items directly related to the real or personal property.

(3) Participate in meetings or discussions of multiagency significance that are outside the boundaries of a local agency's jurisdiction. However, any meeting or discussion held pursuant to this subdivision shall take place within the jurisdiction of one of the participating local agencies and be noticed by all participating agencies as provided for in this chapter.

(4) Meet in the closest meeting facility if the local agency has no meeting facility within the boundaries of the territory over which the local agency exercises jurisdiction, or at the principal office of the local agency if that office is located outside the territory over which the agency exercises jurisdiction.

(5) Meet outside their immediate jurisdiction with elected or appointed officials of the United States or the State of California when a local meeting would be impractical, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(6) Meet outside their immediate jurisdiction if the meeting takes place in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(7) Visit the office of the local agency's legal counsel for a closed session on pending litigation held pursuant to Section 54956.9, when to do so would reduce legal fees or costs.

(c) Meetings of the governing board of a school district shall be held within the district, except under the circumstances enumerated in subdivision (b), or to do any of the following:

(1) Attend a conference on nonadversarial collective bargaining techniques.

(2) Interview members of the public residing in another district with reference to the trustees' potential employment of an applicant for the position of the superintendent of the district.

(3) Interview a potential employee from another district.

(d) Meetings of a joint powers authority shall occur within the territory of at least one of its member agencies, or as provided in subdivision (b). However, a joint powers authority which has members throughout the state may meet at any facility in the state which complies with the requirements of Section 54961.

(e) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the presiding officer of the legislative body or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time.

§ 54954.1. Mailed or electronic notice to persons who filed written request; time; duration and renewal of requests; fee

Any person may request that a copy of the agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. If a local agency has an internet website, the legislative body or its designee shall email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the item or items be delivered by email. If the

local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a link to a website that contains the documents by email or by other electronic means, the legislative body or its designee shall send by mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements established pursuant to this section. If requested, the agenda and documents in the agenda packet shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Upon receipt of the written request, the legislative body or its designee shall cause the requested materials to be mailed at the time the agenda is posted pursuant to Section 54954.2 and 54956 or upon distribution to all, or a majority of all, of the members of a legislative body, whichever occurs first. Any request for mailed copies of agendas or agenda packets shall be valid for the calendar year in which it is filed, and must be renewed following January 1 of each year. The legislative body may establish a fee for mailing the agenda or agenda packet, which fee shall not exceed the cost of providing the service. Failure of the requesting person to receive the agenda or agenda packet pursuant to this section shall not constitute grounds for invalidation of the actions of the legislative body taken at the meeting for which the agenda or agenda packet was not received.

§ 54954.2. Agenda; posting; action on other matters; posting on internet website

(a)(1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda that meets all of the following requirements:

(A) The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words.

(B) The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's internet website, if the local agency has one.

(C)(i) If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(ii) The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may

be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda, including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an internet website with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(E) For purposes of this paragraph, both of the following definitions apply:

(1) “Integrated agenda management platform” means an internet website of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(2) “Legislative body” means a legislative body that meets the definition of subdivision (a) of Section 54952.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on their own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's internet website, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

§ 54954.3. Opportunity for public to address legislative body; adoption of regulations; public criticism of policies

(a) (1) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

(2) (A) Notwithstanding paragraph (1), the agenda need not provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, composed exclusively of members of the legislative body, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item.

(B) Subparagraph (A) shall not apply if any of the following conditions are met:

(i) The item has been substantially changed since the committee heard the item, as determined by the legislative body.

(ii) When considering the item, a quorum of the committee members did not participate from a singular physical location, that was clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency exercises jurisdiction.

(iii) The committee has primary subject matter jurisdiction, as defined by the charter, an ordinance, a resolution, or any formal action of the legislative body that created the subsidiary body, that focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals. This clause shall not apply to an item if the local agency has adopted a law applicable to the meeting of the committee at which the item that was considered prohibits the committee from placing a limit on the total amount of time for public comment on the item.

(3) Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.

(3) Paragraph (2) shall not apply if the legislative body of a local agency utilizes simultaneous translation equipment in a manner that allows the legislative body of a local agency to hear the translated public testimony simultaneously.

(c) The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

§ 54954.4. Reimbursements to local agencies and school districts for costs

(a) The Legislature hereby finds and declares that Section 12 of Chapter 641 of the Statutes of 1986, authorizing reimbursement to local agencies and school districts for costs mandated by the state pursuant to that act, shall be interpreted strictly. The intent of the Legislature is to provide reimbursement for only those costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986.

(b) In this regard, the Legislature directs all state employees and officials involved in reviewing or authorizing claims for reimbursement, or otherwise participating in the reimbursement process, to rigorously review each claim and authorize only those claims, or parts thereof, which represent costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986 and for which complete documentation exists. For purposes of Section 54954.2, costs eligible for reimbursement shall only include the actual cost to post a single agenda for any one meeting.

(c) The Legislature hereby finds and declares that complete, faithful, and uninterrupted compliance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) is a matter of overriding public importance. Unless specifically stated, no future Budget Act, or related budget enactments, shall, in any manner, be interpreted to suspend, eliminate, or otherwise modify the legal obligation and duty of local agencies to fully comply with Chapter 641 of the Statutes of 1986 in a complete, faithful, and uninterrupted manner.

§ 54954.5. Closed session item descriptions

For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to paragraphs (2) to (5), inclusive, of subdivision (e) of Section 54956.9.)

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)

Discussion will concern: (Specify closed session description used by the joint powers agency)

Name of local agency representative on joint powers agency board: (Specify name)

(Additional information listing the names of agencies or titles of representatives attending the closed session as consultants or other representatives.)

(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY CALIFORNIA STATE AUDITOR'S OFFICE

§ 54954.6. New or increased taxes or assessments; public meetings and public hearings; joint notice requirements

(a)(1) Before adopting any new or increased general tax or any new or increased assessment, the legislative body of a local agency shall conduct at least one public meeting at which local officials shall allow public testimony regarding the proposed new or increased general tax or new or increased assessment in addition to the noticed public hearing at which the legislative body proposes to enact or increase the general tax or assessment.

For purposes of this section, the term “new or increased assessment” does not include any of the following:

(A) A fee that does not exceed the reasonable cost of providing the services, facilities, or regulatory activity for which the fee is charged.

(B) A service charge, rate, or charge, unless a special district's principal act requires the service charge, rate, or charge to conform to the requirements of this section.

(C) An ongoing annual assessment if it is imposed at the same or lower amount as any previous year.

(D) An assessment that does not exceed an assessment formula or range of assessments previously specified in the notice given to the public pursuant to subparagraph (G) of paragraph (2) of subdivision (c) and that was previously adopted by the agency or approved by the voters in the area where the assessment is imposed.

(E) Standby or immediate availability charges.

(2) The legislative body shall provide at least 45 days' public notice of the public hearing at which the legislative body proposes to enact or increase the general tax or assessment. The legislative body shall provide notice for the public meeting at the same time and in the same document as the notice for the public hearing, but the meeting shall occur prior to the hearing.

(b)(1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased general tax shall be accomplished by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks pursuant to Section 6063 and by a first-

class mailing to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the first publication of the joint notice pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. Notwithstanding paragraph (2) of subdivision (a), the joint notice need not include notice of the public meeting after the meeting has taken place. The public hearing pursuant to subdivision (a) shall take place no earlier than 45 days after the first publication of the joint notice pursuant to this subdivision. Any written request for mailed notices shall be effective for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

(2) The notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) The amount or rate of the tax. If the tax is proposed to be increased from any previous year, the joint notice shall separately state both the existing tax rate and the proposed tax rate increase.

(B) The activity to be taxed.

(C) The estimated amount of revenue to be raised by the tax annually.

(D) The method and frequency for collecting the tax.

(E) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(F) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the tax.

(c)(1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased assessment on real property or businesses shall be accomplished through a mailing, postage prepaid, in the United States mail and shall be deemed given when so deposited. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the joint mailing pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. The envelope or the cover of the mailing shall include the name of the local agency and the return address of the sender. This mailed notice shall be in at least 10-point type and shall be given to all property

owners or business owners proposed to be subject to the new or increased assessment by a mailing by name to those persons whose names and addresses appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or the local agency's records pertaining to business ownership, as the case may be.

(2) The joint notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) In the case of an assessment proposed to be levied on property, the estimated amount of the assessment per parcel. In the case of an assessment proposed to be levied on businesses, the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of assessment to be levied against each business. If the assessment is proposed to be increased from any previous year, the joint notice shall separately state both the amount of the existing assessment and the proposed assessment increase.

(B) A general description of the purpose or improvements that the assessment will fund.

(C) The address to which property owners may mail a protest against the assessment.

(D) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the assessment.

(E) A statement that a majority protest will cause the assessment to be abandoned if the assessment act used to levy the assessment so provides. Notice shall also state the percentage of protests required to trigger an election, if applicable.

(F) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(G) A proposed assessment formula or range as described in subparagraph (D) of paragraph (1) of subdivision (a) if applicable and that is noticed pursuant to this section.

(3) Notwithstanding paragraph (1), in the case of an assessment that is proposed exclusively for operation and maintenance expenses imposed throughout the entire local agency, or exclusively for operation and maintenance assessments proposed to be levied on 50,000 parcels or more, notice may be provided pursuant to this subdivision or pursuant to paragraph (1) of subdivision (b) and shall include the estimated amount of the assessment of various types, amounts, or uses of property and the information required by subparagraphs (B) to (G), inclusive, of paragraph (2) of subdivision (c).

(4) Notwithstanding paragraph (1), in the case of an assessment proposed to be levied pursuant to Part 2 (commencing with Section 22500) of Division 2 of the Streets and

Highways Code by a regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of, or pursuant to Division 26 (commencing with Section 35100) of, the Public Resources Code, notice may be provided pursuant to paragraph (1) of subdivision (b).

(d) The notice requirements imposed by this section shall be construed as additional to, and not to supersede, existing provisions of law, and shall be applied concurrently with the existing provisions so as to not delay or prolong the governmental decisionmaking process.

(e) This section shall not apply to any new or increased general tax or any new or increased assessment that requires an election of either of the following:

(1) The property owners subject to the assessment.

(2) The voters within the local agency imposing the tax or assessment.

(f) Nothing in this section shall prohibit a local agency from holding a consolidated meeting or hearing at which the legislative body discusses multiple tax or assessment proposals.

(g) The local agency may recover the reasonable costs of public meetings, public hearings, and notice required by this section from the proceeds of the tax or assessment. The costs recovered for these purposes, whether recovered pursuant to this subdivision or any other provision of law, shall not exceed the reasonable costs of the public meetings, public hearings, and notice.

(h) Any new or increased assessment that is subject to the notice and hearing provisions of Article XIII C or XIII D of the California Constitution is not subject to the notice and hearing requirements of this section.

§ 54955. Adjournment; adjourned meetings

The legislative body of a local agency may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting the clerk or secretary of the legislative body may declare the meeting adjourned to a stated time and place and he shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is

a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by ordinance, resolution, bylaw, or other rule.

§ 54955.1. Continuance

Any hearing being held, or noticed or ordered to be held, by a legislative body of a local agency at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the legislative body in the same manner and to the same extent set forth in Section 54955 for the adjournment of meetings; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

§ 54956.5. Emergency meetings in emergency situations.

(a) For purposes of this section, “emergency situation” means both of the following:

(1) An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.

(2) A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.

(b) (1) Subject to paragraph (2), in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Section 54956 or both of the notice and posting requirements.

(2) Each local newspaper of general circulation and radio or television station that has requested notice of special meetings pursuant to Section 54956 shall be notified by the presiding officer of the legislative body, or designee thereof, one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the presiding officer or designee notifies the members of the legislative body of the emergency meeting.

(A) Except as provided in subparagraph (B), the notice required by this paragraph shall be given by telephone and all telephone numbers provided in the most recent request of a newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(B) For an emergency meeting held pursuant to this section, the presiding officer of the legislative body, or designee thereof, may send the notifications required by this paragraph by email instead of by telephone, as provided in subparagraph (A), to all local newspapers of general circulation, and radio or television stations, that have requested those notifications by email, and all email addresses provided by representatives of those newspapers or stations shall be exhausted. In the event that internet services and telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(c) During a meeting held pursuant to this section, the legislative body may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the legislative body present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present.

(d) All special meeting requirements, as prescribed in Section 54956 shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

(e) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the legislative body, or designee of the legislative body, notified or attempted to notify, a copy of the rollcall vote, and any actions taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

§ 54956.6. Fees

No fees may be charged by the legislative body of a local agency for carrying out any provision of this chapter, except as specifically authorized by this chapter.

§ 54956.7. Closed sessions, license applications; rehabilitated criminals

Whenever a legislative body of a local agency determines that it is necessary to discuss and determine whether an applicant for a license or license renewal, who has a criminal record, is sufficiently rehabilitated to obtain the license, the legislative body may hold a closed session with the applicant and the applicant's attorney, if any, for the purpose of holding the discussion and making the determination. If the legislative body determines, as a result of the closed session, that the issuance or renewal of the license should be denied, the applicant shall be offered the opportunity to withdraw the application. If the applicant withdraws the application, no record shall be kept of the discussions or decisions made at the closed session and all matters relating to the closed session shall be confidential. If the applicant does not withdraw the application, the legislative body shall take action at the public meeting during which the closed session is held or at its next public meeting denying the application for the license but all matters relating to the closed session are confidential and shall not be disclosed without the consent of the applicant, except in an action by an applicant who has been denied a license challenging the denial of the license.

§ 54956.75. Closed session; response to confidential final draft audit report; public release of report

(a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a legislative body of a local agency meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

§ 54956.8. Real property transactions; closed meeting with negotiator

Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate.

For purposes of this section, negotiators may be members of the legislative body of the local agency.

For purposes of this section, “lease” includes renewal or renegotiation of a lease.

Nothing in this section shall preclude a local agency from holding a closed session for discussions regarding eminent domain proceedings pursuant to Section 54956.9.

§ 54956.81. Investment of pension funds; closed session

Notwithstanding any other provision of this chapter, a legislative body of a local agency that invests pension funds may hold a closed session to consider the purchase or sale of particular, specific pension fund investments. All investment transaction decisions made during the closed session shall be made by rollcall vote entered into the minutes of the closed session as provided in subdivision (a) of Section 54957.2.

§ 54956.86. Charges or complaints from members of local agency health plans; closed hearings; members' rights

Notwithstanding any other provision of this chapter, a legislative body of a local agency which provides services pursuant to Section 14087.3 of the Welfare and Institutions Code may hold a closed session to hear a charge or complaint from a member enrolled in its health plan if the member does not wish to have his or her name, medical status, or other information that is protected by federal law publicly disclosed. Prior to holding a closed session pursuant to this section, the legislative body shall inform the member, in writing, of his or her right to have the charge or complaint heard in an open session rather than a closed session.

§ 54956.87. Records of certain health plans; meetings on health plan trade secrets

(a) Notwithstanding any other provision of this chapter, the records of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors, whether paper records, records maintained in the management information system, or records in any other form, that relate to provider rate or payment determinations, allocation or distribution methodologies for provider payments, formulas or calculations for these payments, and contract negotiations with providers of health care for alternative rates are exempt from disclosure for a period of three years after the contract is fully executed. The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted to the board of supervisors shall be subject to this same exemption.

(b) Notwithstanding any other provision of law, the governing board of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2

(commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors may order that a meeting held solely for the purpose of discussion or taking action on health plan trade secrets, as defined in subdivision (f), shall be held in closed session. The requirements of making a public report of action taken in closed session, and the vote or abstention of every member present, may be limited to a brief general description without the information constituting the trade secret.

(c) Notwithstanding any other provision of law, the governing board of a health plan may meet in closed session to consider and take action on matters pertaining to contracts and contract negotiations by the health plan with providers of health care services concerning all matters related to rates of payment. The governing board may delete the portion or portions containing trade secrets from any documents that were finally approved in the closed session held pursuant to subdivision (b) that are provided to persons who have made the timely or standing request.

(d) Nothing in this section shall be construed as preventing the governing board from meeting in closed session as otherwise provided by law.

(e) The provisions of this section shall not prevent access to any records by the Joint Legislative Audit Committee in the exercise of its powers pursuant to Article 1 (commencing with Section 10500) of Chapter 4 of Part 2 of Division 2 of Title 2. The provisions of this section also shall not prevent access to any records by the Department of Managed Health Care in the exercise of its powers pursuant to Article 1 (commencing with Section 1340) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(f) For purposes of this section, “health plan trade secret” means a trade secret, as defined in subdivision (d) of Section 3426.1 of the Civil Code, that also meets both of the following criteria:

(1) The secrecy of the information is necessary for the health plan to initiate a new service, program, marketing strategy, business plan, or technology, or to add a benefit or product.

(2) Premature disclosure of the trade secret would create a substantial probability of depriving the health plan of a substantial economic benefit or opportunity.

§ 54956.9. Pending litigation; closed session; lawyer-client privilege; notice; memorandum

(a) Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open

session concerning those matters would prejudice the position of the local agency in the litigation.

(b) For purposes of this chapter, all expressions of the lawyer-client privilege other than those provided in this section are hereby abrogated. This section is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session meetings pursuant to this chapter.

(c) For purposes of this section, “litigation” includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(d) For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

(1) Litigation, to which the local agency is a party, has been initiated formally.

(2) A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.

(3) Based on existing facts and circumstances, the legislative body of the local agency is meeting only to decide whether a closed session is authorized pursuant to paragraph (2).

(4) Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation.

(e) For purposes of paragraphs (2) and (3) of subdivision (d), “existing facts and circumstances” shall consist only of one of the following:

(1) Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

(2) Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the agency and that are known to a potential plaintiff or plaintiffs, which facts or circumstances shall be publicly stated on the agenda or announced.

(3) The receipt of a claim pursuant to the Government Claims Act (Division 3.6 (commencing with Section 810) of Title 1 of the Government Code) or some other written communication from a potential plaintiff threatening litigation, which claim or communication shall be available for public inspection pursuant to Section 54957.5.

(4) A statement made by a person in an open and public meeting threatening litigation on a specific matter within the responsibility of the legislative body.

(5) A statement threatening litigation made by a person outside an open and public meeting on a specific matter within the responsibility of the legislative body so long as the official or employee of the local agency receiving knowledge of the threat makes a contemporaneous or other record of the statement prior to the meeting, which record shall be available for public inspection pursuant to Section 54957.5. The records so created need not identify the alleged victim of unlawful or tortious sexual conduct or anyone making the threat on their behalf, or identify a public employee who is the alleged perpetrator of any unlawful or tortious conduct upon which a threat of litigation is based, unless the identity of the person has been publicly disclosed.

(f) Nothing in this section shall require disclosure of written communications that are privileged and not subject to disclosure pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1).

(g) Prior to holding a closed session pursuant to this section, the legislative body of the local agency shall state on the agenda or publicly announce the paragraph of subdivision (d) that authorizes the closed session. If the session is closed pursuant to paragraph (1) of subdivision (d), the body shall state the title of or otherwise specifically identify the litigation to be discussed, unless the body states that to do so would jeopardize the agency's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(h) A local agency shall be considered to be a "party" or to have a "significant exposure to litigation" if an officer or employee of the local agency is a party or has significant exposure to litigation concerning prior or prospective activities or alleged activities during the course and scope of that office or employment, including litigation in which it is an issue whether an activity is outside the course and scope of the office or employment.

§ 54956.95. Closed sessions; insurance pooling; tort liability losses; public liability losses; workers' compensation liability

(a) Nothing in this chapter shall be construed to prevent a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, for purposes of insurance pooling, or a local agency member of the joint powers agency, from holding a closed session to discuss a claim for the payment of tort liability losses,

public liability losses, or workers' compensation liability incurred by the joint powers agency or a local agency member of the joint powers agency.

(b) Nothing in this chapter shall be construed to prevent the Local Agency Self-Insurance Authority formed pursuant to Chapter 5.5 (commencing with Section 6599.01) of Division 7 of Title 1, or a local agency member of the authority, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the authority or a local agency member of the authority.

(c) Nothing in this section shall be construed to affect Section 54956.9 with respect to any other local agency.

§ 54956.96. Joint powers agency; legislative body; Clean Power Alliance of Southern California; closed session; confidential information

(a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the joint powers agency in closed session shall be confidential. However, a member of the legislative body of a local agency member may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(B) Other members of the legislative body of the local agency present in a closed session of that local agency member.

(2) Any designated alternate member of the legislative body of the joint powers agency who is also a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the joint powers agency in lieu of a local agency member's regularly appointed member to attend closed sessions of the joint powers agency.

(b)(1) In addition to the authority described in subdivision (a), the Clean Power Alliance of Southern California, or its successor entity, may adopt a policy or a bylaw or include in its joint powers agreement a provision that authorizes both of the following:

(A) A designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a

local agency member and who is attending a properly noticed meeting of the Clean Power Alliance of Southern California, or its successor entity, in lieu of a local agency member's regularly appointed member, to attend closed sessions of the Clean Power Alliance of Southern California, or its successor entity.

(B) All information that is received by a designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a local agency member, and that is presented to the Clean Power Alliance of Southern California, or its successor entity, in closed session, shall be confidential. However, the designated alternate member may disclose information obtained in a closed session that has direct financial or liability implications for the local agency member for which the designated alternate member attended the closed session, to the following individuals:

(i) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(ii) Members of the legislative body of the local agency present in a closed session of that local agency member.

(2) If the Clean Power Alliance of Southern California, or its successor entity, adopts a policy or bylaw or includes in its joint powers agreement a provision authorized pursuant to paragraph (1), the Clean Power Alliance of Southern California, or its successor entity, shall establish policies to prevent conflicts of interest and to address breaches of confidentiality that apply to a designated alternate member who is not a member of the legislative body of a local agency member who attends a closed session of the Clean Power Alliance of Southern California, or its successor entity.

(c) If the legislative body of a joint powers agency adopts a policy or a bylaw or includes provisions in its joint powers agreement pursuant to subdivision (a) or (b), then the legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the joint powers agency pursuant to paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b).

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

§ 54956.97. Public bank; governing board or committee of governing board; closed session

Notwithstanding any provision of law, the governing board, or a committee of the governing board, of a public bank, as defined in Section 57600 of the Government Code, may meet in closed session to consider and take action on matters pertaining to all of the following:

- (a) A loan or investment decision.
- (b) A decision of the internal audit committee, the compliance committee, or the governance committee.
- (c) A meeting with a state or federal regulator.

§ 54956.98. Public bank; policy or bylaw; information from a closed session considered confidential

(a) For purposes of this section, the following definitions shall apply:

(1) “Shareholder, member, or owner local agency” or “shareholder, member, or owner” means a local agency that is a shareholder of a public bank.

(2) “Public bank” has the same meaning as defined in Section 57600.

(b) The governing board of a public bank may adopt a policy or a bylaw or include in its governing documents provisions that authorize any of the following:

(1) All information received by a shareholder, member, or owner of the public bank in a closed session related to the information presented to the governing board of a public bank in closed session shall be confidential. However, a member of the governing board of a shareholder, member, or owner local agency may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that shareholder, member, or owner local agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that shareholder local agency.

(B) Other members of the governing board of the local agency present in a closed session of that shareholder, member, or owner local agency.

(2) A designated alternate member of the governing board of the public bank who is also a member of the governing board of a shareholder, member, or owner local agency and who is attending a properly noticed meeting of the public bank governing board in lieu of a

shareholder, member, or owner local agency's regularly appointed member may attend a closed session of the public bank governing board.

(c) If the governing board of a public bank adopts a policy or a bylaw or includes provisions in its governing documents pursuant to subdivision (b), then the governing board of the shareholder, member, or owner local agency, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the public bank governing board pursuant to paragraph (1) of subdivision (b).

§ 54957. Closed sessions; definitions; personnel matters; exclusion of witnesses

(a)(1) This chapter does not prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or other law enforcement or security personnel, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, a threat to the public's right of access to public services or public facilities, or a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

(2) For purposes of this subdivision, the following definitions apply:

(A) "Critical infrastructure controls" means networks and systems controlling assets so vital to the local agency that the incapacity or destruction of those networks, systems, or assets would have a debilitating impact on public health, safety, economic security, or any combination thereof.

(B) "Critical infrastructure information" means information not customarily in the public domain pertaining to any of the following:

(i) Actual, potential, or threatened interference with, or an attack on, compromise of, or incapacitation of critical infrastructure controls by either physical or computer-based attack or other similar conduct, including, but not limited to, the misuse of, or unauthorized access to, all types of communications and data transmission systems, that violates federal, state, or local law or harms public health, safety, or economic security, or any combination thereof.

(ii) The ability of critical infrastructure controls to resist any interference, compromise, or incapacitation, including, but not limited to, any planned or past assessment or estimate of the vulnerability of critical infrastructure.

(iii) Any planned or past operational problem or solution regarding critical infrastructure controls, including, but not limited to, repair, recovery, reconstruction, insurance, or continuity, to the extent it is related to interference, compromise, or incapacitation of critical infrastructure controls.

(b)(1) Subject to paragraph (2), this chapter does not prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaints or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term “employee” shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials’ ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

§ 54957.1. Closed sessions; public report of action taken

(a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention on that action of every member present, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as follows:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as follows:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report

required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other person present and requesting the information.

(c) The documentation referred to in subdivision (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

(f) This section is necessary to implement, and reasonably within the scope of, paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

§ 54957.2. Minute book record of closed sessions; inspection

(a) The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be kept confidential. The minute book shall be available only to members of the legislative body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction wherein the local agency lies. The minute book may, but need not, consist of a recording of the closed session.

(b) An elected legislative body of a local agency may require that each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body keep a minute book as prescribed under subdivision (a).

§ 54957.5. Agendas of public meetings; writings distributed less than 72 hours prior to meeting; public records; inspection

(a) Agendas of public meetings are disclosable public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be made available upon request without delay and in compliance with Section 54954.2 or Section 54956, as applicable. However, this section shall not apply to a writing, or portion thereof, that is exempt from public disclosure.

(b)(1) If a writing is a public record related to an agenda item for an open session of a regular meeting of the legislative body of a local agency and is distributed to all, or a majority of all, of the members of a legislative body of a local agency by a person in connection with a matter subject to discussion or consideration at an open meeting of the body less than 72 hours before that meeting, the writing shall be made available for public inspection pursuant to paragraph (2) at the time the writing is distributed to all, or a majority of all, of the members of the body.

(2)(A) Except as provided in subparagraph (B), a local agency shall comply with both of the following requirements:

(i) A local agency shall make any writing described in paragraph (1) available for public inspection at a public office or location that the agency shall designate for this purpose.

(ii) A local agency shall list the address of the office or location designated pursuant to clause (i) on the agendas for all meetings of the legislative body of that agency.

(B) A local agency shall not be required to comply with the requirements of subparagraph (A) if all of the following requirements are met:

(i) An initial staff report or similar document containing an executive summary and the staff recommendation, if any, relating to that agenda item is made available for public inspection at the office or location designated pursuant to clause (i) of subparagraph (A) at least 72 hours before the meeting.

(ii) The local agency immediately posts any writing described in paragraph (1) on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

(iii) The local agency lists the web address of the local agency's internet website on the agendas for all meetings of the legislative body of that agency.

(iv)(I) Subject to subclause (II), the local agency makes physical copies available for public inspection, beginning the next regular business hours for the local agency, at the office or location designated pursuant to clause (i) of subparagraph (A).

(II) This clause is satisfied only if the next regular business hours of the local agency commence at least 24 hours before that meeting.

(c) Writings that are public records described in subdivision (b) and distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the local agency or a member of its legislative body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats upon request by a person with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(d) This chapter shall not be construed to prevent the legislative body of a local agency from charging a fee or deposit for a copy of a public record pursuant to Section 7922.530, except that a surcharge shall not be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(e) This section shall not be construed to limit or delay the public's right to inspect or obtain a copy of any record required to be disclosed under the requirements of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), including, but not limited to, the ability of the public to inspect public records pursuant to Section 7922.525 and obtain copies of public records pursuant to either subdivision (b) of Section 7922.530 or Section 7922.535. This chapter shall not be construed to require a legislative

body of a local agency to place any paid advertisement or any other paid notice in any publication.

§ 54957.6. Closed sessions; salaries, salary schedules or fringe benefits

(a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation, subject to all of the following conditions:

(1) Prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its designated representatives.

(2) The closed session shall be for the purpose of reviewing its position and instructing the local agency's designated representatives.

(3) The closed session may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

(4) Any closed session with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative.

(5) The closed session shall not include final action on the proposed compensation of one or more unrepresented employees.

(6) For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body, or other independent contractors.

§ 54957.7. Disclosure of items to be discussed in closed sessions

(a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

(b) After any closed session, the legislative body shall reconvene into open session prior to adjournment and shall make any disclosures required by Section 54957.1 of action taken in the closed session.

(c) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

§ 54957.8. Multijurisdictional law enforcement agency; closed sessions by legislative or advisory body of agency

(a) For purposes of this section, “multijurisdictional law enforcement agency” means a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 that provides law enforcement services for the parties to the joint powers agreement for the purpose of investigating criminal activity involving drugs; gangs; sex crimes; firearms trafficking or felony possession of a firearm; high technology, computer, or identity theft; human trafficking; or vehicle theft.

(b) Nothing contained in this chapter shall be construed to prevent the legislative body of a multijurisdictional law enforcement agency, or an advisory body of a multijurisdictional law enforcement agency, from holding closed sessions to discuss the case records of any ongoing criminal investigation of the multijurisdictional law enforcement agency or of any party to the joint powers agreement, to hear testimony from persons involved in the investigation, and to discuss courses of action in particular cases.

§ 54957.9. Disorderly conduct of general public during meeting; clearing of room

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

§ 54957.95. Disruptive behavior during meeting; removal of individual

(a) (1) In addition to authority exercised pursuant to Sections 54954.3 and 54957.9, the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting, including any teleconferenced meeting.

(2) Prior to removing an individual, the presiding member or their designee shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding member or their designee may then remove the individual if they do not promptly cease their disruptive behavior. This paragraph does not apply to any behavior described in subparagraph (B) of paragraph (1) of subdivision (b).

(b) As used in this section:

(1) “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following:

(A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law.

(B) Engaging in behavior that constitutes use of force or a true threat of force.

(2) “True threat of force” means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

§54957.96 Disruptive behavior during meeting; application to public participating via two-way telephone service or audiovisual platform

(a) The existing authority of a legislative body or its presiding officer to remove or limit participation by persons who engage in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, including existing limitations upon that authority, shall apply to members of the public participating in a meeting via a two-way telephonic service or a two-way audiovisual platform.

(b) For purposes of this section, the following definitions apply:

(1) “Two-way audiovisual platform” means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service. A two-way audiovisual platform may be structured to disable the use of video for the public participants.

(2) “Two-way telephonic service” means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

§ 54957.10. Closed sessions; local agency employee application for early withdrawal of funds in deferred compensation plan; financial hardship

Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions to discuss a local agency employee's application for early withdrawal of funds in a deferred compensation plan when the application is based on financial hardship arising from an unforeseeable emergency due to illness, accident, casualty, or other extraordinary event, as specified in the deferred compensation plan.

§ 54958. Application of chapter

The provisions of this chapter shall apply to the legislative body of every local agency notwithstanding the conflicting provisions of any other state law.

§ 54959. Penalty for unlawful meeting

Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

§ 54960. Actions to stop or prevent violations of meeting provisions; applicability of meeting provisions; validity of rules or actions on recording closed sessions

(a) The district attorney or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body, or to determine the applicability of this chapter to past actions of the legislative body, subject to Section 54960.2, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the legislative body to audio record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 54956.7, 54956.8, 54956.9, 54956.95, 54957, or 54957.6, order the legislative body to audio record its closed sessions and preserve the audio recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c)(1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The audio recordings shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the audio recording is sought by either the district attorney or the plaintiff in a civil action pursuant to Section 54959, 54960, or 54960.1 alleging that a violation of this chapter has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the audio recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this chapter, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) This section shall not permit discovery of communications that are protected by the attorney-client privilege.

§ 54960.1. Unlawful action by legislative body; action for mandamus or injunction; prerequisites

(a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be

construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

(b) Prior to any action being commenced pursuant to subdivision (a), the district attorney or interested person shall make a demand of the legislative body to cure or correct the action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5. The demand shall be in writing and clearly describe the challenged action of the legislative body and nature of the alleged violation.

(c)(1) The written demand shall be made within 90 days from the date the action was taken unless the action was taken in an open session but in violation of Section 54954.2, in which case the written demand shall be made within 30 days from the date the action was taken.

(2) Within 30 days of receipt of the demand, the legislative body shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(3) If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.

(4) Within 15 days of receipt of the written notice of the legislative body's decision to cure or correct, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to subdivision (a) or thereafter be barred from commencing the action.

(d) An action taken that is alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in substantial compliance with Sections 54953, 54954.2, 54954.5, 54954.6, 54956, and 54956.5.

(2) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement thereto.

(3) The action taken gave rise to a contractual obligation, including a contract let by competitive bid other than compensation for services in the form of salary or fees for professional services, upon which a party has, in good faith and without notice of a challenge to the validity of the action, detrimentally relied.

(4) The action taken was in connection with the collection of any tax.

(5) Any person, city, city and county, county, district, or any agency or subdivision of the state alleging noncompliance with subdivision (a) of Section 54954.2, Section 54956, or Section 54956.5, because of any defect, error, irregularity, or omission in the notice given pursuant to those provisions, had actual notice of the item of business at least 72 hours prior to the meeting at which the action was taken, if the meeting was noticed pursuant to Section 54954.2, or 24 hours prior to the meeting at which the action was taken if the meeting was noticed pursuant to Section 54956, or prior to the meeting at which the action was taken if the meeting is held pursuant to Section 54956.5.

(e) During any action seeking a judicial determination pursuant to subdivision (a) if the court determines, pursuant to a showing by the legislative body that an action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 has been cured or corrected by a subsequent action of the legislative body, the action filed pursuant to subdivision (a) shall be dismissed with prejudice.

(f) The fact that a legislative body takes a subsequent action to cure or correct an action taken pursuant to this section shall not be construed or admissible as evidence of a violation of this chapter.

§ 54960.2. Actions to determine past violations by legislative body; conditions; cease and desist letters; responses by legislative body; unconditional commitments to cease; resolutions to rescind commitments

(a) The district attorney or any interested person may file an action to determine the applicability of this chapter to past actions of the legislative body pursuant to subdivision (a) of Section 54960 only if all of the following conditions are met:

(1) The district attorney or interested person alleging a violation of this chapter first submits a cease and desist letter by postal mail or facsimile transmission to the clerk or secretary of the legislative body being accused of the violation, as designated in the statement pertaining to that public agency on file pursuant to Section 53051, or if the agency does not have a statement on file designating a clerk or a secretary, to the chief executive officer of that agency, clearly describing the past action of the legislative body and nature of the alleged violation.

(2) The cease and desist letter required under paragraph (1) is submitted to the legislative body within nine months of the alleged violation.

(3) The time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b) has expired and the legislative body has not provided an unconditional commitment pursuant to subdivision (c).

(4) Within 60 days of receipt of the legislative body's response to the cease and desist letter, other than an unconditional commitment pursuant to subdivision (c), or within 60 days of the expiration of the time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b), whichever is earlier, the party submitting the cease and desist letter shall commence the action pursuant to subdivision (a) of Section 54960 or thereafter be barred from commencing the action.

(b) The legislative body may respond to a cease and desist letter submitted pursuant to subdivision (a) within 30 days of receiving the letter. This subdivision shall not be construed to prevent the legislative body from providing an unconditional commitment pursuant to subdivision (c) at any time after the 30-day period has expired, except that in that event the court shall award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to this section, in accordance with Section 54960.5.

(c)(1) If the legislative body elects to respond to the cease and desist letter with an unconditional commitment to cease, desist from, and not repeat the past action that is alleged to violate this chapter, that response shall be in substantially the following form:

To _____:

The [name of legislative body] has received your cease and desist letter dated [date] alleging that the following described past action of the legislative body violates the Ralph M. Brown Act:

[Describe alleged past action, as set forth in the cease and desist letter submitted pursuant to subdivision (a)]

In order to avoid unnecessary litigation and without admitting any violation of the Ralph M. Brown Act, the [name of legislative body] hereby unconditionally commits that it will cease, desist from, and not repeat the challenged past action as described above.

The [name of legislative body] may rescind this commitment only by a majority vote of its membership taken in open session at a regular meeting and noticed on its posted agenda as “Rescission of Brown Act Commitment.” You will be provided with written notice, sent by any means or media you provide in response to this message, to whatever address or addresses you specify, of any intention to consider rescinding this commitment at least 30 days before any such regular meeting. In the event that this commitment is rescinded, you will have the right to commence legal action pursuant to subdivision (a) of Section 54960 of the Government Code. That notice will be delivered to you by the same means as this commitment, or may be mailed to an address that you have designated in writing.

Very truly yours,

[Chairperson or acting chairperson of the legislative body]

(2) An unconditional commitment pursuant to this subdivision shall be approved by the legislative body in open session at a regular or special meeting as a separate item of business, and not on its consent agenda.

(3) An action shall not be commenced to determine the applicability of this chapter to any past action of the legislative body for which the legislative body has provided an unconditional commitment pursuant to this subdivision. During any action seeking a judicial determination regarding the applicability of this chapter to any past action of the

legislative body pursuant to subdivision (a), if the court determines that the legislative body has provided an unconditional commitment pursuant to this subdivision, the action shall be dismissed with prejudice. Nothing in this subdivision shall be construed to modify or limit the existing ability of the district attorney or any interested person to commence an action to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body.

(4) Except as provided in subdivision (d), the fact that a legislative body provides an unconditional commitment shall not be construed or admissible as evidence of a violation of this chapter.

(d) If the legislative body provides an unconditional commitment as set forth in subdivision (c), the legislative body shall not thereafter take or engage in the challenged action described in the cease and desist letter, except as provided in subdivision (e). Violation of this subdivision shall constitute an independent violation of this chapter, without regard to whether the challenged action would otherwise violate this chapter. An action alleging past violation or threatened future violation of this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

(e) The legislative body may resolve to rescind an unconditional commitment made pursuant to subdivision (c) by a majority vote of its membership taken in open session at a regular meeting as a separate item of business not on its consent agenda, and noticed on its posted agenda as “Rescission of Brown Act Commitment,” provided that not less than 30 days prior to such regular meeting, the legislative body provides written notice of its intent to consider the rescission to each person to whom the unconditional commitment was made, and to the district attorney. Upon rescission, the district attorney or any interested person may commence an action pursuant to subdivision (a) of Section 54960. An action under this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

§ 54960.5. Costs and attorney fees

A court may award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to Section 54960, 54960.1, or 54960.2 where it is found that a legislative body of the local agency has violated this chapter. Additionally, when an action brought pursuant to Section 54960.2 is dismissed with prejudice because a legislative body has provided an unconditional commitment pursuant to paragraph (1) of subdivision (c) of that section at any time after the 30-day period for making such a commitment has expired, the court shall award court costs and reasonable attorney fees to the plaintiff if the filing of that

action caused the legislative body to issue the unconditional commitment. The costs and fees shall be paid by the local agency and shall not become a personal liability of any public officer or employee of the local agency.

A court may award court costs and reasonable attorney fees to a defendant in any action brought pursuant to Section 54960 or 54960.1 where the defendant has prevailed in a final determination of such action and the court finds that the action was clearly frivolous and totally lacking in merit.

§ 54961. Meetings prohibited in facilities; grounds; identity of victims of tortious sexual conduct or child abuse

(a) No legislative body of a local agency shall conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of ancestry or any characteristic listed or defined in Section 11135, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. This section shall apply to every local agency as defined in Section 54951.

(b) No notice, agenda, announcement, or report required under this chapter need identify any victim or alleged victim of tortious sexual conduct or child abuse unless the identity of the person has been publicly disclosed.

§ 54962. Closed session by legislative body prohibited

Except as expressly authorized by this chapter, or by Sections 1461, 1462, 32106, and 32155 of the Health and Safety Code, or by Sections 37606, 37606.1, and 37624.3 of the Government Code as they apply to hospitals, or by any provision of the Education Code pertaining to school districts and community college districts, no closed session may be held by any legislative body of any local agency.

§ 54963. Confidential information acquired during an authorized closed legislative session; authorization by legislative body; remedies for violation; exceptions

(a) A person may not disclose confidential information that has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information.

(b) For purposes of this section, “confidential information” means a communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under this chapter.

(c) Violation of this section may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

(1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.

(2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.

(3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grand jury.¹

(d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

(e) A local agency may not take any action authorized by subdivision (c) against a person, nor shall it be deemed a violation of this section, for doing any of the following:

(1) Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the illegality of an action taken by a legislative body of a local agency or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by a legislative body of a local agency.

(2) Expressing an opinion concerning the propriety or legality of actions taken by a legislative body of a local agency in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(3) Disclosing information acquired by being present in a closed session under this chapter that is not confidential information.

(f) Nothing in this section shall be construed to prohibit disclosures under the whistleblower statutes contained in Section 1102.5 of the Labor Code or Article 4.5 (commencing with Section 53296) of Chapter 2 of this code.

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026
RE: Audited Financial Report for Fiscal Year 2025

The Board is presented with Basin Transit's Annual Financial Report for Fiscal Year ending June 30, 2025.

Vasquez + Company LLP, the independent auditors engaged by San Bernardino County Transportation Authority (SBCTA), completed the agency's Transportation Development Act (TDA) Financial Audit for 2024/25.

At the conclusion of the audit, no findings or recommendations were identified in the report.

STAFF RECOMMENDATION: RECEIVE AND FILE

**Morongo Basin Transit Authority
(A Joint Powers Authority)
Audited Financial Statements and
Required Supplementary Information
*As of and for the Year Ended June 30, 2025
with Independent Auditor's Report***



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Independent Auditor's Report

**The Board of Directors
Morongo Basin Transit Authority
Joshua Tree, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Morongo Basin Transit Authority (Basin Transit), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Basin Transit's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Basin Transit, as of June 30, 2025, and the changes in its financial position, and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Basin Transit and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, Basin Transit adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during the year ended June 30, 2025. As a result, the beginning net position as of July 1, 2024, has been restated. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Basin Transit's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Basin Transit's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Basin Transit's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Net Pension Contributions, and the Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of Basin Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Basin Transit's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Basin Transit's internal control over financial reporting and compliance.

Glendale, California
December 30, 2025

Morongo Basin Transit Authority
Statement of Net Position
June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Cash and cash equivalents	\$ 9,591,754
Restricted cash	
Restricted for capital purposes	354,024
Section 115 Pension Trust	531,975
Receivables	
Grants	933,929
Accrued revenue	96,857
Prepaid expenses and other current asset	16,971

Total current assets 11,525,510

Noncurrent Assets

Capital assets, net	5,866,179
---------------------	-----------

Total assets 17,391,689

Deferred Outflows of Resources

Deferred amount related to pensions	569,637
Deferred amount related to OPEB	395,414

Total deferred outflows of resources 965,051

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 18,356,740

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current Liabilities

Accounts payable	\$ 251,971
Compensated absences	80,565
Other accrued liabilities	84,704
Unearned revenue	6,209,852

Total current liabilities 6,627,092

Noncurrent Liabilities

Net pension liability	1,471,506
Net OPEB liability	772,702
Compensated absences	80,565

Total noncurrent liabilities 2,324,773

Total liabilities 8,951,865

Deferred Inflows of Resources

Deferred amount related to pensions	53,249
Deferred amount related to OPEB	1,473,573

Total deferred inflows of resources 1,526,822

Net Position

Net investment in capital assets	5,866,179
Restricted	885,999
Unrestricted	1,125,875

Total net position 7,878,053

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION \$ 18,356,740

See notes to financial statements.

Morongo Basin Transit Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

OPERATING REVENUES

Passenger fares	\$ 329,612
Procurement services	624,777
Taxi licensing services	3,400
Total operating revenues	<u>957,789</u>

OPERATING EXPENSES

Operations	3,400,642
Maintenance	720,556
Administration	1,057,927
Procurement	261,323
Taxi licensing	7,571
Escort program TREP	94,765
Depreciation	1,289,369
Total operating expenses	<u>6,832,153</u>

OPERATING LOSS (5,874,364)

NON-OPERATING REVENUES

Operating assistance	
Local Transportation Fund (LTF) Article 4	3,186,684
Measure I	149,573
Federal Transit Administration (FTA) Section 5311	555,516
FTA Section 5310 TREP	94,764
Low Carbon Transit Operator Program (LCTOP)	45,000
State and local grants	40,000
Interest income	162,987
Miscellaneous	470,686
Total non-operating revenues	<u>4,705,210</u>

LOSS BEFORE CAPITAL CONTRIBUTIONS (1,169,154)

CAPITAL CONTRIBUTIONS

State Transit Assistance Fund (STAF)	432,288
LTF Article 4	1,086,890
Public Transportation Modernization, Improvement, and Service Enhancement	
Account (PTMISEA)	181,310
LCTOP	119,807
State of Good Repair (SGR)	274,228
Total capital contributions	<u>2,094,523</u>

CHANGE IN NET POSITION 925,369

NET POSITION

Beginning of Year, as restated	<u>6,952,684</u>
End of Year	<u>\$ 7,878,053</u>

See notes to financial statements.

Morongo Basin Transit Authority
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Cash received from passenger fares	\$ 329,612
Cash received from procurement and taxi licensing services	628,177
Payments to employees	(3,638,650)
Payments to vendors for services	<u>(1,913,060)</u>
Net cash used in operating activities	<u>(4,593,921)</u>
Cash flow from noncapital financing activity	
Operating grants received	<u>5,475,586</u>
Cash provided by noncapital financing activity	<u>5,475,586</u>
Cash flows from capital and related financing activities	
Capital grants received	1,821,674
Sale of capital assets	5,875
Purchase of capital assets	<u>(1,515,510)</u>
Net cash provided by capital and related financing activities	<u>312,039</u>
Cash flows from investing activity	
Interest income	<u>162,987</u>
Cash provided by financing activity	<u>162,987</u>
Net increase in cash and cash equivalents, and restricted cash	1,356,691
Cash and cash equivalents, and restricted cash, beginning of year	<u>9,121,062</u>
Cash and cash equivalents, and restricted cash, end of year	<u>\$ 10,477,753</u>
Cash and cash equivalents	\$ 9,591,754
Restricted cash for capital purposes	354,024
Restricted cash - pension and OPEB trusts	<u>531,975</u>
Total cash and cash equivalents, and restricted cash	<u>\$ 10,477,753</u>
	(Continued)

See notes to financial statements.

Morongo Basin Transit Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2025

Reconciliation of operating loss to net cash used in operating activities

Operating loss	\$ <u>(5,874,364)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,289,369
Changes in operating assets and liabilities and deferred outflows and inflows of resources:	
Increase in prepaid expenses and other current asset	(14,541)
Increase (decrease) in:	
Accounts payable	213,508
Compensated absences	(690)
Other accrued liabilities	16,147
Net pension liability	(14,504)
Net OPEB liability	(263,933)
Change in deferred outflows of resources related to pensions	191,788
Change in deferred inflows of resources related to pensions	19,259
Change in deferred outflows of resources related to OPEB	102,224
Change in deferred inflows of resources related to OPEB	<u>(258,184)</u>
Total adjustments	<u>1,280,443</u>
Net cash used in operating activities	\$ <u>(4,593,921)</u>

See notes to financial statements.

NOTE 1 DESCRIPTION OF THE ORGANIZATION

Morongo Basin Transit Authority (Basin Transit) is a joint powers agency whose members are the County of San Bernardino, the City of Twentynine Palms, California, and the Town of Yucca Valley, California. Basin Transit provides bus services to the City of Twentynine Palms and the Town of Yucca Valley, as well as certain surrounding county areas of the Morongo Basin. Transit services provided include fixed routes and certain demand-response services. Basin Transit is governed by a Board of Directors comprised of representatives of the member jurisdictions and a member-at-large.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

Basin Transit meets the criteria as a stand-alone government, and accordingly, is accounted for and reported on as though it were a primary government.

Measurement Focus and Basis of Accounting

Basin Transit's financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and amounts invested in the State treasurer's investment pool (the State of California Local Agency Investment Fund). For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid deposits with original maturities of three months or less from the date of acquisition.

Restricted Cash

As of June 30, 2025, Basin Transit held \$354,024 of Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Program, State of Good Repair, and Low Carbon Transit Operations Program (LCTOP) cash restricted for capital projects. Basin Transit also held \$531,975 of restricted cash under the establishment of Section 115 Trusts funds through the California Public Employees Retirement System's (CalPERS) California Employers' Pension Prefunding Trust Program (CEPPT).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants

Grants for operating assistance and capital acquisitions are included in revenue in the period in which the grant was earned. Reimbursable federal capital grants are accrued when the related expenditures are incurred. Capital grant funds advanced but not yet earned are treated as unearned revenues. Also, operating funds advanced from the San Bernardino County Transportation Authority (SBCTA) for working capital are treated as unearned revenues until earned. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable and the related expenses are incurred. Revenue earned under capital grants is recorded as capital contributions. Operating grant activity for the fiscal year is detailed in Notes 5 and 7.

Capital assets are stated at historical cost and depreciated using the straight-line method over the following estimated useful lives:

Capital assets being depreciated:

Buildings and improvements	7 to 25 years
Office furniture, fixtures, and equipment	5 years
Buses	5 to 12 years
Vehicles	5 years
Security enhancements	10 years
Information systems	5 years
Data handling equipment	5 years

Basin Transit's capitalization threshold for recognition of property, plant, and equipment assets is \$300.

Self-Insurance Liabilities

Basin Transit's self-insured retention and incurred but not reported claims liabilities are covered by the California Transit Insurance Pool Joint Powers Insurance Authority pool in which they participate, as detailed in Note 9.

Compensated Absences

Compensated employee absences are accrued as the employees earn them. The balance is attributable to services already rendered and will likely be used as paid time off or paid out upon termination or retirement.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Basin Transit's CalPERS plans and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Basin Transit's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows and Outflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and therefore are not recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and therefore, are not recognized as revenue until that time.

Basin Transit reported deferred outflows and inflows of resources related to pensions and OPEB. See Notes 11 and 13 for items identified as deferred inflows and outflows as of June 30, 2025.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and is classified into three categories:

Net investment in capital assets – This balance reflects the net position of Basin Transit invested in capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This balance represents the amount of net position that does not meet the definition of net investment in capital assets or restricted net position.

Operating and Non-Operating Revenues and Expenses

Basin Transit distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from directly providing services in connection with Basin Transit's operation of bus transit services, procurement services, and taxi licensing services. These revenues are primarily passenger fares, fees collected from transit agencies for procurement assistance, and taxi licensing fees collected. Operating expenses include the cost of sales and services, administrative expenses, contracted services, and depreciation of capital assets.

All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The majority of the miscellaneous revenue balance presented is composed of Compressed Natural Gas (CNG) tax credits, revenue from the sale of CNG and renewable natural gas.

Capital Contributions

Consist of grants that are legally restricted for capital expenses by federal, state, or local law that established those charges.

Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is Basin Transit's policy to use restricted resources first, and then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New GASB Pronouncements

GASB Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, which establishes updated recognition and measurement guidance for leave benefits such as vacation, sick leave, paid time off, and other compensated absences. The objective of this Statement is to improve consistency and comparability in financial reporting by clarifying when and how liabilities for compensated absences should be recognized. The implementation of this statement resulted in an adjustment to the beginning net position of Basin Transit amounting to \$21,826. See Note 15.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose vulnerabilities arising from significant concentrations and certain constraints that could impact their ability to acquire resources or manage spending. The objective of this Statement is to improve transparency and provide users of financial statements with more relevant information about potential risks that could substantially affect a government's operations or financial position. The implementation of this statement did not have a significant impact on Basin Transit's financial statements.

NOTE 3 PROCUREMENT ACTIVITY AND TAXI LICENSING ACTIVITY

Procurement activities are for services provided to local agencies assisting with the procurement of buses. The State of California Department of Transportation and the SBCTA have agreed that procurement revenues are available to be retained and expended at management's discretion, including TDA-eligible projects. For the year ended June 30, 2025, procurement revenues were expended on bid expenses and transit assistance grant programs to local government and non-profit agencies. The remaining procurement expenses were allocated to fund the administrative activities of Basin Transit, based on approved budgeted balances.

Taxi licensing activities are for the licensing of taxi service providers of Basin Transit and funds are retained to reimburse costs incurred in the operation and administration of taxi licensing activities. For the year ended June 30, 2025, these expenses included legal fees, insurance, drug testing, background verification, rent, and utilities.

NOTE 3 PROCUREMENT ACTIVITY AND TAXI LICENSING ACTIVITY (CONTINUED)

Basin Transit reports procurement and taxi licensing activities with transit operations. Internally, Basin Transit tracks procurement and taxi licensing activities as follows:

Procurement activities balance from prior year	\$ 1,661,816
Procurement services during the year	624,777
Expenditures during the year	<u>(261,323)</u>
Ending balance of procurement activities	<u>\$ 2,025,270</u>
Taxi licensing activities balance from prior year	\$ 61,392
Taxi licensing services	3,400
Expenditures during the year	<u>(7,571)</u>
Ending balance of taxi licensing activities	<u>\$ 57,221</u>

NOTE 4 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents	\$ 9,591,754
Restricted cash	<u>885,999</u>
Total	<u>\$ 10,477,753</u>
Cash and cash equivalents as of June 30, 2025	
consist of the following:	
Cash on hand	\$ 1,248
Demand accounts	6,014,691
Demand accounts restricted for capital projects	354,024
Section 115 Trust Funds	531,975
Local Agency Investment Fund (LAIF)	<u>3,575,815</u>
Total	<u>\$ 10,477,753</u>

Policies and Practices

Basin Transit is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations as specified in Section 53600 of the California Government Code. Basin Transit does not have a formal policy for investments that is more restrictive than that noted in the government code.

NOTE 4 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates which adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Basin Transit does not have a formal policy related to investment interest rate risk.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Basin Transit does not have a formal policy related to its credit risk and Basin Transit's investment in LAIF at June 30, 2025 was not rated.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, Basin Transit will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Basin Transit does not have a policy related to custodial credit risk for deposits. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, the first \$250,000 of deposits were insured under FDIC. Further, up to \$750,000 of deposits were collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of Basin Transit, leaving \$5,530,562 exposed to credit risk for deposits as of June 30, 2025.

Local Agency Investment Funds (LAIF)

Basin Transit is a voluntary participant in the California State Treasurer's LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission and is not rated. The fair value of Basin Transit's investment in this pool is reported in the accompanying financial statements at amounts based upon Basin Transit's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal on demand is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2025, Basin Transit's balance in LAIF of \$3,575,815 is measured at amortized cost, which approximates fair value.

NOTE 4 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

Investments in Section 115 Trusts

Basin Transit participates in CEPPT Section 115 trust funds. The agreement entered into by Basin Transit provides that the California Public Employees' Retirement Board of Administration has sole and exclusive control of the administration and investment of Basin Transit's contributions. Basin Transit's contributions may be aggregated with the assets of other participating employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 trust. CalPERS issues publicly available reports that include investment policies for the CEPPT fund that can be found on the CalPERS website.

Fair Value Measurements

Basin Transit categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1: Inputs are quoted prices in active markets for identical assets

Level 2: Inputs are significant other observable inputs

Level 3: Inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Basin Transit's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in the LAIF Investment Pool are made on the basis of \$1 and not fair value. Accordingly, Basin Transit's investments in LAIF at June 30, 2025 of \$3,575,815 is measured based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 inputs.

NOTE 5 FEDERAL, STATE AND LOCAL GRANTS

Federal Assistance

Basin Transit receives allocated Federal operating assistance funds. Such funds are apportioned to the local urbanized area by the Federal Transit Administration (FTA). Expenditures of federal operating assistance funds are subject to final audit and approval by the FTA. Total FTA assistance provided during the fiscal year ended June 30, 2025 was \$555,516.

Morongo Basin Transit Authority
Notes to the Financial Statements
Year Ended June 30, 2025

NOTE 5 FEDERAL, STATE AND LOCAL GRANTS (CONTINUED)

Transportation Development Act

Basin Transit is subject to the provisions pursuant to Section 6634 of the California Code of Regulations and Sections 99268.4 and 99313.3 of the Public Utilities Code. Basin Transit receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within San Bernardino County and are allocated based on annual claims filed by Basin Transit and approved by SBCTA.

A. Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the local transportation fund and the State Transit Assistance Fund in an amount that exceeds the claimant's costs less the sum of fares received, local support required to meet the fare ratio, federal operating assistance, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

The computation of unearned revenue for 2025 is as follows:

	Operating Funds	Capital Funds	Total
Beginning balance, July 1, 2024	\$ 5,006,300	\$ 689,244	\$ 5,695,544
Gross receipts			
Fares	329,612	-	329,612
State Transit Assistance Fund	-	432,288	432,288
FTA Section 5311	555,516	-	555,516
Local Transportation Fund (LTF), Article 4 Measure I	4,001,456	1,086,890	5,088,346
Interest income	149,573	-	149,573
Other	159,162	526	159,688
LCTOP	568,742	-	568,742
AB 2766	45,000	164,762	209,762
SB1 State of Good Repair	40,000	-	40,000
Total gross receipts	<u>5,849,061</u>	<u>1,821,674</u>	<u>7,670,735</u>
Operating expenses, less depreciation	(5,061,377)	-	(5,061,377)
Capital acquisitions and expenditures	<u>-</u>	<u>(2,095,050)</u>	<u>(2,095,050)</u>
Receipts over expenses in current period	<u>787,684</u>	<u>(273,376)</u>	<u>514,308</u>
Unearned revenue at June 30, 2025	<u>\$ 5,793,984</u>	<u>\$ 415,868</u>	<u>\$ 6,209,852</u>

Morongo Basin Transit Authority
Notes to the Financial Statements
Year Ended June 30, 2025

NOTE 5 FEDERAL, STATE AND LOCAL GRANTS (CONTINUED)

Transportation Development Act (Continued)

A. Section 6634 (Continued)

Unearned revenue at June 30, 2025, consists of the following:

	Operating Funds	Capital Funds	Total
LTF Carryover	\$ 5,787,253	\$ -	\$ 5,787,253
LCTOP	6,731	349,237	355,968
State of Good Repair	-	9,428	9,428
PTMISEA Vehicles	-	57,203	57,203
	<u>\$ 5,793,984</u>	<u>\$ 415,868</u>	<u>\$ 6,209,852</u>

B. Section 99268.4

Section 99268.4 indicates that in the case of an operator that is serving a non-urbanized area, the operator shall be eligible for local transportation funds in any fiscal year if it maintains, for the fiscal year, a ratio of fare revenues to operating cost at least equal to 10 percent.

The fare ratio as of June 30, 2025, is calculated as follows:

Operating expenses	\$ 6,832,153
Less Basin Transit reported procurement operations expense	(261,323)
Less Basin Transit reported taxi licensing operations expense	(7,571)
Less reimbursable expenses	(263,455)
Less depreciation	(1,289,369)
Adjusted operating expenses	<u>\$ 5,010,435</u>
 Fare revenue	 \$ 329,612
Fare ratio	6.58%

Local and federal funds used by the operator to supplement
fare box revenues to satisfy the 10% fare ratio as permitted
by section 99268.19

	171,431
Adjusted fare revenue	<u>501,043</u>
Adjusted fare ratio	<u>10.00%</u>

NOTE 5 FEDERAL, STATE AND LOCAL GRANTS (CONTINUED)

Proposition 1B

The PTMISEA Fund is a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the PTMISEA fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement. Proposition 1B cash receipts and cash disbursements were as follows:

Unspent PTMISEA funds as of July 1, 2024	\$ 238,561
Interest earning during fiscal year	48
Funds expended during fiscal year	<u>(181,406)</u>
Unearned PTMISEA Balance, June 30, 2025	<u>\$ 57,203</u>

State of Good Repair

The State of Good Repair (Road Repair and Accountability Act of 2017) provides additional revenues for transit infrastructure repair and service improvements including eligible transit maintenance, rehabilitation, and capital projects. The total held in restricted accounts as of June 30, 2025 was \$0.

Low Carbon Transit Operations Program

LCTOP provides funds for approved projects to support new or expanded bus or rail services and expand intermodal facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services of facilities, with each project reducing greenhouse gas emissions. The total held in restricted accounts as of June 30, 2025, was \$354,024.

Morongo Basin Transit Authority
Notes to the Financial Statements
Year Ended June 30, 2025

NOTE 6 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, is as follows:

	Beginning Balance July 1, 2024	Additions	Retirements	Ending Balance June 30, 2025
Capital assets being depreciated				
Buildings and improvements	\$ 11,170,464	\$ 342,381	\$ 260,581	\$ 11,252,264
Office furniture, fixtures, and equipment	253,439	16,115	3,626	265,928
Buses	5,869,265	459,448	146,289	6,182,424
Vehicles	287,445	-	64,050	223,395
Security enhancements	221,609	-	-	221,609
Information systems	36,506	697,566	-	734,072
Data handling equipment	12,465	-	-	12,465
Total capital assets being depreciated	<u>17,851,193</u>	<u>1,515,510</u>	<u>474,546</u>	<u>18,892,157</u>
Less accumulated depreciation				
Buildings and improvements	8,225,181	568,719	260,581	8,533,319
Office furniture, fixtures, and equipment	225,267	11,652	3,626	233,293
Buses	3,449,068	527,013	146,289	3,829,792
Vehicles	261,207	12,769	64,050	209,926
Security enhancements	22,161	22,161	-	44,322
Information systems	20,976	144,563	-	165,539
Data handling equipment	7,295	2,492	-	9,787
Total accumulated depreciation	<u>12,211,155</u>	<u>1,289,369</u>	<u>474,546</u>	<u>13,025,978</u>
Total capital assets, net of accumulated depreciation	<u>\$ 5,640,038</u>	<u>\$ 226,141</u>	<u>\$ -</u>	<u>\$ 5,866,179</u>

NOTE 7 GRANTS

Grants receivable at June 30, 2025 were \$933,929. This balance was composed of \$594,388 of federal operating assistance grant funds and \$339,541 from state and local sources.

NOTE 8 LINE OF CREDIT

Basin Transit has an unsecured line of credit with Banc of California. As of June 30, 2025, the amount available on the line of credit was \$500,000. The line of credit has a maturity date of March 10, 2026. Upon drawing on loan, Basin Transit will pay regular monthly payments of all accrued interest. The interest rate on the line of credit is variable at 9% percent as of June 30, 2025. No amounts were outstanding on the line of credit as of June 30, 2025 and Basin Transit did not make any withdrawals on the line of credit during the fiscal year.

NOTE 9 SELF INSURANCE

Basin Transit is a member of the California Transit Insurance Pool (CalTIP) Joint Powers Insurance Authority (Authority). The Authority is composed of over 30 California public entities and is organized under a joint powers agreement pursuant to California law. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other lines of coverage. The Authority began covering the claims of its members in 1987.

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, Basin Transit's outstanding claims are valued. A rate offset computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. As of June 30, 2025, the retrospective calculation has not resulted in any additional liabilities for the general liability and physical damage policies. Basin Transit paid premiums to CalTIP of \$296,213 for the fiscal year ended June 30, 2025. Basin Transit has had no settled claims resulting from these risks that exceeded its coverage in any of the past three fiscal years.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided on the next page.

Basin Transit has self-insurance programs for the following risks:

- Vehicle damage program with limits of \$1,500,000 on any one vehicle and \$20,000,000 on any one occurrence is insured through CalTIP.
- Liability to a maximum of \$1,000,000 per incident is insured through CalTIP, over which coverage is provided up to \$10,000,000 per incident by a private carrier through CalTIP.
- Special property insurance program through Alliant Insurance Services, which covers all perils up to \$25,000,000 per occurrence.
- Crime insurance program through Alliant Insurance Services, with policy limits of \$1,000,000.
- Workers' compensation to a maximum of \$125,000 per incident is covered by PRISM Insurance Authority, over which coverage is provided to \$50,000,000 by the excess workers' compensation program of the PRISM Insurance Authority. The excess workers' compensation program has a specific self-insured retention amount of \$125,000.

NOTE 9 SELF INSURANCE (CONTINUED)

- Professional liability (Errors and Omissions) coverage through Alliant Insurance Services with limits.
- \$1,000,000 per claim and policy aggregate.
- Difference in conditions coverage through Alliant Insurance Services with limits of \$4,528,404 per occurrence and annual aggregate.

NOTE 10 COMPENSATED ABSENCES

The balance of \$161,130 is related to accumulated unpaid personal leave, which includes vacation and sick pay accrued at June 30, 2025.

Balance July 1, 2024, as restated	Additions	Deletions	Balance June 30, 2025	Amount Due in One Year	Amount Due Beyond One year
\$ 161,820	\$ 162,501	\$ 163,191	\$ 161,130	\$ 80,565	\$ 80,565

NOTE 11 EMPLOYEES' RETIREMENT PLAN

General Information about the Pension Plan

Plan Description

Basin Transit contributes to the CalPERS, a cost-sharing multiple-employer defined benefit plan that acts as a common investment and administrative agent for participating entities within the State of California. The CalPERS Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Fund C (PERF C). CalPERS provides retirement, disability, and death benefits to plan members and beneficiaries. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. CalPERS issues a public Comprehensive Annual Financial Report that includes financial statements and required supplementary information for CalPERS. CalPERS reports include a full description of the pension plans regarding benefit provisions, assumptions, membership information, and related financial information can be found on the CalPERS website.

NOTE 11 EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by The Public Employees' Retirement Law.

The Plans provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
	Classic - Prior to January 1, 2013	PEPRA - On or After January 1, 2013
Hire Date		
Formula	2.0% @60	2.0% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-60	50-62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rate	7.00%	7.75%
Required employer contribution rate	10.19%	7.96%
Plus: annual required lump sum payment	\$ 128,445	\$ 10,888

Contributions

Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Basin Transit is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Employer contributions to the pension plan for the year ended June 30, 2025, were \$216,458.

NOTE 11 EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, Basin Transit's proportionate share of the collective net pension liability of the Plan is \$1,471,506.

Basin Transit's net pension liability was measured as the proportionate share of the collective net pension liability of the cost-sharing plan. The net pension liability of the Plan was measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard actuarial procedures. Basin Transit's proportion of the net pension liability was based on a projection of Basin Transit's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. Basin Transit's proportion of the Plan as of measurement dates June 30, 2023, and 2024 were as follows:

	Miscellaneous
Proportion - June 30, 2023 measurement date	0.02972%
Proportion - June 30, 2024 measurement date	0.03042%
Change - Increase (Decrease)	0.00070%

At June 30, 2025, Basin Transit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 37,821	\$ -
Difference between Expected and Actual Experience	127,225	(4,964)
Difference between Projected and Actual Investment Earnings	84,713	-
Difference between Employer's Contributions and Proportionate Share Contributions	15,790	(48,285)
Change in Employer's Proportion	87,630	-
Pension Contributions Made Subsequent to Measurement Date	216,458	-
Total \$	\$ 569,637	\$ (53,249)

NOTE 11 EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The amount of \$216,458 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2026	\$ 130,337
2027	199,545
2028	(925)
2029	(29,030)
2030	-
Thereafter	-
	<u>\$ 299,927</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% *
Mortality	Derived using CalPERS' Membership Data for all funds

* Net of pension plan investment, includes inflation.

NOTE 11 EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions would be made at the current contribution rate and that Basin Transit's contributions would be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of currently active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

In determining the long-term expected 6.90 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. This is the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Assets	
	Allocation	Real Return (1,2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

(1) An expected price of 2.30% was used for this period.

(2) Figures are based on the 2021-2022 Assets Liability Management study.

NOTE 11 EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discounted Rate

The following presents the net pension liability of Basin Transit for the Plan, calculated using the discount rate, as well as what Basin Transit's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease -5.90%	Discount Rate -6.90%	1% Increase -7.90%
Basin Transit's proportionate share of net pension liability	\$ 2,545,327	\$ 1,471,506	\$ 587,594

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 12 HEALTH REIMBURSEMENT ARRANGEMENT

Basin Transit is a member of the California Public Employees Retirement System (PERS). All employees are enrolled in PERS, and are eligible for approved health care coverage. Employees who work more than 40 hours per pay period may participate in Basin Transit's insurance programs. Basin Transit maintains a Health Reimbursement Arrangement (HRA) qualifying as a tax-favored benefit under IRS Publication 502. Basin Transit pays up to 100% of the lowest single subscriber health premium offered through PERS. Basin Transit pays 100% of the lowest single+1 subscriber health premium for Managers. In the event the premium is higher than the lowest single subscriber rate, the difference would be deducted from the employee's paycheck.

For eligible employees who opt out of PERS health, Basin Transit will contribute \$5,000 annually towards HRA to help with healthcare expenses. This contribution would be available at the beginning of each calendar year. An employee does not pay federal income tax or employment taxes on the amounts contributed by Basin Transit. As of June 30, 2025, HRA reimbursements in the amount of \$98,015 were reported as part of operating expenses in the Statement of Revenues, Expenses, and Changes in Net Position. The total HRA liability as of June 30, 2025 is \$0.

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS

Generally accepted accounting principles require that the reported results for OPEB must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Plan Description

Basin Transit offers a single employer defined benefit plan (the Plan) which provides post-retirement medical benefits to eligible retirees through the California Public Employees Medical and Hospital Care Act (PEMHCA). PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. These benefits are available to employees who reached age 62 and completed at least five years of service. Participation in PEMHCA is financed in part by Basin Transit contributions to PEMHCA through the CalPERS health system, with the balance paid by the employee. Basin Transit's contribution for most active employees was a maximum of \$1,513 for managers, \$756 for non-managers, and \$300 per month for retirees. CalPERS issues a public Comprehensive Annual Financial Report that includes financial statements and required supplementary information for PEMHCA, which can be found on the CalPERS website.

Benefits Provided

Basin Transit funds retiree healthcare benefits on a pay-as-you-go basis, paying a maximum of \$300 per month for each retirees' benefits from Basin Transit funds as they become due.

Employees Covered by Benefit Terms

At June 30, 2024, the most recent valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Active plan members	42
Inactive employees or beneficiaries currently receiving benefits	7
Total	<u>49</u>

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Contributions

The contribution requirements for Basin Transit are established and may be amended by Basin Transit's Board of Directors. The contribution required to be made under labor agreement requirements is based on a pay-as-you-go basis (i.e., as monthly PEMHCA contributions for eligible retiree's costs become due). Assets are accumulated in a Trust that meets the criteria in Paragraph 4 of GASB Statement No. 75. For the fiscal year 2024-2025, the total contributions made to the plan which represent benefit payments, implicit subsidy and contributions to the Trust were \$204,869.

Total OPEB Liability

Basin Transit's total OPEB liability of \$772,702 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions and Other Inputs

The total OPEB liability on the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Salary Increases	3.00%
Investment rate of return	5.50%, net of OPEB plan investment expense
Mortality	\$ (1)
Healthcare Trend Rate	7.50 percent for 2024 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2075 and later years; Medicare ages: 4.50 percent for 2024-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2075 and later years

- (1) Pre-retirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study.
Post-retirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study

Basin Transit's policy regarding the allocation of the plan's invested assets is established and may be amended by the agency's Board of Directors. Basin Transit participates in the California Employers' Retiree Benefit Trust (CERBT), a Section 115 trust fund dedicated to prefunding Other Postemployment Benefits for all eligible California public agencies.

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	34%	4.8%
U.S. Fixed	41%	1.8%
TIPS	5%	1.6%
Real Estate	17%	3.7%
Commodities	3%	1.9%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments.

The discount rate used to measure Basin Transit's total OPEB liability is the long-term expected return on plan investments of 5.5%.

Morongo Basin Transit Authority
Notes to the Financial Statements
Year Ended June 30, 2025

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability

The changes in the net OPEB liability during the measurement period ended June 2024 are as follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2024	\$ 1,369,054	\$ 332,419	\$ 1,036,635
Changes Recognized for the Fiscal Year:			
Service Cost	113,017	-	113,017
Interest on the Total OPEB Liability	80,582	-	80,582
Differences Between Expected and Actual Experience	(239,334)	-	(239,334)
Change of Assumptions	22,828	-	22,828
Benefit Payments	(34,345)	(34,345)	-
Contributions from the Employer	-	204,325	(204,325)
Net Investment Income	-	36,833	(36,833)
Administrative Expense	-	(132)	132
Net Changes	(57,252)	206,681	(263,933)
Balance at June 30, 2025 (Based on June 30, 2024 Measurement Date)	\$ 1,311,802	\$ 539,100	\$ 772,702

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of Basin Transit, as well as what Basin Transit's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.50%) or 1 percentage-point higher (6.50%) than the current discount rate:

	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net OPEB Liability	\$ 958,135	\$ 772,702	\$ 619,922

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of Basin Transit, as well as what Basin Transit's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (a)	Trend Rate	1% Increase (b)
Total OPEB Liability	\$ 603,204	\$ 772,702	\$ 982,145

(a) Trend rate for each future year reduced by 1.00%

(b) Trend rate for each future year increased by 1.00%

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2025, Basin Transit recognized a credit to OPEB expenses of \$215,024. At June 30, 2025, Basin Transit reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (767,325)
Difference between assumptions or other inputs	190,545	(705,277)
Difference between projected and actual returns on OPEB investments	-	(971)
OPEB benefits paid subsequent to measurement date	204,869	-
Total \$	<u>395,414</u>	<u>(1,473,573)</u>

\$204,869 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026.

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 95,453	(425,478)
2026	61,963	(368,719)
2027	22,641	(314,675)
2028	3,085	(287,077)
2029	3,085	(32,342)
Thereafter	4,318	(45,282)
	<u>\$ 190,545</u>	<u>\$ (1,473,573)</u>

NOTE 14 SECTION 115 TRUST

In April 2021, the board of directors approved Basin Transit's participation in CEPPT and CERBT. The CalPERS board of administration has sole and exclusive control and power over the administration and investment of the prefunding plan. Contributions are irrevocable, the assets are held to reduce pension and OPEB contributions in the future, and the assets are protected from Basin Transit's creditors.

The purpose of Basin Transit's participation in each program was to address Basin Transit's pension and OPEB obligations by accumulating assets. In accordance with generally accepted accounting principles, the assets in the CEPPT are considered assets of Basin Transit, while the assets in CERBT are considered assets of the OPEB Plan. As of June 30, 2025, the fair value of assets in CEPPT of \$531,975 was reported as a restricted asset in the Statement of Net Position.

NOTE 15 RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

Basin Transit's beginning net position as of July 1, 2024, has been restated in relation to the adoption of GASB 101, Compensated Absences. The impact of the restatement on the previously reported amounts as of July 1, 2024 is as follows:

Beginning net position, as previously reported	\$ 6,974,510
Adjustment related to the adoption of GASB 101	<u>(21,826)</u>
Beginning net position, as restated	<u>\$ 6,952,684</u>

NOTE 16 SUBSEQUENT EVENTS

Basin Transit has evaluated events subsequent to June 30, 2025 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 30, 2025, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Morongo Basin Transit Authority
Schedule of Proportionate Share of Net Pension Liability
Last Ten Years
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Reporting Year										
Proportion of the collective net pension liability	0.03042%	0.02972%	0.02838%	0.02095%	0.02488%	0.00906%	0.00848%	0.00841%	0.00802%	0.00841%
Proportionate share of the collective net pension liability	\$ 1,471,506	\$ 1,486,010	\$ 1,327,753	\$ 397,837	\$ 1,049,355	\$ 928,676	\$ 817,011	\$ 834,456	\$ 694,380	\$ 477,834
Covered payroll	\$ 2,356,844	\$ 2,065,447	\$ 1,607,731	\$ 1,892,163	\$ 1,768,347	\$ 1,660,794	\$ 1,478,115	\$ 1,288,112	\$ 1,189,863	\$ 1,167,401
Proportionate share of the net pension liability as a percentage of covered payroll	62.44%	82.59%	82.59%	21.03%	59.34%	55.92%	55.27%	64.78%	58.36%	40.93%
Plan fiduciary net position as a percentage of total pension liability	78.45%	79.41%	79.41%	90.49%	77.71%	77.73%	75.26%	73.31%	74.06%	78.40%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Morongo Basin Transit Authority
Schedule of Net Pension Contributions
Last Ten Years
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 216,458	\$ 193,686	\$ 258,256	\$ 220,260	\$ 144,126	\$ 132,946	\$ 110,190	\$ 101,940	\$ 89,367	\$ 97,304
Contributions in relation to the actuarially determined contribution	<u>\$ (216,458)</u>	<u>\$ (193,686)</u>	<u>\$ (258,256)</u>	<u>\$ (220,260)</u>	<u>\$ (144,126)</u>	<u>\$ (132,946)</u>	<u>\$ (110,190)</u>	<u>\$ (101,940)</u>	<u>\$ (89,367)</u>	<u>\$ (97,304)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,465,617	\$ 2,356,844	\$ 2,065,447	\$ 1,607,731	\$ 1,725,338	\$ 1,892,163	\$ 1,768,347	\$ 1,660,794	\$ 1,478,115	\$ 1,288,112
Contributions as a percentage of covered payroll	8.78%	8.22%	12.50%	13.70%	8.35%	7.03%	6.23%	6.14%	6.05%	7.55%

Morongo Basin Transit Authority
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Ten Years*
For the Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 113,017	\$ 98,924	\$ 290,754	\$ 279,570	\$ 228,652	\$ 241,469	\$ 243,107	\$ 307,069
Interest Cost	80,582	72,234	59,829	63,097	81,370	78,383	88,680	74,734
Differences Between Expected and Actual Experiences	(239,334)	-	(683,738)	-	(644,109)	-	(638,083)	-
Changes of Assumptions	22,828	-	(1,247,797)	215,090	289,197	161,055	47,476	-
Benefit Payments	(34,345)	(32,609)	(27,612)	(28,832)	(31,753)	(35,552)	(33,163)	(33,163)
Net Change in Total OPEB Liability	(57,252)	138,549	(1,608,564)	528,925	(76,643)	445,355	(291,983)	348,640
Total OPEB Liability - Beginning	1,369,054	1,230,505	2,839,069	2,310,144	2,386,787	1,941,432	2,233,415	1,884,775
Total OPEB Liability - Ending	<u>\$ 1,311,802</u>	<u>\$ 1,369,054</u>	<u>\$ 1,230,505</u>	<u>\$ 2,839,069</u>	<u>\$ 2,310,144</u>	<u>\$ 2,386,787</u>	<u>\$ 1,941,432</u>	<u>\$ 2,233,415</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 204,325	\$ 202,589	\$ 197,592	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	36,833	10,942	(18,395)	-	-	-	-	-
Benefit Payments	(34,345)	(32,609)	(27,612)	-	-	-	-	-
Administrative Expenses	(132)	(67)	(21)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	206,681	180,855	151,564	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	332,419	151,564	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>539,100</u>	<u>332,419</u>	<u>151,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability - Ending	<u>\$ 772,702</u>	<u>\$ 1,036,635</u>	<u>\$ 1,078,941</u>	<u>\$ 2,839,069</u>	<u>\$ 2,310,144</u>	<u>\$ 2,386,787</u>	<u>\$ 1,941,432</u>	<u>\$ 2,233,415</u>
Covered Employee Payroll	\$ 2,229,081	\$ 2,005,519	\$ 1,892,163	\$ 1,435,207	\$ 1,753,417	\$ 1,631,908	\$ 1,478,115	\$ 1,288,112
Net OPEB Liability as a Percentage of Covered Employee Payroll	35%	52%	57%	198%	132%	146%	131%	173%

Funding Policy: Basin Transit funds the benefits on a pay-as-you-go basis. Fiscal year 2018 was the first year of implementation.

Changes in assumptions - The discount rate remained the same at 5.50% for the measurement periods ended June 30, 2024 and 2023, respectively.

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future year's information will be displayed up to ten years as information becomes available.

**Morongo Basin Transit Authority
Schedule of OPEB Contributions
For the Year Ended June 30, 2025***

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Actuarially determined contributions	\$ 184,747	\$ 194,182	\$ 188,526
Contributions in relation to the actuarially determined contribution	\$ (204,325)	\$ (202,589)	\$ (197,592)
Contribution deficiency (excess)	\$ (19,578)	\$ (8,407)	\$ (9,066)
Covered payroll	\$ 2,229,081	\$ 2,005,519	\$ 1,892,163
Contributions as a percentage of covered payroll	9.17%	10.10%	10.44%

- Based on available information as of the end of the FY 2024/25.



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors Morongo Basin Transit Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Morongo Basin Transit Authority (Basin Transit) as of and for the year ended June 30, 2025, and the related notes to the financial statements and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Basin Transit's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Basin Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Basin Transit's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Basin Transit's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vagstad & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
December 30, 2025**

COMPLIANCE SECTION



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Independent Auditor's Report on State Compliance

**The Board of Directors
Morongo Basin Transit Authority**

Report on Compliance with Transportation Development Act Requirements

Opinion

We have audited the Morongo Basin Transit Authority's (Basin Transit) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by Basin Transit were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the San Bernardino County Association of Governments as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations for the year ended June 30, 2025.

In our opinion, Basin Transit complied, in all material respects, with the compliance requirements referred to above that are applicable to Basin Transit for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the requirement of the TDA regulations. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Basin Transit and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the TDA compliance requirements. Our audit does not provide a legal determination of Basin Transit's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for Basin Transit's compliance with the TDA and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, provisions of contracts or agreements applicable to the TDA.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Basin Transit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Basin Transit's compliance with the requirements of the TDA regulations as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the TDA regulations, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Basin Transit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Basin Transit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TDA regulations, but not for the purpose of expressing an opinion on the effectiveness of Basin Transit's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the TDA regulations on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the TDA regulations will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the TDA regulations that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the TDA regulations. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vasquez & Company LLP". The signature is written in a cursive, flowing style.

Glendale, California
December 30, 2025

Morongo Basin Transit Authority
Transportation Development Act Requirements Section 6667
Compliance Matrix
Year ended June 30, 2025

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
1. Claimant was an entity eligible to receive the funds allocated to it.	X				
2. Claimant maintains its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99243.	X				
3. Funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000.	X				
4. Funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions	X				
5. Interest earned on funds received by the claimant pursuant to the TDA were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6.			X		

See independent auditor's report on compliance.

Morongo Basin Transit Authority
Transportation Development Act Requirements Section 6667
Compliance Matrix
Year ended June 30, 2025

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
6. The amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2, is verified.	X				
7. The amount of the claimant's actual fare revenues for the fiscal year is verified.	X				
8. The amount of the claimant's actual local support for the fiscal year is verified.	X				
9. The amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649 is verified.	X				
10. The amount of the operator's expenditure limitation in accordance with Section 6633.1 is verified.	X				
11. The operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273	X				
12. The operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251	X				
13. The operator's State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7 is verified.	X				

See independent auditor's report on compliance.

Morongo Basin Transit Authority
Transportation Development Act Requirements Section 6667
Compliance Matrix
Year ended June 30, 2025

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
14. The claimant for community transit services is in compliance with Public Utilities Code Sections 99155 and 99155.5.	X				

See independent auditor's report on compliance.



www.vasquez.cpa

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Health Summary Plan Description

Section 125 (Health Reimbursement Arrangement) is an alternative benefit for those that do not elect to enroll into the PERS Health Care Coverage. Health Reimbursement Arrangement (HRA) is a "Cafeteria Plan" and tax-favored benefit approved by the Internal Revenue Service (IRS) Section 125 that reimburses employees for qualified medical care expenses. HRA benefits may be used to pay an employee's or their "immediate family's" medical, dental, or vision expenses, subject to the approval of the General Manager. Accrued cafeteria benefits do carry over from year to year. However, Basin Transit does not pay unused HRA benefits upon termination of employment with Basin Transit.

The original Health Summary Plan Description (SPD) referenced only IRS Publication 502. Effective January 1, 2020, IRS Publication 969 also references IRS Publication 502 and permits coverage of over-the-counter medications under HRAs (see page 19).

The CARES Act of 2020 permanently designated over-the-counter medications (e.g., pain relievers like Tylenol and Tums), menstrual care products and contraceptives as "qualified medical expenses". This means a prescription is no longer required for these items to be eligible for tax-free reimbursement from an HRA.

Items still not included are beneficial to general health, such as vitamins or nutritional supplements, unless specifically recommended by a healthcare provider to treat a diagnosed medical condition.

STAFF RECOMMENDATION: APPROVE HEALTH SUMMARY PLAN DESCRIPTION UPDATE

HEALTH SUMMARY PLAN DESCRIPTION

Basin Transit is a member of the California Public Employees Retirement System (PERS). All employees are enrolled in PERS, and are eligible for approved Health Care Coverage. Employees who work more than 40 hours per pay period may participate in Basin Transit's insurance programs.

Basin Transit pays up to 100% of the lowest single subscriber health premium offered through PERS. Basin Transit pays 100% of the lowest single+1 subscriber health premium for Managers. In the event the premium is higher than the lowest single subscriber rate, the difference would be deducted from the employee's paycheck.

For eligible employees that opt out of PERS health, Basin Transit will contribute \$5,000 annually towards a Health Reimbursement Arrangement (HRA) to help with healthcare expenses. HRA is based on Internal Revenue Service (IRS) Publication 969. This contribution would be available at the beginning of each calendar year. An employee does not pay federal income tax or employment taxes on the amounts contributed by Basin Transit.

Dental Insurance

Dental insurance is available to eligible employees and their eligible dependents. Basin Transit pays the premium for the employee only. Employees pay the premium for any dependent coverage if elected through a deduction from the employee's paycheck.

Vision Insurance

Vision insurance is available to eligible employees and their eligible dependents. Basin Transit pays the premium for the employee only. Employees pay the premium for any dependent coverage if elected through a deduction from the employee's paycheck.

Approved January 22, 2026



Publication 969

Health Savings Accounts and Other Tax-Favored Health Plans

For use in preparing
2024 Returns



Get forms and other information faster and easier at:

- [IRS.gov](https://www.irs.gov) (English)
- [IRS.gov/Korean](https://www.irs.gov/korean) (한국어)
- [IRS.gov/Spanish](https://www.irs.gov/spanish) (Español)
- [IRS.gov/Russian](https://www.irs.gov/russian) (Русский)
- [IRS.gov/Chinese](https://www.irs.gov/chinese) (中文)
- [IRS.gov/Vietnamese](https://www.irs.gov/vietnamese) (Tiếng Việt)

Future Developments

Go to [IRS.gov/Pub969](https://www.irs.gov/pub969) for the latest information about Pub. 969.

What's New

Preventive care for purposes of qualifying as a high deductible health plan (HDHP) under section 223. Notice 2024-75, October 28, 2024, expands the list of preventive care benefits permitted to be provided by a high deductible health plan without a deductible, or with a deductible below the applicable minimum deductible for the HDHP, to include over-the-counter oral contraceptives (including emergency contraceptives) and male condoms. Notice 2024-75 also clarifies that (1) all types of breast cancer screening for individuals who have not been diagnosed with breast cancer are treated as preventive care, (2) continuous glucose monitors for individuals diagnosed with diabetes are generally treated as preventive care, and (3) the safe harbor for absence of a deductible for certain insulin products applies without regard to whether the insulin product is prescribed to treat an individual diagnosed with diabetes or prescribed for the purpose of preventing the exacerbation of diabetes or the development of a secondary condition.

For more information on Notice 2024-75, 2024-44 I.R.B. 1026, see [IRS.gov/irb/2024-44_IRB#NOT-2024-75](https://www.irs.gov/irb/2024-44_IRB#NOT-2024-75).

Expenses treated as amounts paid for medical care. Notice 2024-71, October 28, 2024, provides a safe harbor under section 213 of the Internal Revenue Code for amounts paid for condoms. The Treasury Department and the IRS will treat amounts paid for condoms as amounts paid for medical care under section 213(d). Because amounts paid for condoms are treated as expenses for medical care under section 213(d), if the other requirements of section 213(a) are met (for example, if a taxpayer's total medical expenses exceed the 7.5 percent adjusted gross income limitation and are not compensated for by insurance or otherwise), then amounts paid by the taxpayer for condoms for the taxpayer, the taxpayer's spouse, or the taxpayer's dependent are deductible as expenses for medical care under section 213. Additionally, because amounts paid for condoms are treated as expenses for medical care under section 213(d), the amounts are also eligible to be paid or reimbursed under a health Flexible Spending Arrangement (FSA), Archer Medical Savings Account (MSA), Health Reimbursement Arrangement (HRA), or Health Savings Account (HSA). However, if an amount paid for condoms is paid or reimbursed under a health FSA, Archer MSA, HRA, HSA, or any other health plan or otherwise, it is not a deductible expense under section 213.

For more information on Notice 2024-71, 2024-44 I.R.B. 1026, see [IRS.gov/irb/2024-44_IRB#NOT-2024-71](https://www.irs.gov/irb/2024-44_IRB#NOT-2024-71).

Health Flexible Spending Arrangement (FSA) contribution and carryover for 2024. Revenue Procedure 2023-34, November 9, 2023, provides that for tax years

beginning in 2024, the dollar limitation under section 125(i) on voluntary employee salary reductions for contributions to health flexible spending arrangements is \$3,200. If the cafeteria plan permits the carryover of unused amounts, the maximum carryover amount is \$640.

Reminders

Expenses related to COVID-19 and preventive care for purposes of high deductible health plans. Notice 2023-37, June 23, 2023, addresses the announced end of the COVID-19 public health emergency and the National Emergency Concerning the Novel Coronavirus Disease 2019 Pandemic on May 11, 2023; it modifies prior guidance regarding benefits relating to testing for and treatment of COVID-19 that can be provided by a health plan that otherwise satisfies the requirements to be a high deductible health plan (HDHP) under section 223(c)(2)(A) of the Internal Revenue Code (Code). Specifically, the relief described in Notice 2020-15, 2020-14 IRB 559, applies only with respect to plan years ending on or before December 31, 2024.

Notice 2023-37 also clarifies whether certain items and services are treated as preventive care under section 223(c)(2)(C). Specifically, the preventive care safe harbor as described in Notice 2004-23, 2004-15 IRB 725, does not include screening (for example, testing) for COVID-19, effective as of July 24, 2023. Notice 2023-37 also provides that items and services recommended with an “A” or “B” rating by the United States Preventive Services Task Force on or after March 23, 2010, are treated as preventive care for purposes of section 223(c)(2)(C), regardless of whether these items and services must be covered, without cost sharing, under Public Health Service Act section 2713.

For more information on Notice 2023-37, 2023-30 I.R.B. 359, see [IRS.gov/irb/2023-30_IRB#NOT-2023-37](https://www.irs.gov/irb/2023-30_IRB#NOT-2023-37).

Telehealth and other remote care services. Public Law 117-328, December 29, 2022, amended section 223 to provide that an HDHP may have a \$0 deductible for telehealth and other remote care services for plan years beginning before 2022; months beginning after March 2022 and before 2023; and plan years beginning after 2022 and before 2025. Also, an “eligible individual” remains eligible to make contributions to the individual’s Health Savings Account (HSA) even if the individual has coverage outside of the HDHP during these periods for telehealth and other remote care services.

Health Flexible Spending Arrangement (FSA) contribution and carryover for 2023. Revenue Procedure 2022-38, October 18, 2022, provides that for tax years beginning in 2023, the dollar limitation under section 125(i) on voluntary employee salary reductions for contributions to health flexible spending arrangements is \$3,050. If the cafeteria plan permits the carryover of unused amounts, the maximum carryover amount is \$610.

Insulin products. Public Law 117-169, August 16, 2022, amended section 223 to provide that an HDHP may have

a \$0 deductible for selected insulin products. The amendment applies to plan years beginning after 2022.

Home testing for COVID-19 and personal protective equipment for preventing spread of COVID-19. News Release IR-2021-181, September 10, 2021, reminds that the cost of home testing for COVID-19 and the costs of personal protective equipment, such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of COVID-19 are eligible medical expenses that can be paid or reimbursed under health FSAs, HSAs, Health Reimbursement Arrangements (HRAs), or Archer Medical Savings Accounts (MSAs).

Surprise billing for emergency services or air ambulance services. Public Law 116-260, December 27, 2020, amended section 223 to provide that an HDHP may provide benefits under federal and state anti-“surprise billing” laws with a \$0 deductible. Also, an “eligible individual” remains eligible to make contributions to its HSA even if the individual receives anti-“surprise billing” benefits outside of the HDHP. The amendment applies to plan years beginning after 2021.

Note. Anti-“surprise billing” laws generally protect individuals from “surprise billing” for items like emergency medical services, some non-emergency medical services, and air ambulance services.



Ask your insurance provider whether your HDHP and any other coverage meet the requirements of section 223.



Ask your HSA trustee whether the HSA and trustee meet the requirements of section 223.

Photographs of missing children. The Internal Revenue Service is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](https://www.ncmec.org/). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 800-THE-LOST (800-843-5678) if you recognize a child.

Introduction

Various programs are designed to give individuals tax advantages to offset health care costs. This publication explains the following programs.

- Health Savings Accounts (HSAs).
- Medical Savings Accounts (Archer MSAs and Medicare Advantage MSAs).
- Health Flexible Spending Arrangements (FSAs).
- Health Reimbursement Arrangements (HRAs).

An HSA may receive contributions from an eligible individual or any other person, including an employer or a family member, on behalf of an eligible individual. Contributions, other than employer contributions, are deductible on the eligible individual’s return whether or not the

individual itemizes deductions. Employer contributions aren't included in income. Distributions from an HSA that are used to pay qualified medical expenses aren't taxed.

An Archer MSA may receive contributions from an eligible individual and the eligible individual's employer, but not both in the same year. Contributions by the individual are deductible whether or not the individual itemizes deductions. Employer contributions aren't included in income. Distributions from an Archer MSA that are used to pay qualified medical expenses aren't taxed.

A Medicare Advantage MSA is an Archer MSA designated by Medicare to be used solely to pay the qualified medical expenses of the account holder who is enrolled in Medicare. Contributions can be made only by Medicare. The contributions aren't included in your income. Distributions from a Medicare Advantage MSA that are used to pay qualified medical expenses aren't taxed.

A health FSA may receive contributions from an eligible individual. Employers may also contribute. Contributions aren't includible in income. Reimbursements from an FSA that are used to pay qualified medical expenses aren't taxed.

An HRA must receive contributions from the employer only. Employees may not contribute. Contributions aren't includible in income. Reimbursements from an HRA that are used to pay qualified medical expenses aren't taxed.

Comments and suggestions. We welcome your comments about this publication and suggestions for future editions.

You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or, you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications. **Don't** send tax questions, tax returns, or payments to the above address.

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Health Savings Accounts (HSAs)

An HSA is a tax-exempt trust or custodial account you set up with a qualified HSA trustee to pay or reimburse certain medical expenses you incur. You must be an eligible individual to contribute to an HSA.

No permission or authorization from the IRS is necessary to establish an HSA. You set up an HSA with a trustee. A qualified HSA trustee can be a bank, an insurance company, or anyone already approved by the IRS to be a trustee of individual retirement arrangements (IRAs) or Archer MSAs. The HSA can be established through a trustee that is different from your health plan provider.

Your employer may already have some information on HSA trustees in your area.



If you have an Archer MSA, you can generally roll it over into an HSA tax free. See [Rollovers](#), later.

What are the benefits of an HSA? You may enjoy several benefits from having an HSA.

- You can claim a tax deduction for contributions you, or someone other than your employer, make to your HSA even if you don't itemize your deductions on Schedule A (Form 1040).
- Contributions to your HSA made by your employer (including contributions made through a cafeteria plan) may be excluded from your gross income.
- The contributions remain in your account until you use them.
- The interest or other earnings on the assets in the account are tax free.
- Distributions may be tax free if you pay qualified medical expenses. See [Qualified medical expenses](#), later.
- An HSA is "portable." It stays with you if you change employers or leave the work force.

Qualifying for an HSA Contribution

To be an eligible individual and qualify for an HSA contribution, you must meet the following requirements.

- You are covered under a [high deductible health plan \(HDHP\)](#), described later, on the first day of the month.
- You have no other health coverage except what is permitted under [Other health coverage](#), later.
- You aren't enrolled in Medicare.
- You can't be claimed as a dependent on someone else's 2024 tax return.



TIP Under the last-month rule, you are considered to be an eligible individual for the entire year if you are an eligible individual on the first day of the last month of your tax year (December 1 for most taxpayers) and you meet certain other requirements.

If you meet these requirements, you are an eligible individual even if your spouse has non-HDHP family coverage, provided your spouse's coverage doesn't cover you.

Also, you may be an eligible individual even if you receive hospital care or medical services under any law administered by the Secretary of Veterans Affairs for a service-connected disability.



CAUTION If another taxpayer is entitled to claim you as a dependent, you can't claim a deduction for an HSA contribution. This is true even if the other person doesn't receive an exemption deduction for you because the exemption amount is zero for tax years 2018 through 2025.



TIP Each spouse who is an eligible individual who wants an HSA must open a separate HSA. You can't have a joint HSA.

High deductible health plan (HDHP). An HDHP has:

- A higher annual deductible than typical health plans, and
- A maximum limit on the sum of the annual deductible and out-of-pocket medical expenses that you must pay for covered expenses. Out-of-pocket expenses include co-payments and other amounts, but don't include premiums.

An HDHP may provide preventive care benefits without a deductible or with a deductible less than the minimum annual deductible. Preventive care includes, but isn't limited to, the following.

1. Periodic health evaluations, including tests and diagnostic procedures ordered in connection with routine examinations, such as annual physicals.
2. Routine prenatal and well-child care.
3. Child and adult immunizations.
4. Tobacco cessation programs.
5. Obesity weight-loss programs.
6. Screening services. This includes screening services for the following.
 - a. Cancer.
 - b. Heart and vascular diseases.
 - c. Infectious diseases.
 - d. Mental health conditions.
 - e. Substance abuse.
 - f. Metabolic, nutritional, and endocrine conditions.
 - g. Musculoskeletal disorders.

h. Obstetric and gynecological conditions.

i. Pediatric conditions.

j. Vision and hearing disorders.

For more information on screening services, see Notice 2004-23, 2004-15 I.R.B. 725, available at [IRS.gov/irb/2004-15_IRB#NOT-2004-23](https://www.irs.gov/irb/2004-15_IRB#NOT-2004-23).

For additional guidance on preventive care, see Notice 2004-50, 2004-2 C.B. 196, Q&A 26 and 27, available at [IRS.gov/irb/2004-33_IRB#NOT-2004-50](https://www.irs.gov/irb/2004-33_IRB#NOT-2004-50); Notice 2013-57, 2013-40 I.R.B. 293, available at [IRS.gov/pub/irs-drop/n-13-57.pdf](https://www.irs.gov/pub/irs-drop/n-13-57.pdf); and Notice 2024-75, 2024-44 I.R.B. 1026, available at [IRS.gov/irb/2024-44_IRB#NOT-2024-75](https://www.irs.gov/irb/2024-44_IRB#NOT-2024-75). Preventive care can also include coverage for treatment of individuals with certain chronic conditions listed in the Appendix of Notice 2019-45, 2019-32 I.R.B. 593, if such services were received or items were incurred on or after July 17, 2019. For information on preventive care for chronic conditions, see Notice 2019-45, 2019-32 I.R.B. 593, available at [IRS.gov/pub/irs-drop/n-19-45.pdf](https://www.irs.gov/pub/irs-drop/n-19-45.pdf).

The following table shows the minimum annual deductible and maximum annual deductible and other out-of-pocket expenses for HDHPs for 2024.

	Self-only coverage	Family coverage
Minimum annual deductible	\$1,600	\$3,200
Maximum annual deductible and other out-of-pocket expenses*	\$8,050	\$16,100

* This limit doesn't apply to deductibles and expenses for out-of-network services if the plan uses a network of providers. Instead, only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.



TIP The following table shows the minimum annual deductible and maximum annual deductible and other out-of-pocket expenses for HDHPs for 2025.

	Self-only coverage	Family coverage
Minimum annual deductible	\$1,650	\$3,300
Maximum annual deductible and other out-of-pocket expenses*	\$8,300	\$16,600

* This limit doesn't apply to deductibles and expenses for out-of-network services if the plan uses a network of providers. Instead, only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.

Self-only HDHP coverage is HDHP coverage for only an eligible individual. Family HDHP coverage is HDHP coverage for an eligible individual and at least one other individual (whether or not that individual is an eligible individual).

Example. You, an eligible individual, and your dependent child are covered under an “employee plus one” HDHP offered by your employer. This is family HDHP coverage.

Family plans that don’t meet the high deductible rules. There are some family plans that have deductibles for both the family as a whole and for individual family members. Under these plans, if you meet the individual deductible for one family member, you don’t have to meet the higher annual deductible amount for the family. If either the deductible for the family as a whole or the deductible for an individual family member is less than the minimum annual deductible for family coverage, the plan doesn’t qualify as an HDHP.

Other health coverage. If you (and your spouse, if you have family coverage) have HDHP coverage, you can’t generally have any other health coverage. However, you can still be an eligible individual even if your spouse has non-HDHP coverage, provided you aren’t covered by that plan.

You can have additional insurance that provides benefits only for the following items.

- Liabilities incurred under workers’ compensation laws, tort liabilities, or liabilities related to ownership or use of property.
- A specific disease or illness.
- A fixed amount per day (or other period) of hospitalization.

You can also have coverage (whether provided through insurance or otherwise) for the following items.

- Accidents.
- Disability.
- Dental care.
- Vision care.
- Long-term care.
- Telehealth and other remote care.



Plans in which substantially all of the coverage is through the items listed earlier aren’t HDHPs. For example, if your plan provides coverage substantially all of which is for a specific disease or illness, the plan isn’t an HDHP for purposes of establishing an HSA.

Prescription drug plans. You can have a prescription drug plan, either as part of your HDHP or a separate plan (or rider), and qualify as an eligible individual if the plan doesn’t provide benefits until the minimum annual deductible of the HDHP has been met. If you can receive benefits before that deductible is met, you aren’t an eligible individual.

Other employee health plans. An employee covered by an HDHP and a health FSA or an HRA that pays or reimburses qualified medical expenses can’t generally make contributions to an HSA. FSAs and HRAs are discussed later.

However, an employee can make contributions to an HSA while covered under an HDHP and one or more of the following arrangements.

- Limited-purpose health FSA or HRA. These arrangements can pay or reimburse the items listed earlier under [Other health coverage](#) except long-term care. Also, these arrangements can pay or reimburse preventive care expenses because they can be paid without having to satisfy the deductible.
- Suspended HRA. Before the beginning of an HRA coverage period, you can elect to suspend the HRA. The HRA doesn’t pay or reimburse, at any time, the medical expenses incurred during the suspension period except preventive care and items listed under [Other health coverage](#), earlier. When the suspension period ends, you are no longer eligible to make contributions to an HSA.
- Post-deductible health FSA or HRA. These arrangements don’t pay or reimburse any medical expenses incurred before the minimum annual deductible amount is met. The deductible for these arrangements doesn’t have to be the same as the deductible for the HDHP, but benefits may not be provided before the minimum annual deductible amount is met.
- Retiree-only HRA. This arrangement pays or reimburses only those medical expenses incurred after retirement. After retirement with such an HRA, you are no longer eligible to make contributions to an HSA.

Health FSA—grace period. Coverage during a grace period by a general purpose health FSA is allowed if the balance in the health FSA at the end of its prior-year plan is zero. See [Flexible Spending Arrangements \(FSAs\)](#), later.

Contributions to an HSA

Any eligible individual can contribute to an HSA. For an employee’s HSA, the employee, the employee’s employer, or both may contribute to the employee’s HSA in the same year. For an HSA established by a self-employed (or unemployed) individual, the individual can contribute. Family members or any other person may also make contributions on behalf of an eligible individual.

Contributions to an HSA must be made in cash. Contributions of stock or property aren’t allowed.

Limit on Contributions

The amount you or any other person can contribute to your HSA depends on the type of HDHP coverage you have, your age, the date you become an eligible individual, and the date you cease to be an eligible individual. For 2024, if you have self-only HDHP coverage, you can contribute up to \$4,150. If you have family HDHP coverage, you can contribute up to \$8,300.



For 2025, if you have self-only HDHP coverage, you can contribute up to \$4,300. If you have family HDHP coverage, you can contribute up to \$8,550.

If you are, or were considered (under the [last-month rule](#), discussed later), an eligible individual for the entire year and didn't change your type of coverage, you can contribute the full amount based on your type of coverage. However, if you weren't an eligible individual for the entire year or changed your coverage during the year, your contribution limit is the greater of:

1. The limitation shown on the Line 3 Limitation Chart and Worksheet in the Instructions for Form 8889, Health Savings Accounts (HSAs); or
2. The maximum annual HSA contribution based on your HDHP coverage (self-only or family) on the first day of the last month of your tax year.



If you had family HDHP coverage on the first day of the last month of your tax year, your contribution limit for 2024 is \$8,300 even if you changed coverage during the year.

Last-month rule. Under the last-month rule, if you are an eligible individual on the first day of the last month of your tax year (December 1 for most taxpayers), you are considered an eligible individual for the entire year. You are treated as having the same HDHP coverage for the entire year as you had on the first day of the last month if you didn't otherwise have coverage.

Testing period. If contributions were made to your HSA based on you being an eligible individual for the entire year under the last-month rule, you must remain an eligible individual during the testing period. For the last-month rule, the testing period begins with the last month of your tax year and ends on the last day of the 12th month following that month (for example, December 1, 2024, through December 31, 2025).

If you fail to remain an eligible individual during the testing period, for reasons other than death or becoming disabled, you will have to include in income the total contributions made to your HSA that wouldn't have been made except for the last-month rule. You include this amount in your income in the year in which you fail to be an eligible individual. This amount is also subject to a 10% additional tax. The income and additional tax are calculated on Form 8889, Part III.

Example 1. You, age 53, become an eligible individual on December 1, 2024. You have family HDHP coverage on that date. Under the last-month rule, you contribute \$8,300 to your HSA.

You fail to be an eligible individual in June 2025. Because you didn't remain an eligible individual during the testing period (December 1, 2024, through December 31, 2025), you must include in your 2025 income the contributions made for 2024 that wouldn't have been made except for the last-month rule. You use the worksheet in the Form 8889 instructions to determine this amount.

January	-0-
February	-0-
March	-0-
April	-0-
May	-0-
June	-0-
July	-0-
August	-0-
September	-0-
October	-0-
November	-0-
December	\$8,300.00
Total for all months	\$8,300.00
Limitation. Divide the total by 12	\$691.67

You would include \$7,608.33 (\$8,300.00 – \$691.67) in your gross income on your 2025 tax return. Also, a 10% additional tax applies to this amount.

Example 2. You, age 39, have self-only HDHP coverage on January 1, 2024. You change to family HDHP coverage on November 1, 2024. Because you have family HDHP coverage on December 1, 2024, you contribute \$8,300 for 2024.

You fail to be an eligible individual in March 2025. Because you didn't remain an eligible individual during the testing period (December 1, 2024, through December 31, 2025), you must include in income the contribution made that wouldn't have been made except for the last-month rule. You use the worksheet in the Form 8889 instructions to determine this amount.

January	\$4,150.00
February	\$4,150.00
March	\$4,150.00
April	\$4,150.00
May	\$4,150.00
June	\$4,150.00
July	\$4,150.00
August	\$4,150.00
September	\$4,150.00
October	\$4,150.00
November	\$8,300.00
December	\$8,300.00
Total for all months	\$58,100.00
Limitation. Divide the total by 12	\$4,841.67

You would include \$3,458.33 (\$8,300.00 – \$4,841.67) in your gross income on your 2025 tax return. Also, a 10% additional tax applies to this amount.

Additional contribution. If you are an eligible individual who is age 55 or older at the end of your tax year, your contribution limit is increased by \$1,000. For example, if you have self-only coverage, you can contribute up to \$5,150 (the contribution limit for self-only coverage (\$4,150) plus the additional contribution of \$1,000). However, see [Enrolled in Medicare](#), later.



If you have more than one HSA in 2024, your total contributions to all the HSAs can't be more than the limits discussed earlier.

Reduction of contribution limit. You must reduce the amount that can be contributed (including any additional contribution) to your HSA by the amount of any contribution made to your Archer MSA (including employer contributions) for the year. A special rule applies to married people, discussed next, if each spouse has family coverage under an HDHP.

Rules for married people. If either spouse has family HDHP coverage, both spouses are treated as having family HDHP coverage. If each spouse has family coverage under a separate plan, the contribution limit for 2024 is \$8,300. You must reduce the limit on contributions, before taking into account any additional contributions, by the amount contributed to both spouses' Archer MSAs. After that reduction, the contribution limit is split equally between the spouses unless you agree on a different division.



The rules for married people apply only if both spouses are eligible individuals.

If both spouses are 55 or older and not enrolled in Medicare, each spouse's contribution limit is increased by the additional contribution. If both spouses meet the age requirement, the total contributions under family coverage can't be more than \$10,300. Each spouse must make the additional contribution to their own HSA.

Example. For 2024, you and your spouse are both eligible individuals. You each have family coverage under separate HDHPs. You are 58 years old and your spouse is 53. You and your spouse can split the family contribution limit (\$8,300) equally or you can agree on a different division. If you split it equally, you can contribute \$5,150 to an HSA (one-half the maximum contribution for family coverage (\$4,150) + \$1,000 additional contribution) and your spouse can contribute \$4,150 to an HSA.

Employer contributions. You must reduce the amount you, or any other person, can contribute to your HSA by the amount of any contributions made by your employer that are excludable from your income. This includes amounts contributed to your account by your employer through a cafeteria plan.

Enrolled in Medicare. Beginning with the first month you are enrolled in Medicare, your contribution limit is zero. This rule applies to periods of retroactive Medicare coverage. So, if you delayed applying for Medicare and later your enrollment is backdated, any contributions to your HSA made during the period of retroactive coverage are considered excess. See [Excess contributions](#), later.

Example. You turned age 65 in July 2024 and enrolled in Medicare. You had an HDHP with self-only coverage and are eligible for an additional contribution of \$1,000. Your contribution limit is \$2,575 ($\$5,150 \times 6 \div 12$).

Qualified HSA funding distribution. A qualified HSA funding distribution may be made from your traditional IRA or Roth IRA to your HSA. This distribution can't be made from an ongoing SEP IRA or SIMPLE IRA. For this

purpose, a SEP IRA or SIMPLE IRA is ongoing if an employer contribution is made for the plan year ending with or within the tax year in which the distribution would be made.

The maximum qualified HSA funding distribution depends on the HDHP coverage (self-only or family) you have on the first day of the month in which the contribution is made and your age as of the end of the tax year. The distribution must be made directly by the trustee of the IRA to the trustee of the HSA. The distribution isn't included in your income, isn't deductible, and reduces the amount that can be contributed to your HSA. The qualified HSA funding distribution is shown on Form 8889 for the year in which the distribution is made.

You can generally make only one qualified HSA funding distribution during your lifetime. However, if you make a distribution during a month when you have self-only HDHP coverage, you can make another qualified HSA funding distribution in a later month in that tax year if you change to family HDHP coverage. The total qualified HSA funding distribution can't be more than the contribution limit for family HDHP coverage plus any additional contribution to which you are entitled.

Example. In 2024, you are an eligible individual, age 57, with self-only HDHP coverage. You can make a qualified HSA funding distribution of \$5,150 (\$4,150 plus \$1,000 additional contribution).

Funding distribution—testing period. You must remain an eligible individual during the testing period. For a qualified HSA funding distribution, the testing period begins with the month in which the qualified HSA funding distribution is contributed and ends on the last day of the 12th month following that month. For example, if a qualified HSA funding distribution is contributed to your HSA on August 10, 2024, your testing period begins in August 2024, and ends on August 31, 2025.

If you fail to remain an eligible individual during the testing period, for reasons other than death or becoming disabled, you will have to include in income the qualified HSA funding distribution. You include this amount in income in the year in which you fail to be an eligible individual. This amount is also subject to a 10% additional tax. The income and the additional tax are calculated on Form 8889, Part III.

Each qualified HSA funding distribution allowed has its own testing period. For example, you are an eligible individual, age 45, with self-only HDHP coverage. On June 18, 2024, you make a qualified HSA funding distribution. On July 27, 2024, you enroll in family HDHP coverage and on August 17, 2024, you make a qualified HSA funding distribution. Your testing period for the first distribution begins in June 2024 and ends on June 30, 2025. Your testing period for the second distribution begins in August 2024 and ends on August 31, 2025.

The testing period rule that applies under the [last-month rule](#) (discussed earlier) doesn't apply to amounts contributed to an HSA through a qualified HSA funding distribution. If you remain an eligible individual during the entire funding distribution testing period, then no amount of that distribution is included in income and

won't be subject to the additional tax for failing to meet the last-month rule testing period.

Rollovers

A rollover contribution isn't included in your income, isn't deductible, and doesn't reduce your contribution limit.

Archer MSAs and other HSAs. You can roll over amounts from Archer MSAs and other HSAs into an HSA. You don't have to be an eligible individual to make a rollover contribution from your existing HSA to a new HSA. Rollover contributions don't need to be in cash. Rollovers aren't subject to the annual contribution limits.

You must roll over the amount within 60 days after the date of receipt. You can make only one rollover contribution to an HSA during a 1-year period.

Note. If you instruct the trustee of your HSA to transfer funds directly to the trustee of another of your HSAs, the transfer isn't considered a rollover. There is no limit on the number of these transfers. Don't include the amount transferred in income, deduct it as a contribution, or include it as a distribution on Form 8889.

When To Contribute

You can make contributions to your HSA for 2024 through April 15, 2025. If you fail to be an eligible individual during 2024, you can still make contributions through April 15, 2025, for the months you were an eligible individual.

Your employer can make contributions to your HSA from January 1, 2025, through April 15, 2025, that are allocated to 2024. Your employer must notify you and the trustee of your HSA that the contribution is for 2024. The contribution will be reported on your 2025 Form W-2, Wage and Tax Statement.

Reporting Contributions on Your Return

Contributions made by your employer aren't included in your income. Contributions to an employee's account by an employer using the amount of an employee's salary reduction through a cafeteria plan are treated as employer contributions. Generally, you can claim contributions you made and contributions made by any other person, other than your employer, on your behalf, as a deduction.

Contributions by a partnership to a partner's HSA that are treated as distributions to the partner are not deductible by the partnership and do not affect the distributive shares of partnership income and deductions. These distributions are not included in the partner's net earnings from self-employment. The partner, if an eligible individual as defined in section 223(c)(1), is entitled to deduct the amount of the contributions made to the partner's HSA during the tax year as an adjustment to gross income on their federal income tax return. For more information, see Notice 2005-8, A-1, available at [IRS.gov/irb/2005-04_IRB#NOT-2005-8](https://www.irs.gov/irb/2005-04_IRB#NOT-2005-8).

Contributions by a partnership to a partner's HSA for services rendered to the partnership that are treated as guaranteed payments are deductible by the partnership and are includible in the partner's gross income. Because the contributions are guaranteed payments that are derived from the partnership's trade or business, and are for services rendered to the partnership, the contributions are included in the partner's net earnings from self-employment. The partner, if an eligible individual as defined in section 223(c)(1), is entitled to deduct the amount of the contributions made to the partner's HSA during the tax year as an adjustment to gross income on their federal income tax return. For more information, see Notice 2005-8, A-2, available at [IRS.gov/irb/2005-04_IRB#NOT-2005-8](https://www.irs.gov/irb/2005-04_IRB#NOT-2005-8).

Contributions by an S corporation to a 2% shareholder-employee's HSA for services rendered are treated as guaranteed payments and are deductible by the S corporation and includible in the shareholder-employee's gross income. The shareholder-employee can deduct the contribution made to the shareholder-employee's HSA.

Form 8889. Report all contributions to your HSA on Form 8889 and file it with your Form 1040, 1040-SR, or 1040-NR. You should include all contributions made for 2024, including those made from January 1, 2025, through April 15, 2025, that are designated for 2024. Contributions made by your employer and qualified HSA funding distributions are also shown on the form.

You should receive Form 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA Information, from the trustee showing the amount contributed to your HSA during the year. Your employer's contributions will also be shown on Form W-2, box 12, code W. Follow the Instructions for Form 8889. Report your HSA deduction on Form 1040, 1040-SR, or 1040-NR.

Excess contributions. You will have excess contributions if the contributions to your HSA for the year are greater than the limits discussed earlier. Excess contributions aren't deductible. Excess contributions made by your employer are included in your gross income. If the excess contribution isn't included in box 1 of Form W-2, you must report the excess as "Other income" on your tax return.

Generally, you must pay a 6% excise tax on excess contributions. See Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, to figure the excise tax. The excise tax applies to each tax year the excess contribution remains in the account.

You may withdraw some or all of the excess contributions and avoid paying the excise tax on the amount withdrawn if you meet the following conditions.

- You withdraw the excess contributions by the due date, including extensions, of your tax return for the year the contributions were made.
- You withdraw any income earned on the withdrawn contributions and include the earnings in "Other income" on your tax return for the year you withdraw the contributions and earnings.



If you fail to remain an eligible individual during any of the testing periods, discussed earlier, the amount you have to include in income isn't an excess contribution. If you withdraw any of those amounts, the amount is treated the same as any other distribution from an HSA, discussed later.

Deducting an excess contribution in a later year. You may be able to deduct excess contributions for previous years that are still in your HSA. The excess contribution you can deduct for the current year is the lesser of the following two amounts.

- Your maximum HSA contribution limit for the year minus any amounts contributed to your HSA for the year.
- The total excess contributions in your HSA at the beginning of the year.

Amounts contributed for the year include contributions by you, your employer, and any other person. They also include any qualified HSA funding distribution made to your HSA. Any excess contribution remaining at the end of a tax year is subject to the excise tax. See Form 5329.

Distributions From an HSA

You will generally pay medical expenses during the year without being reimbursed by your HDHP until you reach the annual deductible for the plan. When you pay medical expenses during the year that aren't reimbursed by your HDHP, you can ask the trustee of your HSA to send you a distribution from your HSA.

You can receive tax-free distributions from your HSA to pay or be reimbursed for qualified medical expenses you incur after you establish the HSA. If you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% tax. You don't have to make withdrawals from your HSA each year.



If you are no longer an eligible individual, you can still receive tax-free distributions to pay or reimburse your qualified medical expenses.

Generally, a distribution is money you get from your HSA. Your total distributions include amounts paid with a debit card and amounts withdrawn from the HSA by other individuals that you have designated. The trustee will report any distribution to you and the IRS on Form 1099-SA, Distributions From an HSA, Archer MSA, or Medicare Advantage MSA.

Qualified medical expenses. Qualified medical expenses are those expenses that would generally qualify for the medical and dental expenses deduction. These are explained in Pub. 502, Medical and Dental Expenses.

Amounts paid after 2019 for over-the-counter medicine (whether or not prescribed) and menstrual care products are considered medical care and are considered a covered expense.

For HSA purposes, expenses incurred before you establish your HSA aren't qualified medical expenses. State

law determines when an HSA is established. An HSA that is funded by amounts rolled over from an Archer MSA or another HSA is established on the date the prior account was established.

If, under the last-month rule, you are considered to be an eligible individual for the entire year for determining the contribution amount, only those expenses incurred after you actually establish your HSA are qualified medical expenses.

Qualified medical expenses are those incurred by the following persons.

1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return;
 - b. The person had gross income of \$5,050 or more; or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2024 return.



For this purpose, a child of parents that are divorced, separated, or living apart for the last 6 months of the calendar year is treated as the dependent of both parents whether or not the custodial parent releases the claim to the child's exemption.



You can't deduct qualified medical expenses as an itemized deduction on Schedule A (Form 1040) that are equal to the tax-free distribution from your HSA.

Insurance premiums. You can't treat insurance premiums as qualified medical expenses unless the premiums are for any of the following.

1. Long-term care insurance.
2. Health care continuation coverage (such as coverage under COBRA).
3. Health care coverage while receiving unemployment compensation under federal or state law.
4. Medicare and other health care coverage if you were 65 or older (other than premiums for a Medicare supplemental policy, such as Medigap).

The premiums for long-term care insurance (item (1)) that you can treat as qualified medical expenses are subject to limits based on age and are adjusted annually. See *Limit on long-term care premiums you can deduct* in the Instructions for Schedule A (Form 1040).

Items (2) and (3) can be for your spouse or a dependent meeting the requirement for that type of coverage. For item (4), if you, the account beneficiary, aren't 65 or older, Medicare premiums for coverage of your spouse or a dependent (who is 65 or older) aren't generally qualified medical expenses.

Deemed distributions from HSAs. The following situations result in deemed taxable distributions from your HSA.

- You engaged in any transaction prohibited by section 4975 with respect to any of your HSAs at any time in 2024. Your account ceases to be an HSA as of January 1, 2024, and you must include the fair market value of all assets in the account as of January 1, 2024, on Form 8889.
- You used any portion of any of your HSAs as security for a loan at any time in 2024. You must include the fair market value of the assets used as security for the loan as income on Form 1040, 1040-SR, or 1040-NR.

Examples of prohibited transactions include the direct or indirect:

- Sale, exchange, or leasing of property between you and the HSA;
- Lending of money between you and the HSA;
- Furnishing goods, services, or facilities between you and the HSA; and
- Transfer to or use by you, or for your benefit, of any assets of the HSA.

Any deemed distributions won't be treated as used to pay qualified medical expenses. These distributions are included in your income and are subject to the additional 20% tax, discussed later.



Recordkeeping. You must keep records sufficient to show that:

- The distributions were exclusively to pay or reimburse qualified medical expenses,
- The qualified medical expenses hadn't been previously paid or reimbursed from another source, and
- The medical expenses hadn't been taken as an itemized deduction in any year.

Don't send these records with your tax return. Keep them with your tax records.

Reporting Distributions on Your Return

How you report your distributions depends on whether or not you use the distribution for qualified medical expenses (defined earlier).

- If you use a distribution from your HSA for qualified medical expenses, you don't pay tax on the distribution but you have to report the distribution on Form 8889. However, the distribution of an excess contribution taken out after the due date, including extensions, of your return is subject to tax even if used for qualified medical expenses. Follow the instructions for the form and file it with your Form 1040, 1040-SR, or 1040-NR.
- If you don't use a distribution from your HSA for qualified medical expenses, you must pay tax on the distribution. Report the amount on Form 8889 and file it with your Form 1040, 1040-SR, or 1040-NR. You may

have to pay an additional 20% tax on your taxable distribution.



HSA administration and maintenance fees withdrawn by the trustee aren't reported as distributions from the HSA.

Additional tax. There is an additional 20% tax on the part of your distributions not used for qualified medical expenses. Figure the tax on Form 8889 and file it with your Form 1040, 1040-SR, or 1040-NR.

Exceptions. There is no additional tax on distributions made after the date you are disabled, reach age 65, or die.

Balance in an HSA

An HSA is generally exempt from tax. You are permitted to take a distribution from your HSA at any time; however, only those amounts used exclusively to pay for qualified medical expenses are tax free. Amounts that remain at the end of the year are generally carried over to the next year (see [Excess contributions](#), earlier). Earnings on amounts in an HSA aren't included in your income while held in the HSA.

Death of HSA Holder

You should choose a beneficiary when you set up your HSA. What happens to that HSA when you die depends on whom you designate as the beneficiary.

Spouse is the designated beneficiary. If your spouse is the designated beneficiary of your HSA, it will be treated as your spouse's HSA after your death.

Spouse isn't the designated beneficiary. If your spouse isn't the designated beneficiary of your HSA:

- The account stops being an HSA, and
- The fair market value of the HSA becomes taxable to the beneficiary in the year in which you die.

If your estate is the beneficiary, the value is included on your final income tax return. The amount taxable to a beneficiary other than the estate is reduced by any qualified medical expenses for the decedent that are paid by the beneficiary within 1 year after the date of death.

Filing Form 8889

You must file Form 8889 with your Form 1040, 1040-SR, or 1040-NR if you (or your spouse, if married filing jointly) had any activity in your HSA during the year. You must file the form even if only your employer or your spouse's employer made contributions to the HSA.

If, during the tax year, you are the beneficiary of two or more HSAs or you are a beneficiary of an HSA and you have your own HSA, you must complete a separate Form 8889 for each HSA. Enter "statement" at the top of each Form 8889 and complete the form as instructed. Next,

complete a controlling Form 8889 combining the amounts shown on each of the statement Forms 8889. Attach the statements to your tax return after the controlling Form 8889.

Employer Participation

This section contains the rules that employers must follow if they decide to make HSAs available to their employees. Unlike the previous discussions, “you” refers to the employer and not to the employee.

Health plan. If you want your employees to be able to have HSAs, they must have an HDHP. You can provide no additional coverage other than those exceptions listed earlier under [Other health coverage](#).

Contributions. You can make contributions to your employees’ HSAs. You deduct the contributions on your business income tax return for the year in which you make the contributions. If the contribution is allocated to the prior year, you still deduct it in the year in which you made the contribution.

For more information on employer contributions, see Notice 2008-59, 2008-29 I.R.B. 123, questions 23 through 27, available at [IRS.gov/irb/2008-29_IRB/ar11.html](https://www.irs.gov/irb/2008-29_IRB/ar11.html).

Comparable contributions. If you decide to make contributions, you must make comparable contributions to all comparable participating employees’ HSAs. Your contributions are comparable if they are either:

- The same amount, or
- The same percentage of the annual deductible limit under the HDHP covering the employees.

The comparability rules don’t apply to contributions made through a cafeteria plan.

Comparable participating employees. Comparable participating employees:

- Are covered by your HDHP and are eligible to establish an HSA,
- Have the same category of coverage (either self-only or family coverage), and
- Have the same category of employment (part-time, full-time, or former employees).

To meet the comparability requirements for eligible employees who have neither established an HSA by December 31 nor notified you that they have an HSA, you must meet a notice requirement and a contribution requirement.

You will meet the notice requirement if by January 15 of the following calendar year you provide a written notice to all such employees. The notice must state that each eligible employee who, by the last day of February, establishes an HSA and notifies you that the eligible employee has established an HSA will receive a comparable contribution to the HSA for the prior year. For a sample of the notice, see Regulations section 54.4980G-4 A-14(c). You will meet the contribution requirement for these employees if by April 15, 2025, you contribute comparable amounts plus

reasonable interest to the employees’ HSAs for the prior year.

Note. For purposes of making contributions to HSAs of non-highly compensated employees, highly compensated employees may not be treated as comparable participating employees.

Excise tax. If you made contributions to your employees’ HSAs that weren’t comparable, you must pay an excise tax of 35% of the amount you contributed.

Employment taxes. Amounts you contribute to your employees’ HSAs aren’t generally subject to employment taxes. You must report the contributions (including amounts the employee elected to contribute through a cafeteria plan) on Form W-2, box 12, code W.

Medical Savings Accounts (MSAs)

Archer MSAs were created to help self-employed individuals and employees of certain small employers meet the medical care costs of the account holder, the account holder’s spouse, or the account holder’s dependent(s).



After 2007, you can’t be treated as an eligible individual for Archer MSA purposes unless:

1. *You were an active participant for any tax year ending before 2008, or*
2. *You became an active participant for a tax year ending after 2007 by reason of coverage under a high deductible health plan (HDHP) of an Archer MSA participating employer.*

A Medicare Advantage MSA is an Archer MSA designated by Medicare to be used solely to pay the qualified medical expenses of the account holder who is eligible for Medicare.

Archer MSAs

An Archer MSA is a tax-exempt trust or custodial account that you set up with a U.S. financial institution (such as a bank or an insurance company) in which you can save money exclusively for future medical expenses.

What are the benefits of an Archer MSA? You may enjoy several benefits from having an Archer MSA.

- You can claim a tax deduction for contributions you make even if you don’t itemize your deductions on Schedule A (Form 1040) or Schedule A (Form 1040-NR).
- The interest or other earnings on the assets in your Archer MSA are tax free.
- Distributions may be tax free if you pay qualified medical expenses. See [Qualified medical expenses](#), later.

- The contributions remain in your Archer MSA from year to year until you use them.
- An Archer MSA is “portable,” so it stays with you if you change employers or leave the work force.

Qualifying for an Archer MSA

To qualify for an Archer MSA, you must be either of the following.

- An employee (or the spouse of an employee) of a [small employer](#) (defined later) that maintains a self-only or family HDHP for you (or your spouse).
- A self-employed person (or the spouse of a self-employed person) who maintains a self-only or family HDHP.

You can have no other health or Medicare coverage except what is permitted under [Other health coverage](#), later. You must be an eligible individual on the first day of a given month to get an Archer MSA deduction for that month.



If another taxpayer is entitled to claim you as a dependent, you can't claim a deduction for an Archer MSA contribution. This is true even if the other person doesn't receive an exemption deduction for you because the exemption amount is zero for tax years 2018 through 2025.

Small employer. A small employer is generally an employer who had an average of 50 or fewer employees during either of the last 2 calendar years. The definition of small employer is modified for new employers and growing employers.

Growing employer. A small employer may begin HDHPs and Archer MSAs for its employees and then grow beyond 50 employees. The employer will continue to meet the requirement for small employers if the employer:

- Had 50 or fewer employees when the Archer MSAs began,
- Made a contribution that was excludable or deductible as an Archer MSA for the last year the employer had 50 or fewer employees, and
- Had an average of 200 or fewer employees each year after 1996.

Changing employers. If you change employers, your Archer MSA moves with you. However, you may not make additional contributions unless you are otherwise eligible.

High deductible health plan (HDHP). To be eligible to contribute to an Archer MSA, you must be covered under an HDHP. An HDHP has:

- A higher annual deductible than typical health plans, and
- A maximum limit on the annual out-of-pocket medical expenses that you must pay for covered expenses.

Limits. The following table shows the limits for annual deductibles and the maximum out-of-pocket expenses for HDHPs for 2024.

	Self-only coverage	Family coverage
Minimum annual deductible	\$2,800	\$5,550
Maximum annual deductible	\$4,150	\$8,350
Maximum annual out-of-pocket expenses	\$5,550	\$10,200

Family plans that don't meet the high deductible rules. There are some family plans that have deductibles for both the family as a whole and for individual family members. Under these plans, if you meet the individual deductible for one family member, you don't have to meet the higher annual deductible amount for the family. If either the deductible for the family as a whole or the deductible for an individual family member is less than the minimum annual deductible for family coverage, the plan doesn't qualify as an HDHP.

Other health coverage. If you (and your spouse, if you have family coverage) have HDHP coverage, you can't generally have any other health coverage. However, you can still be an eligible individual even if your spouse has non-HDHP coverage, provided you aren't covered by that plan. However, you can have additional insurance that provides benefits only for the following items.

- Liabilities incurred under workers' compensation laws, torts, or ownership or use of property.
- A specific disease or illness.
- A fixed amount per day (or other period) of hospitalization.

You can also have coverage (whether provided through insurance or otherwise) for the following items.

- Accidents.
- Disability.
- Dental care.
- Vision care.
- Long-term care.

Contributions to an MSA

Contributions to an Archer MSA must be made in cash. You can't contribute stock or other property to an Archer MSA.

Who can contribute to my Archer MSA? If you are an employee, your employer may make contributions to your Archer MSA. (You don't pay tax on these contributions.) If your employer doesn't make contributions to your Archer MSA, or you are self-employed, you can make your own contributions to your Archer MSA. You and your employer can't make contributions to your Archer MSA in the same

year. You don't have to make contributions to your Archer MSA every year.



If your spouse is covered by your HDHP and an excludable amount is contributed by your spouse's employer to an Archer MSA belonging to your spouse, you can't make contributions to your own Archer MSA that year.

Limits

There are two limits on the amount you or your employer can contribute to your Archer MSA.

- The annual deductible limit.
- An income limit.

Annual deductible limit. You or your employer can contribute up to 75% of the annual deductible of your HDHP (65% if you have a self-only plan) to your Archer MSA. You must have the HDHP all year to contribute the full amount. If you don't qualify to contribute the full amount for the year, determine your annual deductible limit by using the Line 3 Limitation Chart and Worksheet in the Instructions for Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

Example 1. You have an HDHP for your family all year in 2024. The annual deductible is \$6,000. You can contribute up to \$4,500 ($\$6,000 \times 75\% (0.75)$) to your Archer MSA for the year.

Example 2. You have an HDHP for your family for the entire period of July through December 2024 (6 months). The annual deductible is \$6,000. You can contribute up to \$2,250 ($\$6,000 \times 75\% (0.75) \div 12 \times 6$) to your Archer MSA for the year.



If you and your spouse each have a family plan, you are treated as having family coverage with the lower annual deductible of the two health plans. The contribution limit is split equally between the two of you unless you agree on a different division.

Income limit. You can't contribute more than you earned for the year from the employer through whom you have your HDHP.

If you are self-employed, you can't contribute more than your net self-employment income. This is your income from self-employment minus expenses (including the deductible part of self-employment tax).

Example 1. You earned \$25,000 from TR Company in 2024. Through TR, you had an HDHP for your family for the entire year. The annual deductible was \$6,000. You can contribute up to \$4,500 to your Archer MSA ($75\% (0.75) \times \$6,000$). You can contribute the full amount because you earned more than \$4,500 at TR.

Example 2. You are self-employed. You had an HDHP for your family for the entire year in 2024. The annual deductible was \$6,000. Based on the annual deductible, the maximum contribution to your Archer MSA would have

been \$4,500 ($75\% (0.75) \times \$6,000$). However, after deducting your business expenses, your net self-employment income is \$2,500 for the year. Therefore, you are limited to a contribution of \$2,500.

Individuals enrolled in Medicare. Beginning with the first month you are enrolled in Medicare, you can't contribute to an Archer MSA. However, you may be eligible for a Medicare Advantage MSA, discussed later.

When To Contribute

You can make contributions to your Archer MSA for 2024 through April 15, 2025.

Reporting Contributions on Your Return

Report all contributions to your Archer MSA on Form 8853 and file it with your Form 1040, 1040-SR, or 1040-NR. You should include all contributions you or your employer made for 2024, including those made from January 1, 2025, through April 15, 2025, that are designated for 2024.

You should receive Form 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA Information, from the trustee showing the amount you or your employer contributed during the year. Your employer's contributions should be shown on Form W-2, box 12, code R. Follow the Instructions for Form 8853 and complete the Line 3 Limitation Chart and Worksheet in the instructions. Report your Archer MSA deduction on Form 1040, 1040-SR, or 1040-NR.

Excess contributions. You will have excess contributions if the contributions to your Archer MSA for the year are greater than the limits discussed earlier. Excess contributions aren't deductible. Excess contributions made by your employer are included in your gross income. If the excess contribution isn't included in Form W-2, box 1, you must report the excess as "Other income" on your tax return.

Generally, you must pay a 6% excise tax on excess contributions. See Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, to figure the excise tax. The excise tax applies to each tax year the excess contribution remains in the account.

You may withdraw some or all of the excess contributions and avoid paying the excise tax on the amount withdrawn if you meet the following conditions.

- You withdraw the excess contributions by the due date, including extensions, of your tax return.
- You withdraw any income earned on the withdrawn contributions and include the earnings in "Other income" on your tax return for the year you withdraw the contributions and earnings.

Deducting an excess contribution in a later year. You may be able to deduct excess contributions for previous years that are still in your Archer MSA. The excess

contribution you can deduct in the current year is the lesser of the following two amounts.

- Your maximum Archer MSA contribution limit for the year minus any amounts contributed to your Archer MSA for the year.
- The total excess contributions in your Archer MSA at the beginning of the year.

Any excess contributions remaining at the end of a tax year are subject to the excise tax. See Form 5329.

Distributions From an MSA

You will generally pay medical expenses during the year without being reimbursed by your HDHP until you reach the annual deductible for the plan. When you pay medical expenses during the year that aren't reimbursed by your HDHP, you can ask the trustee of your Archer MSA to send you a distribution from your Archer MSA.

You can receive tax-free distributions from your Archer MSA to pay for qualified medical expenses (discussed later). If you receive distributions for other reasons, the amount will be subject to income tax and may be subject to an additional 20% tax as well. You don't have to make withdrawals from your Archer MSA each year.



If you no longer qualify to make contributions, you can still receive tax-free distributions to pay or reimburse your qualified medical expenses.

A distribution is money you get from your Archer MSA. The trustee will report any distribution to you and the IRS on Form 1099-SA, Distributions From an HSA, Archer MSA, or Medicare Advantage MSA.

Qualified medical expenses. Qualified medical expenses are those expenses that would generally qualify for the medical and dental expenses deduction. These are explained in Pub. 502.

Amounts paid after 2019 for over-the-counter medicine (whether or not prescribed) and menstrual care products are considered medical care and are considered a covered expense.

Qualified medical expenses are those incurred by the following persons.

1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return;
 - b. The person had gross income of \$5,050 or more; or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2024 return.



For this purpose, a child of parents that are divorced, separated, or living apart for the last 6 months of the calendar year is treated as the dependent of both parents whether or not the custodial parent releases the claim to the child's exemption.



You can't deduct qualified medical expenses as an itemized deduction on Schedule A (Form 1040) that are equal to the tax-free distribution from your Archer MSA.

Special rules for insurance premiums. Generally, you can't treat insurance premiums as qualified medical expenses for Archer MSAs. You can, however, treat premiums for long-term care coverage, health care coverage while you receive unemployment benefits, or health care continuation coverage required under any federal law as qualified medical expenses for Archer MSAs.

Deemed distributions from Archer MSAs. The following situations result in deemed taxable distributions from your Archer MSA.

- You engaged in any transaction prohibited by section 4975 with respect to any of your Archer MSAs at any time in 2024. Your account ceases to be an Archer MSA as of January 1, 2024, and you must include the fair market value of all assets in the account as of January 1, 2024, on Form 8853.
- You used any portion of any of your Archer MSAs as security for a loan at any time in 2024. You must include the fair market value of the assets used as security for the loan as income on Form 1040, 1040-SR, or 1040-NR.

Examples of prohibited transactions include the direct or indirect:

- Sale, exchange, or leasing of property between you and the Archer MSA;
- Lending of money between you and the Archer MSA;
- Furnishing goods, services, or facilities between you and the Archer MSA; and
- Transfer to or use by you, or for your benefit, of any assets of the Archer MSA.

Any deemed distribution won't be treated as used to pay qualified medical expenses. These distributions are included in your income and are subject to the additional 20% tax, discussed later.



Recordkeeping. You must keep records sufficient to show that:

- The distributions were exclusively to pay or reimburse qualified medical expenses,
- The qualified medical expenses hadn't been previously paid or reimbursed from another source, and
- The medical expenses hadn't been taken as an itemized deduction in any year.

Don't send these records with your tax return. Keep them with your tax records.

Reporting Distributions on Your Return

How you report your distributions depends on whether or not you use the distribution for qualified medical expenses, [defined earlier](#).

- If you use a distribution from your Archer MSA for qualified medical expenses, you don't pay tax on the distribution but you have to report the distribution on Form 8853. Follow the instructions for the form and file it with your Form 1040, 1040-SR, or 1040-NR.
- If you don't use a distribution from your Archer MSA for qualified medical expenses, you must pay tax on the distribution. Report the amount on Form 8853 and file it with your Form 1040, 1040-SR, or 1040-NR. You may have to pay an additional 20% tax, discussed later, on your taxable distribution.



If an amount (other than a rollover) is contributed to your Archer MSA this year (by you or your employer), you must also report and pay tax on a distribution you receive from your Archer MSA this year that is used to pay medical expenses of someone who isn't covered by an HDHP, or is also covered by another health plan that isn't an HDHP, at the time the expenses are incurred.

Rollovers. Generally, any distribution from an Archer MSA that you roll over into another Archer MSA or an HSA isn't taxable if you complete the rollover within 60 days. An Archer MSA and an HSA can receive only one rollover contribution during a 1-year period. See the Form 8853 instructions for more information.

Additional tax. There is a 20% additional tax on the part of your distributions not used for qualified medical expenses. Figure the tax on Form 8853 and file it with your Form 1040, 1040-SR, or 1040-NR. Report the additional tax in the total on Form 1040, 1040-SR, or 1040-NR.

Exceptions. There is no additional tax on distributions made after the date you are disabled, reach age 65, or die.

Balance in an Archer MSA

An Archer MSA is generally exempt from tax. You are permitted to take a distribution from your Archer MSA at any time; however, only those amounts used exclusively to pay

for qualified medical expenses are tax free. Amounts that remain at the end of the year are generally carried over to the next year (see [Excess contributions](#), earlier). Earnings on amounts in an Archer MSA aren't included in your income while held in the Archer MSA.

Death of the Archer MSA Holder

You should choose a beneficiary when you set up your Archer MSA. What happens to that Archer MSA when you die depends on whom you designate as the beneficiary.

Spouse is the designated beneficiary. If your spouse is the designated beneficiary of your Archer MSA, it will be treated as your spouse's Archer MSA after your death.

Spouse isn't the designated beneficiary. If your spouse isn't the designated beneficiary of your Archer MSA:

- The account stops being an Archer MSA, and
- The fair market value of the Archer MSA becomes taxable to the beneficiary in the year in which you die.

If your estate is the beneficiary, the fair market value of the Archer MSA will be included on your final income tax return.



The amount taxable to a beneficiary other than the estate is reduced by any qualified medical expenses for the decedent that are paid by the beneficiary within 1 year after the date of death.

Filing Form 8853

You must file Form 8853 with your Form 1040, 1040-SR, or 1040-NR if you (or your spouse, if married filing a joint return) had any activity in your Archer MSA during the year. You must file the form even if only your employer or your spouse's employer made contributions to the Archer MSA.

If, during the tax year, you are the beneficiary of two or more Archer MSAs or you are a beneficiary of an Archer MSA and you have your own Archer MSA, you must complete a separate Form 8853 for each MSA. Enter "statement" at the top of each Form 8853 and complete the form as instructed. Next, complete a controlling Form 8853 combining the amounts shown on each of the statement Forms 8853. Attach the statements to your tax return after the controlling Form 8853.

Employer Participation

This section contains the rules that employers must follow if they decide to make Archer MSAs available to their employees. Unlike the previous discussions, "you" refers to the employer and not to the employee.

Health plan. If you want your employees to be able to have Archer MSAs, you must make an HDHP available to them. You can provide no additional coverage other than

those exceptions listed earlier under [Other health coverage](#).

Contributions. You can make contributions to your employees' Archer MSAs and deduct them for the year in which you make them.

Comparable contributions. If you decide to make contributions, you must make comparable contributions to all comparable participating employees' Archer MSAs. Your contributions are comparable if they are either:

- The same amount, or
- The same percentage of the annual deductible limit under the HDHP covering the employees.

Comparable participating employees. Comparable participating employees:

- Are covered by your HDHP and are eligible to establish an Archer MSA,
- Have the same category of coverage (either self-only or family coverage), and
- Have the same category of employment (either part-time or full-time).

Excise tax. If you made contributions to your employees' Archer MSAs that weren't comparable, you must pay an excise tax of 35% of the amount you contributed.

Employment taxes. Amounts you contribute to your employees' Archer MSAs aren't generally subject to employment taxes. You must report the contributions on Form W-2, box 12, code R.

Medicare Advantage MSAs

A Medicare Advantage MSA is an Archer MSA designated by Medicare to be used solely to pay the qualified medical expenses of the account holder. To be eligible for a Medicare Advantage MSA, you must be enrolled in Medicare and have an HDHP that meets the Medicare guidelines.

A Medicare Advantage MSA is a tax-exempt trust or custodial savings account that you set up with a financial institution (such as a bank or an insurance company) in which the Medicare program can deposit money for qualified medical expenses. The money in your account isn't taxed if it is used for qualified medical expenses, and it may earn interest or dividends.

An HDHP is a special health insurance policy that has a high deductible. You choose the policy you want to use as part of your Medicare Advantage MSA plan. However, the policy must be approved by the Medicare program.

Medicare Advantage MSAs are administered through the federal Medicare program. You can get information by calling 800-MEDICARE (800-633-4227) or through the Internet at [Medicare.gov](https://www.medicare.gov).

Note. See the Instructions for Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, to learn whether you must file Form 8853.

Flexible Spending Arrangements (FSAs)

A health FSA allows employees to be reimbursed for medical expenses. FSAs are usually funded through voluntary salary reduction agreements with your employer. No employment or federal income taxes are deducted from your contribution. The employer may also contribute.

Note. Unlike HSAs or Archer MSAs, which must be reported on Form 1040, 1040-SR, or 1040-NR, there are no reporting requirements for FSAs on your income tax return.

For information on the interaction between a health FSA and an HSA, see [Other employee health plans](#) under [Qualifying for an HSA](#), earlier.

What are the benefits of an FSA? You may enjoy several benefits from having an FSA.

- Contributions made by your employer can be excluded from your gross income.
- No employment or federal income taxes are deducted from the contributions.
- Reimbursements may be tax free if you pay qualified medical expenses. See [Qualified medical expenses](#), later.
- You can use an FSA to pay qualified medical expenses even if funds have not yet been credited to the arrangement.

Qualifying for an FSA

Health FSAs are employer-established benefit plans. These may be offered in conjunction with other employer-provided benefits as part of a cafeteria plan. Employers have flexibility to offer various combinations of benefits in designing their plans.

Self-employed persons aren't eligible for FSAs.



Certain limitations may apply if you are a highly compensated participant or a key employee.

Contributions to an FSA

You contribute to your FSA by electing an amount to be voluntarily withheld from your pay by your employer. This is sometimes called a "salary reduction agreement." The employer may also contribute to your FSA if specified in the plan.

You don't pay federal income tax or employment taxes on the salary you contribute or the amounts your employer contributes to the FSA. However, contributions made by your employer to provide coverage for long-term care insurance must be included in income.

When To Contribute

At the beginning of the plan year, you must designate how much you want to contribute. Then, your employer will deduct amounts periodically (generally, every payday) in accordance with your annual election. You can change or revoke your election only if specifically allowed by law and the plan.

Amount of Contribution

For 2024, salary reduction contributions to a health FSA can't be more than \$3,200 a year (or any lower amount set by the plan). This amount is indexed for inflation and may change from year to year.

Generally, contributed amounts that aren't spent by the end of the plan year are forfeited. However, see [Balance in an FSA](#), later, for possible exceptions. For this reason, it is important to base your contribution on an estimate of the qualifying expenses you will have during the year.

Distributions From an FSA

Generally, distributions from a health FSA must be paid only to reimburse you for qualified medical expenses you incurred during the period of coverage. You must be able to receive the maximum amount of reimbursement (the amount you have elected to contribute for the year) at any time during the coverage period, regardless of the amount you have actually contributed. The maximum amount you can receive tax free is the total amount you elected to contribute to the health FSA for the year.

You must provide the health FSA with a written statement from an independent third party stating that the medical expense has been incurred and the amount of the expense. You must also provide a written statement that the expense hasn't been paid or reimbursed under any other health plan coverage. The FSA can't make advance reimbursements of future or projected expenses.

Debit cards, credit cards, and stored value cards given to you by your employer can be used to reimburse participants in a health FSA. If the use of these cards meets certain substantiation methods, you may not have to provide additional information to the health FSA. For information on these methods, see Revenue Ruling 2003-43, 2003-21 I.R.B. 935, available at [IRS.gov/pub/irs-drop/r-03-43.pdf](#); Notice 2006-69, 2006-31 I.R.B. 107, available at [IRS.gov/irb/2006-31_IRB/ar10.html](#); and Notice 2007-2, 2007-2 I.R.B. 254, available at [IRS.gov/irb/2007-02_IRB/ar09.html](#).

Qualified medical expenses. Qualified medical expenses are those specified in the plan that would generally qualify for the medical and dental expenses deduction. These are explained in Pub. 502.

Expenses incurred after December 31, 2019, for over-the-counter medicine (whether or not prescribed) and menstrual care products are considered medical care and are considered a covered expense.

Qualified medical expenses are those incurred by the following persons.

1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return;
 - b. The person had gross income of \$5,050 or more; or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2024 return.
4. Your child under age 27 at the end of your tax year.

You can't receive distributions from your FSA for the following expenses.

- Amounts paid for health insurance premiums.
- Amounts paid for long-term care coverage or expenses.
- Amounts that are covered under another health plan.

If you are covered under both a health FSA and an HRA, see Notice 2002-45, Part V, 2002-28 I.R.B. 93, available at [IRS.gov/pub/irs-drop/n-02-45.pdf](#).



You can't deduct qualified medical expenses as an itemized deduction on Schedule A (Form 1040) that are equal to the reimbursement you receive from the FSA.

Qualified reservist distribution. A special rule allows amounts in a health FSA to be distributed to reservists ordered or called to active duty. This rule applies to distributions made after June 17, 2008, if the plan has been amended to allow these distributions. Your employer must report the distribution as wages on your Form W-2 for the year in which the distribution is made. The distribution is subject to employment taxes and is included in your gross income.

A qualified reservist distribution is allowed if you were (because you were in the reserves) ordered or called to active duty for a period of more than 179 days or for an indefinite period, and the distribution is made during the period beginning on the date of the order or call and ending on the last date that reimbursements could otherwise be made for the plan year that includes the date of the order or call.

Balance in an FSA

FSAs are generally "use-it-or-lose-it" plans. This means that amounts in the account at the end of the plan year can't generally be carried over to the next year. However, the plan can provide for either a grace period or a carry-over.

The plan can provide for a grace period of up to 2 1/2 months after the end of the plan year. If there is a grace period, any qualified medical expenses incurred in that

period can be paid from any amounts left in the account at the end of the previous year. Your employer isn't permitted to refund any part of the balance to you. See [Qualified reservist distributions](#), earlier.

Plans may allow up to \$640 of unused amounts remaining at the end of the plan year to be paid or reimbursed for qualified medical expenses you incur in the following plan year. The plan may specify a lower dollar amount as the maximum carryover amount. If the plan permits a carryover, any unused amounts in excess of the carryover amount are forfeited. The carryover doesn't affect the maximum amount of salary reduction contributions that you are permitted to make.

A plan may allow either the grace period or a carryover, but it may not allow both.

Employer Participation

For the health FSA to maintain tax-qualified status, employers must comply with certain requirements that apply to cafeteria plans. For example, there are restrictions for plans that cover highly compensated employees and key employees. The plans must also comply with rules applicable to other accident and health plans. Pub. 15-B, Employer's Tax Guide to Fringe Benefits, explains these requirements.

Health Reimbursement Arrangements (HRAs)

An HRA must be funded solely by an employer. The contribution can't be paid through a voluntary salary reduction agreement on the part of an employee. Employees are reimbursed tax free for qualified medical expenses up to a maximum dollar amount for a coverage period. An HRA may be offered with other health plans, including FSAs.

Note. Unlike HSAs or Archer MSAs, which must be reported on Form 1040, 1040-SR, or 1040-NR, there are no reporting requirements for HRAs on your income tax return.

For information on the interaction between an HRA and an HSA, see [Other employee health plans](#) under *Qualifying for an HSA*, earlier.

What are the benefits of an HRA? You may enjoy several benefits from having an HRA.

- Contributions made by your employer can be excluded from your gross income.
- Reimbursements, which must be for qualified medical expenses, are tax free. See [Qualified medical expenses](#), later.
- Any unused amounts in the HRA can be carried forward for reimbursements in later years.

Qualifying for an HRA

HRAs are employer-established benefit plans. These may be offered in conjunction with other employer-provided health benefits. Employers have complete flexibility to offer various combinations of benefits in designing their plans.

Self-employed persons aren't eligible for HRAs.



Certain limitations may apply if you are a highly compensated participant.

Contributions to an HRA

HRAs are funded solely through employer contributions and may not be funded through employee salary reductions under a cafeteria plan. These contributions aren't included in the employee's income. You don't pay federal income tax or employment taxes on amounts your employer contributes to the HRA.

Amount of Contribution

There is no limit on the amount of money your employer can contribute to the arrangements. Additionally, the maximum reimbursement amount credited under the HRA in the future (not including amounts carried forward from previous coverage periods) may be increased or decreased. See [Balance in an HRA](#), later.

Distributions From an HRA

Generally, distributions from an HRA must be paid to reimburse you for qualified medical expenses you have incurred. The expense must have been incurred on or after the date you are enrolled in the HRA.

Debit cards, credit cards, and stored value cards given to you by your employer can be used to reimburse participants in an HRA. If the use of these cards meets certain substantiation methods, you may not have to provide additional information to the HRA. For information on these methods, see Revenue Ruling 2003-43, 2003-21 I.R.B. 935, available at [IRS.gov/pub/irs-drop/rr-03-43.pdf](#); Notice 2006-69, 2006-31 I.R.B. 107, available at [IRS.gov/irb/2006-31_IRB/ar10.html](#); and Notice 2007-2, 2007-2 I.R.B. 254, available at [IRS.gov/irb/2007-02_IRB/ar09.html](#).

If any distribution is, or can be, made for other than the reimbursement of qualified medical expenses, any distribution (including reimbursement of qualified medical expenses) made in the current tax year is included in gross income. For example, if an unused reimbursement is payable to you in cash at the end of the year, or upon termination of your employment, any distribution from the HRA is included in your income. This also applies if any unused amount upon your death is payable in cash to your beneficiary or estate, or if the HRA provides an option for you to transfer any unused reimbursement at the end of the year to a retirement plan.

If the plan permits amounts to be paid as medical benefits to a designated beneficiary (other than the employee's spouse or dependents), any distribution from the HRA is included in income.

Reimbursements under an HRA can be made to the following persons.

1. Current and former employees.
2. Spouses and dependents of those employees.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return;
 - b. The person had gross income of \$5,050 or more; or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2024 return.
4. Your child under age 27 at the end of your tax year.
5. Spouses and dependents of deceased employees.



For this purpose, a child of parents that are divorced, separated, or living apart for the last 6 months of the calendar year is treated as the dependent of both parents whether or not the custodial parent releases the claim to the child's exemption.

Qualified medical expenses. Qualified medical expenses are those specified in the plan that would generally qualify for the medical and dental expenses deduction. These are explained in Pub. 502.

Expenses incurred after December 31, 2019, for over-the-counter medicine (whether or not prescribed) and menstrual care products are considered medical care and are considered a covered expense.

Qualified medical expenses from your HRA include the following.

- Amounts paid for health insurance premiums.
- Amounts paid for long-term care coverage.
- Medical expenses that aren't covered under another health plan.

If you are covered under both an HRA and a health FSA, see Notice 2002-45, Part V, which is available at [IRS.gov/pub/irs-drop/n-02-45.pdf](https://www.irs.gov/pub/irs-drop/n-02-45.pdf).



You can't deduct qualified medical expenses as an itemized deduction on Schedule A (Form 1040) that are equal to the distribution from the HRA.

Balance in an HRA

Some, but not all, HRAs permit amounts that remain at the end of the year to be carried to the next year. Your employer isn't permitted to refund any part of the balance to you. These amounts may never be used for anything but reimbursements for qualified medical expenses.

Employer Participation

For an HRA to maintain tax-qualified status, employers must comply with certain requirements that apply to other accident and health plans. Pub. 15-B, Employer's Tax Guide to Fringe Benefits, explains these requirements.

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) to find resources that can help you right away.

Preparing and filing your tax return. After receiving all your wage and earnings statements (Forms W-2, W-2G, 1099-R, 1099-MISC, 1099-NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

Free options for tax preparation. Your options for preparing and filing your return online or in your local community, if you qualify, include the following.

- **Direct File.** Direct File is a permanent option to file individual federal tax returns online—for free—directly and securely with the IRS. Direct File is an option for taxpayers in participating states who have relatively simple tax returns reporting certain types of income and claiming certain credits and deductions. While Direct File doesn't prepare state returns, if you live in a participating state, Direct File guides you to a state-supported tool you can use to prepare and file your state tax return for free. Go to [IRS.gov/DirectFile](https://www.irs.gov/DirectFile) for more information, program updates, and frequently asked questions.
- **Free File.** This program lets you prepare and file your federal individual income tax return for free using software or Free File Fillable Forms. However, state tax preparation may not be available through Free File. Go to [IRS.gov/FreeFile](https://www.irs.gov/FreeFile) to see if you qualify for free online federal tax preparation, e-filing, and direct deposit or payment options.
- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to [IRS.gov/VITA](https://www.irs.gov/VITA), download the free IRS2Go app, or call 800-906-9887 for information on free tax return preparation.
- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly

those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to [IRS.gov/TCE](https://www.irs.gov/TCE) or download the free IRS2Go app for information on free tax return preparation.

- **MilTax.** Members of the U.S. Armed Forces and qualified veterans may use MilTax, a free tax service offered by the Department of Defense through Military OneSource. For more information, go to [MilitaryOneSource \(MilitaryOneSource.mil/MilTax\)](https://www.militaryonesource.com/MilTax).

Also, the IRS offers Free Fillable Forms, which can be completed online and then e-filed regardless of income.

Using online tools to help prepare your return. Go to [IRS.gov/Tools](https://www.irs.gov/Tools) for the following.

- [IRS.gov/DirectFile](https://www.irs.gov/DirectFile) offers an Eligibility Checker to help you determine if Direct File is the right choice for your tax filing needs.
- The [Earned Income Tax Credit Assistant \(IRS.gov/EITCAssistant\)](https://www.irs.gov/EITCAssistant) determines if you're eligible for the earned income credit (EIC).
- The [Online EIN Application \(IRS.gov/EIN\)](https://www.irs.gov/EIN) helps you get an employer identification number (EIN) at no cost.
- The [Tax Withholding Estimator \(IRS.gov/W4App\)](https://www.irs.gov/W4App) makes it easier for you to estimate the federal income tax you want your employer to withhold from your paycheck. This is tax withholding. See how your withholding affects your refund, take-home pay, or tax due.
- The [First-Time Homebuyer Credit Account Look-up \(IRS.gov/HomeBuyer\)](https://www.irs.gov/HomeBuyer) tool provides information on your repayments and account balance.
- The [Sales Tax Deduction Calculator \(IRS.gov/SalesTax\)](https://www.irs.gov/SalesTax) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040).



Getting answers to your tax questions. On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- [IRS.gov/Help](https://www.irs.gov/Help): A variety of tools to help you get answers to some of the most common tax questions.
- [IRS.gov/ITA](https://www.irs.gov/ITA): The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax topics.
- [IRS.gov/Forms](https://www.irs.gov/Forms): Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.
- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don't have professional credentials.

If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).



Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to [Tips for Choosing a Tax Preparer](https://www.irs.gov/TipsForChoosingATaxPreparer) on IRS.gov.

Employers can register to use Business Services Online. The Social Security Administration (SSA) offers online service at [SSA.gov/employer](https://www.ssa.gov/employer) for fast, free, and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement; and Form W-2c, Corrected Wage and Tax Statement.

Business tax account. If you are a sole proprietor, a partnership, or an S corporation, you can view your tax information on record with the IRS and do more with a business tax account. Go to [IRS.gov/Business-Tax-Account](https://www.irs.gov/Business-Tax-Account) for more information.

IRS social media. Go to [IRS.gov/SocialMedia](https://www.irs.gov/SocialMedia) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your social security number (SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos](https://www.youtube.com/irsvideos).
- [Youtube.com/irsvideosmultilingua](https://www.youtube.com/irsvideosmultilingua).
- [Youtube.com/irsvideosASL](https://www.youtube.com/irsvideosASL).

Online tax information in other languages. You can find information on [IRS.gov/MyLanguage](https://www.irs.gov/MyLanguage) if English isn't your native language.

Free Over-the-Phone Interpreter (OPI) Service. The IRS is committed to serving taxpayers with limited-English proficiency (LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every VITA/TCE tax return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp).

Alternative media preference. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats.

- Standard Print.
- Large Print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BRF).

Disasters. Go to [IRS.gov/DisasterRelief](https://www.irs.gov/DisasterRelief) to review the available disaster tax relief.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

Mobile-friendly forms. You'll need an IRS Online Account (OLA) to complete mobile-friendly forms that require signatures. You'll have the option to submit your form(s) online or download a copy for mailing. You'll need scans of your documents to support your submission. Go to [IRS.gov/MobileFriendlyForms](https://www.irs.gov/MobileFriendlyForms) for more information.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at [IRS.gov/eBooks](https://www.irs.gov/eBooks).

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to [IRS.gov/Account](https://www.irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment or view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, and transcripts.
- View digital copies of select notices from the IRS.

- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Get a transcript of your return. With an online account, you can access a variety of information to help you during the filing season. You can get a transcript, review your most recently filed tax return, and get your adjusted gross income. Create or access your online account at [IRS.gov/Account](https://www.irs.gov/Account).

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS OLA. For more information, go to [IRS.gov/TaxProAccount](https://www.irs.gov/TaxProAccount).

Using direct deposit. The safest and easiest way to receive a tax refund is to e-file and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don't have a bank account, go to [IRS.gov/DirectDeposit](https://www.irs.gov/DirectDeposit) for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund or credit.
- The IRS doesn't initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft), the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to [IRS.gov/IPPIN](https://www.irs.gov/IPPIN).

Ways to check on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- Download the official IRS2Go app to your mobile device to check your refund status.

- Call the automated refund hotline at 800-829-1954.



The IRS can't issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. [Digital assets](#) are **not** accepted. Go to [IRS.gov/Payments](#) for information on how to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit Card, Credit Card, or Digital Wallet:** Choose an approved payment processor to pay online or by phone.
- **Electronic Funds Withdrawal:** Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** This is the best option for businesses. Enrollment is required.
- **Check or Money Order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.
- **Same-Day Wire:** You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

What if I can't pay now? Go to [IRS.gov/Payments](#) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](#) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier](#) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](#).

Filing an amended return. Go to [IRS.gov/Form1040X](#) for information and updates.

Checking the status of your amended return. Go to [IRS.gov/WMAR](#) to track the status of Form 1040-X amended returns.



It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

Understanding an IRS notice or letter you've received. Go to [IRS.gov/Notices](#) to find additional information about responding to an IRS notice or letter.

IRS Document Upload Tool. You may be able use the Document Upload Tool to respond digitally to eligible IRS notices and letters by securely uploading required documents online through IRS.gov. For more information, go to [IRS.gov/DUT](#).

Schedule LEP. You can use Schedule LEP (Form 1040), Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS's commitment to LEP taxpayers is part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including notices and letters, in English until they are translated to your preferred language.

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to [IRS.gov/LetUsHelp](#) for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](#) to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Below is a message to you from the Taxpayer Advocate Service, an independent organization established by Congress.

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is the Taxpayer Advocate Service?

The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS). TAS helps taxpayers resolve problems with the IRS, makes administrative and legislative recommendations to prevent or correct the problems, and protects taxpayer rights. We work to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights. We are Your Voice at the IRS.

How Can TAS Help Me?

TAS can help you resolve problems that you haven't been able to resolve with the IRS on your own. Always try to resolve your problem with the IRS first, but if you can't, then come to TAS. Our services are free.

- TAS helps all taxpayers (and their representatives), including individuals, businesses, and exempt organizations. You may be eligible for TAS help if your

IRS problem is causing financial difficulty, if you've tried and been unable to resolve your issue with the IRS, or if you believe an IRS system, process, or procedure just isn't working as it should.

- To get help any time with general tax topics, visit www.TaxpayerAdvocate.IRS.gov. The site can help you with common tax issues and situations, such as what to do if you make a mistake on your return or if you get a notice from the IRS.
- TAS works to resolve large-scale (systemic) problems that affect many taxpayers. You can report systemic issues at www.IRS.gov/SAMS. (Be sure not to include any personal identifiable information.)

How Do I Contact TAS?

TAS has offices in every state, the District of Columbia, and Puerto Rico. To find your local advocate's number:

- Go to www.TaxpayerAdvocate.IRS.gov/Contact-Us,

- Check your local directory, or
- Call TAS toll free at 877-777-4778.

What Are My Rights as a Taxpayer?

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. Go to www.TaxpayerAdvocate.IRS.gov/Taxpayer-Rights for more information about the rights, what they mean to you, and how they apply to specific situations you may encounter with the IRS. TAS strives to protect taxpayer rights and ensure the IRS is administering the tax law in a fair and equitable way.



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Assistance (See Tax help)

C

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HSA holder [10](#)

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Last-month rule [6](#)

Partnerships [8](#)

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Rollovers [8](#)

S corporations [8](#)

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High deductible health plan [4, 12](#)

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Medical expenses, qualified [9, 14, 17, 19](#)

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Medicare Advantage MSAs [16](#)

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Testing period:

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Qualified HSA funding distribution [7](#)

BASIN TRANSIT

TO: Basin Transit Board of Directors
FROM: Joe Meer, Director of Procurement
DATE: January 22, 2026
RE: Approval of Purchase Orders

Staff circulated amongst known and qualified vendors, a Request for Information (RFI) soliciting pricing for Buy America, Plant and Vehicle Inspections and general technical assistance in support of Basin Transit's upcoming Paratransit Vehicles bid RFP 26-01.

Quotes from four (4) firms were received. After reviewing prices and qualifications staff requests authorization from the Board to issue purchase orders of up to \$35,000 each to Raul Bravo and Associates (RVBA) Fleet Maintenance Consulting (FMC) and Fleet Maintenance Specialists, Inc (FMS).

Staff notes that the expenditures for the tasks assigned are to be reimbursed by the awarded contractors as per the RFP and resulting contract.

**STAFF RECOMMENDATION: PROVIDE AUTHORIZATION TO STAFF TO
ISSUE PURCHASE ORDERS TO RVBA, FMC, AND FMS**

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: 2026 Board Calendar

The Board is asked to review the Calendar for 2026 and approve or modify it as needed.

STAFF RECOMMENDATION: ADOPT BASIN TRANSIT'S 2026 BOARD CALENDAR

**BASIN TRANSIT BOARD OF DIRECTORS'
SCHEDULE OF REGULAR MEETINGS OF 2026**

January 22, 2026	5:00 PM	<i>4th Thursday</i>	BASIN TRANSIT 62405 VERBENA ROAD JOSHUA TREE, CA 92252
March 26, 2026	5:00 PM	<i>4th Thursday</i>	BASIN TRANSIT 62405 VERBENA ROAD JOSHUA TREE, CA 92252
May 28, 2026	5:00 PM	<i>4th Thursday</i>	BASIN TRANSIT 62405 VERBENA ROAD JOSHUA TREE, CA 92252
July 23, 2026	5:00 PM	<i>4th Thursday</i>	BASIN TRANSIT 62405 VERBENA ROAD JOSHUA TREE, CA 92252
September 24, 2026	5:00 PM	<i>4th Thursday</i>	BASIN TRANSIT 62405 VERBENA ROAD JOSHUA TREE, CA 92252
November 19, 2026	5:00 PM	<i>3rd Thursday *</i>	BASIN TRANSIT 62405 VERBENA ROAD JOSHUA TREE, CA 92252

** The 4th Thursday in November is Thanksgiving; therefore each November meeting will be held on the 3rd Thursday.*

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026
RE: Election of Board Officers for Calendar Year 2026

Nominations and elections are to be conducted for the offices of Chair and Vice-Chair for Calendar Year 2026.

The secretary's position may be a Board Member, or the Board may re-appoint the General Manager to continue to be the Board Secretary and the Office Manager as Assistant Board Secretary.

Although not a bylaw requirement, the Chair and Vice-Chair positions have historically alternated between the elected representatives from Twentynine Palms and Yucca Valley. In 2025, the position of Chair was held by a member from Twentynine Palms. If Basin Transit were to follow past precedent, an elected official from Yucca Valley would be the Chair and a representative from Twentynine Palms, Vice-Chair for the 2026 calendar year.

**STAFF RECOMMENDATION: ELECT CHAIR, VICE-CHAIR AND SECRETARY
WITH TERMS TO EXPIRE JANUARY 2027**

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026
RE: Election of Member “At-Large” for Calendar Year 2026 and 2027

According to the Basin Transit Bylaws, the term of office for the Board Member “At-Large” is two years. As such, the Board must appoint a Member-At-Large for Calendar Years 2026 and 2027. The Board Member “At-Large” is appointed by the other six (6) standing Board Members; employees of the Authority are not eligible for this appointment.

Basin Transit advertised the Member “At-Large” position in the local newspapers during the month of December and received five (5) impressive responses indicating interest.

Letter of interests were received from:

- € Ben Sasnett has served as Member “At-Large” since 2007 and sits on the TREP committee.
- € Eric Linnert has a background in civil engineering and software technologies.
- € Joel Klink served as a Basin Transit Board Member from 2013 through 2016.
- € Joshua Shields has four decades of experience in the transit industry.
- € Daniel Polk, PhD has experience in community-based research and outreach.

**STAFF RECOMMENDATION: ELECT BASIN TRANSIT MEMBER “AT-LARGE”
FOR TWO-YEAR TERM**

William B. Sasnett, Jr.
7460 Del Monte Avenue
Yucca Valley, California 92284-8000
Telephone: (760) 362-3411
wbsasnett@verizon.net

December 14, 2025

Chairman and
Board of Directors
Basin Transit
62405 Verbena Road
Joshua Tree, California 92252

Re: Letter of Interest for Reappointment
as Board Member at Large

Dear Mr. Chairman and Members of the Board of Directors:

Please consider this as my Letter of Interest for reappointment to the Morongo Basin Transit Authority Board of Directors as the Board Member at Large.

I am a retired San Bernardino County employee, now working as a special appearance attorney for independent lawyers providing legal services to clients in the Morongo Basin

I have been a resident of Yucca Valley since 1983, and have been involved in educational, cultural, and other activities in the Morongo Basin.

I bring several years of experience with the Board, initially as the Alternate to the Board Member at Large, and currently as the Board Member at Large. I offer enthusiasm, continuity, seniority, and a continued interest in our community, including effective public transportation.

I look forward to meeting with you to further discuss my background, qualifications, and suitability for reappointment, and to answer any questions you may have.

Thank you for the consideration you are giving my application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'W. Sasnett', written over the word 'Sincerely'.

William B. Sasnett, Jr.

Eric Linnert

6938 Airway Avenue

Yucca Valley, CA 92284

714-240-1208

elinnert@gmail.com

January 5, 2026

Basin Transit Board of Directors

c/o Basin Transit Joshua Tree Operations Center

62405 Verbena Road

Joshua Tree, CA 92252

Dear Members of the Board:

My name is Eric Linnert, and I'm writing to express my interest in the Member-at-Large position on the Basin Transit Board of Directors. I've lived in the Morongo Basin for the past seven years and am deeply committed to public transportation and its vital role in enhancing accessibility, connectivity, and quality of life for residents and visitors throughout the Morongo Basin. I believe my perspective, community involvement, and enthusiasm for transit service improvement align well with the responsibilities of this position.

I have a background in civil engineering and software technologies, and more recently have been exploring architecture, urban planning, and real estate development. Alongside my professional work, over the years I've stayed actively engaged in the public realm, regularly attending Yucca Valley Town Council and Twentynine Palms City Council meetings, as well as several Basin Transit Board meetings in the past. I've also served for a year and a half on the Public Advisory Committee for the Hi-Desert Water District, where I gained experience contributing to public discussions around infrastructure, planning, and community needs. In these roles, I have developed strong skills in communication, collaborative decision-making, and strategic thinking. I am eager to contribute these skills toward advancing Basin Transit's goals and serving the diverse needs of the Morongo Basin community.

I'm excited about Basin Transit's recent service enhancements and would welcome the opportunity to help guide future improvements that expand access and connectivity throughout the Morongo Basin. I'm eager to deepen my involvement locally and am fully committed to participating thoughtfully and consistently in Board discussions and decisions.

Thank you for your consideration of my letter of interest. I would welcome the opportunity to discuss my background and how I can support Basin Transit's strategic direction.

Sincerely,

Eric Linnert

Member-at-large

From Joel Klink <Jak2945@outlook.com>

Date Wed 1/7/2026 8:48 AM

To Cheri Holsclaw <cheri@basin-transit.com>

Hi Cheri,

I am interested in the appointment of a member of the board as member-at-large. I was on the 29 Palms city council for 20 years and served on the MBTA Board. I don't remember how many years I served on the board. I really liked being on the board and didn't want to get off of it but other people on council wanted to have the experience I had to serve. If you need anything else from me let me know. I will be honored to serve the Morongo Basin as member-at-large on the Basin Transit Board.

Thank you for your time. Look forward to talking with you.

Joel Klink
760-910-1205
jak2945@outlook.com

RECEIVED
JAN - 8 2025

Joshua C. Shields
7028 La Habra Avenue
Yucca Valley, California 92284

BY:

January 5, 2026

Cheri Holsclaw
Basin Transit Joshua Tree Operations Center
62405 Verbena Road
Joshua Tree, California 92252

Dear Ms. Holsclaw,

I am writing to express my interest in serving on the Basin Transit Board of Directors in the member at large position. I have been a Yucca Valley resident since 2022. I have utilized Basin Transit service many times in town (Yucca Valley) as well as to and from Palm Springs Airport. I was impressed that such a relatively small community had a transit system covering such a large geographical area.

I have four decades experience in the transit industry.

- 1981-1984 part-time transit operator with Seattle Metro Transit.
- 1982-1984 part-time transit operator with Community Transit.
- 1984-1998 full-time transit operator with Seattle Metro Transit during which time I operated a wide variety of transit vehicles; articulated buses, electric trolley buses, Seattle Monorail, Waterfront Streetcar and the Metro Transit Historic Fleet.
- 1998-2007 Transit Operations Supervisor with Seattle Metro Transit duties included Field Supervisor/Accident Investigator, Base Dispatcher/Planner, Communications Coordinator, Transit Instructor, and Tunnel Controller for the Downtown Seattle Transit Tunnel-DSTT (including fire and life safety systems).
- 2007-2009 Interim Operations Chief with Seattle Metro Transit/Sound Transit overseeing day-to-day operations of the DSTT and beginning of joint use (bus and light rail) operations.
- 2009-2022 Rail Operations Supervisor with Seattle Metro Transit/Sound Transit overseeing testing and startup and expansion of the Link Light Rail system. Other Duties included Rail Field Supervisor/Accident Investigator, Base Dispatcher/Planner and Rail Controller (including fire and life safety systems).
- 2012 Developed System Safety Plan and training materials for Issaquah Valley Trolley tourist train operation.

Please feel free to contact me if you have any questions.

Sincerely,



Joshua C. Shields
206-883-7613

jcshields@earthlink.net

Daniel Polk, PhD
9007 Navajo Trail
Morongo Valley, CA 92256

January 9, 2026

Cheri Holsclaw
General Manager
Basin Transit
62405 Verbena Road
Joshua Tree, CA 92252

RE: Letter in Interest in Member-at-Large Position

Dear General Manager Holsclaw:

I'm writing to express my interest in the Member-at-Large position on the Board of Directors for Basin Transit. I'm a long-time resident of the Morongo Basin and a social scientist by training, with over a decade of experience in community-based research and outreach. I'm also an active community member with experience serving on boards and advocating for policy changes.

I've called the Morongo Basin home for over 27 years, and I'm a graduate of Yucca Valley High School (class of 2004). I have a long-time resident's understanding and respect for the assets and challenges found in the hi-desert community. Although I left the region to attend college, graduate school, and post-doctoral training, I would regularly return to be with family, and I've been a permanent resident since 2015.

I'm trained as a social scientist, specializing in environmental policy and community engagement. I earned a BA in history from UC Riverside (class of 2008). I then earned my PhD in cultural anthropology at Princeton University (class of 2014), and I was a Postdoctoral Scholar in political science at Stanford University (2014-2015). I wrote my dissertation about water management in Southern California, with a focus on the Salton Sea. I have also conducted research in Central American and South America on similar issues of water infrastructure and environmental governance. I have expertise in policy analysis, survey methods, community engagement, and data analysis. I'm also fluent in Spanish.

I currently work as a Research Associate at HARC, Inc. (Health Assessment and Research for Communities), a 501(c)3 nonprofit based in Palm Desert. We serve as research consultants to other nonprofits and public agencies. We specialize in providing survey research, data analysis, and community outreach on policies that affect community health. This includes topics as varied

as housing, public safety, mental health, and air quality. At HARC, I have designed and managed survey projects and community outreach for state, county, and local government agencies.

I'm also an active community member. I'm a member of the Latino Health Coalition and a board member of the Association of Princeton Latino Alumni. As someone who proudly identifies as Hispanic, I've been active in efforts to uplift and empower Latino and immigrant communities. I also serve as a board member for the Rawson Roads Improvement Committee, a 501(c)3 nonprofit dedicated to improving road infrastructure in Morongo Valley. For this nonprofit, I have volunteered in canvassing residents, assisting with public meetings, and strategizing how to fix and maintain local roadways.

Although I primarily use a private vehicle for my transportation, I have used Basin Transit services at times, which motivates me to submit this letter of interest. When my car was once in the shop, I had no choice but to use Basin Transit to reach my office in the Coachella Valley. (I used Route 12 from Morongo Valley to Palm Springs.) Through my use of Route 12, I came to appreciate the extraordinary lifeline that Basin Transit offers. I'm interested in learning how I can support Basin Transit in improving and expanding its services.

I'm especially interested in securing funding for two shade structures in Morongo Valley (at the two bus stops at Highway 62/Lanning Lane). I'm also interested in finding a solution to improve pedestrian safety at the southside Lanning Lane bus stop.

If appointed to the Board, I would be interested in learning more about the full service area of Basin Transit. In collaboration with Basin Transit, and if appointed, I would like to hold several in-person community events (including at least one virtual option) to better understand the needs of riders and residents.

Thank you and let me know if I may provide further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Polk', with a stylized, flowing script.

Daniel Polk, PhD

760-401-4390

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026
RE: Basin Transit Sub-Committee Assignments

Staff requests that Board Members discuss and assign or reassign members. Basin Transit has the following standing subcommittees:

Technical Advisory/Budgets

City/Town Managers, Danielle Harrington

Facilities & Real Estate Advisory (Ad Hoc)

Merl Abel, McArthur Wright

Marketing

Jeff Drozd, Jennifer Henning

Personnel

Chair, City/Town Managers

Taxicab

Ben Sasnett, Dan Mintz

Transportation Assistance Grant (TAG) Program

McArthur Wright, Jennifer Henning

Management Oversight Committee

Chair, Vice-Chair

STAFF RECOMMENDATION: DISCUSS AND ASSIGN BOARD MEMBERS AS APPROPRIATE

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Revisions to FY26 Operating Budget

This budget amendment incorporates the recently received 3.6M in Transit and Intercity Rail Capital Program (TIRCP) funds.

In addition to adding TIRCP funds, staff is requesting a budget amendment of \$31,680 (0.55%) to temporarily address operational needs related to unresolved issues with the GMV technology. Although the system was installed a year ago, ongoing installation-related challenges continue to impact farebox reconciliations and daily operations and require dedicated staff attention to correct.

To allow an existing employee to focus exclusively on system stabilization and support, we propose hiring a temporary janitorial employee to cover custodial duties, including facility cleaning and trash pick-up at bus shelters. This ensures continuity of essential services while technical issues are resolved.

Because the temporary assignment involves specialized technical responsibilities beyond the employee's normal duties, a temporary hourly pay increase is recommended to reflect the added expertise and accountability required. This is a short-term, targeted solution intended to improve system reliability and overall operational efficiency.

**STAFF RECOMMENDATION: APPROVE REVISIONS TO FY 2025/26
OPERATING BUDGET**

**BASIN TRANSIT
2025/26 AMENDED OPERATING BUDGET**

Line	Revenue Section	Approved FY26 Budget	Proposed FY26 Budget	Notes	% Chg.
1	Passenger Fares	\$ 295,605	\$ 295,605		0.00%
2	LCTOP Subsidy	\$ 33,550	\$ 33,550	K-12 Free Fares	0.00%
3	FTA Section 5311	\$ 555,516	\$ 555,516	Federal funding	0.00%
4	Other	\$ 114,242	\$ 114,242	Interest, Gain of Assets	0.00%
5	Natural Gas	\$ 171,951	\$ 171,951	CNG Sales & RNG Credits	0.00%
6	Measure I	\$ 153,100	\$ 136,700	Half-cent sales tax	-10.71%
7	AB 2766	\$ 40,000	\$ 40,000	Motor vehicle registration surcharge	0.00%
8	TIRCP	\$ -	\$ 3,639,476	SB125	100.00%
9	LTF	\$ 4,356,314	\$ 764,918	.25% sales tax generated in County	-82.44%
10	Total Revenues:	\$ 5,720,278	\$ 5,751,958		0.55%

Line	Administrative Expenses	Approved FY26 Budget	Proposed FY26 Budget	Notes	% Chg.
11	General Manager	\$ 152,528	\$ 152,528		0.00%
12	Office Manager	\$ 101,702	\$ 101,702		0.00%
13	F/T Office Clerk	\$ 55,264	\$ 55,264		0.00%
14	P/T Office Clerk	\$ 24,076	\$ 24,076		0.00%
15	Board Meetings	\$ 6,300	\$ 6,300		0.00%
16	Payroll taxes	\$ 12,236	\$ 12,236		0.00%
17	Health & Welfare	\$ 79,858	\$ 79,858		0.00%
18	Retirement	\$ 56,565	\$ 56,565		0.00%
19	Mileage	\$ 5,000	\$ 5,000		0.00%
20	Outside Services	\$ 31,228	\$ 31,228		0.00%
21	Prof. Fees	\$ 78,507	\$ 78,507		0.00%
22	Utilities	\$ 187,698	\$ 187,698		0.00%
23	Marketing/Promotions	\$ 50,493	\$ 50,493		0.00%
24	Office Supplies	\$ 17,389	\$ 17,389		0.00%
25	Postage	\$ 2,503	\$ 2,503		0.00%
26	Printing & Reproduction	\$ 14,425	\$ 14,425		0.00%
27	Training/Meetings	\$ 14,831	\$ 14,831		0.00%
28	Total Administration:	\$ 890,602	\$ 890,602		0.00%

Line	Maintenance Expenses	Approved FY26 Budget	Proposed FY26 Budget	Notes	% Chg.
29	Lead Tech Supervisor	\$ 111,472	\$ 111,472		0.00%
30	Mechanic B	\$ 77,169	\$ 77,169		0.00%
31	Utility Worker	\$ 57,555	\$ 57,555		0.00%
32	Utility Worker/Safety Coord.	\$ 57,002	\$ 88,682	Temp. Janitor/GMV Dedication	55.58%
33	Maint Admin	\$ 42,842	\$ 42,842		0.00%
34	Payroll Taxes	\$ 7,994	\$ 7,994		0.00%
35	Health & Welfare	\$ 33,078	\$ 33,078		0.00%
36	Retirement	\$ 26,514	\$ 26,514		0.00%
37	Uniforms	\$ 4,551	\$ 4,551		0.00%
38	Outside Services	\$ 65,777	\$ 65,777		0.00%
39	Parts	\$ 75,952	\$ 75,952		0.00%
40	Fluids	\$ 18,986	\$ 18,986		0.00%
41	Tires	\$ 64,516	\$ 64,516		0.00%
42	Accident Repair	\$ 26,369	\$ 26,369		0.00%
43	Tools	\$ 750	\$ 750		0.00%
44	Consulting	\$ 1,000	\$ 1,000		0.00%
45	Shop Supplies	\$ 1,250	\$ 1,250		0.00%
46	Facility Supplies	\$ 7,527	\$ 7,527		0.00%
47	Training/Meetings	\$ 5,000	\$ 5,000		0.00%
48	Shelter Maintenance	\$ 2,000	\$ 2,000		0.00%
49	CNG Stations Maintenance	\$ 75,000	\$ 75,000		0.00%
50	Total Maintenance:	\$ 762,304	\$ 793,984		4.16%

Line		Approved FY26 Budget	Proposed FY26 Budget	Notes	% Chg.
51	Operations Manager	\$ 126,721	\$ 126,721		0.00%
52	Safety & Training Supervisor	\$ 78,294	\$ 78,294		0.00%
53	Operator Wages	\$ 1,732,545	\$ 1,732,545		0.00%
54	Dispatch Wages	\$ 291,523	\$ 291,523		0.00%
55	Payroll Taxes	\$ 49,176	\$ 49,176		0.00%
56	Health & Welfare	\$ 343,402	\$ 343,402		0.00%
57	Retirement	\$ 276,227	\$ 276,227		0.00%
58	Safety Incentive Program	\$ 12,900	\$ 12,900		0.00%
59	Workers' Comp.	\$ 243,000	\$ 243,000		0.00%
60	Other Employee Exp.	\$ 36,409	\$ 36,409		0.00%
61	Mileage	\$ 1,850	\$ 1,850		0.00%
62	Uniforms	\$ 8,076	\$ 8,076		0.00%
63	Outside Services	\$ 16,635	\$ 16,635		0.00%
64	Tel/cell/internet/fax etc.	\$ 53,638	\$ 53,638		0.00%
65	Radio Exp.	\$ 5,935	\$ 5,935		0.00%
66	Fuel	\$ 336,885	\$ 336,885		0.00%
67	Training/Meetings	\$ 4,400	\$ 4,400		0.00%
68	Insurance	\$ 396,077	\$ 396,077		0.00%
69	Deferred Comp Match	\$ 53,680	\$ 53,680		0.00%
70	Total Operations:	\$ 4,067,372	\$ 4,067,372		0.00%

71	Grand Total Operations:	\$ 5,720,278	\$ 5,751,958		0.55%
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BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Disposal of 2004 Ford Ranger

Staff is requesting authorization to dispose of a 2004 Ford Ranger that has exceeded its useful life and mileage (238,168) thresholds and is no longer cost-effective to retain in the fleet.

Additionally, staff is requesting approval to dispose of the vehicle through an internal silent auction, beginning at \$2,000. The proposed starting price represents an average of valuation estimates obtained from Kelley Blue Book and Edmunds. This disposal method ensures a fair and transparent process. Proceeds received from the sale of the vehicle will be applied toward the agency's end-of-year employee recognition dinner.

STAFF RECOMMENDATION: APPROVE DISPOSAL OF RANGER

BASIN TRANSIT

TO: Board of Directors
FROM: Cheri Holsclaw, General Manager
DATE: January 22, 2026

RE: Bus Stop Improvement (IFB #26-01)

Staff is requesting approval to proceed with IFB #26-01. This project involves providing the necessary labor, equipment, and materials to construct two (2) bus turnouts, asphalt, and installing Basin Transit bus shelters in front of the Monterey Business Center, as well as the Mohawk Apartments, located in Yucca Valley.

This bus stop improvement project is entirely funded by Article 3.

STAFF RECOMMENDATION: APPROVE IFB #26-01, BUS TURNOUT AND SHELTER; AUTHORIZE STAFF TO AWARD PROJECT TO LOWEST RESPONSIVE BIDDER



Basin Transit

***Notice to Contractors, Instructions to Bidders, Special Provisions,
Proposal & Contract for:***

BUS TURNOUT AND SHELTER

AT

BUSINESS CENTER DRIVE AND INDIO AVENUE

AND

SUNNYSLOPE DRIVE AND MOHAWK TRAIL

IN

TOWN OF YUCCA VALLEY

(IFB 26-01)

BASIN TRANSIT

Bus Turnout and Shelter (IFB 26-01)

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NOTICE INVITING SEALED BIDS

BASIN TRANSIT

Bus Turnout and Shelter (IFB 26-01)

BIDS MUST BE RECEIVED BY: 10:00 a.m. on March 13, 2026

BIDS TO BE OPENED BY: 10:00 a.m. on March 13, 2026

PLACE OF BID RECEIPT: General Manager
Basin Transit
62405 Verbena Road
Joshua Tree, CA 92252

NOTICE IS HEREBY GIVEN that the Basin Transit, County of San Bernardino, California, will receive up to, but not later than the time set forth above, sealed contract bids for the award of a contract for the above project. All bids shall be made on the form furnished by the Basin Transit and shall be opened and publicly read aloud at the above-stated time at the place of bid receipt identified above.

Bids must be placed in a sealed package with the project name and identification number typed or clearly printed on the lower left corner of the package.

PROJECT IDENTIFICATION NAME: Bus Turnout and Shelter (IFB 26-01)

DESCRIPTION OF WORK: Provide necessary labor, equipment and materials to construct concrete sidewalk, concrete bus shelter pad, and install Basin Transit furnished bus shelter, and associated work at Business Center Drive; asphalt curb, asphalt sidewalk, concrete bus shelter pad, asphalt pavement, install Basin Transit furnished bus shelter, and associated work at Sunnyslope Drive in the Town of Yucca Valley, as specified on the drawings, and in these specifications and special provisions, and as directed by the General Manager.

ENGINEER'S ESTIMATE: \$97,000

COMPLETION OF WORK: All work shall be completed within 30 working days following written notice to proceed from the Basin Transit.

OBTAINING BID DOCUMENTS: Contract documents for the above referenced project may be obtained at the Office of the General Manager, Basin Transit, 62405 Verbena Road, Joshua Tree, California 92252, upon payment of **\$15.00** for each set if picked up in person, or **\$35.00** if mailed. Requests for mailing shall be made two weeks minimum prior to bid opening date to the Basin Transit at (760) 366-2986. This amount is not refundable.

BID BOND: Each bid response shall be accompanied by the bid securities and attachments as required in Section B – Instructions to Bidders, in an amount not less than ten percent (10%) of the amount named in the bid.

PREVAILING WAGE RATES: Pursuant to the Labor Code of the State of California, the Director of Industrial Relations has determined the general prevailing rate of wages and employer payments for health and welfare, vacation, pension and similar purposes applicable to the work to be done. The General Prevailing Wage Determinations are available at <http://www.dir.ca.gov/OPRL/pwd/>. The Contractor to whom the contract is awarded, and the subcontractors under him must pay not less than these rates for this area to all workers employed in the execution of this contract.

CONTRACTOR'S LICENSE: In accordance with the Provisions of California Public Contract Code Section 3300, the Basin Transit has determined that the Contractor shall possess a valid Class [A] General Engineering contractor's license at the time that the contract is awarded. Failure to possess the

specified license shall render the bid as non-responsive and shall act as a bar to award of the contract to any bidder not possessing said license at the time of award.

SUBSTITUTE SECURITIES FOR RETENTION MONEYS: In accordance with Part 5 (Section 22300), Division 2 of the Public Contract Code, a contractor may substitute securities for retention moneys withheld by a public agency to ensure performance under this contract. At the request and expense of the contractor, securities equivalent to the amount withheld shall be deposited with the Basin Transit, or with a state or federally chartered bank, as the escrow agent, who shall then pay such moneys to the contractor, and upon satisfactory completion of the contract, the securities shall be returned to the Contractor.


REJECTION OF BIDS: The Basin Transit reserves the right to reject any or all bids or any parts thereof and waive any irregularities or informalities in any bid or in the bidding and to make awards in all or part in the best interest of the Basin Transit.

WITHDRAWAL OF BID: No bidder may withdraw his bid for a period of sixty (60) days after the date set for the opening bids.

DEPARTMENT OF INDUSTRIAL RELATIONS REQUIREMENTS:

- No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- Contractors and subcontractors must furnish electronic certified payroll records to the Labor Commissioner for all new projects awarded.

BASIN TRANSIT

By: 

Danny Chow
Project Engineer

Date: February 25, 2026

INSTRUCTION TO BIDDERS

FORM OF PROPOSAL: The proposal shall be made on the bidding schedule ("Proposal") herein. The proposal shall be enclosed in a sealed envelope bearing the name of the bidder and the name of the project as described under Section "A".

DELIVERY OF PROPOSALS: The proposal shall be delivered by the time and to the place stipulated in the Notice Inviting Sealed Bids. It is the bidder's sole responsibility to see that his proposal is received in proper time. Any proposal received after the scheduled closing time for receipt of proposals may be returned to the bidder unopened unless an extension has been granted by the Basin Transit. Bidders or their authorized agents are invited to be present.

MODIFICATIONS AND ALTERNATIVE PROPOSALS: Unauthorized conditions, limitations or provisos attached to a proposal will render it informal and may be cause for rejection. The complete proposal forms shall be without inter-lineations, alterations or erasures, unless each such correction is suitably authenticated by affixing in the margin immediately opposite the correction the surname or surnames of the person or persons signing the bid. No oral, telegraphic or telephonic proposals or modifications will be considered.

WITHDRAWAL OF PROPOSAL: The proposal may be withdrawn upon request by the bidder without prejudice to himself prior to, but not after the time fixed for opening of bids, provided that the request is in writing, has been executed by the bidder or his duly authorized representative, and is filed with the General Manager. No proposal may be withdrawn during the period of sixty (60) calendar days after the opening of proposals.

BIDDER'S SECURITY: Each bid shall be accompanied by a certified or cashier's check payable to the Basin Transit or a satisfactory bid bond in favor of the Basin Transit executed by the bidder as principal and a satisfactory surety company as surety, in an amount not less than ten percent (10%) of the amount named in the bid. The check or bid bond shall be given as a guarantee that the bidder shall execute the contract if it is awarded to him in conformity with the contract documents and shall provide the evidence of insurance and furnish the necessary bonds as specified in the contract documents, within fifteen (15) calendar days after written notice of the award. In case of the bidder's refusal or failure to do so, the check or bond, as the case may be, shall be forfeited to the Basin Transit. No bidder's bond will be accepted unless it conforms substantially to Section "D".

APPROXIMATE ESTIMATE: The quantities shown in the proposal form, and in the estimate included in the Special Provisions, shall be considered as approximate only, being listed therein for the purpose of serving as a general indication of the amount of work or materials to be performed or furnished, and as a basis for the comparison of bids; and the Basin Transit does not guarantee nor agree, either expressly or by implication, that the actual amount required will correspond therewith, but reserves the right to increase or decrease the amount of any item or portion of work or material to be performed or furnished, or to omit any such item or portion, in accordance with the Special Provisions or Standard Specifications, under which the work is to be constructed, without any way invalidating the contract, should such increase, decrease or omission be deemed necessary or expedient.

ADDENDA: The General Manager may, from time to time, issue addenda to the contract documents during the period of advertising for bids, for the following purposes: (a) revising Prevailing Wage Scales, or (b) clarifying, correcting or otherwise amending quantities of work under Special Provisions, plans or bid proposal.

Securers of contract documents shall be notified of, and furnished with, copies of such addenda, either by certified mail or personal delivery, during the period of advertising at no additional cost.

DISCREPANCIES IN PROPOSALS: The bidder shall set forth each item of work, in clearly legible figures, a unit or line item bid for the item in the respective spaces provided for this purpose.

In case of discrepancy between the unit price and the total set forth for the item, the unit price shall prevail, provided, however, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or in the case where the unit price is the same amount as the entry in the "Total" column, then the amount set forth in the "Total" column for the item shall prevail in accordance with the following:

- (1) As to lump sum items, the amount set forth in the "Total" column shall be the unit price.
- (2) As to unit price items, the amount set forth in the "Total" column shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price.

In case of discrepancy between words and figures, the words shall prevail.

COMPETENCY OF BIDDERS: In selecting the lowest responsible bidder, consideration will be given not only to the financial standing, but also to the general competency of the bidder for the performance of the work covered by the proposal. To this end each proposal shall be supported by a statement of the bidder's experience on the form entitled "Information Required of Bidder" bound herein. No agreement for the work will be executed with a contractor who is not licensed in accordance with the laws of the State of California under applicable provisions of the Business and Professions Code. The licensing requirements for contractors shall apply also to subcontractors.

BIDDER'S EXAMINATION OF SITE AND CONTRACT DOCUMENTS: Bidders must satisfy themselves by personal examination of the location of the proposed work and by such other means as they may prefer as to the proposal, plans, specifications, contract form and actual conditions and requirements of the work, and shall not at any time after submission of the bid, dispute, complain, or assert that there was any misunderstanding in regard to the conditions to be encountered, the character, quality, and quantities of work to be performed and materials to be furnished, and the requirements of the proposal, plans, specifications, and the contract form. The submission of a proposal shall be considered conclusive evidence that the bidder has made such examination.

DISQUALIFICATION OF BIDDERS: No person, firm, or corporation shall be allowed to make, file or be interested in more than one bid for the same work, unless alternate bids are specifically called for. A person, firm or corporation that has submitted a subproposal to a bidder, or that has quoted prices of materials to a bidder is not hereby disqualified from submitting a subproposal or quoting prices to other bidders or making a prime proposal. If there is a reason to believe that collusion exists among the bidders, all bids will be rejected.

RETURN OF BID SECURITY: The successful bidder's proposal guarantee shall be held until the contract is executed. Bid security shall be returned to unsuccessful bidders within twenty (20) calendar days after the successful bidder has signed the contract.

AWARD OF CONTRACT: The Basin Transit reserves the right to reject any or all bids or any parts thereof or to waive any irregularities or informalities in any bid or in the bidding. The award of the contract, if made by the Basin Transit, will be to the lowest responsible and qualified bidder. The award, if made, will be within sixty (60) calendar days after the opening of the proposals; provided that the award may be made after said period if the successful bidder has not given the Basin Transit written notice of the withdrawal of his bid.

ALTERNATES: In accordance with Public Contract Code Section 20103.8(b), the lowest bid shall be the lowest total of the bid price on the base bid plus any alternative bid item(s), and also providing that pursuant to that Section, the City reserves the right to deduct from the contract any alternative bid item(s).

LISTING SUBCONTRACTORS: Each bidder shall submit a list of the proposed subcontractors on this project, as required by the Subletting and Subcontracting Fair Practices Act (Public Contract Code Sections 4100, et seq.). Forms for this purpose are furnished with the contract documents.

EXECUTION OF AGREEMENT: The bidder to whom award is made shall execute a written contract with the Basin Transit in the form included in these contract documents and shall secure all insurance and bonds as herein provided within fifteen (15) calendar days from the date of mailing of written notice of the award. Failure or refusal to enter into the agreement or to conform to any of the stipulated requirements shall be just cause for the annulment of the award and forfeiture of the bidder's security. In the event the bidder to whom an award is made fails or refuses to execute the Agreement within said time, the Basin Transit may declare the bidder's security forfeited, and it may award the work to the next lowest bidder, or may call for new bids.

If the successful bidder refuses or fails to execute the contract, the Basin Transit may award the contract to the second lowest responsible bidder. If the second lowest responsible bidder refuses to execute the contract, the Basin Transit may award the contract to the third lowest responsible bidder to execute the contract; such bidder's securities shall be likewise forfeited to the Basin Transit.

INSURANCE AND BONDS: The Contractor shall not begin work under the Agreement until it has given the Basin Transit evidence of comprehensive public liability insurance and Workers' Compensation Insurance coverage as provided in the General Provisions and Sections "G" and "H" and provided Faithful Performance and Labor and Material bonds as described in General Provisions and Sections "E" and "F".

TELEPHONES: Bidders are hereby notified that Basin Transit will not provide telephones for their use at the time of receipt of bids.

MATERIAL SUPPLIER: If the firm who is signatory on the contract is supplying materials only, a payment bond need not be furnished.

INTERPRETATION OF PLANS AND DOCUMENTS: If any person contemplating submitting a bid for the proposed contract is in doubt as to the true meaning of any part of the drawings, specifications or other contract documents, or finds discrepancies in or omissions from the drawings and specifications, he may submit to the General Manager a written request for an interpretation or correction. The person submitting the request will be responsible for its prompt delivery. Any interpretation or correction of the contract document will be made only by an Addendum duly issued, and a copy of such Addendum will be mailed or delivered to each person receiving a set of the contract documents. No oral interpretation of any provision in the contract documents shall be binding.

SALES AND/OR USE TAXES: Except as may be otherwise specifically provided herein, all sales and/or use taxes assessed by federal, state or local authorities on materials used or furnished by the Contractor in performing the work hereunder shall be paid by the Contractor.

DEPARTMENT OF INDUSTRIAL RELATIONS REQUIREMENTS:

- No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- Contractors and subcontractors must furnish electronic certified payroll records to the Labor Commissioner for all new projects awarded.

PROTEST PROCEDURES: All protests must be in writing, stating the name and address of protestor, a contact person, Contract number and title. Protests shall specify in detail the grounds of the protest and the facts supporting the protest.

ADDRESS:

All protests must be addressed as follows:

Basin Transit – Bus Turnout and Shelter (IFB 26-01)

Agency Contact: Ms. Cheri Holsclaw
For U.S. Mail, special delivery or hand delivery:
Basin Transit
62405 Verbena Road
Joshua Tree, CA 92252

Protests not properly addressed to the address shown above may not be considered by the Agency. Copies of the Agency's protest procedures and the protest provisions of FTA Circular 4220.1F or its successor may be obtained from Ms. Cheri Holsclaw, General Manager, Basin Transit, 62405 Verbena Road, Joshua Tree, CA 92252, [760-366-2986](tel:760-366-2986). Proposals shall be opened and a Notice of Award shall be issued by the Agency in accordance with the Agency's protest procedures and the protest provisions of FTA Circular 4220.1F or its successor.

PRE-PROPOSAL PROTESTS:

Pre-Proposal protests are protests based upon the content of the solicitation documents. Three copies of Pre-Proposal protests must be received by the Agency's office no later than ten (10) calendar days after the RFP is first advertised. Protests shall be considered and either denied or sustained in part or in whole, in writing, in a manner that provides verification of receipt, prior to the Due Date for Proposals. A written decision specifying the grounds for sustaining all or part of or denying the protest shall be transmitted to the protestor prior to the Due Date for Proposals in a manner that provides verification of receipt prior to the Due Date for Proposals. If the protest is sustained, the Proposal Due Date may be postponed and an addendum issued to the solicitation documents or, at the sole discretion of the Agency, the solicitation may be canceled. If the protest is denied, Proposals shall be received and opened on the scheduled date unless a protest is filed with FTA. See "FTA Review," below.

PROTESTS ON THE RECOMMENDED AWARD:

All proposers shall be notified of the recommended award. This notice shall be transmitted to each proposer at the address contained in its Proposal form in a manner that provides verification of receipt. Any Proposer whose Proposal has not lapsed may protest the recommended award on any ground not specified in "Pre-Proposal Protests," above. Three (3) copies of a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest must be received by the Agency at the appropriate address in "Address," above, no later than fifteen (15) calendar days after the date such notification is received. Prior to the issuing of the Notice of Award, a written decision stating the grounds for allowing or denying the protest shall be transmitted to the protestor and the proposer recommended for award in a manner that provides verification of receipt.

CALTRANS REVIEW:

After such administrative remedies have been exhausted, an interested party may file a protest with the California Department of Mass Transportation pursuant to the procedures provided in the FTA C 4220.1F or its successor. Caltrans review is limited to the alleged failure of the Agency to have written protest procedures, the alleged failure of the Agency to follow those procedures, the alleged failure of the Agency to review a protest or the alleged violation of federal law or regulation.

The protest filed with Caltrans shall:

- 1) Include the name and address of the protester.
- 2) Identify Basin Transit as the party responsible for the RFP process.
- 3) Contain a statement of the grounds for protest and any supporting documentation. (The grounds for protest filed with Caltrans must be fully supported to the extent feasible. Additional materials in support of an initial protest will only be considered if authorized by the FTA regulations.)
- 4) Include a copy of the protest filed with Basin Transit, and a copy of Basin Transit's decision, if any.
- 5) Indicate the ruling or relief desired from Caltrans.

Such protests should be sent to:

California Department of Transportation
Division of Mass Transportation
PO BOX 942874 – M.S. 39,
Sacramento, CA 942874-0001

A copy of such protests should also be sent to the General Manager.

SPECIAL PROVISIONS

Sub - Section 1. General Provisions

The general provisions which shall apply to this contract shall be those set forth in the Standard Specifications for Public Works Construction, latest edition, published by Building News, Inc., 3055 Overland Avenue, Los Angeles, California 90034, hereinafter referred to as "Standard Specifications." The Standard Specifications are referred to and by this reference made a part hereof as though set forth at length. The Contractor is required to comply with the Standard Specifications in addition to the conditions set forth in these General Provisions, Specific Project Provisions and as stated in the Special Provisions of these contract documents.

I. AWARD OF BID AND EXECUTION OF CONTRACT

I-A. DECISION AS TO WHICH CONTRACTOR IS THE LOWEST AND BEST BIDDER - All bidders must submit with their proposals satisfactory evidence that they are capable of performing the work in accordance with plans and specifications. The General Manager may require any bidder bidding on any public improvement to submit experience records covering a three-year period. The Basin Transit Board may reject the bid of any bidder who has been delinquent or unfaithful in the performance of any previous contract work. The decision of the Basin Transit Board as to which bidder is considered the "lowest responsible bidder" will be based not only on the actual amount of the bid, but also on the relative competence and experience of the bidders, with particular regard to the quality performance of any work done by them for the Basin Transit in the past, and such decisions shall be final and binding upon all parties.

I-B. EXECUTION OF THE CONTRACT - The contract, in the form set forth in Section "J" shall be executed by the successful bidder in accordance with the Instruction for Execution of Instruments, and returned to the Basin Transit for execution by the Basin Transit, and shall be accompanied by bonds as described in Paragraph I-C and the evidence of insurance required by Paragraph I-D, all within fifteen (15) calendar days from the date written notice of the award is mailed to bidder. No bidder proposal shall be considered binding upon the Basin Transit until such time as it has been executed by the Basin Transit.

I-C. CONTRACT BONDS - The successful bidder shall furnish to the Basin Transit at his own expense two surety bonds. One bond shall be in the amount of 100% of the contract price in the form set forth in Section "E" to guarantee faithful performance of the contract work. The other bond, in an amount not less than 100% of the contract price in the form set forth in Section "F" shall be furnished to secure payment of those supplying labor and materials as required by the California Civil Code. Each bond shall be executed in accordance with the instructions set forth in Section "I" and each bond shall be executed by a corporate surety acceptable to, and approved by the Basin Transit.

I-D. INSURANCE - The Contractor shall at all times, during the term of this contract, carry, maintain and keep in full force and effect, a policy or policies of comprehensive public liability insurance with an insurance company acceptable to, and approved by, the General Manager and Basin Transit, within minimum limits of One Million Dollars (\$1,000,000.00) combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the Contractor, together with an endorsement in substantially the form set forth in Section "H" attached hereto. The Contractor shall also at all times during the term of this contract carry, maintain and keep in full force and effect a policy or policies of Workers' Compensation insurance and shall provide to the Basin Transit evidence of such coverage in the form set forth in Section "G" attached hereto.

I-E. COMPLIANCE WITH PROVISIONS OF THE PUBLIC CONTRACT CODE - All Contracts shall conform with the provisions of Sections 4100 through 4114, inclusive, of the Public Contract Code, as amended, concerning subcontractors and subcontracts.

I-F. REJECTION OF BIDS - Proposals may be rejected by the Basin Transit Board where, upon evidence of a prior performance of the bidder, the Basin Transit Board has made a finding that the bidder is not a responsible contractor because of unsatisfactory performance within the past three (3) years with the Basin Transit or with other public entities. The Basin Transit reserves the right to reject any or all bids and to waive any irregularity or informality in any bid to the extent permitted by law.

II. LEGAL RELATIONS AND RESPONSIBILITY TO THE BASIN TRANSIT

II-A. LAWS TO BE OBSERVED - The Contractor shall keep himself fully informed on all existing and pending State and national laws and all municipal ordinances and regulations of the Basin Transit, which in any manner affect those employed in the work, or the material used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having jurisdiction or authority over the same. The Contractor shall particularly observe all ordinances of the Basin Transit in relations to the obstruction of streets or conduct of the work, keeping open passageways and protecting the same where they are exposed or dangerous to traffic.

II-B. SOCIAL SECURITY REQUIREMENTS - The Contractor shall furnish to the Basin Transit satisfactory evidence that he and all subcontractors working for him are complying with all requirements of the Federal and State Social Security legislation. The Contractor, at any time on request, shall satisfy the Basin Transit that the Social Security and Withholding tax are being properly reported and paid.

II-C. PREVAILING WAGES - In accordance with the provisions of Section 1770 *et seq.*, of the Labor Code, the Director of the Department of Industrial Relations of the State of California has ascertained the general prevailing rate of wages applicable to the work to be done under contract for public improvement. The Contractor will be required to pay to all those employed on the project sums not less than the sums set forth in the documents entitled "General Prevailing Wage Determination made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, Sections 1770, 1773, 1773.1 and 1776."

The Contractor shall post a copy of the prevailing wage rates at each job site.

II-D. PENALTIES - The Contractor shall comply with Labor Code Section 1775 and he shall forfeit, as a penalty to the Basin Transit, the sum of not more than fifty dollars (\$50.00) as determined by the labor commissioner, for each calendar day or portion thereof during which the Contractor or any subcontractor under him has paid to any workman employed in the project an amount less than that required by the provisions of the preceding Paragraph II-C.

II-E. WORKING HOURS - The Contractor shall forfeit, as penalty to the Basin Transit, the sum of twenty-five dollars (\$25.00) for each workman employed in the execution of the contract by him or by any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, in violation of the provisions of Labor Code Section 1813.

II-F. APPRENTICES - Attention is directed to the provisions of Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under him. It shall be Contractor's responsibility to ensure that all persons shall comply with the requirements of said sections in the employment of apprentices.

Information relative to apprenticeship standards and administration of the apprenticeship program may be obtained from the Department of Industrial Relations, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

II-G. REGISTRATION OF CONTRACTORS - Only a Contractor licensed in accordance with the provisions of Chapter 9, Division 3, of the Business and Professions Code, beginning at Section 7000, shall be permitted to enter into a contract with the Basin Transit for any public improvements.

II-H. PERMITS AND LICENSES - The Contractor shall procure all permits and licenses, (including a business license of the City or Town in which the project is located, if required), pay all charges and fees and give all notices necessary and incidental to the due and lawful prosecution of the work.

II-I. PATENTS - The Contractor shall assume all responsibility arising from the use of any patented, or allegedly patented materials, equipment, devices or processes used on or incorporated in the work, and shall defend, indemnify, and hold harmless the Basin Transit, and each of its officers, agents, and employees from and against any and all liabilities, demands, claims, damages, losses, costs, and expenses, of whatsoever kind or nature, arising from such use.

II-J. INDEMNITY - The Contractor agrees to defend, indemnify, and save harmless the Basin Transit and each of its officers, agents, and employees and agents including but not limited to the firm, its officers and employees of Charles Abbott Associates, Inc. who are providing services to the Basin Transit from and against any and all liabilities, demands, claims, damages, losses, costs, and expenses, of whatsoever kind or nature, including, but not limited to, any and all direct and indirect consequence of entering into this contract or of injury, sickness, or disease, including death, to persons or injury to, or destruction of, property, including, but not limited to, the loss of use of property, resulting directly or indirectly from or in any manner connected with or pertaining to any and all operations, and any and all activities, omissions and conditions in any manner connected therewith or pertaining thereto, of the Contractor under the contract, subject to any limitations imposed by Civil Code Section 2782.

II-K. NOTICE - The address given in the Contractor's proposal is the place to which all notices to the Contractor shall be mailed or delivered. The mailing to or delivering at the above named place of any notice shall be deemed sufficient service thereof upon the Contractor, and the date of that service shall be the date of such mailing or delivery. Such address may be changed at any time by written notice signed by the Contractor and delivered to the General Manager.

II-L. CONTRACTOR'S RESPONSIBILITY FOR WORK - Until the final acceptance of the work by the Basin Transit, by written action of the General Manager, the Contractor shall have the charge and care thereof and shall bear the risk of injury or damage to any part of the work by the action of the elements or any other cause. The Contractor shall rebuild, repair, restore and make good all injuries or damages to any portion of the work occasioned by any cause before its completion and acceptance and shall bear the expense thereof, except for such injuries or damages arising from the sole negligence of willful misconduct of the Basin Transit, its officers, agents or employees. In the case of suspension of work from any cause whatever, the Contractor shall be responsible for all materials and the protection of work already completed and shall properly store and protect them if necessary and shall provide suitable drainage and erect temporary structures where necessary.

II-M. MAINTENANCE AND GUARANTEE -

(1) The Contractor hereby guarantees that the entire work constructed by him under the contract will meet fully all requirements as to quality of workmanship and materials. The Contractor hereby agrees to make at his own expense any repairs or replacements made necessary by defects in materials or workmanship that become evident within one year after the date of the final payment, and to restore to full compliance with the requirements of these specifications including any test requirements set forth herein for any part of the constructed hereunder, which during said one-year period is found to be deficient with respect to any provisions of the specifications. The Contractor shall make all repairs and replacements promptly upon receipt of written orders for the same from the General Manager.

(2) The guarantees and agreements set forth in Subsection 1 shall be secured by a surety bond which shall be delivered by the Contractor to the Basin Transit before the Notice of Completion and acceptance of the work, by the General Manager, as provided in Subsection 6-8 of the Standard Specifications. Said bond shall be in the form approved by the Basin Transit and executed by a surety company or companies satisfactory to the Basin Transit, in the amount of 100% of the contract. Said bond shall remain in force for a period of one year after the date of Notice of Completion and acceptance. Alternatively, the Contractor may provide for the Faithful Performance Bond furnished under the contract to remain in force

and effect for said amount until the expiration of said one-year period.

III. PROSECUTION AND PROGRESS OF THE WORK

III-A. WORK SCHEDULE - As soon as notified of the award of the contract, the Contractor shall prepare and submit to the General Manager a work schedule for accomplishing the work. Said schedule must show the dates of the expected start and completion of the various items of the contract work. During a scheduling conference between the Contractor and the General Manager, the work schedule will be discussed and modified, if necessary, by mutual agreement. Should it become necessary for the Basin Transit to delay temporarily the work schedule agreed upon during the scheduling conference, every effort will be made to permit a new work schedule at the time most convenient to the Contractor, thus permitting the project to proceed with the shortest intramural movement of the equipment.

III-B. SUBLETTING AND ASSIGNMENT - The Contractor shall give his personal attention to the fulfillment of the contract and shall keep the work under his control. The Contractor shall not assign, transfer nor sublet any part of the work without the written consent of the Basin Transit by the General Manager and of the surety of the Contractor's bond, and such consent of Surety, together with a copy of the subcontract, shall be filed with the General Manager. No assignment, transfer or subletting, even though consented to, shall relieve the Contractor of his liabilities under the contract. Subcontractors shall not be recognized as such, and all persons engaged in the project will be considered as employees of the Contractor, their work being subject to the provisions of the contract and the specifications. Should any subcontractor fail to perform the work undertaken by him to the satisfaction of the General Manager, said subcontractor shall be removed immediately from the project upon request by the General Manager, shall not again be employed on the work, and the Contractor shall be held liable for the deficient work.

The Contractor shall submit to the Basin Transit a list with the names, addresses and telephone numbers of all subcontractors who will work under him.

III-C. CHARACTER OF WORKMAN - The Contractor shall employ none but competent foremen, laborers and mechanics. Any overseer, superintendent, laborer or other person employed on the work by the Contractor who is intemperate, incompetent, troublesome or otherwise undesirable, or who fails or refuses to perform the work in the manner specified herein, shall be discharged immediately and such person shall not again be employed on the work.

III-D. AGENTS OR FOREMAN - In the absence of the Contractor from the site of the project, even if such is only of a temporary duration, he must provide and leave at the site a competent and reliable English-speaking agent or foreman in charge. All notices, communications, orders or instructions given, sent to, or served upon, such agent or foreman by the General Manager shall be considered as having been served upon the Contractor.

III-E. TEMPORARY STOPPAGE OF CONSTRUCTION ACTIVITIES - The General Manager shall have the authority to suspend the contract work, wholly or in part, for such a period of time as he may deem necessary, due to unsuitable weather, or to such other conditions as he considered unfavorable for the proper prosecution of the work, or for such time as he may deem necessary due to failure on the part of the Contractor or his workmen to carry out orders or to perform any of the requirements of the contract. The Contractor shall immediately comply with such an order from the General Manager and shall not resume operations until so ordered in writing.

III-F. TIME OF COMPLETION AND LIQUIDATED DAMAGES - If all the contract work is not completed in all parts and requirements within the time specified in the contract documents, the Basin Transit shall have the right to grant or deny an extension of time for completion, as may seem best to serve the interest of the Basin Transit. The Contractor shall not be assessed with liquidated damages during any delay in the completion of the work caused by acts of God or of the Public Enemy, acts of the State, fire not due to acts of contractors, of subcontractors, floods, epidemics, quarantine, restrictions, strikes, freight embargo or unusually severe weather, or delays of subcontractors due to such causes, provided that the Contractor shall, within ten (10) days from the beginning of such delay, notify the Basin Transit, in

writing, of the cause of the delay. The Basin Transit will ascertain the facts and the extent of the delay, and the finding thereon shall be final and conclusive. If the Basin Transit deems it appropriate to assess the contractor liquidated damages, such damages shall be of a minimum amount of \$250.00 per day.

III-G. SUSPENSION OF CONTRACT - If at any time, in the opinion of the General Manager, the Contractor fails to supply an adequate working force, manufactured articles, or material of proper quality, or has failed in any other respect to prosecute the work with the diligence and force specified and intended in any by the terms of the contract, notice thereof in writing will be served upon him, and should he neglect or refuse to provide means for a satisfactory compliance with the contract within the time specified in said notice and as directed by the General Manager, the General Manager shall have the power to suspend the operation of the contract and discontinue all work or any part thereof, subject to review by the Basin Transit Board. Thereupon the Contractor shall discontinue such work, or such part thereof as the Basin Transit may designate, and the Basin Transit may thereupon, by contract or otherwise, as it may determine, complete the work or such part thereof, and charge the entire expense of so completing the work or any part thereof to the Contractor, and for such completion the Basin Transit itself or its Contractors may take possession of and use, or cause to be used in the completion of the work, or any part thereof, any such materials, implements and tools of every description as may be found at the place of such work. All expense charged under this paragraph shall be deducted and paid for by the Basin Transit out of any moneys then due or to become due the Contractor under the contract, or any part thereof, and in such accounting the Basin Transit shall not be held to obtain the lowest figure for the work for completing the contract, or any part thereof, or for ensuring its proper completion, but all sums paid therefore shall be charged to the Contractor. In case the expenses so charged are less than sum which would have been payable under the contract, if the same had been completed by the Contractor, the Contractor shall be entitled to receive the difference, and in case such expense shall exceed the amount payable under the contract, then the Contractor shall pay the amount of the excess to the Basin Transit, upon completion of the work, without further demand being made therefore. In the determination of the question as to whether or not there has been any such noncompliance with the contract as to warrant the suspension or annulment thereof, the decision of the Basin Transit Board shall be binding on all parties to the contract.

IV. MEASUREMENT AND PAYMENT

IV-A. MEASUREMENT AND PAYMENT - Measure of the quantities of work and payments therefore shall be in accordance with Section 7 of the Standard Specifications. In accordance with Subsection 7.3 of the Standard Specifications, the monthly payment date shall be the last calendar day of each month. A measurement of work performed and a progress estimate of the value thereof based on the contract and of the monthly payment shall be prepared by the Contractor and submitted to the General Manager before the tenth day of the following month for verification and payment consideration.

IV-B. FINAL INVOICE AND PAYMENT –

(1) Whenever in the opinion of the General Manager, the Contractor shall have completely performed the contract on his part, the General Manager shall notify the Basin Transit that the contract has been completed in its entirety. The Contractor shall then submit to the General Manager for approval, a written statement of the final quantities of contract items for inclusion in the final invoice. Upon receipt of such statement, the General Manager shall check the quantities included therein and shall authorize the Contractor to submit an invoice which in the General Manager's opinion shall be just and fair, covering the amount and value of the total amount of work done by the Contractor, less ten percent (10%) of the total work done. The General Manager shall then request that the Basin Transit accept the work and that the General Manager be authorized to file, on behalf of the Basin Transit in the office of the San Bernardino County Recorder, a Notice of Completion of the work herein agreed to be done by the Contractor.

(2) On the expiration of thirty-five (35) days after the date of recording the Notice of Completion, the Basin Transit shall pay to the Contractor the amount remaining after deducting from the amount of value stated in the invoice all prior payments to the Contractor and all amounts to be kept and retained under the provisions of the contract, and shall release the Faithful Performance Bond and Labor and Material

Bond.

(3) Substitution of Securities for Retention: In accordance with Public Contract Code Section 22300, the Contractor may substitute securities for retention moneys to be withheld to ensure performance under this contract. At the request and expense of the Contractor, securities equivalent to the amount withheld may be deposited with the Basin Transit, or with an approved state or federally chartered bank as the escrow agent, who shall then pay such moneys to the Contractor, and upon satisfactory completion of the contract, the securities shall be returned to the contractor. It is the Contractor's obligation to secure the services of a state or federally chartered bank to act as escrow agent. Securities eligible for investment include those listed in Government Code Section 16430 or bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit or any other security mutually agreed to by the Contractor and the Basin Transit. Contractor shall be the beneficial owner of any securities for retention moneys withheld and shall receive any interest earned by the securities.

IV-C. EXTRA WORK - Extra work, when ordered in writing by the General Manager and accepted by the Contractor, shall be paid for under written work order in accordance with the terms therein provided. Payment for extra work will be made at the unit price or lump sum previously agreed upon between the Contractor and the General Manager. All extra work shall be adjusted daily upon report sheets prepared by the General Manager, furnished by the Contractor, and signed by both parties, and said daily report shall be considered thereafter the true records of extra work done.

IV-D. UNPAID CLAIMS - If upon or before the completion of the work herein agreed to be performed or at any time prior to the expiration of the period within which claims of lien may be filed for record as prescribed by the Code of Civil Procedure of the State of California, any person or persons claiming to have performed any labor or furnished any materials, supplies or services towards the performance of completion of this contract or if they have agreed to do so, shall file with the Basin Transit a verified statement of such claim, or if any person shall bring against the Basin Transit or any of its agents any action to enforce such claim, the Basin Transit shall until the discharge thereof, withhold from the moneys that are under its control, as much as shall be sufficient to satisfy and discharge the amount in such notice or under such action claimed to be due, together with the cost thereof; provided, that if the Basin Transit shall in its discretion permit the Contractor to file such additional bond as is authorized by the Code of Civil Procedure in a penal sum equal to one and one-quarter times the amount of said claim, said money shall not thereafter be withheld on account of such claim.

IV-E. ACCEPTANCE - The parties agree that no certificate given shall be conclusive evidence of the faithful performance of the contract, either in whole or in part, and that no payment shall be construed to be in acceptance of any defective work or improper materials. Further, the certificate or final payment shall not terminate the Contractor's obligations under his warranty hereinabove. The Contractor agrees that payment of the amount due under the contract and the adjustments and payments due for any work done in accordance with any alterations of the same, shall release the Basin Transit, the Basin Transit Board and its officers and employees from any and all claims or liability on account of work performed under the contract or any alteration thereof. (Section 7100, Public Contract Code)

V. CONTROL OF WORK

V-A. AUTHORITY OF THE GENERAL MANAGER - The General Manager shall decide any and all questions that may arise as to the quality and acceptability of materials furnished and work performed as to the manner of performance and rate of progress of the work, and any and all questions which may arise as to the interpretation of the plans and specifications. The General Manager shall likewise decide any and all questions as to the acceptable fulfillment of the contract on the part of the Contractor, and all questions as to claims and compensations. The decision of the General Manager shall be final, and he shall have relative authority to enforce and make effective such decisions and actions as the Contractor fails to carry out promptly.

V-B. CONFORMITY WITH PLANS AND ALLOWABLE VARIATION - Finished surfaces shall in all cases conform with the lines, grades, cross-sections and dimensions shown on the plans. Minor

deviations from approved plans, whenever required by the exigencies of construction, shall be determined in all cases by the General Manager and authorized in writing.

V-C. PROGRESS OF THE WORK - The Contractor shall begin work on the date agreed upon following the scheduling conference mentioned in Paragraph III-A hereof, and shall diligently prosecute the same to completion before the expiration of the time limit appearing in the specifications.

V-D. SAMPLES - The Contractor shall furnish all products and materials required to complete the work. All materials and products must be of the specified quality and fully equal to samples, when samples are required. Whenever required, the Contractor shall submit to the General Manager for test, and free of charge, samples of any one of the materials or products proposed to be used in the work. Said samples shall be delivered by the Contractor to the place within the Basin Transit designated by the General Manager. Rejected material must be immediately removed from the work by the Contractor and shall not again be brought back to the site.

V-E. TRADE NAMES AND ALTERNATIVES - For convenience in designation on the plans or in the specifications, certain equipment or articles or materials to be incorporated in the work may be designated under a trade name of manufacturer and his catalog information. The use of an alternative equipment or an article or equipment which is of equal quality and of the required characteristics for the purpose intended will be permitted, subject to the approval of the General Manager, in accordance with the following required by Section 3400 of the Public Contract Code of the State of California.

The burden of proof as to the comparative quality and suitability of alternative equipment or articles or materials shall be upon the Contractor, and he shall furnish, at his own expense, all information necessary or related thereto as required by the General Manager. The General Manager shall be the sole judge as to the comparative quality and suitability of alternative equipment or articles or materials and his decision shall be final. All requests for substitution shall be submitted seven (7) days in advance of bid opening to permit, if the request is approved, an addendum to be issued to all bidders.

V-F. PROTECTION OF WORK - The Contractor shall continuously maintain adequate protection of all his work from damage, and the Basin Transit will not be held responsible for the care or protection of any material, equipment or parts of work, except as expressly provided for in the specifications.

V-G. CONFLICT OF TERMS - The notice to bidders, proposal, plans, specifications and General Provisions are essential parts of the contract for a given project. These documents, together with the necessary bonds and bidder's guarantee, constitute the contract as defined herein, and a requirement included in one document shall be as binding as though included in all, as they are intended to be cooperative and to provide a description of the work to be done. Should there be any conflict or discrepancy between terms used, then the specifications shall govern over plans, and change orders and supplemental agreements shall govern over any other contract document.

V-H. INTERPRETATION OF PLANS AND SPECIFICATIONS - Should it appear that the work to be done, or any matter relative thereto, is not sufficiently detailed or explained on the plans or in the specifications, the Contractor shall request the General Manager for such further explanation as may be necessary, and shall conform to such explanation or interpretation as part of the contract, so far as may be consistent with the intent of the original specifications. In the event of doubt of questions relative to the true meaning of the specifications, reference shall be made to the Basin Transit Board, whose decision thereon shall be final.

V-I. ALTERATIONS, INCREASES AND DECREASES OF WORK TO BE DONE - The Basin Transit reserves the right to increase or decrease the quantity of any item or portion of the work described on the plans, the specifications or the proposal form or to omit portions of the work so described, as may be deemed necessary or expedient by the General Manager and the Contractor shall agree not to claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any kind of work to be done. By mutual consent of the parties signatory to the contract, alterations, modifications or deviations from the type of work may be described on the plans, specifications or on the

proposal form may be made without in any way making the contract void. The price to be paid by the Basin Transit to the Contractor for such altered or modified work shall be agreed upon in writing, endorsed upon the original contract and signed by the proper parties to said contract.

Whenever, during the progress of the work, such changes or modifications are deemed necessary by the General Manager and agreed upon, as aforesaid, said deviations shall be considered and treated as though originally contracted for, and shall be subject to all the terms, conditions and provisions of the original contract.

V-J. EXTRA WORK - New and unforeseen work will be classed as extra work only when said work is not covered and cannot be paid for under any of the various items or combination of items for which a bid price appears on the proposal form. The Contractor shall not do any extra work except upon written order from the General Manager. Compensation for such extra work shall be previously agreed upon in writing between the Contractor and the General Manager.

V-K. LINES AND GRADES - Except when, as per orders from the General Manager, minor changes in the work are to be made by the Contractor, all work shall, during its progress and upon completion, conform to the lines, grades and elevations shown on the plans. All distances and measurements are given thereon and will be made in a horizontal plane. Three (3) consecutive points shown on the same rate of slope must be used in common in order to detect any variation from a straight line, and in case any such discrepancy exists, it must be reported to the General Manager. Failure to make this report shall make the Contractor responsible for any error in the finished work.

V-L. PUBLIC UTILITIES -

(1) All of the existing utility facilities except those to be relocated as shown on the plans will remain in place and the contractor will be required to work around said facilities. In case it should be necessary to remove the property of a public utility or franchise, such owner will, upon proper application by the Contractor, be notified by the General Manager to move such property within a reasonable time, and the Contractor shall not interfere with said property until after the expiration of the time specified. The right is reserved to the owners of public utilities or franchises to enter upon the streets for the purpose of making repairs or changes in their property which may be necessary as a result of the work. Employees and agents of the Basin Transit shall likewise have the privilege of entering upon the street for the purpose of making any necessary repairs or replacements.

(2) The Contractor shall employ and use only qualified persons, as hereinafter defined, to work in proximity to Southern California Edison secondary, primary and transition facilities. The term "qualified person" shall mean one, who by reason of experience or instruction, is familiar with the operation to be formed and the hazards involved, as more specifically defined in Section 2700 of Title 8 of the California Administrative Code. The Contractor shall take such steps as are necessary to assure compliance by any subcontractors.

V-M. REMOVAL OF INTERFERING OBSTRUCTIONS - The Contractor shall remove and dispose of all debris, abandoned structures, tree roots and obstructions of any character met during the process of excavation, it being understood that the cost of said removals are made a part of the unit price bid by the Contractor under the item for excavation or removal of existing work.

V-N. PROCEDURE IN CASE OF DAMAGE TO PUBLIC PROPERTY - Any portions of curb, gutter, sidewalk or any other Basin Transit improvement damaged by the Contractor during the course of construction shall be replaced by the Contractor at his own cost, free of charges to the Basin Transit. The cost of additional replacement of curb, gutter or sidewalk in excess of the estimated quantities shown in the proposal form and specifications, and found necessary during the process of construction, (but not due to damage resulting from carelessness on the part of the Contractor during his operation), shall be paid to the Contractor at the unit prices submitted in his bid.

V-O. AVOIDANCE OF DUST NUISANCE - During the process of breaking, excavating and removing

any material from the site of the project and until completion of the work, the Contractor shall take every precaution to avoid the nuisance of unnecessary dust by using any measures advocated by the General Manager.

V-P. REMOVAL OF DEFECTIVE OR UNAUTHORIZED WORK - It is the intent of the specifications that only first-class work, materials and workmanship will be acceptable. All work which is defective in its construction or deficient in any of the requirements of the specifications shall be remedied, or removed and replaced by the Contractor in an acceptable manner, and no compensation will be allowed for such correction. Any work done beyond the lines shown on the plans or established by the General Manager, or any extra work done without written authority will be considered as unauthorized and will not be paid for. Upon failure on the part of the Contractor to comply forthwith with any order of the General Manager made under the provisions of this paragraph, the General Manager shall have authority to cause defective work to be remedied or removed and replaced, and unauthorized work to be removed, and to deduct the costs thereof from any moneys due or to become due the Contractor. If the work is found to be in compliance with these specifications, the General Manager will furnish the Contractor with a certificate to that effect.

V-Q. SUPERVISION - All manufactured products, materials and appliances used and installed and all details of the work shall at all times be subject to the supervision, test and approval of the General Manager or his authorized representatives. The General Manager or his authorized representatives shall have access to the work at all times during construction, and shall be furnished with every reasonable facility for securing full knowledge with regard to the progress, workmanship and character of the materials used or employed in the work.

Whenever the Contractor varies the period during which work is carried on each day, he shall give adequate notice to the General Manager so that proper inspection may be provided. Any work done in the absence of the General Manager or the General Manager's agent will be subject to rejection. The inspection of the work shall not relieve the Contractor of any of his obligations to fulfill the contract as prescribed. Defective work shall be made good, and unsuitable materials may be rejected, notwithstanding the fact that such defective work and unsuitable materials have previously been accepted or estimated for payment.

The Contractor shall prosecute work on any State highway or with any railroad right-of-way only in the presence of an inspector representing the State Division of Highways or the railroad company, and any work done in the absence of such inspectors will be subject to rejection. The Contractor shall make the appropriate notification according to the instructions given on the State Encroachment Permit or railroad permit for all inspections, and shall post all bonds and certificates required by the permit. The permit shall be acquired by the Contractor at the Contractor's expense. The Contractor shall pay for all testing and inspections required by a State Encroachment Permit or railroad permit.

V-R. QUALITY OF MATERIAL - Materials shall be new, and of specified kind and quality, and fully equal to samples when samples are required. When the quality or kind of material or articles shown required under the contract is not particularly specified, the Contractor shall estimate that the Basin Transit will require articles and materials representing the best of their class or kind or at least equal to the class or quality of similar articles or materials when specified. Materials shall be furnished in such quantities and kinds and at such times as to ensure uninterrupted progress for the work. They shall be stored properly and protected as required. The Contractor shall be entirely responsible for damage or loss by weather or any other cause.

V-S. DEFECTIVE MATERIALS - All materials not conforming to the requirements of these specifications shall be considered as defective, and all such materials shall be removed immediately from the site of the work unless otherwise permitted by the General Manager. Upon failure on the part of the Contractor to comply with any order by the General Manager made under the provisions of this article, the General Manager shall have the authority to remove and replace defective material and to deduct the cost of removal and replacement from any moneys due or to become due to the Contractor.

V-T. SOUND AND VIBRATION CONTROL REQUIREMENTS - The Contractor shall comply with all local sound control and noise level rules, regulations and ordinances. No internal combustion engine shall operate on the project without a muffler of the type recommended by the manufacturer. Should any muffler or other control device sustain damage, the Contractor shall promptly remove the equipment and shall not return said equipment to the job until the device is repaired or replaced. Said noise and vibration level requirements shall apply to all equipment on the job or related to the job, including, but not limited to truck, transit mixers or transit equipment that may or may not be owned by the Contractor.

V-U. AIR POLLUTION CONTROL - Contractor shall comply with all air pollution control rules, regulations, ordinances and statutes. All containers of paint, thinner, during compound, solvent or liquid asphalt shall be labeled to indicate the contents, fully complying with the applicable material requirements.

V-V. FINAL CLEANING UP - Upon completion of the project and before making application to the General Manager for acceptance of the work, the Contractor shall clean all the streets and ground occupied by him in connection with the project, of all rubbish, debris, excess material, temporary structures and equipment, leaving the entire site of the work in a neat and presentable condition.

SPECIAL PROVISIONS (cont.)

Sub - Section 2. Specific Project Provisions

BASIN TRANSIT PROJECT: Bus Turnout and Shelter (IFB 26-01)

A. THE REQUIREMENTS: All work embraced herein shall be accomplished in accordance with the applicable portions of the "Standard Specifications for Public Works Construction," the latest edition, and all subsequent supplements herein referred to as "Standard Specifications," except as modified by these Special Provisions and the Project Plans.

In addition to the above, the Contractor shall comply with the requirements of the following:

- (a) Notice Inviting Sealed Bids
- (b) Instructions to Bidders
- (c) Proposal
- (d) Bid Bond
- (e) Information Required of Bidders
- (f) Faithful Performance Bond
- (g) Labor and Material Bond
- (h) Contract Agreement

B. DEFINITION OF TERMS: Wherever in the "Standard Specifications" terms are used, they shall be understood to mean and refer to the following:

Agency & Owner - Basin Transit

Board - Board of Directors, Basin Transit

General Manager - The General Manager of the Basin Transit

Engineer - The engineer, acting either directly or through the properly authorized agents, such agents acting within the scope of the particular duties entrusted to them.

Notice to contractors - Notice Inviting Sealed Bids

C. PROJECT PLANS: The location of the work, its general nature, extent, form and detail of the various features are listed as a part of these specifications.

D. SCOPE OF WORK: Provide necessary labor, equipment and materials to construct concrete sidewalk, concrete bus shelter pad, and install Basin Transit furnished bus shelter, and associated work at Business Center Drive; asphalt curb, asphalt sidewalk, concrete bus shelter pad, asphalt pavement, install Basin Transit furnished bus shelter, and associated work at Sunnyslope Drive in the Town of Yucca Valley, as specified on the drawings, and in these specifications and special provisions, and as directed by the General Manager.

E. NOTICE TO PROCEED: Upon award of this contract and signing the contract documents, the Basin Transit shall issue the Contractor a Notice to Proceed.

The work on this project shall commence within 10 calendar days of the Notice to Proceed and be completed within **30** working days. **Working days will be counted from the date of the Notice to Proceed.** Working days are defined as any day that Basin Transit offices are open for business.

The Basin Transit will not authorize any work to be done under this specifications before the contract agreement has been fully executed; and any work that is done by the contractor in advance of such time

shall be considered as being done at his own risk and responsibility, and as a consequence will be subject to rejection by not having been done in the presence of an Engineer or Inspector as provided in Section 3-4 of the Standard Specifications.

In the event that the General Manager shall be of the opinion that the work is being inadequately or improperly executed in any respect, he/she may demand that the Contractor improve or change the execution of the work in such manner as to assure proper and timely completion.

F. UTILITIES: It is anticipated that these existing utilities will not interfere with the Contractor's construction operations. However, the Contractor shall exercise due care to ensure that these utility facilities are not damaged during his operations. When in doubt, the Contractor shall contact the utility concerned before proceeding further.

G. NOTIFICATION: The Contractor shall give written and reasonable notice to occupants or owners of property adjacent to the construction site at least forty-eight (48) hours prior to the beginning of construction in their respective areas. The notification shall include the date and time of street closures, parking and traffic access information and requirements, and precautionary information regarding the work to be done. A copy of all notifications shall be submitted to the General Manager for approval.

At least four (4) working days in advance of street closures, all emergency services, public transportation services, garbage collections services, and school bus services shall be notified by the Contractor in writing of the locations, time and date of the closure. In case of schedule changes, the emergency services, etc., shall be notified by telephone at least two (2) days in advance of the street closure.

H. ACCESS TO DRIVEWAYS: The Contractor shall notify in writing residents of property adjoining the location of the work at least forty-eight (48) hours before the start of construction on that street. The Contractor is responsible for posting "temporary no-parking" signs at least forty-eight (48) hours before using the parking lane for construction purposes. In the case of work requiring excavation of the roadway which may interfere with the use by residents or businesses of their driveways, suitable provisions shall be made by the Contractor at such time as the exigencies of construction may demand a temporary blocking of said driveways. Efforts shall be made by the Contractor to minimize the duration of said blocking and to notify the residents of this need well in advance. Further, the Contractor shall provide access to each residential or commercial establishment each evening.

I. STREET CLOSURES: No closure of any street shall be allowed unless prior written permission is obtained from the General Manager. If permission to close a street is granted then the Contractor is required to notify in writing at least four (4) working days in advance, all emergency services, public transportation services, garbage collection services, and school bus services of the location, time and date of the closure.

J. CONFERENCE: The Contractor shall arrange a pre-construction meeting with the General Manager, which shall be held a minimum of five (5) working days prior to commencement of any work. The Contractor shall have his equipment available for inspection by the General Manager at the time of the pre-construction meeting.

K. PUBLIC CONVENIENCE AND SAFETY:

a) Attention is directed to the Standard Specifications and the Manual of Warning Signs, Lights and Devices for Use in Performing Work Upon Highways, published by the California Department of Transportation.

Full compensation for conforming to the requirements of the Standard Specifications, the above referenced Caltrans Manual and these Special Provisions not otherwise provided for, shall be considered as included in the prices paid for the various contract items of work and no additional compensation will be allowed therefore.

b) **WARNING AND PROTECTION DEVICES:** The Contractor will be responsible for providing, placing

and maintaining approved signs, barricades, pedestals, flashers, delineators, fences, barriers and flagmen where needed, and other necessary facilities in the vicinity of the construction area and where any dangerous conditions may be encountered as a result thereof, for the protection of the motoring public. The Contractor will not be allowed to proceed with the work until such time that a sufficient number of these protection devices have been delivered to the project site. Where parked vehicles are likely to interfere with the proposed work, the Contractor will supply and post at no less than 200-foot intervals on each side of the street "Temporary No Parking" signs twenty-four (24) hours before the start of construction and to report the time of posting to the Police Department for the purpose of establishing "Tow Away" provisions. The Contractor shall be responsible for the removal of the temporary signs upon the completion of the work.

Should the Contractor appear neglectful or negligent in furnishing warning and protection devices as outlined above, the General Manager may direct attention to the existence of a hazard and the necessity of additional or different measures which shall be furnished and installed by the Contractor at his own expense, free of any cost to the Basin Transit. Should the Contractor refuse or fail to act in a timely manner to correct a hazardous condition, the General Manager may direct Basin Transit forces to provide the necessary protective and warning devices as deemed appropriate by the General Manager.

The cost accrued by the Basin Transit in connection therewith will be deducted from the Contractor's contract payment. Any action or inaction on the part of the Basin Transit in directing attention to the inadequacy of warning and protective measures or in providing additional protective and warning devices shall not relieve the Contractor from responsibility for public safety or abrogate his obligation to furnish and pay for these devices.

The Contractor shall submit his work schedule and traffic control plans to the General Manager for approval at the pre-construction conference. This schedule shall allow residents, on the streets to be improved, ample "on street" parking within an 800-foot distance from their homes.

L. SANITARY CONVENIENCE: Necessary sanitary facilities for the use of workman on the job shall be provided and maintained in an approved manner by the Contractor, properly secluded from public observation and in compliance with health ordinances and laws, and their use shall be strictly enforced by the Contractor.

M. CONSTRUCTION YARD: It shall be the Contractor's responsibility to locate any storage sites for materials and equipment needed and such sites either located on public or private property must be approved in advance by the General Manager.

When storage sites are to be on located upon private property, the Contractor shall be required to submit to the General Manager, written approval from the record owner authorizing the use of the property by the Contractor.

N. CONSTRUCTION STAKING: Existing survey monuments shall not be disturbed unless required by the construction of the proposed improvements. The Contractor shall be required to provide any and all necessary construction survey staking required in constructing the project. Full compensation for performing any needed construction survey staking, not otherwise provided for, shall be considered as included in the prices paid for the various contract items of work and no additional compensation will be allowed therefore.

O. CONSTRUCTION METHODS:

General Requirements:

- (a) Utilities--The Contractor shall contact the affected utility companies for information regarding identification, location, and depth of underground utilities.
- (b) Preservation of Property--Existing improvements in areas adjoining the property whereon

demolition and removal is being performed shall be protected from injury or damage resulting from operations of the Contractor and the Contractor shall be responsible for such damage. In like manner any building, structure, tree, shrub, landscaping, or other item designated for preservation on the property where demolition and removal is being performed shall be similarly protected and preserved.

(c) Dust Control--The Contractor shall provide such dust laying equipment and methods as may be required to protect adjacent property from annoyance or damage from dust caused by his operations, and failure to control such dust shall be cause for the Engineer to stop the work until said dust is controlled, and the Contractor shall have no recourse to collect from the Basin Transit for any loss of time or expense sustained by him due to such suspension of work.

(d) Selected Materials--Existing materials excavated within the project limits that meet the specifications for trench backfill, topsoil, or other selected materials may be used to fulfill all or a portion of the requirements for such materials. No additional compensation will be allowed for excavation, stockpiling, overhaul, or placing selected materials encountered in the excavation.

(e) Surplus Materials--The Contractor shall furnish written consent from the owner of the property where it is intended to dispose of the surplus material. Surplus excavation shall become the property of the Contractor.

(f) Furnishing and Applying Water--Furnishing and applying water shall be considered as included in the bid price paid for the various contract items of work requiring such water and no additional compensation will be made therefore.

(g) Compaction Testing: – The expense of the initial testing shall be borne by Basin Transit. The expense of any re-testing required by Basin Transit, if the initial compaction does not meet the required specifications, shall be borne by the Contractor. All other material testing shall be borne by the Contractor.

(h) Construction Methods--The improvement work shall consist of providing necessary labor, equipment and materials to construct asphalt curb, asphalt pavement, install Basin Transit furnished bus shelter, and associated work at Hatch Road and El Rey Avenue in City of Twentynine Palms, as specified on the drawings, and in these specifications and special provisions, and as directed by the General Manager.

(i) Measurement and Payment--The Cost of all work as described above in (a) through (h) shall be included in the contract unit prices bid for the various items of work requiring such work, and no additional compensation will be allowed.

BUSINESS CENTER DRIVE:

Bid Item No. 1 – Clear and Grub and Grading:

(a) General – All work shall conform to Section 300 of the Standard Specifications. The work shall consist of clearing and grubbing, import borrow material, export surplus material, excavation, embankment, removing necessary shrubs, fences, posts, and stakes, protecting existing improvements, erosion control, controlling nuisance water, sweeping, and watering.

When import is required, contractor shall provide location of borrow site, obtain Basin Transit approval of the material prior to import, and obtain Basin Transit approval of a haul route.

When export is required, contractor shall coordinate with Basin Transit for location of a disposal site for all excavated material. All excavated material shall become property of the contractor unless notified otherwise.

Contractor shall provide full access to properties adjacent to project site with the minimum amount of interruption to access as possible.

(b) Measurement and Payment – The Cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, not otherwise paid for by other bid items, shall be included in the contract lump sum price bid for Bid Item No. 2 – Grading, and no additional compensation will be allowed.

Bid Item No. 2 – 4” Thick Concrete Sidewalk:

(a) General – All work shall conform to Sections 300, 301, and 303 of the Standard Specifications, and San Bernardino County Standard Drawings. The work shall consist of preparation of new subgrade by scarifying and re-compacting, set and remove forms, placing concrete, installing joints, and all other work necessary to complete the construction of concrete sidewalk.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 2 – 4” Thick Concrete Sidewalk, and no additional compensation will be allowed.

Bid Item No. 3 – 6” Thick Concrete Bus Shelter Pad:

(a) General -- All work shall conform to Sections 300, 301, and 303 of the Standard Specifications. The work shall consist of fine grading, preparation of new subgrade by scarifying and re-compacting, set and remove forms, placing steel reinforcement, placing concrete, installing joints, and all other work necessary to complete the construction of concrete bus shelter pad.

(b) Measurement and Payment -- The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 3 – 6” Thick Concrete Bus Shelter Pad, and no additional compensation will be allowed.

Bid Item No. 4 – Transport, Assemble, and Install Basin Transit Furnished Bus Shelter, Bench, and Trash Receptacle:

(a) General – All work shall conform to manufacturer's recommendations and Basin Transit requirements. The work shall consist of loading, deliver, and unloading bus shelter, bench, and trash receptacle from Basin Transit Offices at Joshua Tree to job sites, then assemble and install bus shelter, bench, trash receptacle, including anchor to concrete pad, and all other work necessary to complete the installation of bus shelter, bench, and trash receptacle.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 4 – Transport, Assemble, and Install Basin Transit Furnished Bus Shelter, Bench, and Trash Receptacle, and no additional compensation will be allowed.

Bid Item No. 5 – Relocate Existing Bus Stop Sign and Post:

(a) General – All work shall conform to the Standard Specifications and Basin Transit requirements. The work shall consist of removal and reinstallation of existing Basin Transit bus stop sign and post, and shall include all necessary sawcutting, excavation, footing, backfill, and compaction, as shown on the project plans.

(b) Measurement and Payment – The cost of all work described above and also including all costs of

materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 5 – Relocate Existing Bus Stop Sign and Post, and no additional compensation will be allowed.

Bid Item No. 6 – Construction Staking:

(a) General – All work shall conform to Caltrans Standard Specifications and the project plans. The work shall consist of providing construction surveying and staking, and all other work necessary to perform the staking. Cut sheets and field notes shall be submitted to the Engineer.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract lump sum price bid for Bid Item No. 6 – Construction Staking, and no additional compensation will be allowed.

Bid Item No. 7 – Coordination with Town, Obtain Town Encroachment Permit, Comply with Permit Provisions, and Traffic Control:

(a) General – All work shall conform to the Caltrans Traffic Control Plan and Town requirements. The work shall consist of coordination with Town for a pre-construction meeting, inspection, and all other activities throughout the construction period; obtain and pay for an encroachment permit at Town of Yucca Valley (permit fee will be reimbursed by Basin Transit); comply with all permit provisions; and furnish, install, maintain, relocate, and remove traffic control devices, including flashing arrow and flashing beacon if required, throughout the construction period.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract lump sum price bid for Bid Item No. 7 – Coordination with Town, Obtain Town Encroachment Permit, Comply with Permit Provisions, and Traffic Control, and no additional compensation will be allowed.

SUNNYSLOPE DRIVE:

Bid Item No. 8 – Sawcut and Remove Existing AC Pavement:

(a) General – All work shall conform to Section 300 of the Standard Specifications. The work shall consist of removal of existing pavement to the limits shown on the project plans. The work shall also include all necessary sawcutting, disposal of materials; reinstate disturbed surrounding areas to their original conditions, and all other work necessary to complete the removal of existing AC pavement, as shown on the project plans.

(b) Measurement and Payment— The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 8 – Sawcut and Remove Existing AC Pavement, and no additional compensation will be allowed.

Bid Item No. 9 – Clear and Grub and Grading:

(a) General – All work shall conform to Section 300 of the Standard Specifications. The work shall consist of clearing and grubbing, import borrow material, export surplus material, excavation, embankment, removing necessary shrubs, fences, posts, and stakes, protecting existing improvements, erosion control, controlling nuisance water, sweeping, and watering.

When import is required, contractor shall provide location of borrow site, obtain Basin Transit approval of

the material prior to import, and obtain Basin Transit approval of a haul route.

When export is required, contractor shall coordinate with Basin Transit for location of a disposal site for all excavated material. All excavated material shall become property of the contractor unless notified otherwise.

Contractor shall provide full access to properties adjacent to project site with the minimum amount of interruption to access as possible.

(b) Measurement and Payment – The Cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, not otherwise paid for by other bid items, shall be included in the contract lump sum price bid for Bid Item No. 9 – Clear and Grub and Grading, and no additional compensation will be allowed.

Bid Item No. 10 – 2” AC Leveling Course:

(a) General – All Work shall conform to Sections 200, 203 and 302-5 of the Standard Specifications. The work shall consist of compaction of base material to 95% relative compaction, furnishing and placing asphalt concrete, controlling nuisance water, sweeping, watering, removal of loose and broken asphalt concrete pavement and foreign materials, and all other work necessary to complete the asphalt concrete.

(b) Material – Asphalt concrete shall be C2-PG 70-10 conforming to Sections 203-1 and 203-6 of the Standard Specifications. Aggregates shall be ½” maximum dense medium grade.

(c) Tack Coat – A tack coat shall be furnished by the contractor and applied to all vertical and horizontal joints, between pavement layers, on concrete surfaces, and on existing pavement to be resurfaced, prior to placing the asphalt concrete, in accordance with Section 302-5.4 of the Standard Specifications.

(d) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 10 – 2” AC Leveling Course, and no additional compensation will be allowed. No separate measurement and payment will be made for asphalt tack coat.

Bid Item No. 11 – 2” AC Wearing Course:

(a) General – All Work shall conform to Sections 200, 203 and 302-5 of the Standard Specifications. The work shall consist of furnishing and placing asphalt concrete, controlling nuisance water, sweeping, watering, removal of loose and broken asphalt concrete pavement and foreign materials, and all other work necessary to complete the asphalt concrete.

(b) Material – Asphalt concrete shall be D2-PG 70-10 conforming to Sections 203-1 and 203-6 of the Standard Specifications. Aggregates shall be ¾” maximum dense fine grade.

(c) Tack Coat – A tack coat shall be furnished by the contractor and applied to all vertical and horizontal joints, between pavement layers, on concrete surfaces, and on existing pavement to be resurfaced, prior to placing the asphalt concrete, in accordance with Section 302-5.4 of the Standard Specifications.

(d) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 11 – 2” AC Wearing Course, and no additional compensation will be allowed. No separate measurement and payment will be made for asphalt tack coat.

Bid Item No. 12 – 6” AC Curb:

- (a) General – All Work shall conform to Sections 200, 203 and 302-5 of the Standard Specifications. The work shall consist of furnishing and placing asphalt concrete, controlling nuisance water, sweeping, watering, removal of loose and broken asphalt concrete pavement and foreign materials, and all other work necessary to complete the asphalt concrete.
- (b) Material – Asphalt concrete shall be D2-PG 70-10 conforming to Sections 203-1 and 203-6 of the Standard Specifications. Aggregates shall be $\frac{3}{8}$ " maximum dense fine grade.
- (c) Tack Coat – A tack coat shall be furnished by the contractor and applied to all vertical and horizontal joints, between pavement layers, on concrete surfaces, and on existing pavement to be resurfaced, prior to placing the asphalt concrete, in accordance with Section 302-5.4 of the Standard Specifications.
- (d) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 12 – 6” AC Curb, and no additional compensation will be allowed. No separate measurement and payment will be made for asphalt tack coat.

Bid Item No. 13 – 3” AC Sidewalk:

- (a) General – All Work shall conform to Sections 200, 203 and 302-5 of the Standard Specifications. The work shall consist of furnishing and placing asphalt concrete, controlling nuisance water, sweeping, watering, removal of loose and broken asphalt concrete pavement and foreign materials, and all other work necessary to complete the asphalt concrete.
- (b) Material – Asphalt concrete shall be D2-PG 70-10 conforming to Sections 203-1 and 203-6 of the Standard Specifications. Aggregates shall be $\frac{3}{8}$ " maximum dense fine grade.
- (c) Tack Coat – A tack coat shall be furnished by the contractor and applied to all vertical and horizontal joints, between pavement layers, on concrete surfaces, and on existing pavement to be resurfaced, prior to placing the asphalt concrete, in accordance with Section 302-5.4 of the Standard Specifications.
- (d) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 13 – 3” AC Sidewalk, and no additional compensation will be allowed. No separate measurement and payment will be made for asphalt tack coat.

Bid Item No. 14 – 6” Thick Concrete Bus Shelter Pad:

- (a) General -- All work shall conform to Sections 300, 301, and 303 of the Standard Specifications. The work shall consist of fine grading, preparation of new subgrade by scarifying and re-compacting, set and remove forms, placing steel reinforcement, placing concrete, installing joints, and all other work necessary to complete the construction of concrete bus shelter pad.
- (b) Measurement and Payment -- The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 14 – 6” Thick Concrete Bus Shelter Pad, and no additional compensation will be allowed.

Bid Item No. 15 – Transport, Assemble, and Install Basin Transit Furnished Bus Shelter, Bench, and Trash Receptacle:

(a) General – All work shall conform to manufacturer's recommendations and Basin Transit requirements. The work shall consist of loading, deliver, and unloading bus shelter, bench, and trash receptacle from Basin Transit Offices at Joshua Tree to job sites, then assemble and install bus shelter, bench, trash receptacle, including anchor to concrete pad, and all other work necessary to complete the installation of bus shelter, bench, and trash receptacle.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 15 – Transport, Assemble, and Install Basin Transit Furnished Bus Shelter, Bench, and Trash Receptacle, and no additional compensation will be allowed.

Bid Item No. 16 – Relocate Existing Bus Stop Sign and Post:

(a) General – All work shall conform to the Standard Specifications and Basin Transit requirements. The work shall consist of removal and reinstallation of existing Basin Transit bus stop sign and post, and shall include all necessary sawcutting, excavation, footing, backfill, and compaction, as shown on the project plans.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract unit price bid for Bid Item No. 16 – Relocate Existing Bus Stop Sign and Post, and no additional compensation will be allowed.

Bid Item No. 17 – Construction Staking:

(a) General – All work shall conform to Caltrans Standard Specifications and the project plans. The work shall consist of providing construction surveying and staking, and all other work necessary to perform the staking. Cut sheets and field notes shall be submitted to the Engineer.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract lump sum price bid for Bid Item No. 17 – Construction Staking, and no additional compensation will be allowed.

Bid Item No. 18 – Coordination with Town, Obtain Town Encroachment Permit, Comply with Permit Provisions, and Traffic Control:

(a) General – All work shall conform to the Caltrans Traffic Control Plan and Town requirements. The work shall consist of coordination with Town for a pre-construction meeting, inspection, and all other activities throughout the construction period; obtain and pay for an encroachment permit at Town of Yucca Valley (permit fee will be reimbursed by Basin Transit); comply with all permit provisions; and furnish, install, maintain, relocate, and remove traffic control devices, including flashing arrow and flashing beacon if required, throughout the construction period.

(b) Measurement and Payment – The cost of all work described above and also including all costs of materials, labor, tools, equipment, and incidentals, and for doing all the work involved, complete in place, shall be included in the contract lump sum price bid for Bid Item No. 18 – Coordination with Town, Obtain Town Encroachment Permit, Comply with Permit Provisions, and Traffic Control, and no additional compensation will be allowed.

PROPOSAL

TO THE BOARD OF DIRECTORS OF THE BASIN TRANSIT

The undersigned, as bidder, declares that: (1) this proposal is made without collusion with any other person, firm or corporation, and that the only persons or parties interested as principals are those named herein; (2) bidder has carefully examined the project plans, specifications, instructions to bidders, proposal, notice to contractors and all other information furnished therefore and the site of the proposed work; (3) bidder has investigated and is satisfied as to the conditions to be encountered, the character, quality and quantities of work to be performed and materials to be furnished. Furthermore, bidder agrees that submission of this proposal shall be conclusive evidence that such examination and investigation have been made and agrees, in the event this contract be awarded to bidder, to enter into a contract with the Board of Directors of the Basin Transit, to perform said proposed work in accordance with the plans, if any, and the terms of the specifications, in the time and manner therein prescribed, and to furnish or provide all materials, labor, tools, equipment, apparatus and other means necessary so to do, except such thereof as may otherwise be furnished or provided under the terms of said specifications, for the following stated unit prices or lump sum price as submitted on the Schedule attached hereto.

The bidder shall submit as part of this proposal a completed copy of the Contractor's Industrial Safety Record.

Accompanying this proposal is _____ (Insert "\$_____ cash", "Cashier's Check", "certified check", or "Bid Bond", as the case may be) in the amount equal to at least ten percent (10%) of the total aggregate bid price hereof based on the quantities shown and the unit prices quoted.

The undersigned further agrees that should he be awarded the contract on the basis hereof and thereafter, defaults in executing the required contract, with necessary bonds and documents, within fifteen (15) calendar days, after having received notice that the contract has been awarded and is ready for signature, the proceeds of the security accompanying his bid shall become the property of the Basin Transit and this proposal and the acceptance thereof may be considered null and void.

The undersigned is licensed in accordance with an act providing for the registration of contractors, California

Contractor's License No. _____, Class _____.

Signature(s) of bidder _____

If an individual, so state. If a firm or co-partnership, state the firm name and give the names of all individual co-partners composing the firm. If a corporation, state legal name of corporation, also names of president, secretary, treasurer, and manager thereof. Two notarized officer's signatures and the corporate seal are required for corporations. One signature must be by either the President or Vice-President and the second signature must be by either the secretary or assistant secretary.

By: _____
Title: _____

"corporate seal"

By: _____
Title: _____

By: _____
Title: _____

Basin Transit – Bus Turnout and Shelter (IFB 26-01)

By: _____

Legal Business Name:

Address _____

Telephone _____

Proposals which do not show the number and date of the Bidder's License under the provisions of Chapter 9 of Division 3 of the Business & Professional Code may be rejected.

To be submitted with each bid:

Project Identification No. _____ to contract for _____

Bid Date _____

This information must include all construction work undertaken in the State of California by the bidder and partnership joint venture or corporation that any principal of the bidder participated in as a principal or owner for the last five calendar years and the current calendar year prior to the date of bid submittal. Separate information shall be submitted for each particular partnership, joint venture, corporate or individual bidder. The bidder may attach any additional information or explanation of data which he would like to be taken into consideration in evaluating the safety record. An explanation must be attached of the circumstances surrounding any and all fatalities.

PROPOSAL

PAY ITEMS AND BID PRICE SCHEDULE

To the Board of Directors of the Basin Transit:

In compliance with the Notice Inviting Sealed Bids, the undersigned hereby agrees to enter into a contract to furnish all labor, materials, equipment and supplies for **Bus Stop and Shelter (IFB 26-01)** in accordance with the specifications and plans in the Contract Documents which are on file in the office of the General Manager of the Basin Transit to the satisfaction and under the direction of the General Manager at the following prices:

Item	Description	Qty.	Unit	Unit Price	Extended Amount
BUSINESS CENTER DRIVE:					
1	Clear and Grub and Grading (See page C-14 for description)	1	LS	\$ _____	\$ _____
2	4" Thick Concrete Sidewalk (See page C-15 for description)	100	SF	\$ _____	\$ _____
3	6" Thick Concrete Bus Shelter Pad (See page C-15 for description)	60	SF	\$ _____	\$ _____
4	Transport, Assemble and Install Basin Transit Furnished Bus Shelter, Bench, and Trash Receptacle (See page C-15 for description)	1	EA	\$ _____	\$ _____
5	Relocate Existing Bus Stop Sign and Post (See page C-15 for description)	1	EA	\$ _____	\$ _____
6	Construction Staking (See page C-16 for description)	1	LS	\$ _____	\$ _____
7	Coordination with Town, Obtain Town Encroachment Permit, Comply with Permit Provisions, and Traffic Control (See page C-16 for description)	1	LS	\$ _____	\$ _____
SUNNYSLOPE DRIVE:					
8	Sawcut and Remove Existing AC Pavement (See page C-16 for description)	100	SF	\$ _____	\$ _____
9	Clear and Grub and Grading (See page C-16 for description)	1	LS	\$ _____	\$ _____
10	2" AC Leveling Course (See page C-17 for description)	925	SF	\$ _____	\$ _____

Basin Transit – Bus Turnout and Shelter (IFB 26-01)

Item	Description	Qty.	Unit	Unit Price	Extended Amount
11	2" AC Wearing Course (See page C-17 for description)	925	SF	\$ _____	\$ _____
12	6" AC Curb (See page C-18 for description)	104	LF	\$ _____	\$ _____
13	3" AC Sidewalk (See page C-18 for description)	100	SF	\$ _____	\$ _____
14	6" Thick Concrete Bus Shelter Pad (See page C-18 for description)	60	SF	\$ _____	\$ _____
15	Transport, Assemble and Install Basin Transit Furnished Bus Shelter, Bench, and Trash Receptacle (See page C-19 for description)	1	EA	\$ _____	\$ _____
16	Relocate Existing Bus Stop Sign and Post (See page C-19 for description)	1	EA	\$ _____	\$ _____
17	Construction Staking (See page C-19 for description)	1	LS	\$ _____	\$ _____
18	Coordination with Town, Obtain Town Encroachment Permit, Comply with Permit Provisions, and Traffic Control (See page C-19 for description)	1	LS	\$ _____	\$ _____

TOTAL BID FOR ITEMS 1 TO 18:

\$ _____

(Figure)

TOTAL BID FOR ITEMS 1 TO 18:

(Words)

Bidder acknowledges receipt of the following Addendum:

Addendum No. _____ Date: _____

Addendum No. _____ Date: _____

Attached to this Proposal is cash, a cashiers check, or certified check in favor of the Basin Transit, in an amount equal to at least ten percent (10%) of the total bid, or a bid bond for said amount in the form furnished by the Basin Transit, with the understanding that said security shall be held by the Basin Transit until the agreement for doing the work has been entered into, that said security shall be forfeited to the Basin Transit as liquidated damages should the undersigned fail to enter into a contract and furnish the

Basin Transit – Bus Turnout and Shelter (IFB 26-01)

required bonds and insurance within the time specified in the Contract Documents, if awarded the contract, and the undersigned agrees that in the event of such failure, the actual amount of damages to the Basin Transit would be impractical and extremely difficult to determine.

Dated: _____

FIRM NAME _____

SIGNATURE _____

Title _____

SIGNATURE _____

Title _____

SIGNATURE _____

Title _____

If a partnership, names of partners. If a corporation, names of President and Vice President, and the Secretary or Assistant Secretary.

NAME & ADDRESS:

TELEPHONE _____

CONTRACTOR'S LICENSE NO. _____

Please indicate whether proprietorship, corporation, or partnership and any use of fictitious business name:

Corporation ____ Partnership ____ Proprietorship ____

Fictitious Name _____

CONTRACTOR'S INDUSTRIAL SAFETY RECORD

Record Last Five (5) Full Years

Year	2022	2023	2024	2025	2026	Total
No. of contracts						
Total amount of contracts (Thousands of dollars)						
No. of lost work days*						
No. of fatalities*						
No. of lost workday cases involving permanent transfer to another job or termination of employee*						

*The information required for these items is the same as required for columns 3 to 6, Code 10, Occupational Injuries, Summary--Occupational Injuries and Illnesses, OSHA No. 102.

The above information was compiled from the records that are available to me at this time and I declare under penalty of perjury that the information is true and accurate within the limitations of those records.

Name of Bidder (print)

Signature

Address

State Contractor's License No. & Classification

City Zip Code

Telephone

(THE BIDDER'S EXECUTION ON THE SIGNATURE PORTION OF THIS PROPOSAL SHALL ALSO CONSTITUTE AN ENDORSEMENT AND EXECUTION OF THOSE CERTIFICATIONS WHICH ARE A PART OF THIS PROPOSAL)

EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

The bidder _____, proposed

subcontractor _____, hereby certifies that he has _____, has not _____, participated in a previous contract or subcontract subject to the equal opportunity clause, as required by Executive Orders 10925, 11114, or 11246, and that, where required, he has _____, has not _____, filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b)(1)), and must be submitted by bidders and proposed subcontractors only in connection with contracts and subcontracts which are subject to the equal opportunity clause. Contracts and subcontracts which are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally only contracts or subcontracts or \$10,000.00 or under are exempt.)

Currently, Standard Form 100 (EEO-1) is the only report required by the Executive Orders or their implementing regulations.

Proposed prime contractors and subcontractors who have participated in a previous contract or subcontract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b)(1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

This certification for the prime contractor must be submitted at bid time with the bid. Certification for subcontractors, if not submitted at bid time, can be submitted within seven days after bid opening.

LIST OF SUBCONTRACTORS

In compliance with the provisions of the Public Contract Code, Section 4104, the undersigned bidder herewith sets forth the name and location of the place of business of each subcontractor who will perform work or labor or render service to the general Contractor in or about the construction of the work or improvement in an amount in excess of one-half of one percent (1/2 of 1%) of the Contractor's total bid, or in the case of bids for the construction of streets or highways, including bridges, in excess of 1/2 of 1% of the prime contractor's total bid or Ten Thousand Dollars (\$10,000.00) whichever is greater, and the portion of the work which will be done by each subcontractor is as follows:

SUBCONTRACTOR'S
NAME

PLACE OF BUSINESS

DESCRIPTION OF WORK

[illegible]

NONCOLLUSION AFFIDAVIT

(Title 23 United States Code Section 112 and
Contract Code Section 7106)

To the Basin Transit

In accordance with Title 23 United States Code Section 112 and Public Contract Code 7106 the bidder declares that the bid is not made in the interest of or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure, any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Non-collusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of the Non-collusion Affidavit.

Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

DEBARMENT AND SUSPENSION CERTIFICATION

TITLE 49, CODE OF FEDERAL REGULATIONS, PART 29

The bidder, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- has not currently under suspension, debarment, voluntarily excluded or determined ineligible by any federal agency within the past three (3) years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions.

The above certification is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Certification.

BIDDER'S BOND TO ACCOMPANY PROPOSAL

BASIN TRANSIT STATE OF CALIFORNIA

KNOWN ALL PERSONS BY THESE PRESENTS:

That we, _____ as Principal,
and _____ as Surety, are held and firmly
bound unto the Basin Transit in the sum of _____
(\$_____) dollars, to be paid to the said Basin Transit or its certain attorneys, its successors
and assigns; for the payment of which sum, well and truly made, we bind ourselves, our heirs, executors
and administrators, successors or assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH

That if the certain proposal of the above bounded _____
_____ to _____
_____ dated _____, 20____, is accepted by the Basin Transit, and if the above bounded
_____ his heirs, executors, administrators, successors and assigns, shall duly enter
into and execute a contract for such construction, and shall execute and deliver the two bonds described
within fifteen (15) calendar days, from the date of the mailing of a notice to the above bounden
_____ by and from the said Basin Transit that said contract
is ready for execution, then this obligation shall become null and void; otherwise it shall be and remain in
full force and virtue.

IN WITNESS WHEREOF, we hereunto set our hands and seals this _____ day of
_____, 20_____.

Principal

By _____
Title:

"corporate seal"

By _____
Title:

Surety

"corporate seal"

By _____
Attorney-in-Fact

PLEASE ATTACH NOTARY ACKNOWLEDGEMENT (for Bonding Company's Signature Only)

INFORMATION REQUIRED OF BIDDERS

The bidder is required to supply the following information. Additional sheets may be attached if necessary.

(1) Name: _____

(2) Address: _____

(3) Telephone: _____

(4) Type of firm - Individual, Partnership, or Corporation: _____

(5) Corporation organized under the laws of the State of: _____

(6) Contractor's license no. and class: _____

(7) List the names and addresses of all members of the firm or names and titles of all officers of the corporation:

(8) Number of years experience as a contractor in construction work: _____

(9) List at least three projects completed as of recent date:

<u>Contract Amount</u>	<u>Class of Work</u>	<u>Date Completed</u>	<u>Name & Address of Owner</u>
----------------------------	----------------------	-----------------------	------------------------------------

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(10) List the name of the person who inspected the site of the proposed work for your firm:

(11) NOTE: Upon request of the BASIN TRANSIT, the bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience, or other information.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: THAT

WHEREAS, the Basin Transit, in the County of San Bernardino, State of California, by Council action of _____, has awarded to _____ hereinafter designated as the "Principal," a contract for construction of the _____ together with appurtenances thereto, and

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract.

NOW, THEREFORE, we _____ as Principal, and _____ as Surety, are held and firmly bound unto the Basin Transit, hereinafter called the "Contracting Basin Transit" in the penal sum of one hundred percent (100%) of the amount of _____ Dollars (\$ _____), lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH that, if the hereby bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in said Contract and any alteration thereof, made as therein provided all within the time and in the manner therein designated and in all respects according to their true intent and meaning, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

FURTHER, said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or modification of the Contract Documents or of work to be performed thereunder.

IN WITNESS WHEREOF, three (3) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety herein named on the _____ day of _____, 20____. The name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative pursuant to authority of its governing body.

Principal
By _____
Title:

"corporate seal"

By _____
Title:

"corporate seal"

Surety

By _____
Attorney-in-Fact

PLEASE ATTACH NOTARY ACKNOWLEDGEMENT

PAYMENT BOND

(BOND FOR LABOR AND MATERIAL)

KNOW ALL MEN BY THESE PRESENTS: THAT

WHEREAS, the Basin Transit, in the County of San Bernardino, State of California, by Board action of _____, has awarded to _____ hereinafter designated as the "Principal," a contract for construction of the _____ together with appurtenances thereto, and

WHEREAS, said Principal is required to furnish a bond in connection with said contract providing that if said Principal, or any of his or its subcontractors shall fail to pay for any materials, provisions, provender, fuel, or other supplies or equipment used in, upon, or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, the Surety of this bond will pay the same to the extent hereinafter set forth;

NOW, THEREFORE, we _____ as Principal, and _____ as Surety, are held and firmly bound unto the Basin Transit, hereinafter called the contracting Authority, in the penal sum of one hundred percent (100%) of the amount of _____ Dollars (\$ _____), lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if said Principal, his or its heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, provender, rented or hired teams, implements, or machinery, or other supplies or equipment of any kind used in, upon, for or about the performance of the work contracted to be done, including, but not limited to, that part of water, gas, power, light, heat, oil, gasoline, or telephone service directly applicable to the contract, or for any work or labor thereon of any kind, or for any amounts due under the California Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of the employees of said Principal and subcontractors pursuant to Section 13020 of the California Unemployment Insurance Code with respect to such work and labor, and provided that any person, so furnishing said supplies or equipment therefore shall have complied with the provisions of Chapter 7 of Title 15 of Part 4 of Division 3 of the California Civil Code, as amended, or any successor thereto, then said Surety shall pay the same in or to an amount not exceeding the amount hereinabove set forth and also shall pay in case suit is brought upon this bond, such reasonable attorney's fees as shall be fixed by the court.

The bond shall inure to the benefit of any and all persons, companies, and corporations named in California Civil Code Section 3181, as amended, or any successor thereto, so as to give a right of action to them or their assigns in any suit brought upon this bond.

FURTHER, the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modifications of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligations of this bond and it does hereby waive notice of such change, extension of time, alteration, or modification of the Contract Documents or of work to be performed thereunder.

Notices, papers and other documents required by Chapter 2 of Title 14 of Part 2 of Code of Civil Procedure, or by any other law, regulation, or requirement of the Contract may be served upon Principal at this address:

and upon Surety at this address:

IN WITNESS WHEREOF, three (3) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety herein named, under penalty of perjury, on the _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Principal

By _____
Title:

"corporate seal"

By _____
Title:

Surety

"corporate seal"

By _____
Attorney-in-Fact

PLEASE ATTACH NOTARY ACKNOWLEDGEMENT

WORKER'S COMPENSATION CERTIFICATE OF INSURANCE

WHEREAS, the Basin Transit has required certain insurance to be provided by

NOW THEREFORE, the undersigned insurance company does hereby certify that it has issued the policy or policies described below to the following named insureds and that the same are in force at this time.

1. This certificate is issued to: Basin Transit, 62405 Verbena Road, Joshua Tree, California 92252.

2. The insureds under such policy or policies are:

3. Worker's Compensation Policy or Policies in a form approved by the Insurance Commissioner of California covering all operations of the named insureds, as follows:

POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE
---------------	----------------	-----------------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

4. Said policy or policies shall not be canceled, nor shall there be any reduction in coverage or limits of liability, unless and until thirty (30) days' written notice thereof has been served upon the General Manager of the Basin Transit.

By: _____
Authorized Representative

INSURANCE REQUIREMENTS FOR THE BASIN TRANSIT

PUBLIC WORKS CONTRACT

The Contractor shall at all times during the terms of the contract carry, maintain, and keep in full force and effect, a policy or policies of comprehensive Public Liability Insurance with an insurance company acceptable to, and approved by, the General Manager and Attorney, with minimum limits of One Million Dollars (\$1,000,000.00), combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the Contractor, together with an endorsement in substantially the form set forth below.

ENDORSEMENT

It is hereby understood and agreed that the Basin Transit, its Board of Directors and each member thereof, and every officer, agent (including but not limited to employees of Charles Abbott Associates, Inc. and all other Basin Transit consultants) and employees of the Basin Transit shall be named as jointly and severally insured as respects any and all claims arising out of the following project:

BUS TURNOUT AND SHELTER (IFB 26-01)

It is further agreed that the following indemnity agreement between the Basin Transit and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend (with attorneys of the Basin Transit's choice) the Basin Transit, its Board of Directors and each member thereof and every officer, agent (including but not limited by this reference to employees of Charles Abbott Associates, Inc.) and employee of the Basin Transit from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all cost and expenses of litigation brought against the Basin Transit, its Board of Directors and each member thereof and any officer, agent (including but not limited by this reference to employees of Charles Abbott Associates, Inc.) or employee of the Basin Transit which results directly or indirectly from the wrongful or negligent actions of the Contractor or the Contractor's officers, employees, agents or others employed by the Contractor while engaged by the Contractor in the performance of this agreement.

It is further agreed that the inclusion of more than one insured shall not operate to increase the limit of the company's liability and that insurers waive any right of contribution with insurance which may be available to the Basin Transit, the Contractor's insurance being primary and not contributing with any other insurance available to the Basin Transit and other above identified insureds.

In the event of cancellation or material change in the above coverage the company will give thirty (30) days written notice of cancellation or material change to the certificate holder (the Basin Transit).

INSTRUCTIONS FOR EXECUTION OF INSTRUMENTS FOR THE BASIN TRANSIT

THIS IS INSTRUCTION ONLY - IT IS NOT TO BE SIGNED OR USED IN CONJUNCTION WITH THE AGREEMENT OR ANY OTHER FORMS THAT MUST BE TURNED INTO THE BASIN TRANSIT - IT IS SIMPLY A FORMAT TO USE WHEN FILLING OUT DOCUMENTS.

1. By an Individual. The individual must sign the instrument, and if he is doing business under a fictitious name, the fictitious name must be set forth. The signature must be acknowledged before a Notary Public, using the proper form of acknowledgment.
2. By a Partnership. The name of the partnership must be set forth followed by the signatures of less than all of the partners will be acceptable only if submitted with evidence of authority to act on behalf of the partnership. The signatures must be acknowledged before a Notary Public, using the proper form of acknowledgment.
3. By a Corporation. The name of the corporation must be set forth, followed by the signatures of the President or Vice President and Secretary or Assistant Secretary. The signatures must be acknowledged before a Notary Public, using in substance the following form of acknowledgment.
4. By a Surety. The name of the surety must be set forth, followed by an authorized signature. The signatures must be acknowledged before a Notary Public, using the proper form of acknowledgment.

STATE OF _____)
) SS.
COUNTY OF _____)

On _____, 20____, before me, the undersigned, appeared _____, known to me to be the President or Vice President and _____, known to be to be the (Secretary) (Assistant Secretary) of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors.

WITNESS my signature and seal.

Notary Public

(Seal)

CONTRACT

BASIN TRANSIT

THIS AGREEMENT is made and entered into this _____, by and between the BASIN TRANSIT, hereinafter referred to as "Basin Transit," and _____ hereinafter referred to as "Contractor."

WITNESSETH:

WHEREAS, Contractor and Contractor's Surety are providing the bonds attached hereto as Exhibit B and incorporated by this reference, and

WHEREAS, Basin Transit desires to contract with Contractor to perform the services detailed in this contract, including the Proposal, and

WHEREAS, Contractor has represented that it is fully qualified to assume and discharge such responsibility.

NOW, THEREFORE, the parties hereto do agree as follows:

1. Scope of Services - Basin Transit hereby employs Contractor to perform the work and provide the services and materials as described in the Notice to Contractors, Instructions to Bidders, Special Provisions and the Proposal, attached hereto as Exhibit A and incorporated herein by this reference, including miscellaneous appurtenant work. Such work shall be performed in a good and workmanlike manner, under the terms as stated herein and in the Notice to Contractors, Instructions to Bidders, Special Provisions and the Proposal, and in accordance with the latest edition of the Joint Cooperative Committee, Southern California Chapters of the American Public Works Association and the Associated General Contractors of America, document entitled "Standard Specifications." In the event of any conflict between the terms of this agreement and any of the above-referenced documents, the terms of this agreement shall be controlling.
2. Compensation - In consideration of the services rendered hereunder, Contractor shall be paid according to the prices as submitted on the Pay Items and Bid Price Schedule of the Proposal, attached hereto as part of Exhibit A and in accordance with the Special Provisions.
3. Hold Harmless; Insurance - It is specifically understood and agreed by all parties hereto that Contractor is, for the purposes of this Agreement, an independent contractor and not an employee of the Basin Transit. Accordingly, Contractor shall not be deemed the Basin Transit's employee for any purpose whatsoever. Contractor shall not incur or have the power to incur any debt, obligation or liability whatever for or against Basin Transit and shall hold harmless, indemnify and defend with the attorneys of the Basin Transit's choice, the Basin Transit its officers, employees, agents and representatives, from and against any and all obligations, claims, liens, or causes of actions, arising out of or related to Contractor's services hereunder. Contractor shall file and maintain with Basin Transit at all times during the term of this Agreement, a copy or certificate of general liability insurance with an insurance company acceptable to, and approved by, the General Manager and Attorney of the Basin Transit, with minimum limits of One Million Dollars (\$1,000,000.00) combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the Contractor. Such insurance shall not be canceled without thirty (30) days' prior written notice to Basin Transit, shall name the Basin Transit and its officers and employees as additional insureds, shall include all automobiles utilized by Contractor's personnel in the performance of this Agreement, and shall be primary and not contributing with other insurance available to the Basin Transit.

4. Assignment - This agreement may not be assigned by the Contractor, in whole or in part, without the prior written consent of Basin Transit.

5. Termination - This Agreement may be canceled by Basin Transit at any time without penalty upon thirty (30) days' written notice. In the event of termination without fault of Contractor, Basin Transit shall pay Contractor for all services rendered prior to date of termination, and such payment shall be in full satisfaction of all services rendered hereunder.

6. Worker's Compensation Insurance - In accordance with the provisions of Division 2, Part 7, Chapter 1, Article 5 (commencing with Section 1860) and Division 4, Part 1, Chapter 4 (commencing with Section 3700) of the Labor Code of the State of California, the Contractor is required to secure the payment of compensation to his employees and shall for that purpose obtain and keep in effect adequate Workers Compensation Insurance.

The undersigned Contractor is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation or to undertake self insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this contract.

7. General Rate of Per Diem Wages - Pursuant to the Labor Code of the State of California, the Director of Industrial Relations has determined the general prevailing rate of wages and employer payments for health and welfare, vacation, pension and similar purposes applicable to the work to be done. This rate and scale are on file with the General Manager and copies will be made available to any interested party on request. The Contractor to whom the contract is awarded, and the subcontractors under him must pay not less than these rates for this area to all workers employed in the execution of this contract.

8. Retention - In accordance with Part 5 (Section 2230), Division 2 of the Public Contract Code, a contractor may substitute securities for retention moneys withheld by a public agency to ensure performance under this contract. At the request and expense of the contractor, eligible securities equivalent to the amount withheld shall be deposited with the Basin Transit, or with a state or federally chartered bank, as the escrow agent, who shall then pay such moneys to the contractor, and upon satisfactory completion of the contract, the securities shall be returned to the Contractor.

9. Suit; Recovery of Attorney Fees & Costs - Should either party bring any action to protect or enforce its rights hereunder, the prevailing party in such action shall be entitled to recover, in addition to all other relief, its reasonable attorney fees and court costs.

10. Basin Transit Approval - All labor, materials, tools, equipment and services shall be furnished and work performed and completed under the direction and supervision and subject to the approval of Basin Transit or its authorized representatives.

11. Gratuities - Contractor warrants that neither it nor any of its employees, agents, or representatives has offered or given any gratuities or promises to Basin Transit's employees, agents, or representatives with a view toward securing this Contract or securing favorable treatment with respect thereto.

12. Conflict of Interest - Contractor warrants that he is and will continue to be in compliance with all applicable conflict of interest laws.

13. Contractor's Affidavit - After the completion of the work contemplated by this Contract, Contractor shall file with the General Manager his affidavit stating that all workmen and persons employed, all firms supplying materials, and all subcontractors upon the Job have been paid in full, and that there are no claims outstanding against the Project for either labor or materials, except certain items, if any, to be set

forth in an affidavit covering disputed claims or items in connection with a Stop Notice which has been filed under the provisions of the laws of the State of California.

14. Notice to Basin Transit of Labor Disputes - Whenever Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of the Contract, Contractor shall immediately give notice thereof, including all relevant information with respect thereto, to Basin Transit.

15. Books and Records - Contractor's books, records, and plans or such part thereof as may be engaged in the performance of this Contract, shall at all reasonable times be subject to inspection and audit by any authorized representative of the Basin Transit.

16. Legal Day's Work - Eight (8) hours labor constitutes a legal day's work.

17. Inspection - The work shall be subject to inspection and testing by Basin Transit and its authorized representatives.

18. Discrimination - Contractor represents that it has not, and agrees that it will not, discriminate in its employment practices on the basis of race, creed, religion, national origin, color, sex, age or handicap.

19. Governing Law - This Contract and any dispute arising hereunder shall be governed by the law of the State of California.

20. Written notice - Any written notice required to be given in any part of the Contract Documents shall be performed by depositing the same in the U.S. Mail, postage prepaid, directed to the address of the Contractor as set forth in the Contract Documents, and to the Basin Transit addressed as follows:

Ms. Cheri Holsclaw, General Manager
Basin Transit
62405 Verbena Road
Joshua Tree, California 92252

21. Clayton/Cartwright Acts Assignment - The Contractor agrees to assign to the Basin Transit all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Profession Code), arising from purchases of goods, services, or materials pursuant to the Public Works Contract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the Contractor, without further acknowledgement by the parties.

22. Basin Transit Claims - Basin Transit does not waive any claims against Contractor by making any payment. The time limit for the Basin Transit to assert claims against Contractor shall not be limited by the Contract Documents but shall be in accordance with the laws of the State of California.

(Signatures on the following page)

Basin Transit – Bus Turnout and Shelter (IFB 26-01)

IN WITNESS WHEREOF, the parties hereto have executed the within Agreement the day and year first above written.

BASIN TRANSIT

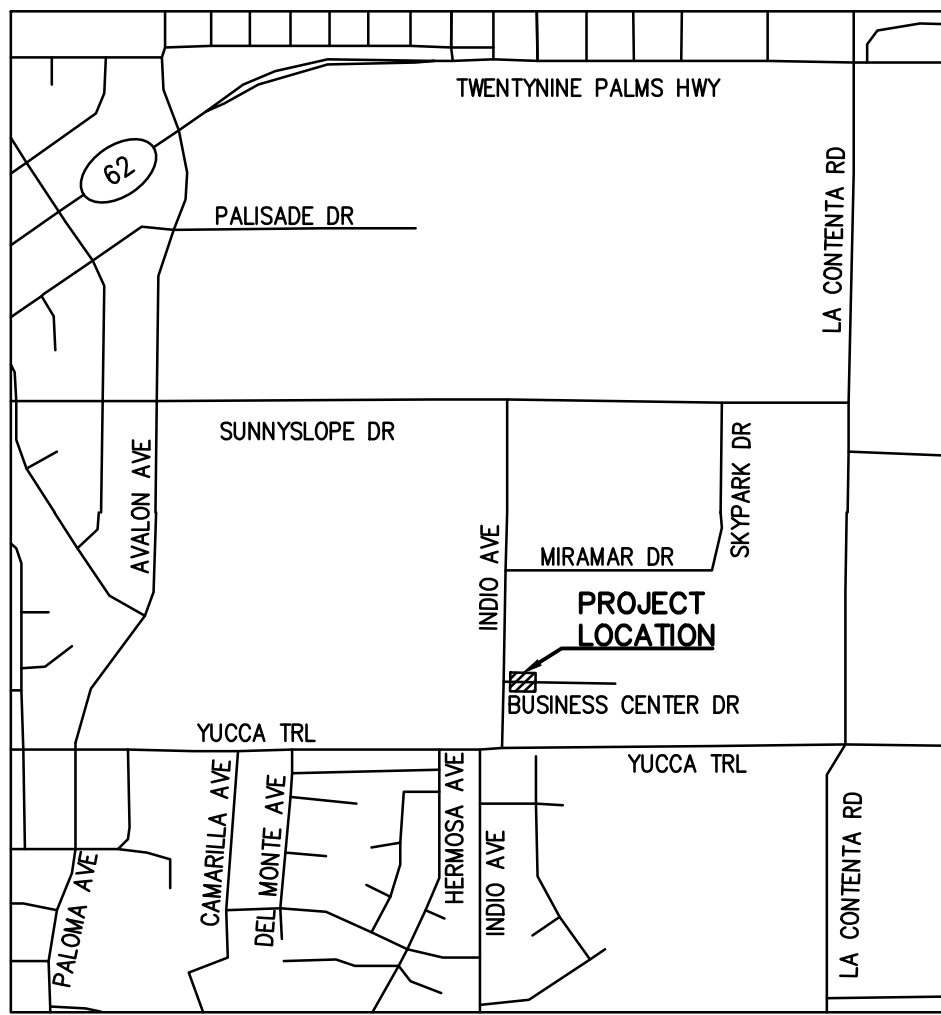
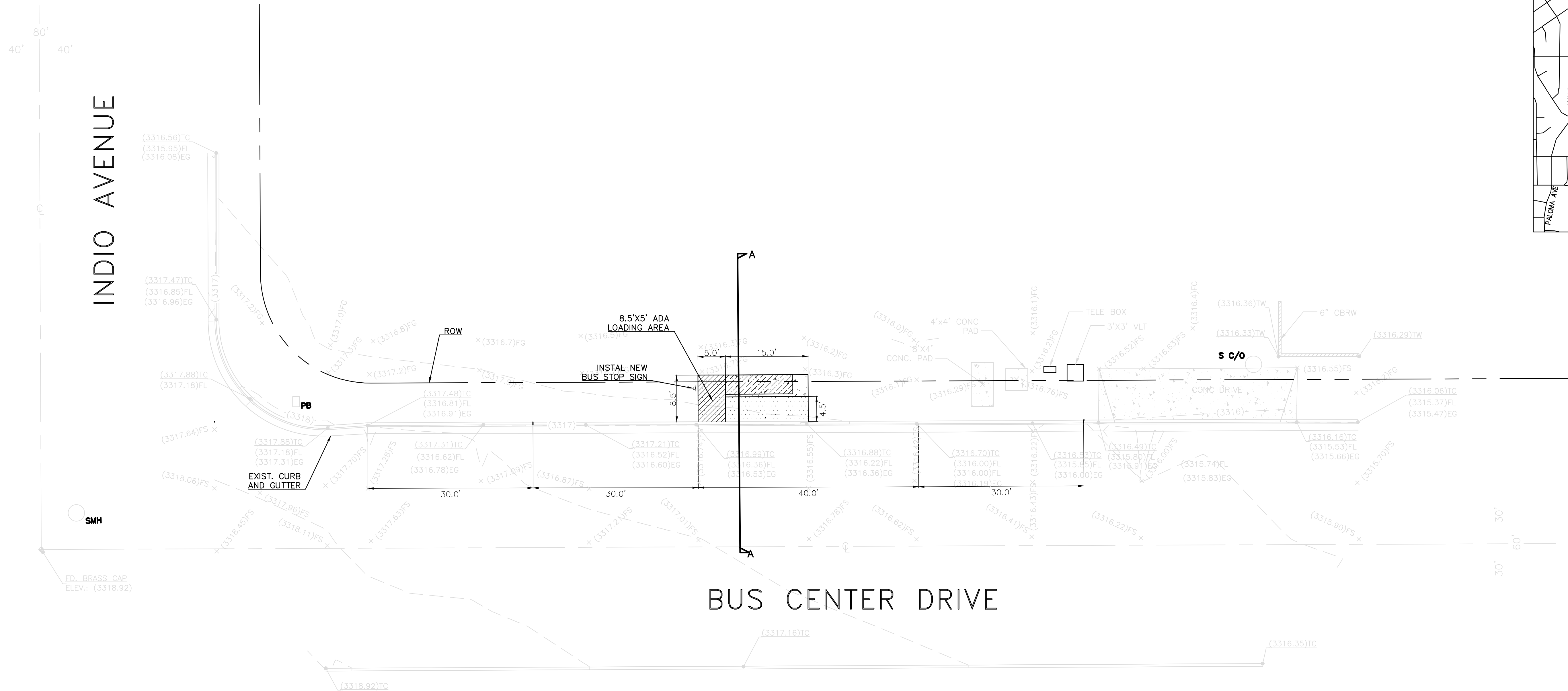
By: _____
Cheri Holsclaw, General Manager

CONTRACTOR:

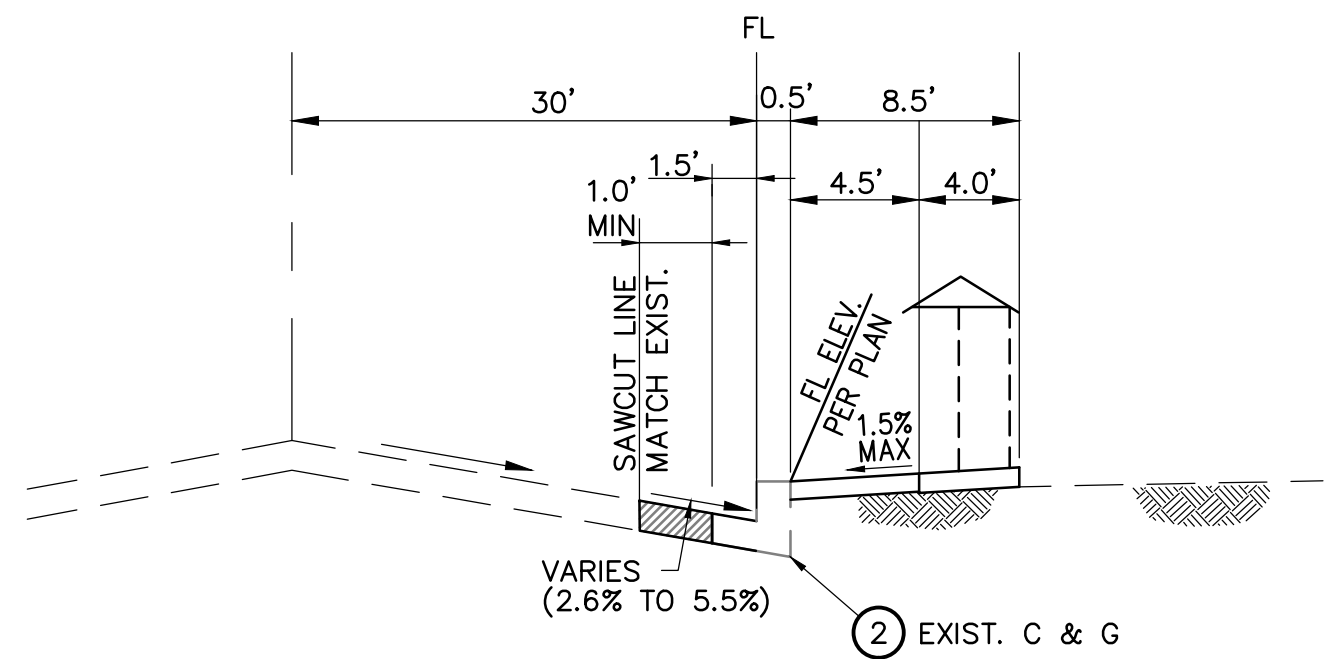
By: _____
Title:

By: _____
Title:

"Corporate seal"



VICINITY MAP
NOT TO SCALE



SECTION A-A
NOT TO SCALE

CONSTRUCTION NOTES:

1. CONSTRUCT 2" AC OVERLAY
2. CONSTRUCT 2" MIN AC LEVELING COURSE
3. 3" AC OVER NATIVE
4. RELOCATE EXISTING BUS STOP SIGN AND POST
5. PROTECT EXISTING IN PLACE
6. CONSTRUCT 6" AC CURB PER APWA STD. NO. 120-2, D1-6
7. RE-GRADE EXISTING GROUND
8. INSTALL MTBA FURNISHED BUS SHELTER, BENCH, AND RECEPTACLE
9. SAWCUT AND REMOVE EXISTING CURB
10. 6" THICK CONCRETE 15'X4' BUS SHELTER PAD WITH WWF 6X6 W10XW10 WIRE MESH AT MID HEIGHT
11. GRADE FLOWLINE TO DRAIN

QUANTITY:

- | |
|------|
| X SF |
| X SF |
| X SF |
| X EA |
| - |
| X LF |
| X LS |
| X EA |
| X SF |
| X SF |
| 1 LS |

LEGEND:

- | | |
|-----|----------------|
| BW | BACK OF WALK |
| TC | TOP OF CURB |
| FL | FLOW LINE |
| FG | FINISH GRADE |
| FS | FINISH SURFACE |
| EG | EDGE OF GUTTER |
| RT | RIGHT |
| STA | STATION |
| BM | BENCHMARK |

BENCHMARK

FD. BRASS CAP @ CL INTERSECTION
OF BUS CENTER DRIVE AND INDIO AVENUE
AS SHOWN ON RS 18-0087,
RECORDED IN BOOK 175, PAGES 32-28
OF RECORD OF SURVEYS IN THE OFFICE
OF THE RECORDER OF SAID COUNTY.
ELEV:3318.92' (NAVD-88)

NOTE:

FOR ACCURATE RIGHT OF WAY DATA, CONTACT RIGHT OF WAY
ENGINEERING AT THE DISTRICT OFFICE.

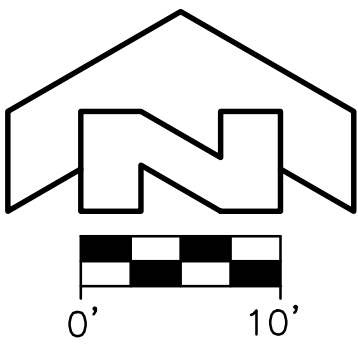
ESTIMATED WORKING DAYS: X DAYS

Underground Service Alert



Call: TOLL FREE
1-800
227-2600

TWO WORKING DAYS BEFORE YOU DIG



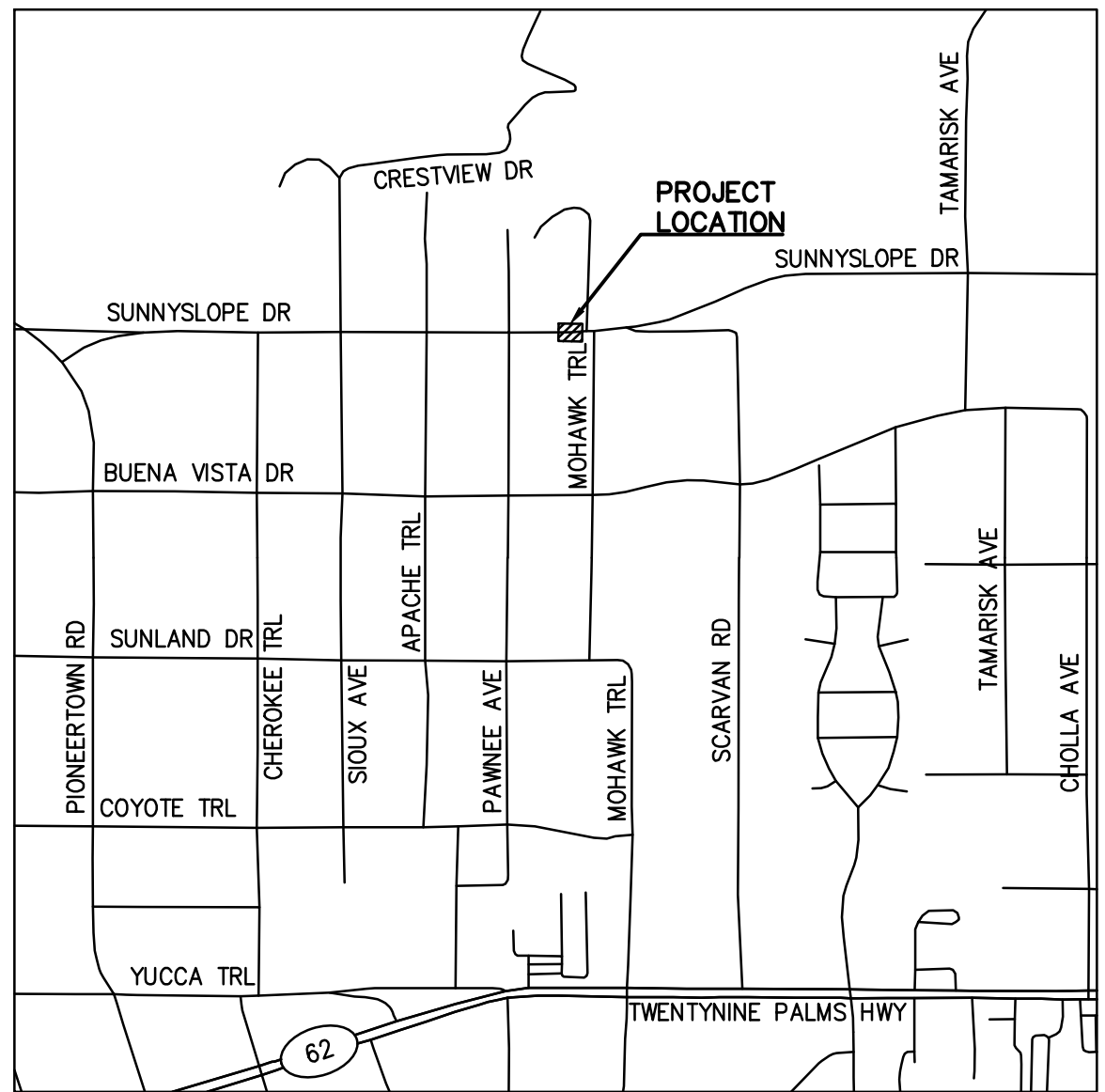
MORONGO BASIN TRANSIT AUTHORITY

BUS TURNOUT AND SHELTER

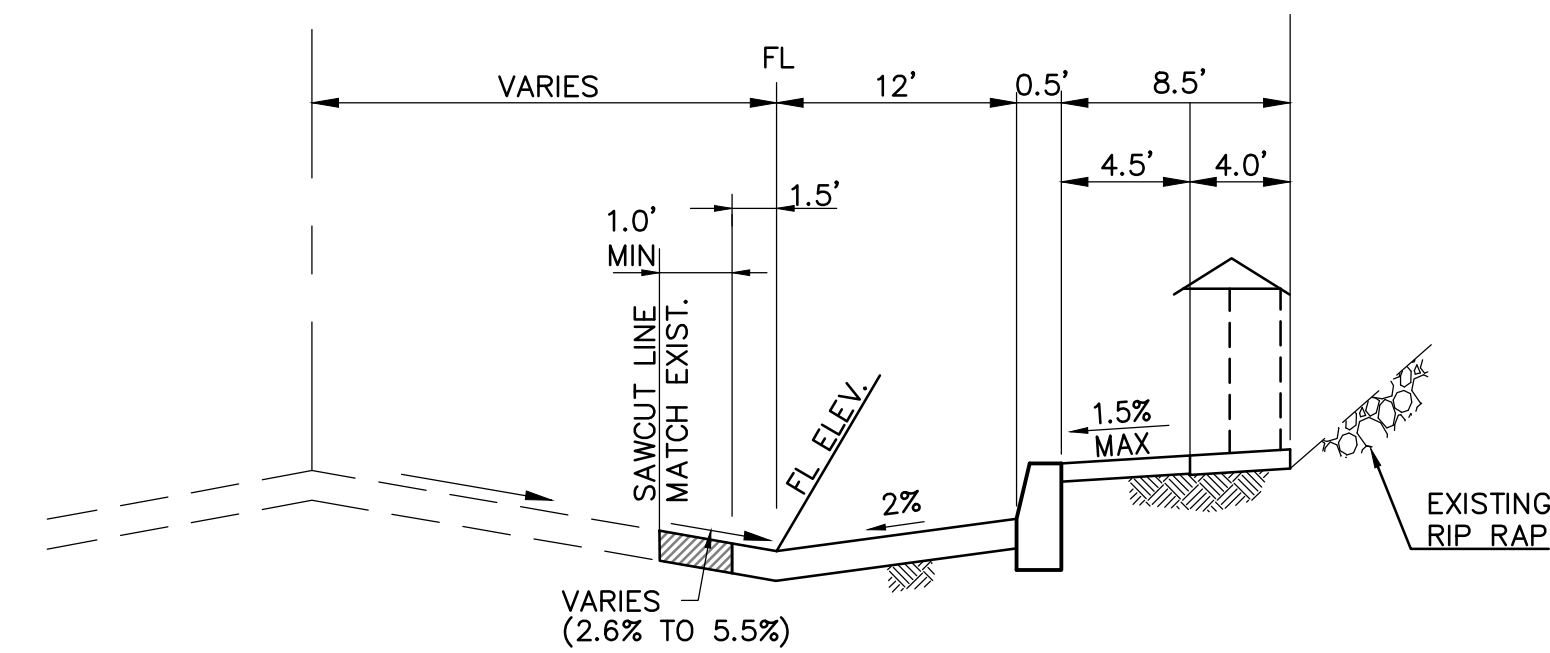
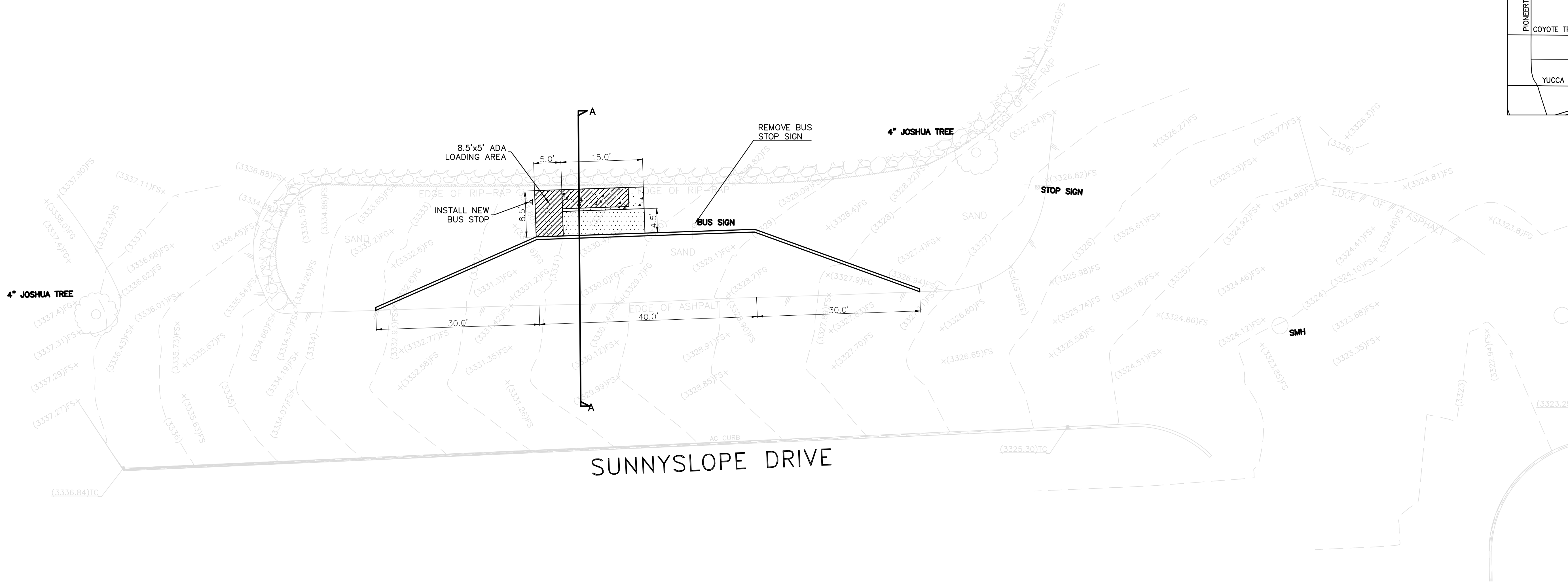
BUSINESS CENTER DRIVE AND INDIO AVENUE

SCALE: 1"=10'

SHEET 1 OF 1



VICINITY MAP
NOT TO SCALE



SECTION A-A
NOT TO SCALE

CONSTRUCTION NOTES:

1. CONSTRUCT 2" AC OVERLAY
2. CONSTRUCT 2" MIN AC LEVELING COURSE
3. 3" AC OVER NATIVE
4. RELOCATE EXISTING BUS STOP SIGN AND POST
5. PROTECT EXISTING IN PLACE
6. CONSTRUCT 6" AC CURB PER APWA STD. NO. 120-2, D1-6
7. RE-GRADE EXISTING GROUD
8. INSTALL MTBA FURNISHED BUS SHELTER, BENCH, AND RECEPTACLE
9. SAWCUT AND REMOVE EXISTING CURB
10. 6" THICK CONCRETE 15'X4' BUS SHELTER PAD WITH WWF 6X6 W10XW10 WIRE MESH AT MID HEIGHT
11. GRADE FLOWLINE TO DRAIN

QUANTITY:

- | |
|------|
| X SF |
| X SF |
| X SF |
| X EA |
| - |
| X LF |
| X LS |
| X EA |
| X SF |
| X SF |
| 1 LS |

LEGEND:

- | | |
|-----|----------------|
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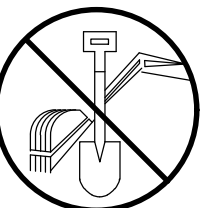
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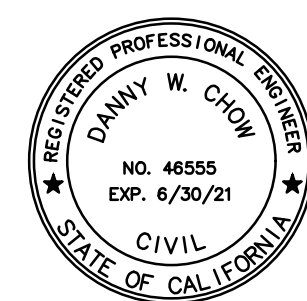
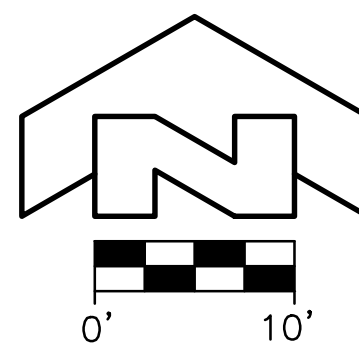
Underground Service Alert



Call: TOLL FREE

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227-2600

TWO WORKING DAYS BEFORE YOU DIG



MORONGO BASIN TRANSIT AUTHORITY

BUS TURNOUT AND SHELTER

SUNNYSLOPE DRIVE AND MOHAWK TRAIL

SCALE: 1"=10'

SHEET 1 OF 1

BASIN TRANSIT ACRONYM LIST

5309	Federal Transit Administration Capital Projects Grant Program
5310	Federal Transit Administration Grant Program for Elderly and Disabled
5311	Federal Transit Administration Rural Grant Program
5316	Job Access and Reverse Commute Grant Program
5339	Rural Discretionary Grant Program
5311f	Federal Transit Administration Intercity Bus Grant Program
CALACT	California Association for Coordinated Transportation
CALPERS	California Public Employees Retirement System
CALTIP	California Transit Insurance Pool
CALTRANS	California Department of Transportation'
CMAQ	Congestion Mitigation and Air Quality
CNG	Compressed Natural Gas
CTA	California Transit Association
DOT	Department of Transportation
FTA	Federal Transit Administration
IFB	Invitation for Bid
LAIF	Local Agency Investment Fund
LCTOP	Low Carbon Transit Operations Program
LTF	Local Transportation Funding
MBTA	Morongo Basin Transit Authority
PTIMSEA	Passenger Transportation Improvement Modernization & Service Acct.
RFP	Request for Proposal
SBCTA	San Bernardino County Transportation Authority
SGR	State of Good Repair
SRTP	Short Range Transit Plan
STA	State Transit Assistance
STIP	State Transportation Improvement Program
TAG	Transportation Assistance Grant Program
TREP	Transportation Reimbursement Escort Program
TSSDRA	Transit System Safety and Disaster Response Account

BASIN TRANSIT ROUTES

ROUTE 1	Highway Route Yucca Valley-Twenty-nine Palms
ROUTE 3A	Twenty-nine Palms-Base
ROUTE 3B	Twenty-nine Palms-Neighborhood
ROUTE 7A	North Yucca Valley
ROUTE 7B	South Yucca Valley
ROUTE 12	Palm Springs
ROUTE 15	Palm Springs Weekend
ROUTE 21	Landers
ROUTE 30 & 31	Yucca Valley Ready Ride
ROUTE 34	Twenty-nine Palms Ready Ride
ROUTE 36	Morongo Valley
ROUTE 50	Joshua Tree Ready Ride
ROUTE 1X	Highway Route Sunday Service