

AGENDA
Special Transit Committee Meeting

April 16, 2026

9:00 AM

Location

San Bernardino County Transportation Authority
First Floor Lobby Board Room
1170 W. 3rd Street, San Bernardino, CA 92410

Transit Committee Membership

Chair

John Dutrey, Mayor
City of Montclair

Acquanetta Warren, Mayor
City of Fontana

Vice Chair

Joe Baca, Jr., Supervisor
County of San Bernardino

Bill Hussey, Mayor
City of Grand Terrace

Art Bishop, Council Member
Town of Apple Valley

Larry McCallon, Council Member
City of Highland

Eunice Ulloa, Mayor
City of Chino

Alan Wapner, Mayor Pro Tem
City of Ontario

Ray Marquez, Vice Mayor
City of Chino Hills

L. Dennis Michael, Mayor
City of Rancho Cucamonga

Frank Navarro, Mayor
City of Colton

Rick Denison, Council Member
Town of Yucca Valley

**San Bernardino County Transportation Authority
San Bernardino Council of Governments**

AGENDA

Special Transit Committee Meeting

April 16, 2026

9:00 AM

Location

SBCTA Office

First Floor Lobby Board Room

1170 W. 3rd Street, San Bernardino, CA 92410

Items listed on the agenda are intended to give notice to members of the public of a general description of matters to be discussed or acted upon. The posting of the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

To obtain additional information on any items, please contact the staff person listed under each item. You are encouraged to obtain any clarifying information prior to the meeting to allow the Board to move expeditiously in its deliberations. Additional *“Meeting Procedures”* and agenda explanations are attached to the end of this agenda.

CALL TO ORDER

(Meeting Chaired by Ray Marquez)

- i. Pledge of Allegiance
- ii. Attendance
- iii. Announcements
- iv. Agenda Notices/Modifications – Victoria Hernandez

Public Comment

Brief Comments from the General Public

Possible Conflict of Interest Issues

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

1. Information Relative to Possible Conflict of Interest

Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

This item is prepared monthly for review by Board and Committee members.

INFORMATIONAL ITEMS

Items listed are receive and file items and are expected to be routine and non-controversial. Unlike the Consent Calendar, items listed as Informational Items do not require a vote.

2. Transit and Rail Programs Contract Change Orders to On-Going Contracts

Pg. 11

Receive and file Change Order Report.

Presenter: Victor Lopez

This item is not scheduled for review by any other policy committee or technical advisory committee.

DISCUSSION ITEMS

Discussion - Administrative Matters

3. San Bernardino County Transportation Authority Fiscal Year 2026/2027 Budget - Transit Committee Task Review

Pg. 13

Review the proposed task and budgetary information to be included in the Fiscal Year 2026/2027 Budget, and provide direction as appropriate.

Presenter: Lisa Lazzar

This item is not scheduled for review by any other policy committee or technical advisory committee.

4. Transit Operators and Transportation Development Act Audits for Fiscal Year 2024/2025

Pg. 44

A. Review and receive the Transit Operators and Transportation Development Act Audit Reports for Fiscal Year 2024/2025.

B. Review and receive the City of Adelanto Transportation Development Act Audit Reports for Fiscal Year 2022/2023 and Fiscal Year 2023/2024.

C. Review and receive the City of Rialto Transportation Development Act Audit Reports for Fiscal Year 2023/2024.

Presenter: Michael Hernandez

This item is not scheduled for review by any other policy committee or technical advisory committee.

Discussion - Regional/Subregional Planning

5. Transit Signal Priority Implementation Study

Pg.105

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Receive a report on progress relating to the consideration of Transit Signal Priority (TSP) in the San Bernardino Valley.

B. Direct staff to continue looking at technology options to perform a TSP implementation study, the scope of which is described in the Background section.

Presenter: Josh Lee

This item is not scheduled for review by any other policy committee or technical advisory committee.

Discussion - Transit

6. Sole Source Zero Emission Multiple Unit Procurement

Pg. 110

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Authorize staff to negotiate a federalized **Sole Source** procurement with Stadler US, Inc., of three Zero Emission Multiple Unit (ZEMU) vehicles, exercising the purchase option provided in the current agreement with Stadler US, Inc., with the final contract being presented to the Board of Directors at a future date for consideration.

B. Direct staff to seek approximately \$28 million in grant funding for the unfunded capital cost of procurement of the ZEMU vehicles.

Presenter: Joy Buenafior

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel and Procurement Manager have reviewed this item.

7. Southern California Regional Rail Authority Budget Adjustments

Pg. 112

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Approve a Southern California Regional Rail Authority Project Budget Reallocation request to transfer \$6,252,192 from the Hyundai-Rotem Overhaul Project approved by SBCTA in prior Fiscal Year budgets, to the Fiscal Year 2024/2025 Bombardier Railcar Overhaul Project.

B. Approve an amendment to the Fiscal Year 2025/2026 Budget for Task No. 0314 – Transit and Rail Operations to increase State Transit Assistance Fund - Rail (Fund 1050) by \$37,942 for the San Bernardino Line Fare Subsidy program.

Presenter: Nicole Soto

This item is not scheduled for review by any other policy committee or technical advisory committee.

8. Cooperative Agreement No. 26-1003452 with Riverside County Transportation Commission for Rideshare and Vanpool Program Implementation

Pg. 114

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Authorize the Executive Director, or her designee, to negotiate and execute Cooperative Agreement No. 26-1003452 with the Riverside County Transportation Commission, in an amount not-to-exceed \$10,700,000 for the provision of rideshare, vanpool, and multi-modal programs implementation, for a three-year term effective July 1, 2026 through June 30, 2029, subject to approval as to form by General Counsel. The agreement will be funded with Congestion Mitigation and Air Quality Program funds, Federal Transit Administration 5307 – Urbanized Area Formula Grant and Measure I Valley Traffic Management System and Victor Valley Project Development and Traffic Management System funds.

Presenter: Mairany Anaya

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel and Procurement Manager have reviewed this item and the draft agreement.

9. Contract No. 26-1003453 with the SCAQMD for MSRC Funding for Free Transit during the 2028 Olympics and Paralympics Pg. 153

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

Authorize the Executive Director, or her designee, to approve Contract No. 26-1003453 with the South Coast Air Quality Management District to receive \$1,000,000 from the Mobile Source Air Pollution Reduction Review Committee for free transit fares in San Bernardino County during the 2028 Olympics and Paralympics, subject to approval as to form by SBCTA General Counsel.

Presenter: Nancy Strickert

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel and Procurement Manager have reviewed this item and the draft contract.

Discussion - Transportation Programming and Fund Administration

10. Allocation of Transportation Development Act Funds for Fiscal Year 2026/2027 Pg. 167

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Adopt Resolution No. 26-012 authorizing the allocation of Local Transportation Funds and State Transit Assistance Funds for Fiscal Year 2026/2027 and the transmittal of allocation instructions to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector.

Presenter: Brianna Martinez

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the draft resolution.

Comments from Board Members

Brief Comments from Board Members

ADJOURNMENT

Additional Information

Attendance
Acronym List
Mission Statement

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The next Transit Committee meeting is scheduled for May 14, 2026.

Meeting Procedure and Rules of Conduct

Meeting Procedures - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

Accessibility & Language Assistance - The meeting facility is accessible to persons with disabilities. A designated area is reserved with a microphone that is ADA accessible for public speaking. A designated section is available for wheelchairs in the west side of the boardroom gallery. If assistive listening devices, other auxiliary aids or language assistance services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk can be reached by phone at (909) 884-8276 or via email at clerkoftheboard@gosbcta.com and the office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Service animals are permitted on SBCTA's premises. The ADA defines service animals as dogs or miniature horses that are individually trained to do work or perform tasks for people with disabilities. Under the ADA, service animals must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work, or the individual's disability prevents using these devices. In that case, the individual must maintain control of the animal through voice, signal, or other effective controls.

Members of the Board of Directors and any Policy Committee with a disability may participate in any meetings of their respective legislative bodies by remote participation as a reasonable accommodation in accordance with Government Code Sec. 54953(c).

Accesibilidad y asistencia en otros idiomas - Las personas con discapacidad pueden acceder a la sala de reuniones. Se reserva una zona designada con un micrófono accesible que cumple con los requisitos de la ADA para hablar en público. Una sección designada está disponible para sillas de ruedas en el lado oeste de la galería de la sala de reuniones. Si se necesitan dispositivos de ayuda auditiva, otras ayudas auxiliares o servicios de asistencia en otros idiomas para participar en la reunión pública, las solicitudes deben presentarse al Secretario de la Junta al menos tres (3) días hábiles antes de la fecha de la reunión de la Junta. Puede comunicarse con el Secretario llamando al (909) 884-8276 o enviando un correo electrónico a clerkoftheboard@gosbcta.com. La oficina se encuentra en 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Los animales de servicio están permitidos en las instalaciones de SBCTA. La ADA define a los animales de servicio como perros o caballos miniatura que son entrenados individualmente para hacer trabajo o realizar tareas para personas con discapacidades. Según la ADA, los animales de servicio deben tener un arnés o ser atados, a menos que estos dispositivos interfieran con el trabajo del animal de servicio, o que la discapacidad de la persona impida el uso de estos dispositivos. En ese caso, la persona debe mantener el control del animal a través de su voz, señales u otros controles efectivos.

Los miembros de la Junta Directiva y de cualquier Comité de Políticas que tengan una discapacidad podrán participar en cualquier reunión de sus respectivos órganos legislativos mediante participación remota como una adaptación razonable de conformidad con el artículo 54953(c) del Código de Gobierno.

Agendas – All agendas are posted at www.gosbcta.com/board/meetings-agendas/ at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed online at

that web address. Agendas are also posted at 1170 W. 3rd Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting.

Agenda Actions – Items listed on both the “Consent Calendar” and “Discussion” contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

Closed Session Agenda Items – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the President of the Board or Committee Chair (“President”) will announce the subject matter of the closed session. If reportable action is taken in closed session, the President shall report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals in attendance at SBCTA who desire to speak on an item may complete and turn in a "Request to Speak" form, specifying each item an individual wishes to speak on. Individuals may also indicate their desire to speak on an agenda item when the President asks for public comment. When recognized by the President, speakers should be prepared to step forward and announce their name for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The President or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Any individual who wishes to share written information with the Board may provide 35 copies to the Clerk of the Board for distribution. If providing written information for distribution to the Board, such information must be emailed to the Clerk of the Board, at clerkoftheboard@gosbcta.com, no later than 2:00 pm the day before the meeting in order to allow sufficient time to distribute the information. Written information received after the 2:00 pm deadline will not be distributed. Information provided as public testimony is not read into the record by the Clerk. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda. Any consent item that is pulled for discussion shall be treated as a discussion item, allowing further public comment from any members of the public who haven't already commented on the item during the meeting.

Public Comment –An opportunity is also provided for members of the public to speak on any subject within the Board's jurisdiction. Matters raised under “Public Comment” will not be acted upon at that meeting. See “Public Testimony on an Item” and “Agenda Actions”, above.

Disruptive or Prohibited Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the President may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Your cooperation is appreciated!

**General Practices for Conducting Meetings
of
Board of Directors and Policy Committees**

Attendance.

- The President of the Board or Chair of a Policy Committee (Chair) has the option of taking attendance by Roll Call. If attendance is taken by Roll Call, the Clerk of the Board will call out by jurisdiction or supervisorial district. The Member or Alternate will respond by stating his/her name.
- A Member/Alternate who arrives after attendance is taken shall announce his/her name prior to voting on any item.
- A Member/Alternate who wishes to leave the meeting after attendance is taken but before remaining items are voted on shall announce his/her name and that he/she is leaving the meeting.

Basic Agenda Item Discussion.

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on “Request to Speak” forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee. Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.
- The “aye” votes in favor of the motion shall be made collectively. Any Member who wishes to oppose or abstain from voting on the motion shall individually and orally state the Member’s “nay” vote or abstention. Members present who do not individually and orally state their “nay” vote or abstention shall be deemed, and reported to the public, to have voted “aye” on the motion.
- Votes at teleconferenced meetings shall be by roll call, pursuant to the Brown Act, or, at any meeting, upon the demand of five official representatives present or at the discretion of the presiding officer.

The Vote as specified in the SBCTA Administrative Code and SANBAG Bylaws.

- Each Member of the Board of Directors shall have one vote. In the absence of the official representative, the Alternate shall be entitled to vote. (Note that Alternates may vote only at meetings of the Board of Directors, Metro Valley Study Session and Mountain/Desert Policy Committee.)

Amendment or Substitute Motion.

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the Chair shall ask the maker of the original motion if he or she would like to amend the motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is voted upon first, and if it fails, then the original motion is considered.
- Occasionally, a motion dies for lack of a second.

Call for the Question.

- At times, a Member of the Board/Committee may “Call for the Question.”
- Upon a “Call for the Question,” the Chair may order that the debate stop or may allow for limited further comment to provide clarity on the proceedings.
- Alternatively, and at the Chair’s discretion, the Chair may call for a vote of the Board/Committee to determine whether or not debate is stopped.
- The Chair re-states the motion before the Board/Committee and calls for the vote on the item.

The Chair.

- At all times, meetings are conducted in accordance with the Chair’s direction.
- These general practices provide guidelines for orderly conduct.
- From time to time, circumstances may require deviation from general practice (but not from the Brown Act or agency policy).
- Deviation from general practice is at the discretion of the Chair.

Courtesy and Decorum.

- These general practices provide for business of the Board/Committee to be conducted efficiently, fairly and with full participation.
- It is the responsibility of the Chair and Members to maintain common courtesy and decorum.

Adopted By SANBAG Board of Directors January 2008

Revised March 2014

Revised May 4, 2016

Revised June 7, 2023

Minute Action

AGENDA ITEM: 1

Date: April 16, 2026

Subject:

Information Relative to Possible Conflict of Interest

Recommendation:

Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

Background:

In accordance with California Government Code 84308, members of the Board may not participate in any action concerning a contract where they have received a campaign contribution of more than \$500 in the prior twelve months from an entity or individual, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Principals & Agents	Subcontractors
7	20-1002310	Stadler US, Inc. Martin Ritter	None

Financial Impact:

This item has no direct impact on the budget.

Reviewed By:

This item is prepared monthly for review by Board and Committee members.

Responsible Staff:

Victor Lopez, Director of Transit and Rail Programs

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

Entity: San Bernardino County Transportation Authority

Minute Action

AGENDA ITEM: 2

Date: April 16, 2026

Subject:

Transit and Rail Programs Contract Change Orders to On-Going Contracts

Recommendation:

Receive and file Change Order Report.

Background:

The San Bernardino County Transportation Authority Department of Transit and Rail Programs has two ongoing construction contracts, one procurement of major equipment contract, and one vehicle procurement contract, of which one had Construction Change Orders (CCO) approved since the last reporting to the Transit Committee on March 12, 2026.

A. Contract No. 23-1002891 with Griffith Company for the West Valley Connector Project Mainline Construction:

- 1) CCO 44: Fire hydrant revisions. (-\$110,546.61)
- 2) CCO 63: Canopy roof stand off. (\$283,474.11)
- 3) CCO 66: Fire hydrant versus obstructions. (\$80,000)
- 4) CCO 79: Inspections fee. (\$15,000)
- 5) CCO 82: Metal windscreen panels. (\$503,717.76)

B. Contract No. 23-1002922 with Metro Builders & Engineers Group, Ltd. for the Arrow Maintenance Facility (AMF) Hydrogen Fuel Upgrade Project: AMF Retrofit Construction: There are no newly executed CCOs since the last report.

C. Contract No. 23-1002961 with Proterra Builders, Inc. for the AMF Hydrogen Fuel Upgrade Project: Procurement of Major Equipment: There are no newly executed CCOs since the last report.

D. Contract No. 20-1002310 with Stadler US, Inc. for Zero Emission Multiple Unit Rail Vehicle Procurement: There are no newly executed CCOs since the last report.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2025/2026.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:

Victor Lopez, Director of Transit & Rail Programs

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

Entity: San Bernardino County Transportation Authority

**Transit and Rail Programs Contracts
Executed Change Orders**

Number	Description	Amount
West Valley Connector Mainline Construction, Griffith Company (23-1002891)		
		Amount
44	Fire Hydrant Revisions	(\$110,546.61)
63	Canopy Roof Stand Off	\$283,474.11
66	Fire Hydrant vs Obstructions	\$80,000.00
79	Inspections Fee	\$15,000.00
82	Metal Windscreen Panels	\$503,717.76
	CCO Total	\$1,924,334.50
	Amended Approved Contingency	\$11,995,991.00
	Remaining Contingency	\$10,071,656.50
ZEMU - Arrow Maintenance Facility (AMF) Construction Upgrade Project, Metro Builders & Engineers Group, Ltd. (23-1002922)		
		Amount
	CCO Total	\$298,056.70
	Amended Approved Contingency	\$475,099.00
	Remaining Contingency	\$177,042.30
ZEMU - Arrow Maintenance Facility (AMF) Procurement Upgrade Project, Proterra Builders, Inc. (23-1002961)		
	Description	Amount
	CCO Total	\$22,964.98
	Approved Contingency	\$56,280.21
	Remaining Contingency	\$33,315.23
ZEMU - Vehicle Procurement Stadler (20-1002310)		
	Description	Amount
	CCO Total	\$3,033,758.12
	Approved Contingency	\$3,487,482.12
	Remaining Contingency	\$453,724.00

Minute Action

AGENDA ITEM: 3

Date: April 16, 2026

Subject:

San Bernardino County Transportation Authority Fiscal Year 2026/2027 Budget - Transit Committee Task Review

Recommendation:

Review the proposed task and budgetary information to be included in the Fiscal Year 2026/2027 Budget, and provide direction as appropriate.

Background:

The purpose of reviewing tasks is to gain input on the appropriateness of the type and scope of the work effort. Narrative descriptions and detailed budget information are provided. Budget amounts, fund types, and narratives are preliminary, pending agency-wide revenue and expenditure compilation and review by the San Bernardino County Transportation Authority (SBCTA) policy committees.

Explanations for major variances from the prior year's budget are included in the Work Elements section for each task and include the following:

- The Transit Operator Support Task varies minimally between Fiscal Year 2025/2026 and Fiscal Year 2026/2027 due to calculated cost estimates for ongoing transit operator support.
- The Transit Allocations/Pass-throughs Task budgetary changes are primarily due to projected increases to the Measure I 2010-2040, Transportation Development Act and State of Good Repair programs, as well as adjustments to Transit and Intercity Rail Capital Program and Zero Emission Transit Capital Program projected disbursements.
- The General Transit Task budgetary changes are due to budgeting an optimal amount to accommodate consultant staff augmentation, including sufficient funds for management of implementation studies and vehicle procurement, and for accommodating task orders to meet the department's needs.
- The Transit Right-of-Way Management Task budgetary changes reflect reduced costs related to electric vehicle charging stations, as the previous year incurred higher costs for replacement parts.
- The Transit Operations Task budgetary changes are due to changes to SBCTA's annual operation subsidy for both the Arrow Service and San Bernardino Line, ongoing hydrogen fueling and spare parts for the implemented Zero Emission Multiple Unit (ZEMU), enhancements to the regional rideshare software, and the continuing efforts to support ongoing transit ridership programs, such as fare subsidies and rail recovery programs.
- The Transit Capital Task budgetary changes are mainly driven by the cancellation of the ONT Connector Project and the Gold Line Extension to Montclair Project; fewer expenditures for the ongoing construction and right-of-way acquisitions for the West Valley Connector Project as we near completion; remaining construction of the Hydrogen Fueling Infrastructure for the ZEMU Project and purchase of additional ZEMU vehicles; initiation of the Enhanced Metrolink Rail Service Project; and commencement of the environmental clearance phase for the next Bus Rapid Transit (BRT) project.

Entity: San Bernardino County Transportation Authority

The following tasks are presented for Committee review:

Task	Transit Program	Manager	Proposed Budget
0309	Transit Operator Support	Lopez	\$ 528,095
0310	Transit Allocations/Pass-throughs	Graham	\$ 387,099,510
0312	General Transit	Lopez	\$ 1,849,637
0313	Transit Right-of-Way Management	Lopez	\$ 2,233,101
0314	Transit Operations	Lopez	\$ 67,124,915
0315	Transit Capital	Lopez	\$ 140,515,657
0383	Vanpool Program	Lopez	\$ 1,388,242

The following list of sub-tasks provides proposed budget by project:

Transit Sub-Tasks		Proposed Budget
0315	Transit Capital:	
0328	Lilac to Rancho Station Double Track	\$ 5,923,795
0334	West Valley Connector Phase 1	\$ 89,297,427
0336	Diesel Multiple Unit to ZEMU Vehicle	\$ 10,995,614
0338	SCORE Rancho Cucamonga Siding Project	\$ 854
0339	Brightline-High Desert Stations Project	\$ 5,006,100
0342	Enhanced Metrolink Rail Service Project	\$ 5,000,000
0343	BRT Corridor Project	\$ 1,000,000
0344	ZEMU Vehicle Procurement	\$ 11,000,000
0378	Arrow Capital Subsidy	\$ 2,000,000
0379	Metrolink Capital Subsidy	\$ 9,059,469
0380	Metrolink Station Improvement Capital Projects	\$ 1,150,000

This agenda item provides for task level review. In May 2026, in conjunction with the Budget Workshop, staff will present anticipated levels of revenue from all sources, staffing, and program level budgets.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2025/2026. The tasks under the purview of the Transit Committee will be part of the overall budget adoption which establishes the financial and policy direction for the next fiscal year.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:

Lisa Lazzar, Chief Financial Officer

Approved
 Transit Committee
 Date: April 16, 2026

Witnessed By:

Transit Program Budget

Description

The Transit Program represents the continuing responsibilities of SBCTA to implement and plan for future transit capital projects; support rail service through the Southern California Regional Rail Authority (SCRRA) for the operation of Metrolink and Arrow Service; provide technical assistance to local jurisdictions implementing transit-oriented development; coordinate and assist local bus operators; oversee rideshare, vanpool, and multimodal activities; and manage 60 miles of agency-owned railroad right-of-way. The program is funded by an array of funding sources, including Measure I, Transportation Development Act, Federal, State, and local funds. Many of SBCTA's Transit and Rail Program responsibilities are based on Federal and State regulations and require coordination with the Federal Railroad Administration (FRA), Federal Transit Administration (FTA), California State Transportation Agency (CalSTA), and the California Public Utilities Commission (CPUC).

Objectives

The Transit team continues to deliver, manage, and construct major capital projects. In doing so, the staff assists in meeting SBCTA's commitment to deliver the projects as described in the Measure I Transportation Transactions and Use Tax, approved in 1989 and renewed in 2004 by San Bernardino County voters, and in other efforts prioritized by the Board. The Transit Program includes the goal of reducing roadway congestion and improving air quality by providing high-quality Metrolink and Arrow rail services to the citizens of San Bernardino County, expanding bus rapid transit service with the West Valley Connector (WVC) Bus Rapid Transit (BRT) Project, implementation of the permanent fueling infrastructure for the first zero emission passenger rail vehicle in North America, and continued coordination with Brightline West for the introduction of privately funded high-speed rail service between Las Vegas and Rancho Cucamonga. The Transit team also supports these goals by providing funding, planning support, and capital delivery support to the county's local transit operators. Further, the Transit Department's responsibilities include managing vanpool and rideshare activities, with a focus on multimodal programs and the customer experience.

The Transit Program for this fiscal year includes the following:

1. Complete construction of Zero-Emission Multiple Unit (ZEMU)-related infrastructure, which includes the hydrogen fueling station improvements.
2. Continue the construction of WVC Phase I – Mainline, and continue to support Omnitrans in the construction of the bus facility upgrade to accommodate battery charging.
3. Continue to support SCRRA with the final design for the Metrolink Double Track Project (Control Point Lilac to Sycamore Ave).
4. Continue close coordination with Brightline West, including oversight of the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant for the High Desert stations.
5. Manage the SBCTA-owned railroad right-of-way in an efficient and comprehensive fashion.
6. Manage the EV Charging Stations located at the Santa Fe Depot and San Bernardino Transit Center.
7. Construct the San Bernardino Santa Fe Depot Bus Stop Improvement project.
8. Continue ongoing coordination with the SCCRA for Metrolink and Arrow service through the Member Agency Advisory Committee.
9. Support transit operators in implementing zero emission buses and work with Fund Administration and Planning to identify funding and secure grants for the effort.
10. Provide technical assistance to the transit operators and their Consolidated Transportation Service Agencies within San Bernardino County.
11. Provide technical assistance to non-profits in San Bernardino County that received Federal and Measure I funding.
12. Continue managing the Inland Empire (IE) Commuter rideshare program and implementation of commuter assistance programs, including but not limited to Park & Ride lot leases, commuter incentives, a Rail Ridership Recovery Program, and a Telework Assistance Program. Conduct an in-depth post-pandemic review of the IE Commuter rideshare program for future year adjustments and planning.
13. Work with regional rideshare agencies to maintain and enhance regional rideshare and vanpool software and database.

Transit Program Budget

- 14. Manage and implement adjustments to the SB Loop Vanpool Subsidy Program as needed, as it relates to managing occupancy requirements and other operating guidelines. Continue National Transit Database (NTD) reporting and monitoring cost versus FTA 5307 and FTA 5339 revenue generation.
- 15. Work with county transit operators through the Multimodal Interconnectivity Working Group to implement countywide multimodal efforts, including free fare days to rebuild ridership and promote various specialized services.
- 16. Conduct a hydrology study along the SBCTA railroad right-of-way to identify locations that may pose a risk for potential flooding, which may consequently affect rail service and neighboring communities.
- 17. Continue with project development activities for the Enhanced Metrolink Rail Service Project.
- 18. Initiate the environmental clearance phase for the next Bus Rapid Transit Corridor project.
- 19. Manage and oversee the procurement of additional ZEMU vehicles for the Arrow service.
- 20. Anticipate SCRRA to begin construction on the Rancho Cucamonga Southern California Optimized Rail Expansion (SCORE) siding project and assist as directed.

Performance/Workload Indicators

	2023/2024 Actual	2024/2025 Actual	2025/2026 Revised Budget	2026/2027 Budget
Development of Zero Emission Multiple Unit	Vehicle Testing/AMF Upgrade Construction	Fueling Infrastructure & AMF Upgrade Construction	Fueling Infrastructure, AMF Upgrade Construction, Start of Operations	Fueling Infrastructure Construction
West Valley Connector	ROW Acquisition/Final Design	ROW Acquisition/Construction	Construction	Construction / Closeout
Metrolink Double Track – Control Point (CP) Lilac to CP Rancho	On-hold/Seek Funding (SBCTA/SCRRA)	On-hold/Seek Funding (SBCTA/SCRRA)	ROW Acquisition/Final Design (SCRRA)	ROW Acquisition/Final Design (SCRRA)
SCORE Rancho Cucamonga Siding Project	ROW Acquisition/Final Design (SCRRA)	ROW Acquisition/Final Design (SCRRA)	ROW Acquisition/Final Design (SCRRA)	Construction (SCRRA)
Enhanced Metrolink Rail Service Project			Planning	Environmental/Design
Bus Rapid Transit Corridor Project			Planning	Environmental
ZEMU Vehicle Procurement				Vehicle Procurement

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit

Task 0309 Transit Operator Support

Purpose

Facilitate and oversee the administration and programming of transit projects through funding provided by a variety of Federal and State revenue sources and Measure I to allow delivery of transit projects on schedule and to demonstrate compliance with applicable Federal, State, and local guidelines, fiscal constraints, and air quality conformity requirements. Federal and State revenue sources include Federal programs administered by the Federal Transit Administration (FTA); State Proposition 1B Bond, Senate Bill 1 (SB1), and Senate Bill 125 (SB125) programs; Local Transportation Funds (LTF) and State Transit Assistance (STA) funds made available from State Transportation Development Act (TDA); and State of Good Repair (SGR) and the Low Carbon Transit Operations Program (LCTOP) funds made available from SB1. This provides assistance and oversight of San Bernardino County transit operators, including a review of their cost-effectiveness and efficiency, Federal and State funding compliance, funding allocations, service modifications, and capital improvements. These operators include Omnitrans, Victor Valley Transit Authority (VVTA), Basin Transit, Mountain Transit, and City of Needles Transit Services, as well as Omnitrans in its role as the Consolidated Transportation Services Agency (CTSA) for the San Bernardino Valley and VVTA in its role as CTSA for the High Desert.

Accomplishments

SBCTA staff have administered and programmed available funding for transit projects based on the Board-approved priorities and strategies, as communicated through the 10-Year Delivery Plan, the various Short-Range Transit Plans (SRTPs), program apportionments, and project-specific allocations. Through strategic fund management and timely delivery of existing committed funds, SBCTA has maximized and protected Federal and State funding revenues. In addition, SBCTA has supported transit operators with information on funding opportunities and transportation program guidelines, requirements, policies, and schedules. SBCTA serves as a liaison between transit operators and the California Department of Transportation (Caltrans), the California Transportation Commission (CTC), the California State Transportation Agency (CalSTA), Southern California Association of Governments (SCAG), and various other Federal and State agencies to assist local implementation of projects funded by Federal and State sources. Additionally, SBCTA staff completed a call for projects for Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities funds for the Victorville-Hesperia urbanized area.

Work Elements

This is an ongoing task that includes professional development through participation in State, regional, and national transit association conferences. Participation enables the exchange of information and ideas for policy development related to transit operations and funding.

This task also includes continued staff and consultant efforts required to maintain compliance with Federal and State funding requirements, such as reviewing procedures related to Title VI of the Civil Rights Act of 1964 (for SBCTA and transit operators) and the Americans with Disabilities Act (ADA), and conducting the annual transit needs public hearings. Additionally, SBCTA staff provides technical assistance to transit operators for their SRTPs, grant application review and submittal, and project programming in the Federal Transportation Improvement Program (FTIP) and Regional Transportation Plan (RTP).

The task also includes professional services to support the continued development, evaluation, and implementation of the transit operator reporting system. Specific items of the task include:

1. Continue work on implementing and maintaining the transit operator performance system.
2. Share new industry and regulatory information with operators.
3. Review and implement SBCTA procedures, and provide technical assistance to transit operators and non-profits to ensure compliance with FTA and other local/State requirements.
4. Schedule annual Public Hearings as required by the TDA. This hearing is conducted by the Public and Specialized Transportation Advisory and Coordination Council (PASTACC) and will gather public comment from all San Bernardino County operators.

Transit

Task 0309 Transit Operator Support

5. Provide grant services for various competitive grant programs and support transit operators in submitting applications and implementing projects, if selected.
6. Provide recommendations for the distribution of FTA formula and Federal Highway Administration (FHWA) Congestion Mitigation and Air Quality (CMAQ) funds committed to transit projects. Provide assistance to operators in the preparation of annual Section 5311 and Section 5307 Programs of Projects and grant applications, provide concurrence with the use of FTA formula funds, and review and prioritize Section 5310 grant applications.
7. Coordinate activities and assist in responding to inquiries from Board members, member agencies, and transit operators through the PASTACC and other interagency forums.

Budgeted values vary minimally between Fiscal Year 2025/2026 and Fiscal Year 2026/2027 due to calculated cost estimates for ongoing transit operator support.

Product

Dissemination of information and technical assistance to operators. The evaluation, further development, implementation, and maintenance of the transit operator performance reporting system will be beneficial to the operators and SBCTA. Additionally, an objective, efficient, and timely process for programming and allocating Federal, State, and local funds in cooperation with transit operators will maximize the use of revenue sources that support the delivery of transit projects that provide the greatest transportation benefit relative to their cost and ensure that all transit funds allocated to projects within San Bernardino County are used in a timely manner without risk of loss.

Contract Information

- a. Existing Contracts
 - i. 24-1003023, Transit and Specialized Transit Planning, Amount Budgeted \$250,000.

Manager

Victor Lopez, Director of Transit and Rail Programs

	2023/2024	2024/2025	2025/2026	2026/2027
Expenditures	Actual	Actual	Revised Budget	Budget
Regular Full-Time Employees	167,396	209,144	134,031	162,446
Fringe Allocation-General	148,891	148,938	84,157	80,199
Professional Services	204,773	217,584	215,000	250,000
Dues/Memberships	19,516	20,492	22,000	26,000
Training/Registration	-	-	1,750	1,750
Postage	-	-	75	50
Travel Expense - Employee	1,437	179	5,000	5,000
Travel Expense-Mileage-Employee	250	-	750	500
Travel Expense-Other-Metrolink Tickets	140	-	100	100
Advertising	1,730	2,065	400	400
Printing - External	-	-	4,000	1,000
Meeting Expense	-	30	800	650
Total Expenditures	544,131	598,431	468,063	528,095
Funding Sources				
Local Transportation Fund - Admin				126,205
Local Transportation Fund - Planning				401,890
Total Funding Sources				528,095

Transit

Task 0310 Transit Allocations/Pass-throughs

Purpose

To serve as a depository for State Transportation Development Act (TDA) funds, Measure I 2010-2040 Senior and Disabled Program Funds, Senate Bill 1 (SB1) State of Good Repair (SGR) Funds, Senate Bill 125 (SB125) Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) Formula Funds, and other grant funds that are required to pass through SBCTA prior to disbursement to transit operators and other local agencies implementing transit-related or TDA pedestrian and bicycle projects within their jurisdiction.

Accomplishments

SBCTA is responsible for the disbursement of funding from the TDA, the Measure I 2010-2040 Senior and Disabled Program, SGR Funds, SB125 Funds, and other State transit grant programs. SBCTA staff disburses these funds based on the program apportionments and project-specific allocations. The Measure I Senior and Disabled Program Funds provided to the transit operators offer financial support to offset costs associated with paratransit service made available to those that meet the qualifications under the Americans with Disabilities Act (ADA). These funds are also used to provide subsidized fares to seniors. Additionally, other fund sources, such as SGR and SB125 funds, are included in this task when State processes require those funds to flow through SBCTA to the implementing agency or when SBCTA provides additional contributions to locally implemented transit projects.

Assembly Bill (AB) 102 and SB125 amended the State Budget Act of 2023 to appropriate funds from the General Fund to the TIRCP over the next two fiscal years, as well as the Greenhouse Gas Reduction Fund and Public Transportation Account over the next four fiscal years to establish the ZETCP. Further, AB 173 (Chapter 53, Statutes of 2024), SB 108 (Chapter 35, Statutes of 2024), and SB 109 (Chapter 36, Statutes of 2024) amended the Budget of Act of 2024 to make adjustments to the timing of the availability of funds for both the TIRCP and the ZETCP, extending the timing of availability to three and four fiscal years, respectively. Funds from these two formula programs will be disbursed to the transit operators through Task 0310 as appropriate.

Work Elements

1. Disburse Local Transportation Funds (LTF) to transit operators and local agencies for public transportation and projects that are provided for use by pedestrians and bicycles in accordance with the TDA Statutes and the California Code of Regulations (CCR).
2. Disburse State Transit Assistance (STA) funds to transit operators for capital projects and eligible operating costs in accordance with the TDA Statutes and the CCR.
3. Disburse Measure I Senior and Disabled Program funds based on annual allocations approved by the Board. Allocation of Senior and Disabled Transit Program funds occurs monthly as a direct pass-through to transit operators.
4. Disburse SGR Funds as they are received from the State to transit operators based on allocations approved by the Board.
5. Disburse SB125 funds as they are received from the State, or in accordance with funding agreements, to transit operators based on allocations approved by the Board and the California State Transportation Agency (CalSTA).
6. Disburse other program funds that must pass through the SBCTA budget for disbursement to the transit operators and local agencies implementing transit-related projects within their jurisdiction.

Budgetary changes are primarily due to projected increases to the Measure I 2010-2040, TDA, and SGR programs, as well as adjustments to TIRCP and ZETCP projected disbursements.

Product

Funds for transit operators and other local agencies implementing transit-related or TDA-funded projects within their jurisdiction.

Transit

Task 0310 Transit Allocations/Pass-throughs

Contract Information

- a. Existing Contracts
 - i. 16-1001458, Funding Operation of a Consolidated Transportation Services Agency (CTSA) to Provide for the Coordination of Transit Services for Seniors and Persons with Disabilities, Amount Budgeted \$4,198,375.
 - ii. SB1 SGR Pass-through Agreements with Transit Operators, Amount Budgeted \$6,078,000.
 - iii. SB125 TIRCP Pass-through Agreements with Transit Operators, Amount Budgeted \$119,284,792.
 - iv. SB125 ZETCP Pass-through Agreements with Transit Operators, Amount Budgeted \$9,850,043.
 - v. 25-1003221, Victor Valley Transit Authority SB125 Funds Administration, Amount Budgeted \$44,914,186.
 - vi. 25-1003223, Mountain Transit SB125 Funds Administration, Amount Budgeted \$3,747,120.
 - vii. 25-1003224, Basin Transit SB125 Funds Administration, Amount Budgeted \$3,603,285.
 - viii. 25-1003225, City of Needles SB125 Funds Administration, Amount Budgeted \$242,087.

Manager

Ryan Graham, Director of Fund Administration

	<u>2023/2024</u>	<u>2024/2025</u>	<u>2025/2026</u>	<u>2026/2027</u>
Expenditures	Actual	Actual	Revised Budget	Budget
Contributions/Subsidies	22,469,393	24,097,256	193,681,261	171,739,832
Pass-through Payments	90,176,842	110,102,526	147,400,670	215,359,678
Total Expenditures	<u>112,646,235</u>	<u>134,199,782</u>	<u>341,081,931</u>	<u>387,099,510</u>
 Funding Sources				
Transit and Intercity Rail Capital Program-SB125				171,791,470
Zero Emission Transit Capital Program-SB125				9,850,043
Local Transportation Fund - Pass-through				148,420,000
State Transit Assistance Fund - Pass-through				14,433,000
State of Good Repair Fund (SGR) - Pass-through				6,078,000
MSI Valley Fund-Senior and Disabled				34,406,097
MSI Victor Valley Fund-Senior and Disabled				1,509,600
MSI North Desert Fund-Senior and Disabled				228,400
MSI Colorado River Fund-Senior and Disabled				18,700
MSI Morongo Basin Fund-Senior and Disabled				137,800
MSI Mountain Fund-Senior and Disabled				226,400
Total Funding Sources				<u>387,099,510</u>

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit

Task 0312 General Transit

Purpose

Represent San Bernardino County's transit interests at the State, regional, and national levels, including staff time associated with working with Brightline West and SBCTA's role as a member agency of the Southern California Regional Rail Authority (SCRRA). In addition, facilitate and assist with regional studies and plans associated with transit.

Accomplishments

Since 1992, Metrolink has provided Southern California drivers with a safe and convenient alternative to driving. As drivers choose Metrolink, traffic is relieved, and air quality is improved. SCRRA is a joint powers authority made up of an 11-member board representing the transportation commissions of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties. Metrolink trains operate on seven routes across a six-county 546 route-mile network, which includes a portion of northern San Diego County. SBCTA shares operating and capital expenses with the Los Angeles County Metropolitan Transportation Authority (LACMTA), the Riverside County Transportation Commission (RCTC), and the Orange County Transportation Authority (OCTA) for the three Metrolink routes that serve San Bernardino County, while Arrow is solely funded by SBCTA. The three Metrolink lines operating in San Bernardino County, the San Bernardino Line (SBL), Riverside Line, and Inland Empire Orange County Line, typically carry approximately 41 percent of the total Metrolink passengers. Traditionally, the SBL alone carries approximately 25 percent of total Metrolink passengers. Fiscal Year 2025/2026 ridership remains significantly lower than pre-pandemic levels; however, the SBL maintains the highest ridership of all Metrolink lines, while Arrow ridership continues to trend positively. As part of SBCTA's role as an SCRRA member agency, staff remain engaged in the Member Agency Advisory Committee (MAAC). Staff also continues to work closely with Brightline West to support the development of their privately funded high-speed rail connection between Las Vegas and Rancho Cucamonga.

Work Elements

1. Represent the interests of the county on the SCRRA MAAC, advise SBCTA Board representatives sitting on the SCRRA Board of Directors, and attend SCRRA Board and policy committee meetings.
2. Attend the various training and conference events related to the Federal Transit Administration, the Federal Railroad Administration, the American Public Transportation Association, the California Transit Association, and other transit-related educational opportunities as appropriate.
3. Provide transit-related legislative advocacy in Sacramento and Washington, D.C.
4. Provide staff support to the SBCTA Transit Committee.
5. Perform as needed studies for enhanced transit service and innovations that would lower operations and maintenance costs using existing infrastructure.
6. Continue coordination with Brightline West as they move towards the start of construction in San Bernardino County.
7. Provide as needed coordination with the California High-Speed Rail Authority project.

Budgetary changes are due to budgeting an optimal amount to accommodate consultant staff augmentation, including sufficient funds for management of implementation studies and vehicle procurement, and for accommodating task orders to meet the department's needs.

Product

State, regional, and national representation on transit-related items, staff time, reports, and recommendations in support of San Bernardino County's interest as a member of the SCRRA Board of Directors, representation and participation with respect to Brightline West, miscellaneous studies, and analyses pertaining to transit issues of a regional nature, and high-level tasks associated with management of the overall program such as project controls.

Transit

Task 0312 General Transit

Contract Information

- a. Existing Contracts
 - i. 15-1001125, WO 12, Metrolink Enhanced Service Implementation Study, Amount Budgeted \$80,000.
 - ii. 23-1002904, CTO 5, Professional Services for Transit Staff Augmentation, Amount Budgeted \$480,000.
- b. New Contracts
 - i. RFP/CTO, Professional Services – Manage Vehicle Testing on San Gabriel Subdivision, Amount Budgeted \$400,000, Total Estimated Contract Amount \$400,000.

Manager

Victor Lopez, Director of Transit and Rail Programs

Expenditures	2023/2024	2024/2025	2025/2026	2026/2027
	Actual	Actual	Revised Budget	Budget
Regular Full-Time Employees	572,033	467,640	538,860	564,965
Fringe Allocation-General	508,796	333,021	338,350	278,922
Professional Services	233,973	73,709	241,856	480,000
Program Management Fees	44,960	141,629	280,000	130,000
Program Management Fees OFS	94,063	122,959	320,000	350,000
Legal Fees	9,609	-	-	-
Dues/Memberships	7,073	3,255	7,500	7,500
Training/Registration	9,753	4,360	10,000	10,000
Postage	-	197	500	500
Travel Expense - Employee	6,211	7,383	20,000	20,000
Travel Expense-Mileage-Employee	329	112	2,000	2,000
Travel Expense-Other-Metrolink Tickets	168	188	1,000	1,000
Printing - External	-	-	2,000	2,000
Office Expense	-	51	100	250
Meeting Expense	-	464	1,000	2,500
Total Expenditures	1,486,967	1,154,968	1,763,166	1,849,637
Funding Sources				
MSI Administration				20,102
Local Transportation Fund - Planning				851,835
Local Transportation Fund - Rail				880,000
State Transit Assistance Fund - Rail				80,000
Zero Emission Transit Capital Program-SB125				9,667
Indirect Cost Fund				8,033
Total Funding Sources				1,849,637

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

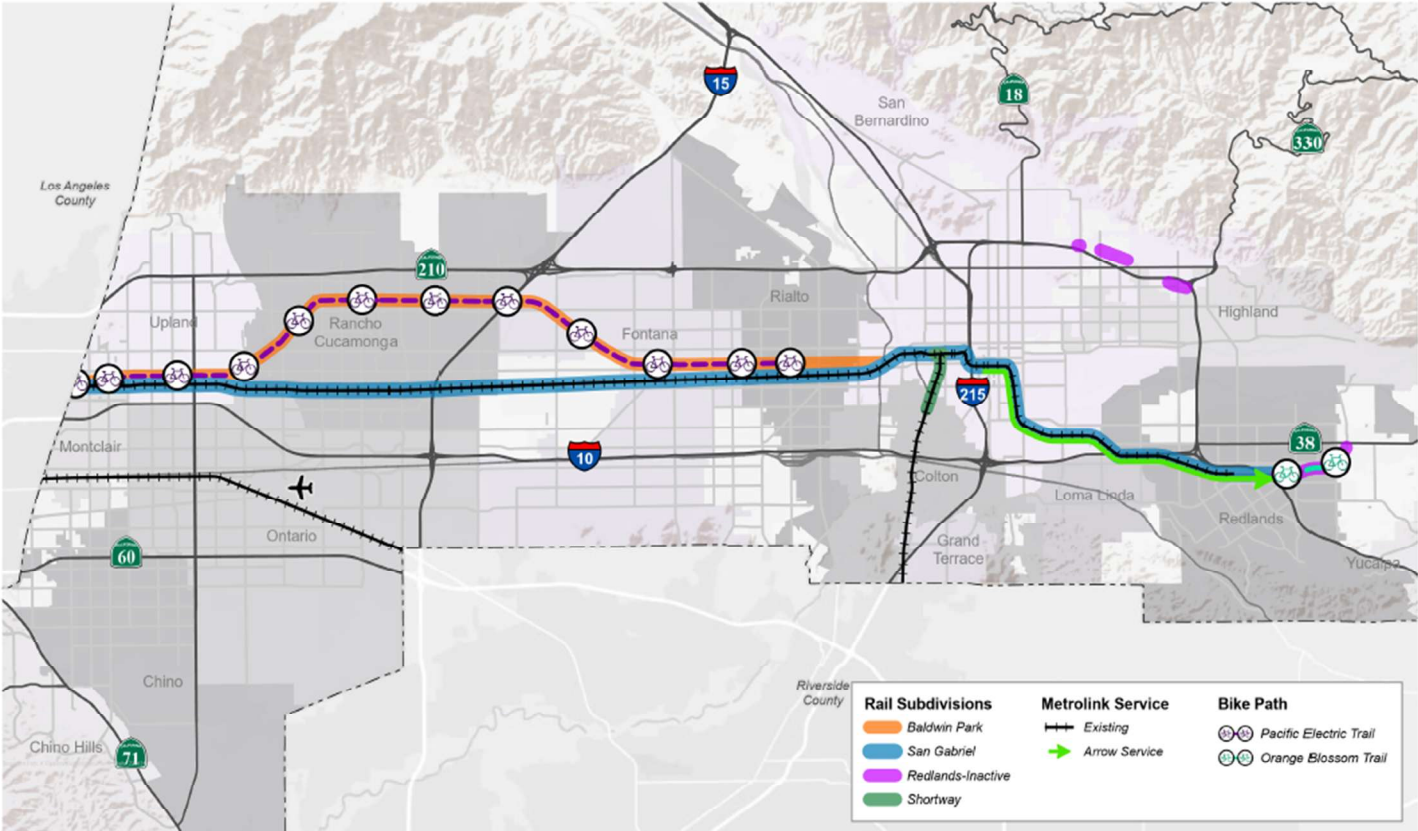
Transit

Task 0313 Transit Right-of-Way Management

Purpose

Manage and maintain approximately 60 miles of SBCTA-owned railroad right-of-way and railroad appurtenant real property in a safe, efficient, and effective manner, and administer SBCTA’s future and present property interests and uses upon said properties.

**Transit Program
SBCTA Owned Railroad Right of Way**



Accomplishments

SBCTA's oversight of the railroad right-of-way has proven to be useful in several key areas. A reduction in weed abatement notices across several jurisdictions continues; graffiti abatement under a regular maintenance schedule has reduced the number of reported citations; and an ongoing review of existing license agreements has resulted in the termination of agreements for abandoned facilities. Development and execution of real property agreements for the disposition and development of a portion of the Cucamonga Station for the colocation of Brightline West’s Rancho Cucamonga Station and a lease agreement allowing Brightline West to occupy a portion of the SBCTA-owned railroad right-of-way in support of the advancement of Brightline West’s High Speed Passenger Rail project. The commissioning of two new 50kW DC Fast Charger electric vehicle charging stations has resulted in a 488% increase in public use of the charging stations.

Work Elements

1. Process new Grant of Use Agreements.
2. Implement an online application tool for new Grant of Use Agreements.
3. Graffiti removal and weed abatement.
4. Records management.
5. Implement Master Agreements with utility agencies where possible.

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit

Task 0313 Transit Right-of-Way Management

6. Dispose of surplus property.
7. Manage SBCTA EV charging stations.

Budgetary changes reflect reduced costs related to electric vehicle charging stations, as the previous year incurred higher costs for replacement parts.

Product

Proactively manage the railroad right-of-way by performing maintenance activities, processing new and amended railroad right-of-way Rights of Use Agreements in a timely fashion, and updating outdated Rights of Use Agreements. Determining the process for SBCTA to deploy an online application and business processes for new and amended grants of use and implementing such processes in partnership with the Finance and Procurement Departments, as well as recommending disposal of surplus property where applicable, and periodic updates to the fee schedule based upon price indices or cost analysis studies. Specific railroad right-of-way maintenance activities include weed abatement, graffiti abatement, trash removal, monitoring and removal of encampments, property sign replacements, and fence repairs. In addition, this task includes legal services for railroad right-of-way related activities, such as title research or utility company actions. Management of the EV charging program, which consists of twelve (12) 6.6kW Level 2 chargers and two 50kW Level 3 chargers installed in the east and west parking lots of the Santa Fe Depot and the parking lot at the San Bernardino Transit Center. Specific EV charging program management activities include quarterly analysis and reconciliation of electrical usage, annual recommendations on cost apportionment and fee schedule updates, and monitoring and repair of the EV charging stations through service contracts with ChargePoint.

Contract Information

- a. Existing Contracts
 - i. 18-1001924, CTO 10, On-Call Environmental Site Assessment Services, Amount Budgeted \$20,000.
 - ii. 19-1002002, CTO 03, On-Call Rail Legal Services, Amount Budgeted \$10,000.
 - iii. 19-1002009, CTO 9, On-Call Appraisal and Title Services, Amount Budgeted \$20,000.
 - iv. 21-1002621, Rancho Cucamonga Transaction Legal Services, Amount Budgeted \$25,000.
 - v. 22-1002768, CTO 10, Labor Compliance Services, Amount Budgeted \$1,500.
 - vi. 23-1002920, Maintenance of Way Support, Amount Budgeted \$1,165,000.
 - vii. 24-1003109, On-Call Rail Legal Services, Amount Budgeted \$72,933.
 - viii. 24-1003174, On-Call Rail Legal Services, Amount Budgeted \$9,254.
- b. New Contracts
 - i. RFP/CTO, Professional Services – Engineering Plan Reviews, Amount Budgeted \$4,000, Total Estimated Contract Amount \$4,000.
 - ii. RFP/CTO, Professional Services – California Environmental Quality Act (CEQA) Consultation, Amount Budgeted \$25,000, Total Estimated Contract Amount \$25,000.
 - iii. RFP, Professional Services – Engineering Design for Risks Identified in the San Gabriel Subdivision Hydrologic and Hydraulic Analysis, Amount Budgeted \$300,000, Total Estimated Contract Amount \$300,000.
 - iv. RFP/CTO, Legal Services – Litigation Representation, Amount Budgeted \$100,000, Total Estimated Contract Amount \$100,000.
 - v. RFP, Professional Services – Establish Separate Metering on EV Chargers, Amount Budgeted \$50,000, Total Estimated Contract Amount \$50,000.

Manager

Victor Lopez, Director of Transit and Rail Programs

Transit

Task 0313 Transit Right of Way Management

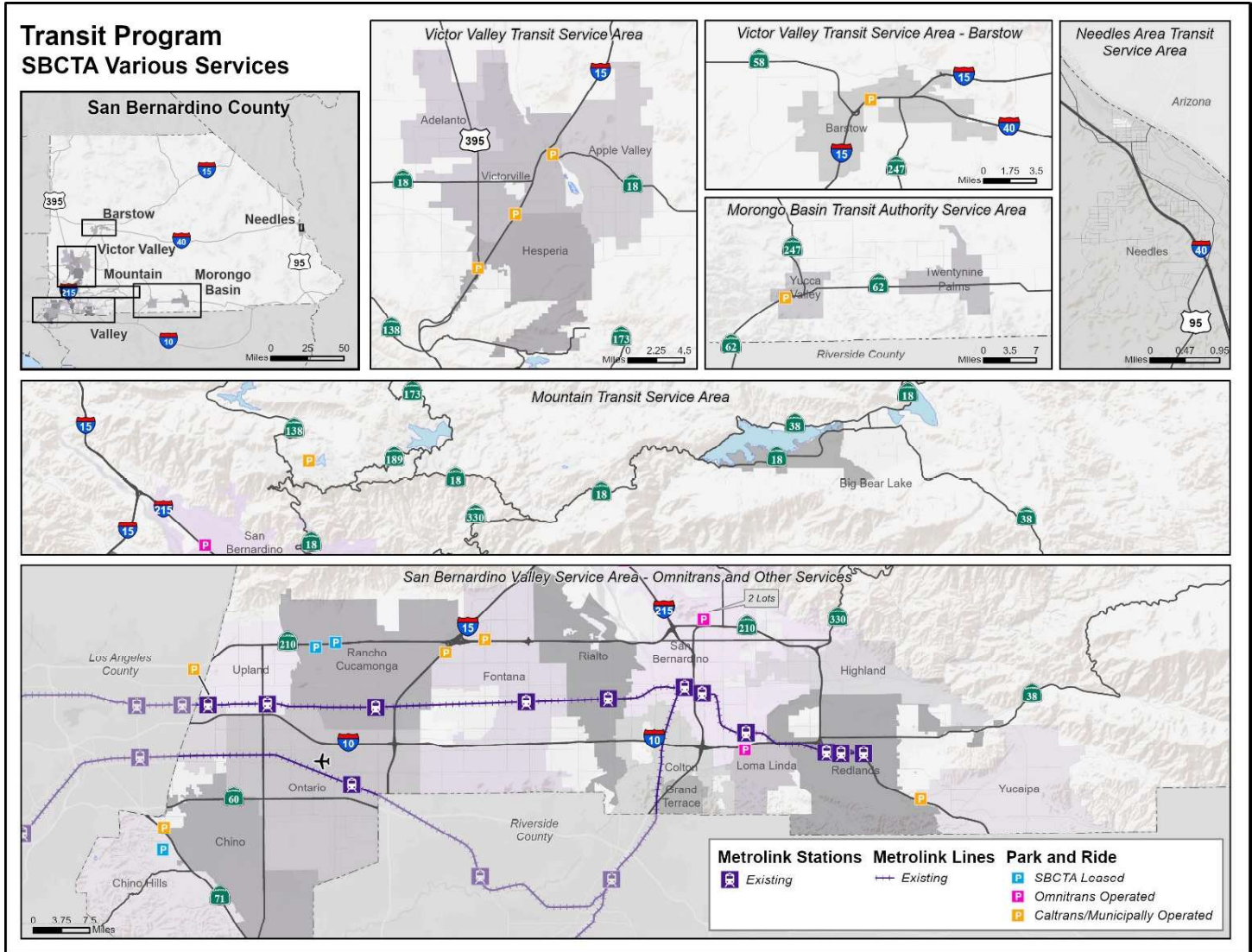
	2023/2024	2024/2025	2025/2026	2026/2027
Expenditures	Actual	Actual	Revised Budget	Budget
Regular Full-Time Employees	154,705	156,962	190,371	192,920
Fringe Allocation-General	137,603	111,778	119,535	95,244
Professional Services	37,923	129,322	456,435	430,500
Consulting Services	-	-	300	-
Legal Fees	86,991	20,708	301,688	207,187
Utilities	-	-	-	97,000
Rail Maintenance of Way	1,082,982	1,293,354	1,155,000	1,165,000
Right of Way Capital	-	-	15,000	-
Dues/Memberships	-	-	-	1,250
Training/Registration	3,606	2,250	7,500	7,500
Postage	-	-	500	500
Travel Expense - Employee	715	-	1,000	1,000
Travel Expense-Mileage-Employee	-	-	500	500
Advertising	-	-	1,000	1,000
Meeting Expense	-	-	500	500
Office Equip/Software-Inventorial	-	18,911	121,000	33,000
Total Expenditures	<u>1,504,525</u>	<u>1,733,284</u>	<u>2,370,329</u>	<u>2,233,101</u>
Funding Sources				
MSI Administration				3,259
Local Transportation Fund - Planning				286,562
Local Transportation Fund - Rail				1,722,187
Rail Assets				80,500
EV Charging Stations Fund				138,109
Indirect Cost Fund				2,484
Total Funding Sources				<u>2,233,101</u>

Transit

Task 0314 Transit Operations

Purpose

Provide people with mobility options and access to employment, community resources, medical care, and recreational opportunities across the San Bernardino Valley by offering reliable and safe transit service within and between San Bernardino, Los Angeles, Orange, and Riverside Counties.



Accomplishments

The Metrolink San Bernardino Line, operated by the Southern California Regional Rail Authority (SCRRA), is slowly recovering ridership and is currently the highest ridership line in the Metrolink system. Although systemwide Metrolink ridership is still below pre-pandemic levels, the service is vital to San Bernardino County commuters and has recovered to approximately 57 percent of pre-pandemic levels as of November 2025. In efforts to consolidate the number of ticket types, lower the cost of the monthly pass, and introduce new deals and discounts, SCRRA launched a fare restructuring pilot program on July 1, 2025, which has been extended through June 2026 for further evaluation before implementing long-term new fares. At the same time, free student fares through the Metrolink Student Adventure Pass Program were eliminated and reduced to a 50% discount, due to funding constraints from member agencies. Arrow ridership continues to trend positively, and while ridership was impacted with the elimination of the free student fares, SBCTA approved funding to continue free fares for students on Arrow working in partnership with local colleges and universities.

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit

Task 0314 Transit Operations

After a successful response from the San Bernardino County Sheriff's Department's dedicated law enforcement services for Arrow service on July 1, 2025, the services were expanded to all Metrolink service areas within San Bernardino County. The services are being monitored, and annual updates are being provided to SBCTA's Board of Directors.

SCRRA continues to operate the Arrow service and is coordinating a Multiple Unit (MU) Implementation Study with SBCTA and Los Angeles County Metropolitan Transportation Authority (LACMTA) to evaluate opportunities to utilize MUs between Redlands and Los Angeles. The initial report was completed in June 2025, and to further analyze and address feedback, the study was extended to June 2026. This effort is inspired by ongoing efforts to address climate change and by recommendations made in Metrolink's Climate Vulnerability Assessment Study, which analyzed climate-related impacts through the end of this century and provides adaptation strategies to improve infrastructure resiliency and mitigate risks.

SBCTA's Rideshare, Park and Ride Lot, and Multimodal Interconnectivity programs reduce traffic congestion, increase mobility, and improve air quality in San Bernardino County by reducing single occupancy vehicle trips. SBCTA has continued IE Commuter (IECommuter.org, 1-866-RIDESHARE), a bi-county rideshare program with the Riverside County Transportation Commission (RCTC). IE Commuter provides employer services, including South Coast Air Quality Management District (SCAQMD) Rule 2202 Average Vehicle Ridership surveying and rideshare plan development support, employee ride-matching, marketing, commuter incentives, and commuter assistance. SBCTA is the lead contracting entity for rideshare software that regional rideshare agencies, such as LACMTA, Orange County Transportation Authority (OCTA), RCTC, and Ventura County Transportation Commission (VCTC) use. This regional contract approach consolidated rideshare databases, providing a more efficient and robust ride-matching system for commuters throughout the region. The transition also reduced the overall cost of the software and created opportunities for regional cost-shared enhancements. In Fiscal Year 2026/2027, SBCTA will commence work on software enhancements using funding from the Mobile Source Air Pollution Reduction Committee (MSRC). SBCTA also continues to participate in regional rideshare activities with these agencies, which include a monthly *On the Go* rideshare newsletter for commuters and a bi-monthly newsletter for employers. During Fiscal Year 2024/2025, the IE Commuter program partnered with and provided rideshare resources in San Bernardino County to 120 employers, totaling 886 worksites, and assisted 32 employers with SCAQMD Rule 2202 surveying, resulting in 3.1 million vehicle trip reductions and 85 million pounds of greenhouse gas emissions reduced. Incentive programs and strategic marketing continue to be restructured as needed to garner old and new rideshare participants post-pandemic. This includes the \$5/Day rideshare gift card incentive, monthly rideshare spotlight, monthly telework spotlight, and rideshare week incentives. In response to the increase in teleworking, the IE Commuter program offers a Telework Employer Assistance program, resources, and incentive opportunities for teleworkers. In Fiscal Year 2024/2025, the Metrolink Rail Ridership Recovery Program, offering free rail passes to county residents, was launched through IE Commuter to encourage new riders to try the train and re-engage pre-pandemic riders. In Fiscal Year 2025/2026, the program, now called Experience Metrolink, launched to the public and is being implemented in conjunction with RCTC. In Fiscal Year 2026/2027, Experience Metrolink is set to continue, along with the development of a transit trainer program and a Transportation Demand Management (TDM) Strategic Study to help understand how IE Commuter compares in program offerings and performance to other similar rideshare and TDM programs. SBCTA continues to lease three Park and Ride lots, bringing the region's total network to 18 lots, which include Park and Ride lots owned and maintained, or leased, by the California Department of Transportation (Caltrans), cities, Omnitrans, San Bernardino County, and SBCTA. SBCTA's Vanpool Program has generated FTA 5339 funds, which will continue to be used for Park and Ride related costs.

SBCTA continues to host ongoing Multimodal Interconnectivity Working Group meetings with the county's transit operators, including Basin Transit, City of Needles Transit, Mountain Transit, Omnitrans, SCRRA, and Victor Valley Transit Authority (VVTA). The working group's goal is to integrate SBCTA's transit, rail, rideshare, vanpool, and planning programs alongside the transit operators to collaborate on countywide transit efforts with a customer-facing approach and, where feasible, pursue multimodal connections. In Fiscal Year 2025/2026, the working group continued countywide marketing efforts and offered free fare days to encourage and regain riders lost from the pandemic. Initiatives included Ride Happy! and a transit etiquette campaign, in conjunction with rider-appreciation-focused events and promotions at the San Bernardino Transit Center, the City of Needles, and the Morongo Basin. Regional transit network

Transit

Task 0314 Transit Operations

campaigns and connections continue to be promoted, emphasizing where riders can go by transit and multimodal connections throughout San Bernardino County. A countywide brochure focusing on senior transit programs and resources, with information on available Consolidated Transportation Service Agency (CTSA) programs, was completed and distributed throughout the county. The piece helps organizations and agencies provide transit information to the older adult population throughout the county and includes marketing efforts highlighting free and low-cost programs available. These efforts, among others, focus on transit affordability, regional connectivity, trip planning, and countywide free fare days on both rail and bus. Future awareness campaigns may relate to transit safety, transit connectivity, how to ride, and free fares in the county during the 2028 Olympics, thanks to partial funding from the MSRC. Free fare days in Fiscal Year 2026/2027 may occur on Transit Equity Day, a day commemorating the birthday of transit champion Rosa Parks, on February 4th, Earth Day on April 22nd, Dump the Pump on June 18th, Rural Transit Day on July 16th, Car Free Day on September 22nd, and Clean Air Day on October 7th, or any day that is tied to a countywide marketing campaign. In addition to these efforts, the working group continues to focus on initiatives and pilot projects related to first/last mile connections, special shuttle opportunities, travel training and transit ambassador programs, multi-agency integration of mobile fare apps, microtransit, and considerations for implementing countywide fare capping policies to support transit affordability. Lastly, to further increase interconnectivity among transit operators, SBCTA will install new bus stops on the north and south sides of Third Street in front of the San Bernardino Santa Fe Depot. The new stops will include the construction of bus bays to accommodate two buses on either side of the street, as well as the installation of premium bus shelters, lighting, and real-time signage. This project will improve the ease for Omnitrans and VVTA customers to transfer between the various modes of transit available at the Santa Fe Depot.

Work Elements

1. Provide SBCTA's share of SCRRA's Metrolink and Arrow Service annual operating subsidy.
2. Ridership Recovery Reporting.
3. Rail Station Technical Advisory Committee (RSTAC).
4. IE Commuter rideshare program.
5. SBCTA Park and Ride lease program.
6. San Bernardino Santa Fe Depot Bus Stop Improvements.
7. Multimodal Interconnectivity Working Group and Initiatives.
 - a. Free Fare Days.
 - b. Countywide marketing campaigns and promotion of special services and countywide services.
 - c. New initiatives related to transit awareness and safety on public transit.
 - d. Transit Travel Training for San Bernardino County residents.
 - e. Short-term park and ride and shuttle projects.

Budgetary changes are due to changes to SBCTA's annual operation subsidy for both the Arrow Service and San Bernardino Line, ongoing hydrogen fueling and spare parts for the implemented Zero Emission Multiple Unit (ZEMU), enhancements to the regional rideshare software, and the continuing efforts to support ongoing transit ridership programs, such as fare subsidies and rail recovery programs.

Product

Process disbursement of operating and maintenance funds to SCRRA for the Metrolink and Arrow Service in a timely manner and monitor their ongoing operating needs. The SCRRA's budget process, which includes operating, new capital, and rehabilitation, parallels SBCTA's budget process. Therefore, the SCRRA subsidies identified in the SBCTA budget are estimates. The SCRRA budget and corresponding SBCTA subsidies are presented by a separate action to the SBCTA Board for approval in June.

Continue the success of the RSTAC, which provides a venue for local jurisdictions, operators, law enforcement, and SBCTA to share information and develop best management practices related to the security of the rail system in the San Bernardino Valley. Reduce traffic congestion, increase mobility, and improve air quality in San Bernardino County

Transit

Task 0314 Transit Operations

by reducing single occupancy vehicle trips. Improve regional connectivity, customer experience, and transit awareness through countywide multimodal coordination.

Contract Information

- a. Existing Contracts
 - i. 19-1002203, Rideshare Program Software, Amount Budgeted \$775,216.
 - ii. 20-1002310, Vehicle Spare Parts and Operations, Amount Budgeted \$1,802,161.
 - iii. 22-1002742, Park and Ride Lot Lease, Amount Budgeted \$10,800.
 - iv. 22-1002743, Park and Ride Lot Lease, Amount Budgeted \$8,533.
 - v. 23-1002904, CTO 08, Construction Support Services, Amount Budgeted \$12,152.
 - vi. 23-1002929, IE Commuter / Metrolink Recovery Program, Amount Budgeted \$720,000.
 - vii. 24-1003023, Transit and Specialized Transit Planning, Amount Budgeted \$200,000.
 - viii. 24-1003026, Temporary Hydrogen Fueling System, Amount Budgeted \$795,208.
 - ix. 24-1003143, Permanent Hydrogen Fueling System, Amount Budgeted \$265,070.
 - x. 25-1003197, Park and Ride Lot Lease, Amount Budgeted \$9,000.
 - xi. 26-1003391, Arrow Route Legal Services, Amount Budgeted \$544,377.
- b. New Contracts
 - i. RFP/IFB, Bus Stop Improvement – San Bernardino Santa Fe Depot, Amount Budgeted \$380,000, Total Estimated Contract Amount \$380,000.
 - ii. RFP, Professional Services – Bus Stop Improvement Oversight, Amount Budgeted \$60,000, Total Estimated Contract Amount \$60,000.
 - iii. MSRC Regional Rideshare Software Enhancements, Amount Budgeted \$483,000, Total Estimated Contract Amount \$483,000.
 - iv. MOU, Rideshare, Vanpool, and Multi-Modal Program Implementation, Amount Budgeted \$3,117,000, Total Estimated Contract Amount \$8,500,000.

Local Funding Source Detail

- i. Riverside County Transportation Commission - \$148,931.
- ii. Los Angeles County Metropolitan Transportation Authority - \$275,868.
- iii. Orange County Transportation Authority - \$134,398.
- iv. Ventura County Transportation Commission - \$40,758.

Manager

Victor Lopez, Director of Transit and Rail Programs

Transit

Task 0314 Transit Operations

	2023/2024	2024/2025	2025/2026	2026/2027
Expenditures	Actual	Actual	Revised Budget	Budget
Regular Full-Time Employees	46,706	64,205	136,565	159,061
Regular Part-Time Employees	-	-	-	18,352
Fringe Allocation-General	41,543	45,722	85,748	87,587
Professional Services	2,334,388	2,591,565	4,520,652	5,380,701
Consulting Services	324	273	-	-
Legal Fees	-	-	3,000,000	544,377
Maintenance-Motor Vehicles	103,708	1,255,982	-	2,862,439
Construction Capital	-	-	386,300	380,000
Utilities Capital	3,762	-	-	-
Property Insurance	-	-	125,300	-
Dues/Memberships	18,182	19,091	25,000	30,000
Training/Registration	338	3,368	6,400	7,000
Postage	230	380	1,100	1,125
Travel Expense - Employee	6	183	6,500	6,750
Travel Expense-Mileage-Employee	128	176	1,000	1,100
Travel Expense-Other-Metrolink Tickets	40	-	750	750
Advertising	6,301	-	-	-
Public Information Activities	10,095	-	-	-
Printing - External	-	24,442	26,000	36,250
Printing - Internal	-	-	100	100
Contributions/Subsidies	29,968,036	33,544,101	47,382,482	57,607,023
Office Expense	-	76	250	1,100
Meeting Expense	-	175	450	1,200
Motor Vehicles	-	-	4,315,917	-
Total Expenditures	<u>32,533,788</u>	<u>37,549,739</u>	<u>60,020,514</u>	<u>67,124,915</u>
Funding Sources				
Local Transportation Fund - Admin				15,000
Local Transportation Fund - Planning				130,073
Local Transportation Fund - Rail				38,039,177
State Transit Assistance Fund - Rail				659,189
Congestion Mitigation and Air Quality				2,762,367
Federal Transit Administration 5339 Bus and Bus Facilities F				15,966
Low Carbon Transit Operations Program				720,000
Transit and Intercity Rail Capital Program-SB125				3,536,750
SCAQMD/Mobile Source Review Committee				483,000
MSI Valley Fund-Metrolink/Rail Service				19,017,912
MSI Valley Fund-Traffic Management System				855,742
MSI Victor Valley Fund-Traffic Management System				289,784
Local Projects Fund				599,955
Total Funding Sources				<u>67,124,915</u>

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit

Task 0315 Transit Capital

Purpose

Implement and provide funding for capital improvements and projects that develop and maintain high-quality transit options, increase mobility, provide for safe operations, and expand service.

Accomplishments

The availability of funding for transit and rail capital projects has translated into significant transit enhancements for our region, allowing the buildout of a more comprehensive transit network.

Substantial progress was made on right-of-way acquisitions for the West Valley Connector (WVC) Bus Rapid Transit (BRT) Project, while construction continued on both the mainline and the maintenance facility. Testing of the Zero Emission Multiple Unit (ZEMU) was completed, and on September 13, 2025, the ZEMU entered regular service on the Arrow corridor. The Arrow Maintenance Facility (AMF) retrofit project was completed in early 2026 and significant progress was made on the hydrogen fuel station improvements final design.

On an annual basis, as a member agency of the Southern California Regional Rail Authority (SCRRA), SBCTA provides funding for capital related expenditures, including rehabilitation and new capital for both Metrolink and Arrow service. In recent years, SBCTA's capital subsidy has funded positive train control and other safety efforts, cleaner locomotives, studies on alternative fuel technology, rolling stock, ticket vending machine replacements, and track and signal infrastructure improvements. The SCRRA's budget process, which includes operating, new capital, and rehabilitation, parallels SBCTA's budget process. Therefore, the SCRRA subsidies identified in the SBCTA budget are estimates. The SCRRA budget and corresponding SBCTA subsidies are presented by a separate action to the SBCTA Board for approval in June. Costs associated with the annual capital and rehabilitation to SCRRA are captured under this Task. This is not a specific capital project, but an ongoing subsidy. Federal funds allocated to SCRRA as part of their capital subsidy are administered by SCRRA and do not flow through the SBCTA budget.

The majority of capital project funding consists of formula funds, including Valley Measure I Metrolink/Rail Program funds, Valley Measure I Express Bus and BRT Program funds, Federal Transit Administration (FTA) funds, and Transportation Development Act (TDA) funds. In addition, SBCTA actively pursues grant funding to augment the available formula funds.

Budgetary changes are mainly driven by the cancellation of the ONT Connector Project and the Gold Line Extension to Montclair Project; fewer expenditures for the ongoing construction and right-of-way acquisitions for the West Valley Connector Project as we near completion; remaining construction of the Hydrogen Fueling Infrastructure for the ZEMU Project and purchase of additional ZEMU vehicles; initiation of the Enhanced Metrolink Rail Service Project; and commencement of the environmental clearance phase for the next BRT project.

Contract Information – Transit Program

Contracts for the specific sub-tasks are included in the sub-task narratives. Contracts and/or staff time that are utilized on all sub-tasks within the Program are identified here. Currently, there are no contracts assigned at the task level.

Local Funding Source Detail

The local funding source detail is specific to the individual sub-tasks and is included in the sub-tasks narratives.

Manager

Victor Lopez, Director of Transit and Rail Programs

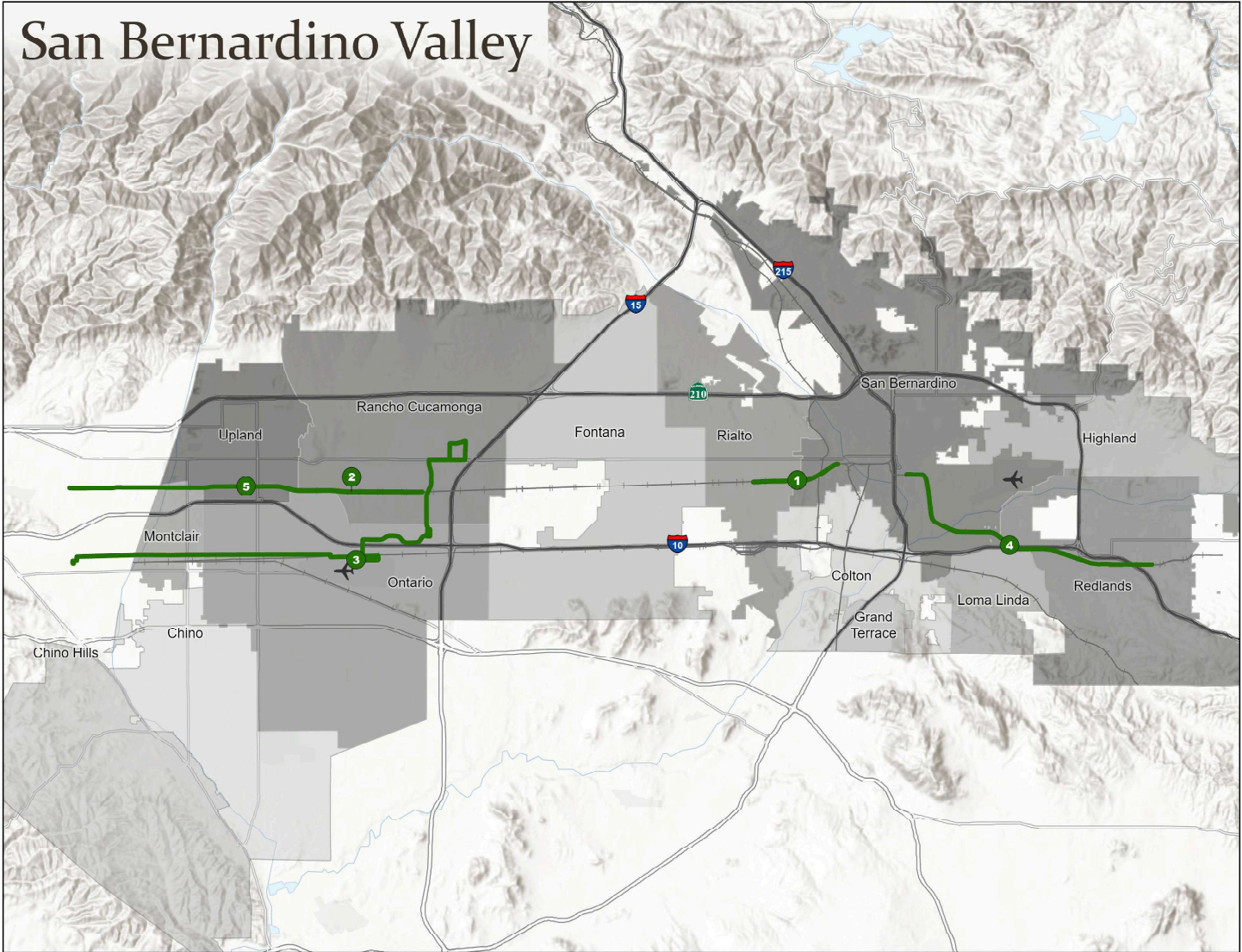
Transit

Task 0315 Transit Capital

	2023/2024	2024/2025	2025/2026	2026/2027
Expenditures	Actual	Actual	Revised Budget	Budget
Regular Full-Time Employees	185,721	211,123	210,108	215,175
Fringe Allocation-General	165,190	150,347	131,927	106,231
Professional Services	13,998,328	14,790,728	25,384,902	21,636,688
Consulting Services	1,976,983	1,196,492	-	36,839
Program Management Fees	(277,200)	222,546	442,475	50,000
Program Management Fees OFS	1,759,795	1,977,199	1,808,819	2,550,001
Legal Fees	4,313,368	4,633,432	2,704,818	1,503,799
Utilities	(331)	(161)	-	-
Maintenance-Motor Vehicles	-	828,896	583,334	575,000
Rail Maintenance of Way	-	-	-	1,000,000
Construction Capital	10,984,906	30,416,814	116,942,149	65,457,407
Utilities Capital	369,175	(11,433,756)	1,936,000	4,296,165
Utility Relocation Costs	-	2,754	2,015,000	250,000
Right of Way Capital	15,019,054	12,885,754	12,579,709	17,875,201
Dues/Memberships	834	5,189	-	-
Postage	4,108	5,505	-	471,457
Travel Expense - Employee	7,384	-	-	-
Travel Expense-Mileage-Employee	51	-	-	-
Travel Expense-Other-Metrolink Tickets	12	-	-	-
Public Information Activities	75,584	102,765	30,000	-
Contributions/Subsidies	6,081,576	277,864	11,124,000	11,059,469
Meeting Expense	231	1,774	-	-
Buildings and Structures	-	4,943,628	3,417,991	244,695
Motor Vehicles	782,343	22,674,329	3,769,708	13,037,530
Office Equip/Software-Inventorial	-	-	-	150,000
Total Expenditures	<u>55,447,111</u>	<u>83,893,221</u>	<u>183,080,940</u>	<u>140,515,657</u>
Funding Sources				
Local Transportation Fund - Planning				82,398
Local Transportation Fund - Rail				1,044,192
State Transit Assistance Fund - Rail				19,610,547
State of Good Repair – SBCTA				1,000,000
Rail Assets				150,000
Federal Transit Administration 5307				5,000,000
Federal Transit Administration 5309				20,397,013
Federal Railway Administration				5,006,100
Transit and Intercity Rail Capital Program				12,458,139
Affordable Housing & Sustainable Communities Program				4,037,638
Solutions for Congested Corridors Program-SB1				22,556,372
Transit and Intercity Rail Capital Program-SB125				5,000,001
SCAQMD/Mobile Source Review Committee				1,162,000
MSI Valley Fund-Metrolink/Rail Service				7,500,000
MSI Valley Fund-Express Bus/Rapid Trans				32,355,846
Local Projects Fund				3,155,411
Total Funding Sources				<u>140,515,657</u>

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit Program
Valley Subarea



Master Schedule										
Fiscal Year										
Project/Phases	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
1 Control Point Lilac to Control Point Rancho Station Double Track				PS&E	PS&E	Cons	Cons		Closeout	
2 SCORE Rancho Cucamonga Siding Project		ROW	ROW	Cons	Cons	Closeout				

LEGEND:
 PA&D
 PS&E
 ROW
 Cons
 Landscape
 Closeout

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit Program
Valley Subarea

Master Schedule										
Project/Phases	Fiscal Year									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
3 West Valley Connector Phase I	█		█		█		█			
4 DMU to ZEMU Vehicle	█		█		█		█			
5 Enhanced Metrolink Rail Service Project (Completion Pending Additional Funding)				█	█					
6 Bus Rapid Transit Project (Completion Pending Additional Funding)			█							
7 ZEMU Vehicle Procurement (Completion Pending Additional Funding)										

1 Project Control Point Lilac to Control Point Rancho Station Double Track (0328)

Description

This project includes the construction of a double track section on the Metrolink San Bernardino Line between Control Point (CP) Lilac and CP Rancho, a three-mile segment spanning the cities of Rialto and San Bernardino, which includes 10 at-grade crossings considered for quiet zone improvements, improvements to the railroad signaling and communications systems to accommodate Positive Train Control (PTC), and the addition of a second platform and pedestrian underpass at the Rialto Metrolink Station. While not funded as part of the initial wave of the Metrolink Southern California Optimized Rail Expansion () program, Metrolink has identified a substantial portion of this segment as a possible future phase, from CP Lilac through Rialto Station to Sycamore Avenue. Preliminary Engineering and Environmental Clearance have been completed. The costs shown below are for the shorter project segment with Southern California Regional Rail Authority (SCRRA) acting as the lead agency of the project and SBCTA acting as the funding agency. Current Phase: Final Design.

Total Estimated Cost*	Costs to Date	Proposed Budget	Future Costs
\$89,750,000	\$2,275,219	\$5,923,795	\$81,550,986

*Total cost of the longer double track section is \$108 million.

Contract Information

- a. Existing Contracts
 - i. 25-1003275, MOU - Delivery of the Double Track Project, Amount Budgeted \$5,923,795.

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

**Transit Program
Valley Subarea**

2 Project SCORE Rancho Cucamonga Siding Project (0338)

Description

Right-of-way support for the Rancho Cucamonga Siding Project element of the SCORE program, which as a whole proposes to enable 30-minute bi-directional service on the highest ridership segments of Southern California's busiest regional rail corridors: the Orange County, Ventura County, and San Bernardino Lines. The Rancho Cucamonga Siding Project extends an existing siding track by approximately 4,600 feet. In addition, the project includes a new No. 24 power turnout, pedestrian safety improvements at two at-grade crossings, new track panels at the grade crossings (Hellman Ave. and Archibald Ave.), extension of three drainage culverts, and railroad signal modifications to accommodate the siding extension. Right-of-way support includes reviewing acquisition packet templates, approving Just Compensation, and pursuing condemnation process as necessary for the Rancho Cucamonga Siding Project. Acquisitions for the project have been completed, and the proposed budget is for staff time related to ongoing monitoring of the project during the construction phase. Current Phase: Construction Phase.

Total Estimated Cost*	Costs to Date	Proposed Budget	Future Costs
\$200,000	\$35,800	\$854	\$163,346

*Total estimated cost for SBCTA's support only. The total estimated project cost is \$27,000,000.

Local Funding Source Detail

- i. SCRRRA - \$854

**Transit Program
Valley Subarea**

3 Project West Valley Connector Phase 1 (0334)

Description

The WVC Project is a 19-mile long BRT project that proposes limited stops, providing speed and quality improvements to the public transit system within the corridor. The WVC will serve the cities of Pomona, Montclair, Ontario, and Rancho Cucamonga; interconnect with two Metrolink stations; provide service to the Ontario International Airport; and link to the Ontario Mills shopping/entertainment complex, Ontario Convention Center, and Victoria Gardens as well as other mixed-use development in Rancho Cucamonga planned as part of the HART District. In addition, the proposed project includes the purchase of 18 battery electric buses and improvements to the Omnitrans maintenance facility needed to operate and maintain the battery electric buses. Current Phase: Construction.

Total Estimated Cost	Costs to Date	Proposed Budget	Future Costs
\$353,934,817	\$231,018,424	\$89,297,427	\$33,618,966

Contract Information

- a. Existing Contracts
- i. 18-1001788, Omnitrans Cooperative Agreement, Amount Budgeted \$6,875,000.
 - ii. 18-1001870, Environmental and Design Services, Amount Budgeted \$360,000.
 - iii. 19-1002002, CTO 2, Legal Right-of-Way Services, Amount Budgeted \$1,500,000.
 - iv. 19-1002009, CTO 3, Right-of-Way Services, Amount Budgeted \$588,767.
 - v. 18-1001924, CTO 3, Right-of-Way Services, Amount Budgeted \$192,093.
 - vi. 21-1002532, Administrative Contract, Right-of-Way Capital Acquisition, Amount Budgeted \$17,375,201.
 - vii. 21-1002662, Construction Management, Amount Budgeted \$3,000,000.
 - i. 22-1002744, CTO 9, West Valley Connector Project Management Consultant, Amount Budgeted \$2,000,000.
 - ii. 22-1002768, CTO 10, Labor Compliance Services, Amount Budgeted \$20,000.
 - viii. 22-1002778, West Valley Connector Artist Honorarium Agreement, Amount Budgeted \$432,500.
 - ix. 22-1002812, Dry Utilities Agreement, Amount Budgeted \$4,296,165.
 - x. 23-1002891, Mainline Capital Construction, Amount Budgeted \$50,935,630.
 - xi. 23-1002904, CTO 6, West Valley Connector Quality Manager, Amount Budgeted \$278,960.
 - xii. 23-1002995, Public Outreach and Event Management Services and Graphic Design Support, Amount Budgeted \$65,502.
 - xiii. 24-1003047, Dry Utilities Agreement, Amount Budgeted \$500,000.

Local Funding Source Detail

- i. Omnitrans - \$3,154,557

**Transit Program
Valley Subarea**

4 Project DMU to ZEMU - Diesel Multiple Unit to Zero Emission Multiple Unit Vehicle Conversion (0336)

Description

The Zero Emission Multiple Unit (ZEMU) Vehicle project includes the design and procurement of the first self-contained zero emission passenger rail vehicle in North America. The design and operating parameters are based on the Diesel Multiple Unit (DMU) vehicles procured for the Arrow Service. The chosen alternative propulsion system is a hybrid battery-hydrogen fuel cell. SBCTA was awarded a \$45.7 million Transit and Intercity Rail Capital Program (TIRCP) grant to lead the effort and \$1.6 million from the Mobile Source Air Pollution Reductions Review Committee for the hydrogen fueling infrastructure. The total estimate for the project includes the vehicle, modifications to the Arrow Maintenance Facility, major equipment purchase, and hydrogen fueling infrastructure. Current Phase: Fueling Infrastructure Construction.

Total Estimated Cost	Costs to Date	Proposed Budget	Future Costs
\$65,179,861	\$54,039,751	\$10,995,614	\$144,496

Contract Information

- a. Existing Contracts
 - i. 20-1002310, Procurement of ZEMU Rail Vehicle, Amount Budgeted \$887,000.
 - ii. 21-1002658, Construction Management, Arrow Maintenance Facility Hydrogen Fuel Upgrade, Amount Budgeted \$907,000.
 - iii. 22-1002666, Hydrogen Safety Panel, Amount Budgeted \$36,839.
 - iv. 22-1002687, SCRRA ZEMU Support, Amount Budgeted \$1,435,900.
 - iii. 22-1002750, Professional Legal Support, Amount Budgeted \$3,799.
 - iv. 22-1002768, CTO 10, Labor Compliance Services, Amount Budgeted \$20,000.
 - v. 23-1002904, CTO 07, Project Management Consulting Services, Amount Budgeted \$600,000.
 - vi. 23-1002922, Retrofit of Arrow Maintenance Facility, Amount Budgeted \$244,695.
 - vii. 24-1003026, Temporary Fueling, Amount Budgeted \$575,000.
 - viii. 24-1003143, Hydrogen Fueling Station Construction, \$6,146,777.
- b. New Contracts
 - i. RFP, Professional Services - Safety Advisory, Amount Budgeted \$50,000, Total Estimated Contract Amount \$50,000.

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

**Transit Program
Valley Subarea**

5 Project Enhanced Metrolink Rail Service Project (0342)

Description

The Enhanced Metrolink Rail Service Project will improve Metrolink service along the San Bernardino Line between Pomona-North and Rancho Cucamonga. The project includes targeted infrastructure improvements and vehicle procurement necessary to implement a shuttle service operating between the Pomona-North and Rancho Cucamonga Metrolink stations. The shuttle would operate at 30-minute frequencies and, when combined with the planned 30-minute bidirectional Metrolink service to be implemented through the SCORE program, would provide 15-minute train frequencies along this segment. Implementation of the shuttle service will require the procurement of at least two additional trainsets, which may include Multiple Unit vehicles similar to those used for Arrow service, such as the ZEMU vehicles. Current Phase: Environmental/Design.

Total Estimated Cost	Costs to Date	Proposed Budget	Future Costs
\$150,000,000	\$0	\$5,000,000	\$145,000,000

Contract Information

- a. New Contracts
 - ii. RFP, Professional Services – Final Design, Amount Budgeted \$3,500,000, Total Estimated Contract Amount \$6,000,000.
 - iii. RFP/CTO, Professional Services – Project Study and Implementation, Amount Budgeted \$100,000, Total Estimated Contract Amount \$600,000.
 - iv. RFP/CTO, Project Management Services, Amount Budgeted \$1,000,000, Total Estimated Contract Amount \$5,300,000.
 - v. MOU, Management of Multiple Unit Implementation, Amount Budgeted \$400,000, Total Estimated Contract Amount \$3,600,000.

6 Project Bus Rapid Transit Corridor Project (0343)

Description

As part of the Long Range Multimodal Transportation Plan (LRMTP) three BRT corridors were included as top-tier priority transit corridors, which include:

1. Baseline/Highland Avenues, San Bernardino Transit Center to Greenspot Road
2. Foothill Boulevard, Victoria Gardens to San Bernardino Transit Center
3. San Bernardino Avenue, Ontario Mills to San Bernardino Transit Center

The planning work needed to recommend the next BRT corridor to be advanced into project development is scheduled to be completed in early 2027. Current Phase: Environmental.

Total Estimated Cost*	Costs to Date	Proposed Budget	Future Costs
\$3,000,000	\$0	\$1,000,000	\$2,000,000

*Total project cost to be defined at a later time based on the corridor selected.

Contract Information

- a. New Contracts
 - i. RFP, Professional Services - Environmental Approval, Amount Budgeted \$1,000,000, Total Estimated Contract Amount \$3,000,000.

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

**Transit Program
Valley Subarea**

7 Project ZEMU Vehicle Procurement (0344)

Description

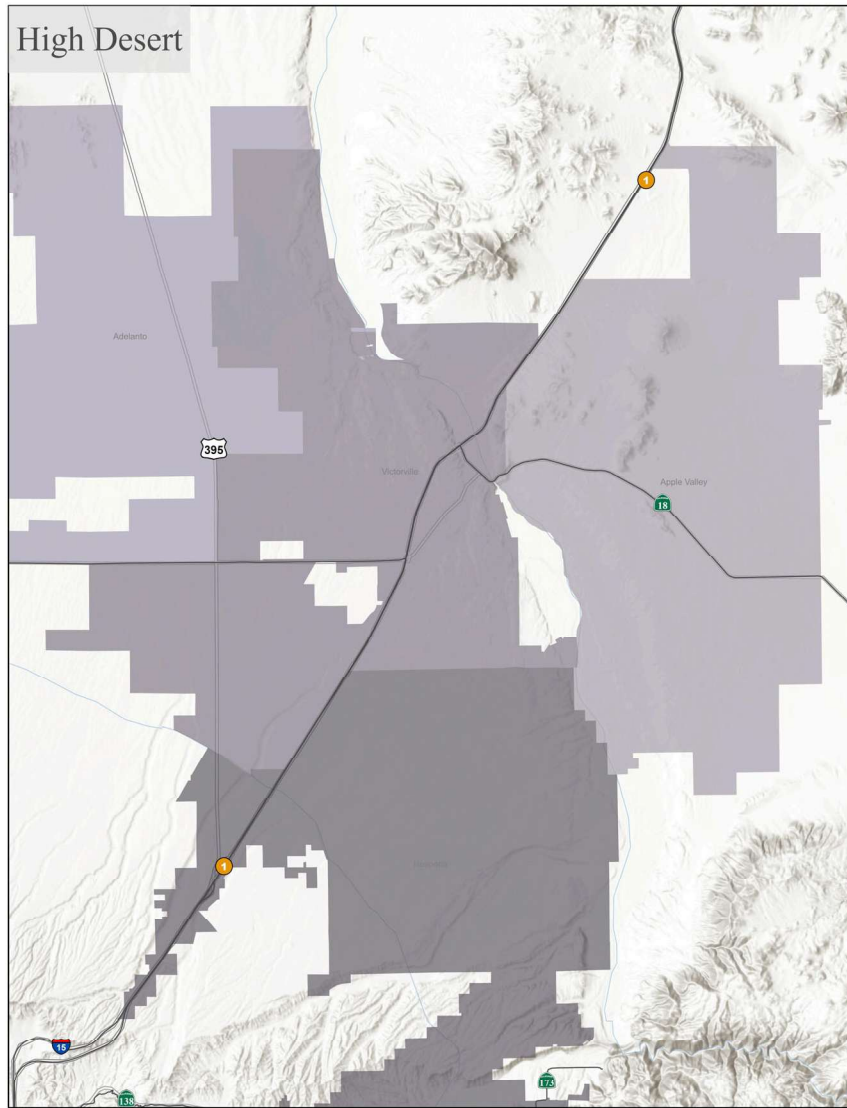
This project will procure three ZEMU vehicles for the Arrow service. When the State of California awarded a \$30 million Transit and Intercity Rail Capital Program (TIRCP) grant to develop the ZEMU technology, they indicated their excitement for the project and the desire to have SBCTA convert an additional vehicle once the prototype ZEMU project was complete. The ultimate goal of this project is to operate the entire Arrow corridor as a zero or low emission revenue operation. Current Phase: Vehicle Procurement.

Total Estimated Cost	Costs to Date	Proposed Budget	Future Costs
\$62,107,000	\$0	\$11,000,000	\$51,107,000

Contract Information

- b. New Contracts
 - i. RFP/CTO, Professional Services – Manage Procurement of Additional Zero Emission Rail Vehicles, Amount Budgeted \$1,000,000, Total Estimated Contract Amount \$3,000,000.
 - ii. RFP, Vehicle Procurement, Amount Budgeted \$10,000,000, Total Estimated Contract Amount \$59,000,000.

Transit Program High Desert Subarea



Master Schedule										
Fiscal Year										
Project/Phases	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
1 Brightline High Desert Stations Project	PS&E		ROW	Cons	Cons	Cons	Landscape	Closeout		

LEGEND:
 PA ED
 PS&E
 ROW
 Cons
 Landscape
 Closeout

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

**Transit Program
High Desert Subarea**

1 Project Brightline-High Desert Stations Project (0339)

Description

The Brightline West High-Speed Intercity Passenger Rail System – High Desert Stations Project is for the design and construction of the Hesperia Station and Victor Valley Station along the Brightline West privately owned and operated high-speed rail corridor extending from Las Vegas, Nevada, to Rancho Cucamonga, California. The project lead agency for the design and construction of the two stations in the High Desert region of San Bernardino County is Brightline West. SBCTA is responsible for the grant administration and oversight responsibilities for a \$25,000,000 award under the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) 2023 Grant Program. Current Phase: Construction.

Total Estimated Cost*	Costs to Date	Proposed Budget	Future Costs
\$25,000,000	\$0	\$ 5,006,100	\$19,993,900

*Total estimated cost for SBCTA's support only. The total estimated project cost is \$66,082,500.

Contract Information

- a. New Contracts
 - i. 24-1003078, High Desert Stations Subrecipient Agreement, Amount Budgeted \$5,000,000, Estimated Contract Amount \$25,000,000.

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Transit

Task 0383 Vanpool Program

Purpose

Operate and maintain a countywide Vanpool Subsidy Program to provide an alternative mode of transportation for commuters in San Bernardino County that reduces roadway congestion and air pollution in our region.

Accomplishments

SBCTA continues to operate a countywide Vanpool Subsidy Program, collaborating with neighboring vanpool programs to reduce roadway congestion. This program was initiated using Congestion Mitigation and Air Quality (CMAQ) funds that flow through the Federal Transit Administration (FTA) and Omnitrans to SBCTA as a sub-recipient. SBCTA's Vanpool Subsidy Program, branded as SB Loop, reports vanpool utilization data to the National Transit Database (NTD). In turn, this reporting generates additional FTA 5307 funds for San Bernardino County, which have increased over the last several years and allows for the continued operation of the program. In total, over \$3 million has been generated since the program's inception.

SB Loop provided up to a \$600 monthly subsidy for vanpool costs, or \$700 for zero-emission vehicles, for vanpools traveling into SBCTA's service area during Fiscal Year 2025/2026. This includes the Valley, Mountains, Morongo Basin, and Colorado River Subareas of the county. The Victor Valley Transit Authority (VVTA) operates a separate vanpool program in its service area. Vanpools qualify for the SB Loop subsidy by having 50 percent occupancy in a minimum seven-passenger vehicle at start-up, maintaining 50 percent occupancy month to month, as well as commuting a minimum of 8-12 days per month with 30 miles round-trip daily. Ridership recovery programs continue to be monitored, along with low-income and disadvantaged community programs, for effectiveness in increasing ridership and new vanpools, administrative time required to manage, and impacts on the return of FTA 5307 funds. At the end of Fiscal Year 2024/2025, there were 80 vanpools approved to participate in the program.

SBCTA works through the Riverside County Transportation Commission and the IE Commuter program to provide program staffing, marketing, and a software company for the online application reporting system and database that support the program. SB Loop and the proprietary software, customized for the program, provide a sense of ease for participants looking to join or start a stress-free commute. The vanpool vehicles are currently provided by a single vendor, Commute with Enterprise, through monthly agreements directly with vanpool participants. SBCTA continues to offer the use of non-federal funds for zero-emission vehicles if selected by vanpool groups.

Work Elements

1. Continue and expand current ongoing marketing and media campaigns to increase vanpool participation to reduce single-occupancy vehicle trips.
2. Work with employers and coordinate with SBCTA's IE Commuter rideshare program to identify potential vanpool formation and participation.
3. Analyze and monitor transit affordability and occupancy-based subsidy benefits.
4. Monitor and adjust the vanpool subsidy amount, including program guidelines, as a result of economic factors, as needed.
5. Maintain and enhance, as needed, an accurate database through the online software system for reporting vanpool program data into the NTD and for the FTA's review and evaluation.
6. Continue to work with consultants for the administration of the Vanpool Subsidy Program.
7. Work with Omnitrans through a Memorandum of Understanding for the pass-through of FTA 5307 funds derived from the vanpool program.
8. Coordinate with neighboring vanpool programs on regional vanpool ride matching solutions and marketing campaigns to increase the reduction of single occupancy vehicles.

Transit

Task 0383 Vanpool Program

Product

Incentivize the use of vanpools as an alternative mode of transportation that reduces traffic congestion, improves air quality, and increases the amount of FTA 5307 funds being returned to SBCTA by increasing the number of vanpools participating in SB Loop.

Contract Information

- a. Existing Contracts
 - i. 17-1001683, Online System Developer, Amount Budgeted \$48,000.
 - ii. 23-1002958, Vanpool Vehicle Provider, Amount Budgeted \$984,000.
- b. New Contracts
 - i. MOU, Rideshare, Vanpool, and Multi-Modal Program Implementation, Amount Budgeted \$260,000, Total Estimated Contract Amount \$4,500,000.

Manager

Victor Lopez, Director of Transit and Rail Programs

	2023/2024	2024/2025	2025/2026	2026/2027
Expenditures	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Budget</u>
Regular Full-Time Employees	17,076	4,970	31,525	29,100
Fringe Allocation-General	15,188	3,539	19,795	14,367
Professional Services	669,167	786,915	1,305,000	1,292,000
Dues/Memberships	18,251	19,163	40,000	40,000
Training/Registration	338	338	4,400	4,400
Postage	-	-	100	100
Travel Expense - Employee	-	-	5,375	5,375
Travel Expense-Mileage-Employee	-	-	300	300
Travel Expense-Other-Metrolink Tickets	-	-	250	250
Advertising	-	-	150	150
Printing - Internal	-	-	100	100
Office Expense	-	-	100	100
Meeting Expense	-	-	2,000	2,000
Total Expenditures	<u>720,018</u>	<u>814,924</u>	<u>1,409,095</u>	<u>1,388,242</u>
Funding Sources				
Federal Transit Administration 5307-CMAQ				1,213,000
MSI Valley Fund-Traffic Mgmt Sys				<u>175,242</u>
Total Funding Sources				<u>1,388,242</u>

Attachment: Transit Task Review (12243 : SBCTA Fiscal Year 2026/2027 Budget Task Review - Transit)

Minute Action

AGENDA ITEM: 4

Date: *April 16, 2026*

Subject:

Transit Operators and Transportation Development Act Audits for Fiscal Year 2024/2025

Recommendation:

A. Review and receive the Transit Operators and Transportation Development Act Audit Reports for Fiscal Year 2024/2025.

B. Review and receive the City of Adelanto Transportation Development Act Audit Reports for Fiscal Year 2022/2023 and Fiscal Year 2023/2024.

C. Review and receive the City of Rialto Transportation Development Act Audit Reports for Fiscal Year 2023/2024.

Background:

Each year, San Bernardino County Transportation Authority (SBCTA) provides for audits of all local jurisdictions (agencies) receiving Transportation Development Act (TDA) funds, which are dedicated to supporting local transit service and investments, pedestrian and bicycle facilities, and local street improvement projects. These audit reports will be provided as a separate attachment.

A financial examination is completed by an independent audit firm for activities during the previous fiscal year, including internal control systems of checks and balances. The examination must encompass both project expenditures and projects for which funds were allocated and expended. A listing of all the TDA projects comparing actual revenues and expenses to budgeted revenues and expenses must be included with any interest earned. In addition, the report must state if the local match for each project is met and the claimants complied with the TDA, the Uniform System of Accounts for Public Transit Operators, and/or the updated National Transit Database Reporting Manuals when applicable. The report shall also contain an examination of expenditures, a statement of revenue and expenses, and a balance sheet for each TDA fund.

SBCTA contracted with Crowe, LLP and Vasquez & Company, LLP, to conduct Compliance Audits of the TDA funds for Fiscal Year 2023/2024 through Fiscal Year 2025/2026 with two one-year options to extend through Fiscal Year 2027/2028.

These auditors verified compliance with California Public Utilities Code 66343, California Code of Regulations Sections 6664, 6666, and/or 6667, Proposition 1B, California Transit Security Grant Program, Federal Single Audit Act, and SBCTA Compliance Audit Guide. These auditors also verified that the agencies met the local match requirements for each project or the fare ratios for transit operators.

There are prior reports included that were not issued when the prior year's reports were presented at the Transit Committee in April 2025. The prior reports include the audits for the City of Adelanto (Attachment A) for Fiscal Years 2022/2023 and 2023/2024, and the City of Rialto for Fiscal Year 2023/2024 (Attachment B).

City of Adelanto (City) Fiscal Year 2022/2023:

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner. Management review over invoicing, cash receipts, and journal entries should be in place to ensure the City has the ability to

Entity: San Bernardino County Transportation Authority

initiate, record, process, and report accurate financial data consistent with generally accepted accounting principles (GAAP). If said functions are not segregated, additional monitoring review controls should be established to address and mitigate such risks. It is recommended that management establish a thorough system of internal controls, which are formally documented and implemented through policies and procedures. In addition, it is recommended that management review and strengthen their implementation of their internal controls and ensure a proper segregation of duties.

Corrective Action: The City concurs with the finding. The City has hired an outside Certified Public Accountant (CPA) firm to assist with the reconciliation of financial records and in the implementation of internal controls to help prevent and detect future errors.

City of Adelanto (City) Fiscal Year 2023/2024:

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner. Management review over invoicing, cash receipts, and journal entries should be in place to ensure the City has the ability to initiate, record, process, and report accurate financial data consistent with GAAP. If said functions are not segregated, additional monitoring review controls should be established to address and mitigate such risks. It is recommended that management establish a thorough system of internal controls, which are formally documented and implemented through policies and procedures. In addition, it is recommended that management review and strengthen their implementation of their internal controls and ensure a proper segregation of duties.

Corrective Action: The City concurs with the finding. The City has hired an outside CPA firm to assist with the reconciliation of financial records and in the implementation of internal controls to help prevent and detect future errors.

The audits for Fiscal Year 2024/2025 resulted in the following findings:

City of Chino (City) Fiscal Year 2024/2025:

- Management is responsible for accounting for the City's special revenue funds using the current financial resources measurement focus and the modified accrual basis of accounting. This involves only recognizing revenues when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Amounts earned but received after 60 days should be recorded as unavailable revenues. It is recommended that management review the receipt date for all revenue transactions to determine whether those funds are both measurable and have been collected within 60 days of the end of the fiscal period.

Corrective Action: Management will enhance year-end revenue recognition procedures to ensure TDA revenues are recognized in accordance with the modified accrual basis of accounting. This will include reviewing receipt dates for revenues received after fiscal year-end to confirm amounts meet the 60-day availability requirement. Revenues received outside the availability period will be properly recorded as unavailable revenue. Management will also reinforce procedures and oversight to ensure consistent application of these requirements.

Mountain Area Regional Transit Authority (MARTA) Single Audit Fiscal Year 2024/2025:

Except where otherwise authorized by statute, cost must meet the following general criteria in order to be allowable under federal awards;

1. Be necessary and reasonable for the performance of the federal award and be allocable thereto under the principles in 2 Code of Federal Regulations (CFR) Part 200, Subpart E.
2. Conform to any limitations or exclusions set forth in 2 CFR Part 200, Subpart E or in the federal award as to types or amount of cost items.
3. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity.
4. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
5. Be determined in accordance with GAAP, except for state and local governments and Indian tribes only as otherwise provided for in 2 CFR Part 200.
6. Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally financed program in either the current or a prior period.
7. Be adequately documented.

During the audit of non-payroll expenses charged to the program, an invoice dated May 1, 2025, was approved by the Director of Operations & Maintenance during the General Manager's absence. The related purchase order was subsequently signed by the General Manager on June 10, 2025, after the invoice had already been received and approved. The procurement policy does not specify the required timing of purchase order approval relative to invoice receipt or approval. It is recommended that MARTA should revise the procurement policy to explicitly require purchase order approval prior to invoice receipt or payment and to establish a clear delegation of authority for situations when the General Manager is absent, ensuring that approvals are documented and consistent with federal requirements.

Corrective Action: MARTA concurs with the finding. MARTA is updating its internal procurement rules to clearly state that a purchase order must be signed prior to ordering any items or initiating any services. MARTA is also creating a formal backup approval plan and will implement a new check-and-balance step in the payment process to verify purchase order dates come before the vendor invoice date.

City of Rancho Cucamonga (City) Fiscal Year 2024/2025:

- Management is responsible for accounting for the City's special revenue funds recognizing revenues when they are measurable and available. Revenue recognition for the City is 60 days after the fiscal period ends. The City recognized revenue for Measure I funds that were received more than 60 days after the end of the 2024/2025 fiscal year. It is recommended that the City review the receipt date for all revenue transactions to determine if they are both measurable and available.

Corrective Action: The City has enhanced procedures to evaluate revenue cutoff, including verification of receipt dates. Internal procedures have been updated and management will provide additional training for staff on modified accrual revenue recognition requirements.

City of Rialto (City) Fiscal Year 2024/2025:

- Management is responsible for preparing financial statements for the City’s special revenue funds in accordance with GAAP, including the current financial resources measurement focus and the modified accrual basis of accounting. Under modified accrual accounting, revenues should be recognized when they are both measurable and available, receivables and unavailable revenue should be properly recorded, and revenues should be properly classified. In addition, management is responsible for designing and implementing internal controls that provide reasonable assurance that revenues, receivables, cash, and transfers are accurately recorded, properly classified, and recognized in the correct accounting period. It is recommended that management strengthen controls over the year-end financial reporting process to ensure revenues, receivables, cash, and transfers are accurately recorded, properly classified, and recognized in accordance with GAAP, including timely review of revenue cutoff, accruals, and classification of budgetary versus actual transactions.

Corrective Action: The City concurs with the finding. To remediate this material weakness, management will: (1) implement a comprehensive year-end close checklist with detailed procedures for revenue cutoff, receivable accruals, and transfer classification; (2) establish formal review processes to ensure revenues received more than 60 days after year-end are recorded as unavailable revenue and earned but unreceived amounts are properly accrued; (3) provide staff training on modified accrual accounting and the 60-day availability criterion; and (4) provide training to accounting staff on the 60-day availability criterion and modified accrual accounting principles.

The audits for the Cities of Adelanto Fiscal Year 2024/2025, and the Town of Apple Valley for Fiscal Year 2023/2024 and Fiscal Year 2024/2025, are in process but are not yet complete.

Each agency may have a different number of audit reports depending on the type of funding the agency is receiving.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2025/2026.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:

Michael Hernandez, Chief of Fiscal Resources

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

**CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND**

FINANCIAL STATEMENTS

June 30, 2023 and 2022

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND

FINANCIAL STATEMENTS
June 30, 2023 and 2022

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Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Transportation Development Act (TDA) Article 8 Fund (TDA Fund) of the City of Adelanto, California (City), as of and for the years ended June 30, 2023 and 2022, and the related notes to the 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 the TDA Fund of the City, as of June 30, 2023 and 2022, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund, a governmental fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023 and 2022, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

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.

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 the City'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.

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 budgetary comparison information as listed in the table of contents 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 the *Governmental Accounting Standards Board* 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 auditing standards generally accepted in the United States of America, 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.

(Continued)

Additional Information

Management is responsible for the accompanying schedule of allocations received and expended, by project year (the “additional information”), which is presented for purposes of additional analysis and is not a required part of the financial statements. Our opinion on the financial statements does not cover the additional information, and we do not express an opinion or any form of assurance thereon.

We read the additional information and considered whether a material inconsistency existed between the additional information and the financial statements, or the additional information otherwise appeared to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the additional information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025 on our consideration of the City’s internal control over financial reporting of the TDA Fund 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 the City’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 the City’s internal control over financial reporting and compliance, as it relates to the TDA Fund.



Crowe LLP

Los Angeles, California
May 27, 2025

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 BALANCE SHEETS
 June 30, 2023 and 2022

	Article 8	
	2023	2022
ASSETS		
Cash and investments	\$ 1,401,441	\$ 1,971,564
Interest receivable	7,952	1,828
Total assets	\$ 1,409,393	\$ 1,973,392
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 107,604	\$ -
Fund balance - restricted		
Restricted for transportation	1,301,789	1,973,392
Total liabilities and fund balance	\$ 1,409,393	\$ 1,973,392

See notes to financial statements.

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Years Ended June 30, 2023 and 2022

	Article 8	
	<u>2023</u>	<u>2022</u>
Revenues, net		
TDA allocation	\$ 61,333	\$ 590,134
Investment income (loss)	<u>22,670</u>	<u>(11,122)</u>
Total revenues, net	84,003	579,012
Expenditures		
Professional services	333,756	-
Cost of capital infrastructure - streets & roads	421,616	-
Administrative cost	<u>234</u>	<u>332</u>
Total expenditures	<u>755,606</u>	<u>332</u>
Net change in fund balance	(671,603)	578,680
Fund balance at beginning of year	<u>1,973,392</u>	<u>1,394,712</u>
Fund balance at end of year	<u>\$ 1,301,789</u>	<u>\$ 1,973,392</u>

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See notes to financial statements.

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2023 and 2022

NOTE 1 – GENERAL INFORMATION

Reporting Entity: The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act Article 8, Section 99400(a) Fund (TDA Fund) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Adelanto, California (City), as of June 30, 2023 and 2022, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 8: San Bernardino County Transportation Authority (SBCTA) receives and passes through Article 8 funding to the local claimants for the purposes of local streets and roads in accordance with Section 99400 of the California Public Utilities Code, which may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, which further includes planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings. The fund may also be used for passenger rail service operations and capital improvements.

Article 8, subdivision C further allows payments to counties, cities, and transit districts for their administrative and planning cost with respect to transportation services. A claimant may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

Payment of Article 8 to any entity that provides public transportation services under contract with the local county, city, or transit district for any group with special transportation assistance needs must be determined by SBCTA.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting: The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 8 Fund in its TDA Fund which is a special revenue fund. Special revenue funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting: The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition: Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 8 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8 are recognized in the period when all eligibility requirements have been met.

(Continued)

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2023 and 2022

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources: Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2023 and 2022 was \$1,401,441 and \$1,971,564, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. The fair value measurements are based on 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. The TDA Fund's deposits and withdrawals in the City's investment pool are made on the basis of \$1 and not fair value. Accordingly, the TDA Fund's investment in the City's investment pool is measured with inputs that are uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(Continued)

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 4 – RESTRICTIONS

Funds received pursuant to the California Public Utilities Code §99400(a) (TDA Article 8) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

NOTE 5 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 8 FUND
 Year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues, net				
TDA allocation	\$ -	\$ -	\$ 61,333	\$ 61,333
Investment income	1,525	1,525	22,670	21,145
Total revenues, net	<u>1,525</u>	<u>1,525</u>	84,003	82,478
Expenditures				
Professional services	-	-	333,756	(333,756)
Cost of capital infrastructure - streets & roads	1,500,000	1,500,000	421,616	1,078,384
Administrative cost	-	-	234	(234)
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>755,606</u>	<u>744,394</u>
Excess (deficiency) of revenues over (under) expenditures	(1,498,475)	(1,498,475)	(671,603)	826,872
Other financing uses				
Transfers to other City funds	(20,000)	(20,000)	-	20,000
Net change in fund balance	(1,518,475)	(1,518,475)	(671,603)	846,872
Fund balance at beginning of year	<u>1,973,392</u>	<u>1,973,392</u>	<u>1,973,392</u>	<u>-</u>
Fund balance at end of year	<u>\$ 454,917</u>	<u>\$ 454,917</u>	<u>\$ 1,301,789</u>	<u>\$ 846,872</u>

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

(Continued)

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 8 FUND
 Year ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues, net				
TDA allocation	\$ 449,930	\$ 449,930	\$ 590,134	\$ 140,204
Investment loss	-	-	(11,122)	(11,122)
Total revenues, net	<u>449,930</u>	<u>449,930</u>	579,012	129,082
Expenditures				
Cost of capital infrastructure - streets & roads	650,000	650,000	-	650,000
Administrative cost	-	-	332	(332)
Total expenditures	<u>650,000</u>	<u>650,000</u>	<u>332</u>	<u>649,668</u>
Excess (deficiency) of revenues over (under) expenditures	(200,070)	(200,070)	578,680	778,750
Other financing uses				
Transfers to other City funds	<u>(20,000)</u>	<u>(20,000)</u>	-	<u>20,000</u>
Net change in fund balance	(220,070)	(220,070)	578,680	798,750
Fund balance at beginning of year	<u>1,394,712</u>	<u>1,394,712</u>	<u>1,394,712</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,174,642</u></u>	<u><u>\$ 1,174,642</u></u>	<u><u>\$ 1,973,392</u></u>	<u><u>\$ 798,750</u></u>

See note to required supplementary information.

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Years ended June 30, 2023 and 2022

NOTE 1 - BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

ADDITIONAL INFORMATION

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND ACTIVITY
 SCHEDULE OF ALLOCATIONS RECEIVED AND EXPENDED, BY PROJECT YEAR
 Year ended June 30, 2023

<u>Article</u>	<u>Project/Use</u>	<u>Year Allocated</u>	<u>Allocation Amount</u>	<u>Unspent Allocations at June 30, 2022</u>	<u>Expenditures</u>	<u>Unspent Allocations at June 30, 2023</u>
Article 8	Streets & Road Maintenance	2015 - 16	\$ 635,989	\$ 369,518	\$ 369,518	\$ -
Article 8	Streets & Road Maintenance	2016 - 17	528,228	508,228	386,088	122,140
Article 8	Streets & Road Maintenance	2017 - 18	470,946	470,946	-	470,946
Article 8	Streets & Road Maintenance	2018 - 19	449,930	449,930	-	449,930
Article 8	Streets & Road Maintenance	2021 - 22	140,204	140,204	-	140,204
Article 8	Streets & Road Maintenance	2022 - 23	61,333	-	-	61,333
			<u>\$ 2,286,630</u>	<u>\$ 1,938,826</u>	<u>\$ 755,606</u>	<u>\$ 1,244,553</u>

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)



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

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with the 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 Transportation Development Act (TDA) Article 8 Fund (TDA Fund) of the City of Adelanto, California (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the TDA Fund's basic financial statements, and have issued our report thereon dated May 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting of the TDA Fund (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the San Bernardino County Transportation Authority (SBCTA), 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*, including the requirements of Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the SBCTA.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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.


Crowe LLP

Los Angeles, California
May 27, 2025

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF FINDINGS AND RESPONSES
 Year Ended June 30, 2023

FINANCIAL STATEMENT FINDINGS

2023-001 – Financial Reporting (Material Weakness)

Criteria: Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner. Management review over invoicing, cash receipts, and journal entries should be in place to ensure the City has the ability to initiate, record, process, and report accurate financial data consistent with generally accepted accounting principles. If said functions are not segregated, additional monitoring review controls should be established to address and mitigate such risks.

Condition: Evidence of proper segregation of controls over revenue, expenditures, journal entries, and timely preparation and review of bank reconciliations were not present.

Cause: Due to the inadequate staffing within the finance department, management did not have an established and documented internal control to ensure proper management review over these processes.

Context: During our testing of operating effectiveness of controls over expenditures and walkthrough of internal controls, we noted a lack of review of interfund transfers, deposits, and journal entries.

Effect: The lack of timely management review over the invoicing, cash receipts, journal entry, and bank reconciliation process may result in a material misstatement of the financial statements.

Recommendation: We recommend that management establish a thorough system of internal controls, which are formally documented and implemented through policies and standard operating procedures. We recommend that management ensures timely manager approvals in place over the billing, cash receipt, journal entry, and bank reconciliation processes are formally documented in order to mitigate the risk of materially misstating the financial statements. We recommend that management review and strengthen their implementation of their internal controls in place for expenditures to further require a reviewer to document their inspection of invoices before the entity's financials are closed in order to ensure a proper segregation of duties.

Views of responsible officials and planned corrective actions: The City concurs with the finding. As of May 2024, the City has hired an outside CPA firm in order to assist with the reconciliation of financial records, assist with compliance standards, and to assist in the implementation of internal controls to help prevent and detect future errors.

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2023

FINANCIAL STATEMENT FINDINGS

2022-001 – Financial Report (Material Weakness)

Evidence of proper segregation of controls over revenue, expenditures, journal entries, and timely preparation and review of bank reconciliations were not present.

Status: Repeat finding reported in 2023 as 2023-001.

COMPLIANCE FINDINGS

2022-002 – Unallowable Transactions (Noncompliance and Material Weakness)

Expenditures totaling \$20,000 were incorrectly charged to the Article 8 TDA Fund. The expenses were transfers to other City funds but lacked any substantiation (such as a cost allocation plan, for example) to substantiate the nature and allowability of such amounts.

Status: The finding has been remediated in 2023. No unallowable transactions were reported.

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND

FINANCIAL STATEMENTS
June 30, 2024 and 2023

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND

FINANCIAL STATEMENTS
June 30, 2024 and 2023

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Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)



Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Transportation Development Act (TDA) Article 8 Fund (TDA Fund) of the City of Adelanto, California (City), as of and for the years ended June 30, 2024 and 2023, and the related notes to the 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 the TDA Fund of the City, as of June 30, 2024 and 2023, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund, a governmental fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024 and 2023, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

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.

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 the City'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.

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 budgetary comparison information as listed in the table of contents 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 the *Governmental Accounting Standards Board* 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 auditing standards generally accepted in the United States of America, 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.

(Continued)

Additional Information

Management is responsible for the accompanying schedule of allocations received and expended, by project year (the “additional information”), which is presented for purposes of additional analysis and is not a required part of the financial statements. Our opinion on the financial statements does not cover the additional information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025 on our consideration of the City’s internal control over financial reporting of the TDA Fund 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 the City’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 the City’s internal control over financial reporting and compliance, as it relates to the TDA Fund.



Crowe LLP

Los Angeles, California
December 1, 2025

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 BALANCE SHEETS
 June 30, 2024 and 2023

	Article 8	
	2024	2023
ASSETS		
Cash and investments	\$ 527,837	\$ 1,401,441
Interest receivable	-	7,952
Total assets	\$ 527,837	\$ 1,409,393
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 21,517	\$ 107,604
Fund balance		
Restricted for transportation	506,320	1,301,789
Total liabilities and fund balance	\$ 527,837	\$ 1,409,393

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See notes to financial statements.

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Years Ended June 30, 2024 and 2023

	Article 8	
	<u>2024</u>	<u>2023</u>
Revenues		
TDA allocation	\$ 53,897	\$ 61,333
Investment income	5,536	22,670
Total revenues	<u>59,433</u>	<u>84,003</u>
Expenditures		
Current		
Street maintenance	24,000	-
Administrative cost	-	234
Capital		
Professional services	-	333,756
Cost of capital infrastructure - streets & roads	830,902	421,616
Total expenditures	<u>854,902</u>	<u>755,606</u>
Net change in fund balance	(795,469)	(671,603)
Fund balance at beginning of year	<u>1,301,789</u>	<u>1,973,392</u>
Fund balance at end of year	<u><u>\$ 506,320</u></u>	<u><u>\$ 1,301,789</u></u>

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See notes to financial statements.

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2024 and 2023

NOTE 1 – GENERAL INFORMATION

Reporting Entity: The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act Article 8, Section 99400(a) Fund (TDA Fund) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Adelanto, California (City), as of June 30, 2024, and 2023, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 8: San Bernardino County Transportation Authority (SBCTA) receives and passes through Article 8 funding to the local claimants for the purposes of local streets and roads in accordance with Section 99400 of the California Public Utilities Code, which may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, which further includes planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings. The fund may also be used for passenger rail service operations and capital improvements.

Article 8, subdivision C further allows payments to counties, cities, and transit districts for their administrative and planning cost with respect to transportation services. A claimant may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

Payment of Article 8 to any entity that provides public transportation services under contract with the local county, city, or transit district for any group with special transportation assistance needs must be determined by SBCTA.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting: The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 8 Fund in its TDA Fund which is a special revenue fund. Special revenue funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting: The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition: Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 8 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8 are recognized in the period when all eligibility requirements have been met.

(Continued)

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2024 and 2023

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources: Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2024, and 2023 was \$527,837 and \$1,401,441, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. The fair value measurements are based on 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. The TDA Fund's deposits and withdrawals in the City's investment pool are made on the basis of \$1 and not fair value. Accordingly, the TDA Fund's investment in the City's investment pool is measured with inputs that are uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(Continued)

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 4 – RESTRICTIONS

Funds received pursuant to the California Public Utilities Code §99400(a) (TDA Article 8) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

NOTE 5 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 8 FUND
 Year ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
Revenues, net				
TDA allocation	\$ -	\$ -	\$ 53,897	\$ 53,897
Investment income	1,200	1,200	5,536	4,336
Total revenues, net	1,200	1,200	59,433	58,233
Expenditures				
Current				
Street maintenance	-	-	24,000	(24,000)
Capital				
Cost of capital infrastructure - streets & roads	1,120,000	1,120,000	830,902	289,098
Total expenditures	1,120,000	1,120,000	854,902	265,098
Excess (deficiency) of revenues over (under) expenditures	(1,118,800)	(1,118,800)	(795,469)	323,331
Other financing uses				
Transfers to other City funds	(20,000)	(20,000)	-	20,000
Net change in fund balance	(1,138,800)	(1,138,800)	(795,469)	343,331
Fund balance at beginning of year	1,301,789	1,301,789	1,301,789	-
Fund balance at end of year	\$ 162,989	\$ 162,989	\$ 506,320	\$ 343,331

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

(Continued)

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 8 FUND
 Year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues, net				
TDA allocation	\$ -	\$ -	\$ 61,333	\$ 61,333
Investment income	1,525	1,525	22,670	21,145
Total revenues, net	1,525	1,525	84,003	82,478
Expenditures				
Current				
Administrative Costs	-	-	234	(234)
Capital				
Professional services	-	-	333,756	(333,756)
Cost of capital infrastructure - streets & roads	1,500,000	1,500,000	421,616	1,078,384
Total expenditures	1,500,000	1,500,000	755,606	744,394
Excess (deficiency) of revenues over (under) expenditures	(1,498,475)	(1,498,475)	(671,603)	826,872
Other financing uses				
Transfers to other City funds	(20,000)	(20,000)	-	20,000
Net change in fund balance	(1,518,475)	(1,518,475)	(671,603)	846,872
Fund balance at beginning of year	1,973,392	1,973,392	1,973,392	-
Fund balance at end of year	<u>\$ 454,917</u>	<u>\$ 454,917</u>	<u>\$ 1,301,789</u>	<u>\$ 846,872</u>

See note to required supplementary information.

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Years ended June 30, 2024 and 2023

NOTE 1 - BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

ADDITIONAL INFORMATION

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND ACTIVITY
 SCHEDULE OF ALLOCATIONS RECEIVED AND EXPENDED, BY PROJECT YEAR
 Year ended June 30, 2024

<u>Article</u>	<u>Project/Use</u>	<u>Year Allocated</u>	<u>Allocation Amount</u>	<u>Unspent Allocations at June 30, 2023</u>	<u>Expenditures</u>	<u>Unspent Allocations at June 30, 2024</u>
Article 8	Streets & Road Maintenance	2016 - 17	528,228	122,140	122,140	-
Article 8	Streets & Road Maintenance	2017 - 18	470,946	470,946	470,946	-
Article 8	Streets & Road Maintenance	2018 - 19	449,930	449,930	261,816	188,114
Article 8	Streets & Road Maintenance	2021 - 22	140,204	140,204	-	140,204
Article 8	Streets & Road Maintenance	2022 - 23	61,333	61,333	-	61,333
Article 8	Streets & Road Maintenance	2023 - 24	53,897	53,897	-	53,897
			<u>\$ 1,704,538</u>	<u>\$ 1,298,450</u>	<u>\$ 854,902</u>	<u>\$ 443,548</u>

Attachment: City of Adelanto Prior Reports 2023 & 2024 (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)



Crowe LLP
Independent Member Crowe Global

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

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with the 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 Transportation Development Act (TDA) Article 8 Fund (TDA Fund) of the City of Adelanto, California (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the TDA Fund's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting of the TDA Fund (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the San Bernardino County Transportation Authority (SBCTA), 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*, including the requirements of Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the SBCTA.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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.



Crowe LLP

Los Angeles, California
December 1, 2025

CITY OF ADELANTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF FINDINGS AND RESPONSES
 Year Ended June 30, 2024

FINANCIAL STATEMENT FINDINGS

2024-001 – Financial Reporting (Material Weakness)

Criteria: Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner. Management review over invoicing, cash receipts, and journal entries should be in place to ensure the City has the ability to initiate, record, process, and report accurate financial data consistent with generally accepted accounting principles. If said functions are not segregated, additional monitoring review controls should be established to address and mitigate such risks.

Condition: Evidence of proper segregation of controls over revenue, expenditures, journal entries, and timely preparation and review of bank reconciliations were not present.

Cause: Due to the inadequate staffing within the finance department, management did not have an established and documented internal control to ensure proper management review over these processes.

Context: During our testing of operating effectiveness of controls over expenditures and walkthrough of internal controls, we noted a lack of timely review of interfund transfers, deposits, and journal entries.

Effect: The lack of timely management review over the invoicing, cash receipts, journal entry, and bank reconciliation process may result in a material misstatement of the financial statements.

Recommendation: We recommend that management establish a thorough system of internal controls, which are formally documented and implemented through policies and standard operating procedures. We recommend that management ensures timely manager approvals in place over the billing, cash receipt, journal entry, and bank reconciliation processes are formally documented in order to mitigate the risk of materially misstating the financial statements. We recommend that management review and strengthen their implementation of their internal controls in place for expenditures to further require a reviewer to document their inspection of invoices before the entity's financials are closed in order to ensure a proper segregation of duties.

Views of responsible officials and planned corrective actions: The City concurs with the finding. As of May 2024, the City has hired an outside CPA firm in order to assist with the reconciliation of financial records, assist with compliance standards, and to assist in the implementation of internal controls to help prevent and detect future errors.

CITY OF ADELANTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2024

FINANCIAL STATEMENT FINDINGS

2023-001 – Financial Report (Material Weakness)

Evidence of proper segregation of controls over revenue, expenditures, journal entries, and timely preparation and review of bank reconciliations were not present.

Status: Repeat finding reported in 2024 as 2024-001.

CITY OF RIALTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
FINANCIAL STATEMENTS
June 30, 2024 and 2023

Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 FINANCIAL STATEMENTS
 June 30, 2024 and 2023

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Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Rialto, California (City), as of and for the year ended June 30, 2024, and the related notes to the 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 TDA Fund of the City, as of June 30, 2024, and the changes in its financial position thereof for the year then ended in accordance with 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 the City, 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.

Other Matter

The financial statements of the TDA Fund of the City for the year ended June 30, 2023, were audited by other auditors, who expressed an unmodified opinion on those statements on March 6, 2024.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund, a governmental fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cashflows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

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.

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 the City'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.

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 budgetary comparison information as listed in the table of contents 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 the *Governmental Accounting Standards Board*, 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 auditing standards generally accepted in the United States of America, 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.

(Continued)

Additional Information

Management is responsible for the accompanying schedule of allocations received and expended, by project year (the “additional information”), which is presented for purposes of additional analysis and is not a required part of the financial statements. Our opinions on the financial statements do not cover the additional information, and we do not express an opinion or any form of assurance thereon.

We read the additional information and considered whether a material inconsistency existed between the additional information and the financial statements, or the additional information otherwise appeared to be materially misstated. If, based on the work performed, we had concluded that an uncorrected material misstatement of the additional information existed, we would have described it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2025, on our consideration of the City’s internal control over financial reporting of the TDA Fund 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 the City’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 the City’s internal control over financial reporting and compliance of the TDA Fund.



Crowe LLP

Los Angeles, California
March 19, 2025

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 BALANCE SHEETS
 June 30, 2024 and 2023

	Article 3	
	2024	2023
ASSETS		
Cash and investments	\$ -	\$ 20,960
Due from other governments	181,137	-
Total assets	\$ 181,137	\$ 20,960
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 72,199	\$ -
Due to other City funds	28,617	-
Total liabilities	\$ 100,816	\$ -
Fund balance		
Restricted for transportation	80,321	20,960
Total liabilities and fund balance	\$ 181,137	\$ 20,960

Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See notes to financial statements.

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Years Ended June 30, 2024 and 2023

	Article 3	
	<u>2024</u>	<u>2023</u>
Revenues		
TDA Article 3 Funds	\$ 181,137	\$ 226,000
Investment income	<u>575</u>	<u>212</u>
Total revenues	181,712	226,212
Expenditures		
Construction, maintenance, and engineering	<u>122,351</u>	<u>-</u>
Total expenditures	<u>122,351</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	59,361	226,212
Other financing sources (uses):		
Transfers to other City funds - administrative expenses	<u>-</u>	<u>(60)</u>
Total other financing sources (uses)	<u>-</u>	<u>(60)</u>
Net change in fund balance	59,361	226,152
Fund balance (deficit) at beginning of year	<u>20,960</u>	<u>(205,192)</u>
Fund balance at end of year	<u><u>\$ 80,321</u></u>	<u><u>\$ 20,960</u></u>

Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See notes to financial statements.

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2024 and 2023

NOTE 1 – GENERAL INFORMATION

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Rialto, California (City), as of June 30, 2024 and 2023, and changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Article 3: San Bernardino County Transportation Authority (“SBCTA”) has awarded TDA Article 3 funding for the City to enhance bicycle and pedestrian facilities in accordance with Section 99234 of the California Public Utilities Code (“Code”). According to the Code, TDA Article 3 monies may only be used for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (that are closed to motorized traffic) and bicycle safety education programs. TDA Article 3 Funds may also be used for transportation-related projects that enhance quality of life through the design of pedestrian walkways and bicycle facilities. TDA Article 3 projects may be stand-alone projects, such as projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots and transit terminals where other funds are available. TDA Article 3 projects may also be add-ons to normal transportation projects, such as additional sidewalk and bike lanes on a bridge, enhanced pedestrian lighting, and median refuge islands for pedestrians.

When an approved project is ready for construction, as evidenced by a contract award or commitment of the participating agency’s resources, the participating agency submits a claim to SBCTA for disbursement of TDA Funds. The participating agency may submit the claim, either prior or subsequent to, incurring project expenditures. After review and approval of the claim, SBCTA issues the allocation disbursement instructions to the County Auditor-Controller. Following instruction from SBCTA, funds are disbursed from the County Local Transportation Fund to the participating agency. In accordance with the agreement, the City is required to provide local matching funds.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the TDA Activity of the City conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the activity of the Article 3 TDA Fund in its Transportation Development Act Fund, which is a special revenue fund. Special revenue funds are used to account for the proceeds derived from specific revenue sources which are restricted or committed to expenditures for specified purposes.

Measurement Focus and Basis of Accounting: Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred

(Continued)

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2024 and 2023

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition: Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2024 and 2023 was \$0 and \$20,960, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Due from other governments of \$181,137 as of June 30, 2024 represents the TDA allocations which had not been received from SBCTA for reimbursement of eligible expenditures. There were no due from other governments as of June 30, 2023.

NOTE 5 – DUE TO OTHER CITY FUNDS

Due to other City funds of \$28,617 and \$0 as of June 30, 2024 and 2023, respectively, represents the amounts paid by the City general fund on behalf of the TDA Fund. The balance will be repaid as the TDA allocations are received. There were no due to other city funds as of June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 3 FUND
 Year ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
Revenues				
TDA Article 3 Funds	\$ -	\$ -	\$ 181,137	\$ 181,137
Investment income	-	-	575	575
Total revenues	-	-	181,712	181,712
Expenditures				
Construction, maintenance, and engineering	-	-	122,351	(122,351)
Total expenditures	-	-	122,351	(122,351)
Net change in fund balance	-	-	59,361	59,361
Fund (deficit) balance at beginning of year	20,960	20,960	20,960	-
Fund (deficit) balance at end of year	<u>\$ 20,960</u>	<u>\$ 20,960</u>	<u>\$ 80,321</u>	<u>\$ 59,361</u>

Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See note to required supplementary information.

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 3 FUND
 Year ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
TDA Article 3 Funds	\$ 265,460	\$ 1,433,948	\$ 226,000	\$ (1,207,948)
Investment income	200	200	212	12
Total revenues	265,660	1,434,148	226,212	(1,207,936)
Expenditures				
Construction, maintenance, and engineering	-	1,182,950	-	(1,182,950)
Total expenditures	-	1,182,950	-	(1,182,950)
Excess (deficiency) of revenues over (under) expenditures	265,660	251,198	226,212	(24,986)
Other financing sources (uses):				
Transfers to other City funds - administrative expenses	(60)	(60)	(60)	-
Total other financing sources (uses)	(60)	(60)	(60)	-
Net change in fund balance	265,600	251,138	226,152	(24,986)
Fund (deficit) balance at beginning of year	(205,192)	(205,192)	(205,192)	-
Fund (deficit) balance at end of year	\$ 60,408	\$ 45,946	\$ 20,960	\$ (24,986)

Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)

See note to required supplementary information.

CITY OF RIALTO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Years ended June 30, 2024 and 2023

NOTE 1 - BUDGETARY DATA

The City did not adopt a budget for the TDA Article 3 Fund in 2024. The level of budgetary control is at the fund level.

ADDITIONAL INFORMATION

CITY OF RIALTO, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULE OF ALLOCATIONS RECEIVED AND EXPENDED, BY PROJECT YEAR
 Year ended June 30, 2024

<u>Article</u>	<u>Project/Use</u>	<u>Year Allocated</u>	<u>Allocation Amount</u>	<u>Unspent Allocations at June 30, 2023</u>	<u>Expenditures</u>	<u>Unspent Allocations at June 30, 2024</u>
Article 3	Cedar Avenue Railroad Crossing Pedestrian Improvements	2018	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Article 3	Merrill Safe Routes to School	2021	639,405	525,589	-	525,589
Article 3	Sycamore Safe Routes to School	2021	457,616	390,294	122,351	267,943
Article 3	Bemis Elementary Safe Routes to School	2024	716,745	716,745	-	716,745
Article 3	Frisbie Middle School Safe Routes to School	2024	1,095,091	1,095,091	-	1,095,091
			<u>\$ 3,158,857</u>	<u>\$ 2,977,719</u>	<u>\$ 122,351</u>	<u>\$ 2,855,368</u>

Attachment: Rialto - FY 2024 TDA (12244 : Transit Operators and TDA Audits for Fiscal Year 2024/2025)



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

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with the 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 Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Rialto, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the TDA Fund's basic financial statements and have issued our report thereon dated March 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting of the TDA Fund (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the San Bernardino County Transportation Authority (SBCTA), 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*, including the requirements of Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the SBCTA.

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 City'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.



Crowe LLP

Los Angeles, California
March 19, 2025

Minute Action

AGENDA ITEM: 5

Date: *April 16, 2026*

Subject:

Transit Signal Priority Implementation Study

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

- A. Receive a report on progress relating to the consideration of Transit Signal Priority (TSP) in the San Bernardino Valley.
- B. Direct staff to continue looking at technology options to perform a TSP implementation study, the scope of which is described in the Background section.

Background:

On December 4, 2024, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) approved the following recommendations in conjunction with the SBCTA Long-Range Multimodal Transportation Plan, pertaining to Priority Transit Corridors in the San Bernardino Valley:

“A. Direct staff to conduct an evaluation of the application of Transit Signal Priority (TSP) and other strategies to enhance local bus service, in conjunction with the development of smart corridors in the Valley, with an investment plan to be brought back to the Board of Directors by spring 2025.

B. Direct staff to continue collaboration with local jurisdictions to identify the priority of routes for further development of the Bus Rapid Transit (BRT) network as identified in the Omnitrans Systemwide Plan (updated in 2019), to be incorporated into the Long Range Multimodal Transportation Plan.”

Related to this, the SBCTA/San Bernardino Council of Governments completed the Smart County Master Plan (SCMP) in December 2024. One of the early action items in the SCMP was to move forward with a set of “smart corridors” to focus on controller technology and communication upgrades to improve traffic flow, with the additional consideration of incorporating TSP technology to reduce bus delays on the Omnitrans transit network.

In March 2025, SBCTA circulated a Request for Information (RFI) to Valley jurisdictions to propose upgrades to traffic controllers, communications, and other technology that could comprise a “smart corridor,” with up to \$1 million being available for funding in each corridor. On June 4, 2025, the Board approved awards of seven “smart corridor” investments in the Valley to be managed by local jurisdictions that responded to the RFI. The desire to include TSP capability in traffic control equipment was articulated in the RFI for the cities to incorporate.

Contracts have now been executed with each of the lead local jurisdictions, which include a requirement to support TSP technology when implementing the projects, and the “smart corridor” technology upgrades will occur over the next 12-24 months. These are being funded by an allocation of \$5.48 million of Measure I Valley Traffic Management System funding. The project investments provide enhancements to several north-south corridors as well as east-west corridors that have some overlap with the Omnitrans Systemwide Plan for priority transit corridors. See map in Attachment 1.

Entity: San Bernardino County Transportation Authority

While the “smart corridors” technology upgrade investments generally do not include the more sophisticated smart corridor technologies eventually anticipated by the SCMP, a stated goal was for local jurisdictions to provide the signal technology and communications upgrades needed to support other smart features, such as TSP. In other words, the corridors will be considered “TSP-ready” once the controller and communications upgrades are installed. Other corridors in the Valley have likely already been upgraded, but no comprehensive inventory of “TSP readiness” currently exists.

An Overview of TSP

The concept of TSP involves reducing delays for approaching buses, typically by either extending the green indication until the bus passes or triggering an early green if the indication is currently red as the bus approaches. TSP is being implemented on the West Valley Connector using technology that has been available for several years, typically with an infrared emitter on the bus and a receiver mounted on or near the traffic signal. The emitter sends out a coded infrared signal when activated, which is detected by the receiver. The signal controller contains logic to determine whether and how green times are adjusted to better accommodate the bus. This is similar to the widely used emergency vehicle pre-emption technology, but specifically tailored for bus operation.

There are now newer “cloud-based” technologies that connect traffic management centers and local signal controllers to the transit operator’s Automatic Vehicle Location (AVL) systems. Omnitrans has an AVL system that allows for tracking of buses, dispatch and communications, and real-time passenger information. An AVL upgrade will occur in the not-too-distant future. The cloud-based approach is a significant advancement, as it allows TSP to operate without additional technology installed in the bus.

The Orange County Transportation Authority recently completed a pilot study of cloud-based TSP technology. LA Metro recently issued a contract to implement a cloud-based TSP on 13 of its transit corridors. With the upgrades to controller and communications technology being implemented through the smart corridor implementations in the San Bernardino Valley, Omnitrans and local jurisdictions in the Valley could soon be in a position to conduct a pilot test of cloud-based TSP technology.

The purpose of this agenda item is to allow staff to continue to look into the technology options with TSPs using the Transit and Rail Department’s Contract Task Order (CTO) for a more formal research on TSP implementation, in partnership with Omnitrans. Among other activities, the scope for the initial phase of the TSP effort would accomplish the following:

- Document the current state of TSP technology and evaluate the capabilities of the available TSP systems. This will include the capabilities of the smart corridors once they are upgraded. Prepare a planning-level cost estimate for implementation, including maintenance and operation.
- Document the TSP-readiness of the controller and communications technology on arterial corridors currently served by Omnitrans bus routes. This includes both local bus routes as well as the BRT routes (i.e., sbX and West Valley Connector).
- Develop technology architecture and integration approach for TSP, including coordination with existing and planned traffic signal systems, communication networks, and Omnitrans’ AVL systems.

Transit Committee Agenda Item

April 16, 2026

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- Develop governance framework (roles of SBCTA, Omnitrans, Cities, and California Department of Transportation (Caltrans)).
- Discuss the level of interest by local jurisdictions in partnering with SBCTA and Omnitrans on a pilot study for TSP application on one of the local bus routes. Note that the identification of the next BRT corridor in the Valley is proceeding on a separate track, and one of the expectations is that this corridor will incorporate an advanced-technology TSP.
- Recommend a TSP pilot corridor. The TSP pilot would help inform the development of a countywide TSP Network. The TSP Network would include BRT corridors and other local bus routes where TSP is deemed to be feasible. A TSP pilot can also be completed prior to a technology commitment on the next BRT corridor. Thus, it would help inform the technology selection for the next BRT corridor.
- Establish performance metrics and an evaluation methodology to assess the effectiveness of TSP deployment, including measures related to transit travel time, reliability, and impacts to general traffic operations.

Related to this, SBCTA has submitted a Caltrans Sustainable Transportation Planning Grant entitled “Advanced Signal and Transit Technology for San Bernardino Valley Priority Transit & Smart Corridors.” This grant was discussed at the December 2025 meetings of the Metro Valley Study Session and the Mountain/Desert Policy Committee. Award announcements for these grants will be made by Caltrans in June 2026. If successful, this will provide a broader Valley-wide look at potential implementation of TSP on corridors that are “TSP-ready” or that could be ready in the next few years. The study will also address some of the institutional/operational issues that need to be resolved in better coordinating signals with transit vehicles while also maintaining efficient flows of regular traffic. If awarded, this \$270,000 grant could become part of a study package that would position SBCTA and Omnitrans to conduct the actual pilot study. The grant may not accomplish all the scope needed to set the stage for the pilot, but the remainder could be added through a smaller CTO or single-source contract. If the grant is not awarded, the overall scope would need to incorporate all these elements.

Once the technology options with TSP are evaluated, staff will return to the SBCTA Board for approval to proceed to the second phase of this project, which would be the implementation of the TSP pilot. The goal of the second phase would be to implement the selected TSP technology on a selected corridor, evaluate performance, and design the full countywide TSP Network based on pilot findings and readiness data. The outcome of Phase 2 would then be presented to the Board for approval of a countywide TSP Network Plan and recommended TSP implementation strategy.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2025/2026. If the Caltrans Sustainable Communities Grant is received, that will reduce the funding needed from Measure I Transit and Rail programs.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:

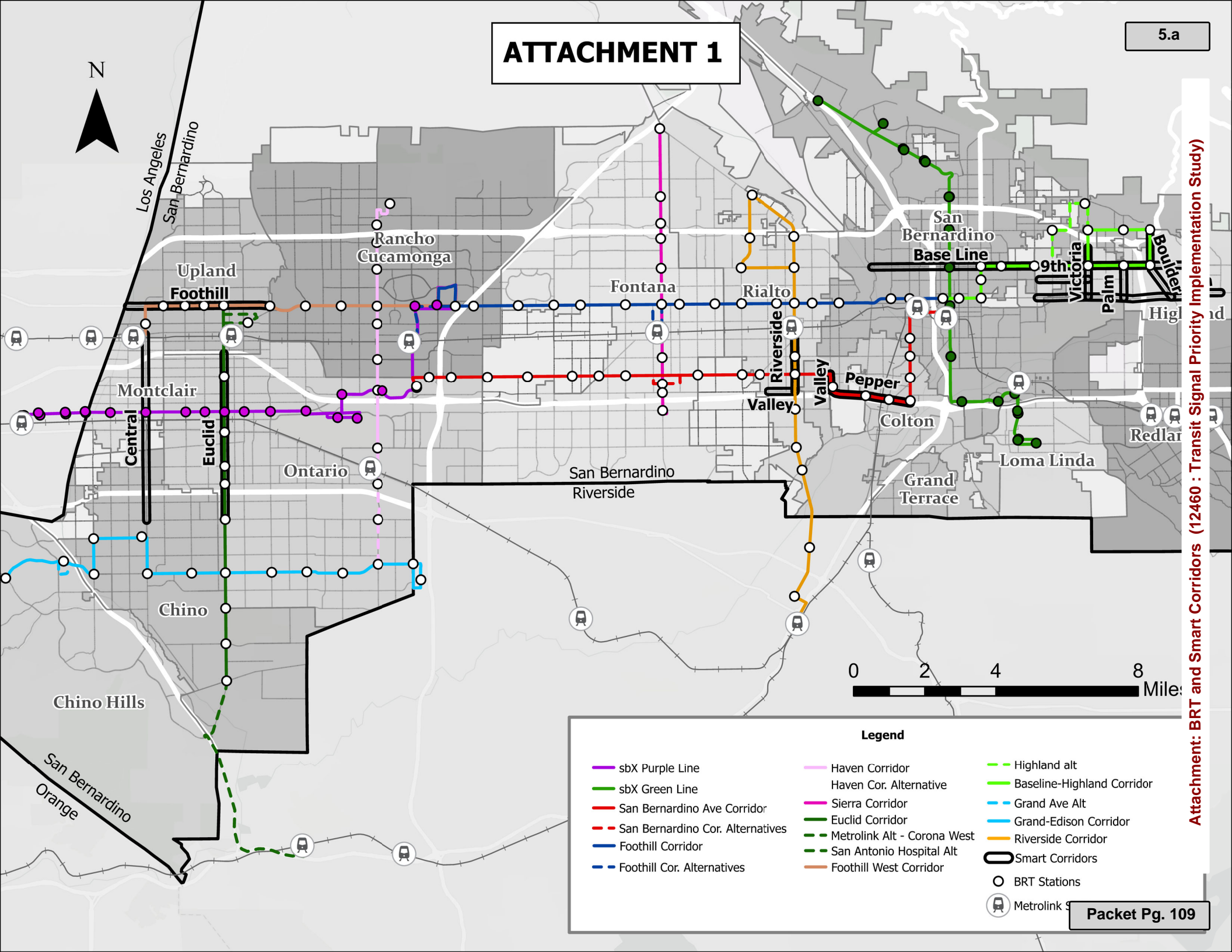
Josh Lee, Director of Planning and Regional Programs

San Bernardino County Transportation Authority

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Approved
Transit Committee
Date: April 16, 2026
Witnessed By:

ATTACHMENT 1



Legend

— sbX Purple Line	— Haven Corridor	— Highland alt
— sbX Green Line	— Haven Cor. Alternative	— Baseline-Highland Corridor
— San Bernardino Ave Corridor	— Sierra Corridor	— Grand Ave Alt
— San Bernardino Cor. Alternatives	— Euclid Corridor	— Grand-Edison Corridor
— Foothill Corridor	— Metrolink Alt - Corona West	— Riverside Corridor
— Foothill Cor. Alternatives	— San Antonio Hospital Alt	— Smart Corridors
	— Foothill West Corridor	○ BRT Stations
		Ⓜ Metrolink Stations

Attachment: BRT and Smart Corridors (12460 : Transit Signal Priority Implementation Study)

Minute Action

AGENDA ITEM: 6

Date: *April 16, 2026*

Subject:

Sole Source Zero Emission Multiple Unit Procurement

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Authorize staff to negotiate a federalized **Sole Source** procurement with Stadler US, Inc., of three Zero Emission Multiple Unit (ZEMU) vehicles, exercising the purchase option provided in the current agreement with Stadler US, Inc., with the final contract being presented to the Board of Directors at a future date for consideration.

B. Direct staff to seek approximately \$28 million in grant funding for the unfunded capital cost of procurement of the ZEMU vehicles.

Background:

In line with the San Bernardino County Transportation Authority (SBCTA) initiative to reduce greenhouse gas emissions, on November 13, 2019, SBCTA entered into Contract No. 20-1002310 with Stadler US, Inc. (Stadler) to procure a Zero Emission Multiple Unit (ZEMU) passenger train powered by a hydrogen-battery hybrid. The development of the ZEMU commenced in February 2020 and was unveiled at InnoTrans in September 2022. After a few years of collaboration with the Federal Railroad Administration (FRA) to ensure railroad safety and SBCTA conducting extensive testing of the ZEMU, the FRA provided its Letter of Concurrence to operate the first hydrogen passenger rail vehicle in North America. On September 13, 2025, the ZEMU went into service on the Arrow line.

SBCTA's Contract No. 20-1002310 with Stadler included Options to purchase four additional vehicles at a set price. The Options are valid for a period of seven years from the effective date of the contract, which is through November 13, 2026. With the deadline to exercise the Options drawing near, staff is seeking Board of Directors (Board) approval to commence negotiations to exercise the Options and to direct staff to pursue funding for capital costs to support the procurement of three ZEMU vehicles. The procurement of additional ZEMU vehicles is included in the 2025 10-Year Delivery Plan under Section 10 - Other Projects of Interest. Although Contract No. 20-1002310 includes the Options to purchase additional vehicles, funding that has been secured by SBCTA to date for the purchase of those vehicles requires that the contract be renegotiated to include Federal provisions. Therefore, staff will negotiate a Sole Source contract with Stadler that includes Federal provisions based on the Option price and conditions contained in Contract No. 20-1002310. Stadler is the only manufacturer of a FRA compliant and approved hydrogen passenger rail vehicle in the United States. Further, the ZEMU train is already in revenue service on the Arrow Line and the procurement of additional ZEMUs would maintain a single fleet that is compatible with the current Arrow maintenance and operations, providing valid justification for a Sole Source procurement. Staff will return at a future Board meeting with a recommendation for approval of a negotiated contract.

The current project estimate, including project support services and contingencies, is \$66,831,592. The current funds programmed for this procurement include \$26,000,000 of Federal funds (State Transportation Improvement Program), \$9,200,869 in the Senate Bill 125 Zero Emission Transit Capital Program, and \$2,816,657 in State Transit Assistance (STA) funds,

Entity: San Bernardino County Transportation Authority

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leaving a current funding shortfall of \$28,814,066. Thus, staff requests direction from the Board to seek other funding opportunities to fully fund the project. Should staff be unsuccessful in obtaining additional funding from other sources, staff will recommend using STA funds to fund the shortfall.

Financial Impact:

A portion of the Project Management support is included in the adopted Budget for Fiscal Year 2025/2026 and the Capital and Project Management support cost is included in the Fiscal Year 2026/2027 proposed Budget.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel and Procurement Manager have reviewed this item.

Responsible Staff:

Joy Buenaflor, Deputy Director of Transit & Rail Programs

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

Minute Action

AGENDA ITEM: 7

Date: April 16, 2026

Subject:

Southern California Regional Rail Authority Budget Adjustments

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

- A. Approve a Southern California Regional Rail Authority Project Budget Reallocation request to transfer \$6,252,192 from the Hyundai-Rotem Overhaul Project approved by SBCTA in prior Fiscal Year budgets, to the Fiscal Year 2024/2025 Bombardier Railcar Overhaul Project.
- B. Approve an amendment to the Fiscal Year 2025/2026 Budget for Task No. 0314 – Transit and Rail Operations to increase State Transit Assistance Fund - Rail (Fund 1050) by \$37,942 for the San Bernardino Line Fare Subsidy program.

Background:

Annually, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) approves the Operating and Capital subsidies requested by the Southern California Regional Rail Authority (SCRRA) for Metrolink services. The Capital subsidy includes both New Capital and State of Good Repair (SGR) projects. Most Capital projects are funded with Federal and State funding sources and can take several years to begin and complete. Once SBCTA allocates funding to SCRRA, the funds remain available to the project until expended and typically do not expire.

Project Budget Reallocation (PBR) procedures have been approved by SCRRA’s Board through SCRRA’s Financial Policy 1.2, Budget Control and Reporting. A PBR allows SCRRA to request the transfer of funds within the approved Capital program that are in compliance with funding requirements and do not increase the funding requirements of any Member Agency, with the concurrence of the affected Member Agency(ies). An approval process exists between SCRRA and the five Member Agencies of the Joint Powers Authority, which includes SBCTA, Los Angeles County Metropolitan Transportation Authority (LA Metro), Orange County Transportation Authority, Riverside County Transportation Commission, and Ventura County Transportation Commission. The current process requires SCRRA to request written concurrence for each PBR, and a response is required within three business days, otherwise the PBR is considered approved. Historically, PBRs have involved transferring relatively small amounts from projects completed with project savings. However, after receiving the PBR discussed below, the Member Agency Advisory Committee (MAAC) requested that the Member Agency approval process be revisited. Staff will update SBCTA’s Board on any recommended changes with possible considerations for processing future PBR requests.

On February 6, 2026, SBCTA received a PBR requesting the transfer of \$6,252,192 from the Hyundai-Rotem Overhaul Project originally approved in Fiscal Years 2020/2021, 2023/2024, 2024/2025, and 2025/2026, to the Bombardier Overhaul Project. SCRRA awarded a contract in May 2019 to overhaul 50 Bombardier rail cars, and in April 2025, they exercised an option to overhaul an additional 38 rail cars, with budgets previously approved by the Member Agencies. At the February 27, 2026 SCRRA Board meeting, the SCRRA Board approved a contract

Entity: San Bernardino County Transportation Authority

amendment and a second option to overhaul an additional 26 Bombardier rail cars. SCRRA’s Board action was contingent upon approval of the related PBR requests by the Member Agencies. Upon this project moving forward, only seven Bombardier rail cars will remain to be overhauled, with funding to be requested in future capital budgets. Since the amount requested in this PBR exceeds SBCTA’s Executive Director authority, staff is requesting approval from SBCTA’s Board.

The Metrolink San Bernardino Line (SBL) Fare Discount Program, which provides a 25% fare discount for SBL riders, has been in place since July 2018 and is funded 60% by LA Metro and 40% by SBCTA. In June 2025, the SBCTA Board approved an additional \$150,000 for the program. For Fiscal Year 2025/2026, an additional \$37,942 is needed to fund the program, and staff is requesting SBCTA Board approval to increase Task No. 0314, using State Transportation Assistance Fund – Rail (Fund 1050) funds. When the program was launched, it was projected that the increased ridership would make the program revenue neutral within three years. The program performed well for nearly two years before the COVID-19 pandemic. Although ridership has been gradually recovering, Metrolink systemwide ridership remains at approximately 57% of pre-pandemic levels. Based on a new baseline assessment, the SBL Fare Discount Program is not expected to reach revenue neutrality within the next five years. Future funding requests for the program will be requested concurrently with SCRRA’s annual subsidy request.

Financial Impact:

Metrolink service operations are included in the adopted Budget for Fiscal Year 2025/2026 and funded with Local Transportation Funds, State Transit Assistance Funds, Senate Bill 125 Funds, and State of Good Repair Funds in Program 30, Transit. A budget increase of \$37,942 is required as described in Recommendation B.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:

Nicole Soto, Multimodal Mobility Programs Administrator

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

Minute Action

AGENDA ITEM: 8

Date: April 16, 2026

Subject:

Cooperative Agreement No. 26-1003452 with Riverside County Transportation Commission for Rideshare and Vanpool Program Implementation

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Authorize the Executive Director, or her designee, to negotiate and execute Cooperative Agreement No. 26-1003452 with the Riverside County Transportation Commission, in an amount not-to-exceed \$10,700,000 for the provision of rideshare, vanpool, and multi-modal programs implementation, for a three-year term effective July 1, 2026 through June 30, 2029, subject to approval as to form by General Counsel. The agreement will be funded with Congestion Mitigation and Air Quality Program funds, Federal Transit Administration 5307 – Urbanized Area Formula Grant and Measure I Valley Traffic Management System and Victor Valley Project Development and Traffic Management System funds.

Background:

San Bernardino County Transportation Authority (SBCTA) and Riverside County Transportation Commission (RCTC) fund and implement a bi-county rideshare (bus, train, carpool, vanpool, walk, bike, and telecommute) program branded as IE Commuter. RCTC and SBCTA also implement vanpool subsidy programs that generate Federal Transit Administration (FTA) 5307 funding and a variety of transit and multimodal programs that fall under the services of the IE Commuter rideshare program. Cooperative Agreement No. 26-1003452 authorizes RCTC to continue providing consultant services for program management, staffing, and services related to rideshare, vanpool, transit, and multi-modal programs on behalf of SBCTA. While the contract language and not-to-exceed contract amount are being finalized by RCTC and SBCTA, staff is requesting the Board of Directors (Board) authorize the Executive Director, or her designee, to negotiate and execute Cooperative Agreement No. 26-1003452 with RCTC for the provision of rideshare, vanpool, and multi-modal programs implementation, for an estimated not-to-exceed amount of \$10,700,000 and with a three-year term effective July 1, 2026 through June 30, 2029.

The IE Commuter rideshare program provides trip reduction services and support such as commuter incentives, transit free fare and training programs, a guaranteed ride home program, trip planning and matching (ride matching), rideshare program development assistance and resources, marketing, and employer support services for the South Coast Air Quality Management District's (SCAQMD) Rule 2202.

To comply with Federal and State Clean Air Act requirements, SCAQMD Rule 2202 requires employers with 250 or more employees to mitigate mobile source emissions generated from employee commutes. SCAQMD Rule 2202 offers a menu of mitigation options, including implementation of an Employee Commute Reduction Program (ECRP). IE Commuter provides essential no-cost SCAQMD Rule 2202 technical assistance and Average Vehicle Ridership (AVR) surveying services to employers implementing an ECRP within Riverside and San Bernardino counties. Employers conducting AVR surveying are required to meet a minimum AVR score, the baseline of which is determined by a number of factors, including the number of

Entity: San Bernardino County Transportation Authority

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April 16, 2026

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employees at their worksites. On January 1, 2025, an amended SCAQMD Rule 2202 went into effect, requiring employers to submit additional reports for teleworkers, and reporting of vehicle miles traveled for each employee. This change will require modifications to IE Commuter's AVR module, a project currently underway and in coordination with the SCAQMD, Los Angeles County Metropolitan Transportation Authority (LACMTA), and Orange County Transportation Authority (OCTA).

In January 2025, IE Commuter fully launched Experience Metrolink, a Low Carbon Transit Operations Program (LCTOP) funded rail ridership recovery program that provides free rail passes for residents of Riverside and San Bernardino counties. The free rail pass program issues trial passes that will attempt to convert single occupancy commuter trips and recreational trips to Metrolink. We foresee the expansion of Experience Metrolink to allow users more opportunities to try Metrolink for longer periods of time and the potential to include free passes for fixed-route bus services.

IE Commuter will continue regular program operations, including the launch of a new awards program, the Annual IE Commuter Leadership Awards, in conjunction with IE Commuter's annual Earth Day celebration, to recognize employers across the region who have demonstrated outstanding leadership in supporting sustainable employee commutes, reducing congestion, and improving regional air quality. IE Commuter will also continue a summer rideshare spotlight promotion and a Rideshare Week fall promotion for rideshare commuters. Sustainable Transportation Action Reports (STAR) will be developed to assist employers with post-AVR surveying in identifying where their greatest rideshare potential is for each worksite. These personalized STARs will be generated using AVR survey data and geographic information systems mapping to cluster employees ideal for taking transit and forming carpools or vanpools. The STARs will also highlight the successes of the employers' AVR survey and associated environmental impact.

RCTC and SBCTA also implement vanpool subsidy programs that generate FTA 5307 funding, and a variety of transit and multi-modal programs, which are being developed and operated through the IE Commuter rideshare program. Costs for the IE Commuter program and any other services that are mutually implemented by RCTC and SBCTA are shared equally. When there is a special project or service solely for the benefit of either agency, the costs are borne solely by the benefiting agency.

An outline of services provided by RCTC's consultants include, but are not limited to:

1. Rideshare program staffing and support.
2. Technical assistance for the SCAQMD's Rule 2202 and AVR calculations.
3. Employer AVR surveys and dissemination of customized commuter ride guides and STARs.
4. Employer recruitment and retention for participating in the IE Commuter program.
5. Assistance to employers in implementing rideshare programs at worksites.
6. Strategic commuter and employer outreach.
7. Hosting employer workshops and SCAQMD-certified marketing workshops.
8. Creative development of outreach, promotional, and marketing materials, and webpage content.

9. Expanded tele-services and assistance for commuters and employers through 1-866-RIDESHARE, IECommuter.org live chat, and email inquiries.
10. National Transit Database (NTD) vanpool program staffing, marketing, and NTD monthly and annual reporting.
11. Develop and implement transit ridership recovery programs:
 - a. Experience Metrolink Free Rail Pass Program.
12. General Transit Feed Specifications.
13. Commuter and employer database management and enhanced program reporting.
14. Administration of rideshare incentive and reward programs:
 - a. Guaranteed Ride Home, a program providing ridesharing commuters a reimbursable ride home in the event they need to leave work unexpectedly due to a family emergency or are required to stay at work late for unplanned overtime.
 - b. \$5/day rideshare incentive gift card program for new rideshare participants who try ridesharing to work for a three-month trial period.
 - c. Rideshare Plus, a rewards program for ongoing rideshare participants.
 - d. Monthly Rideshare Spotlight, a monthly rewards random drawing to encourage commuters to continue ridesharing and logging their rideshare commute miles.
 - e. Monthly Telework Spotlight, a rewards program limited to employers participating in IE Commuter's Telework Employer Assistance program, encouraging commuters to log their telework trips.
 - f. Rideshare Week promotion, an annual opportunity to encourage rideshare participation by ridesharing and logging trips during the month of October.
 - g. Earth Day spring promotion, an annual opportunity to encourage commuters to reduce their carbon footprint by ridesharing and logging trips during the month of April.
 - h. Summer Rideshare Spotlight promotion, an annual summertime campaign designed to encourage ongoing ridesharing, and engaging commuters to continue logging trips through the summer months.
 - i. Annual IE Commuter Leadership Awards, recognize employers across the region who have demonstrated outstanding leadership in supporting sustainable employee commutes, reducing congestion, and improving regional air quality.
15. Development and administration of new rideshare programs, special projects, ad-hoc studies, surveys, and services.

Under this agreement, RCTC will lead an Inland Empire Next Generation Strategic Transportation Demand Management (TDM) Plan that will provide RCTC and SBCTA with a comprehensive roadmap that will guide the development of current and future TDM programs. Studies pertaining to TDM have never been completed for the Inland Empire before and this study is the first of its kind. As we navigate the transportation and rideshare landscape post-COVID, staff realized the importance of understanding the new travel and commute patterns in San Bernardino and Riverside County in order to effectively deliver TDM programs. The study

San Bernardino County Transportation Authority

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will analyze all trip markets and incorporate discretionary, student, and leisure travel and find strategies to better coordinate with transit to enhance mobility and reduce Vehicle Miles Traveled (VMT) in the Inland Empire.

Additionally, RCTC has procured an On-Call TDM Services contract that will provide a bench of qualified consultants to deliver planning, design, evaluation, implementation, marketing, communications, and outreach services related to TDM strategies, as agreed by RCTC and SBCTA, for new and current RCTC and SBCTA programs. This bench will allow RCTC and SBCTA to plan and implement critical TDM projects and programs, such as a transit trainer program to guide new riders through transit trips, a virtual Park & Ride program to explore the use of underutilized parking, and development of outreach strategies to promote programs in high-density residential areas.

SBCTA, under a separate contract, provides regional rideshare and vanpool software for RCTC, as well as LACMTA, OCTA, and Ventura County Transportation Commission (VCTC). The five regional rideshare agencies (LACMTA, OCTA, RCTC, SBCTA, and VCTC) implement rideshare and vanpools, and in Fiscal Year 2023/2024, consolidated all commuter databases to make finding a vanpool or carpool and planning their transit trips seamless. The counties have formed a regional partnership and work regularly together to reduce the number of single occupancy trips within the region.

SBCTA's rideshare and multi-modal programs are primarily funded by Federal Congestion Mitigation and Air Quality (CMAQ) and FTA 5307 funds and are augmented with local Measure I Traffic Management Systems funds from both the San Bernardino and Victor Valley subareas when work is not eligible for federal funding. Rideshare funding is also programmed in the Federal Transportation Improvement Program and included in the Regional Transportation Plan. As a transportation control measure, rideshare and trip reduction strategies are needed in order to assist the region in meeting its air quality and transportation conformity goals.

The cooperative agreement language is currently under review by RCTC and total contract amounts are being finalized with the consultants. SBCTA will reimburse RCTC for the costs to administer the rideshare program, which will be shared evenly for common tasks or billed fully to one or the other agency, as appropriate to the circumstances, and which are estimated to be \$8,200,000 over the length of the contract. SBCTA's share for the Inland Empire Next Generation Strategic Transportation Demand Management (TDM) Plan is estimated to be \$250,000 and SBCTA's cost for the on-call TDM services is estimated to be \$2,250,000, depending on the projects completed by the on-call. Staff recommends the Board authorize the Executive Director, or her designee, to negotiate and execute Contract No. 26-1003452 with RCTC in an amount estimated to be \$10,700,000.

Financial Impact:

The Project will be included in the proposed Budget for Fiscal Year 2026/2027 and funded with Congestion Mitigation and Air Quality funds, Federal Transit Administration 5307 funds, and Measure I Valley Traffic Management System and Measure I Victor Valley Project Development and Traffic Management Systems funds, in Program 30, Transit.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel and Procurement Manager have reviewed this item and the draft agreement.

Transit Committee Agenda Item
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Responsible Staff:

Mairany Anaya, Multimodal Programs Administrator

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

Contract Summary Sheet

General Contract Information

Contract No: 26-1003452 Amendment No.: _____
 Contract Class: Payable Department: Transit
 Vendor No.: 01768 Vendor Name: Riverside County Transportation Commission
 Description: PROVISION OF RIDESHARE, VANPOOL AND MULTI-MODAL PROGRAMS
 List Any Related Contract Nos.: _____

Dollar Amount					
Original Contract	\$	10,700,000.00	Original Contingency	\$	-
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
Total/Revised Contract Value	\$	10,700,000.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	10,700,000.00

Contract Authorization

Board of Directors Date: 5/6/2026 Committee _____ Item # _____

Contract Management (Internal Purposes Only)

Other Contracts _____ Sole Source? No No Budget Adjustment _____
 Federal/Local _____ Funding Agreement _____ N/A _____

Accounts Payable

Estimated Start Date: 7/1/2026 Expiration Date: 6/30/2029 Revised Expiration Date: _____
 NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:	Total Contingency:	
							\$	\$	
			Sub-Task	Object	Revenue	PA Level	Revenue Code Name	10,700,000.00	-
GL:	2020:	30:	0314:	0320:	52001		42102036	5,130,000.00	-
GL:	2020:	30:	0314:	0320:	52001		42102031	2,300,000.00	-
GL:	2020:	30:	0314:	0320:	52001		42102034	650,000.00	-
GL:	2020:	30:	0314:	0320:	52001		42102013	620,000.00	-
GL:	2122:	30:	0383:	0000:	52001		42107020	700,000.00	-
GL:	4180:	30:	0314:	0320:	52001		41100000	1,000,000.00	-
GL:	4280:	30:	0314:	0320:	52001		41100000	300,000.00	-
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-
GL:								-	-

Mairany Anaya Victor Lopez
 Project Manager (Print Name) Task Manager (Print Name)

Additional Notes: _____

Attachment: 26-1003452 CSS - to be updated in REDA (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

COOPERATIVE AGREEMENT NO. 26-1003452

BY AND BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND RIVERSIDE COUNTY TRANSPORTATION COMMISSION

FOR

THE PROVISION OF RIDESHARE, VANPOOL AND MULTI-MODAL PROGRAMS

PROGRAM IMPLEMENTATION

This Cooperative Agreement (“Agreement”) is made and entered into as of July 1, 2026 by and between the San Bernardino County Transportation Authority (“SBCTA”), whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715, and Riverside County Transportation Commission (“RCTC”), located at 4080 Lemon St, Riverside, California 92501. SBCTA and RCTC are each a “Party” and collectively the “Parties”.

RECITALS:

1. **WHEREAS**, the Parties operate a bi-county Rideshare program and Vanpool subsidy programs and jointly implement Transit and Multi-modal programs that reduce vehicle miles travelled (all of which together are hereinafter referred to as “PROJECT”); and
2. **WHEREAS**, RCTC has engaged and has the necessary resources to manage a Professional Services Consultant (“SERVICES CONTRACTOR”) as set forth in Exhibit A, RCTC Services Contractor, to render services for the administration of the Parties' PROJECT; and
3. **WHEREAS**, RCTC has engaged and has the necessary resources to manage contractors providing miscellaneous Rideshare, Vanpool, Transit and Multi-modal specialty services, including but not limited to technical assistance related to General Transit Feed Specification, air quality and environmental emissions, transportation demand management analyses and studies, National Transit Database (“MISCELLANEOUS SERVICES CONTRACTORS”), and services conducted through the RCTC On-Call Transportation Demand Management Services for the PROJECT; and
4. **WHEREAS**, the Parties will share costs equally for common services rendered through the PROJECT, while SBCTA will be solely responsible for services performed within San Bernardino County, and RCTC will be solely responsible for services performed within Riverside County; and
5. **WHEREAS**, SBCTA uses Congestion Mitigation and Air Quality (“CMAQ”) funds for the PROJECT and may use these funds to reimburse RCTC; and

6. **WHEREAS**, RCTC will comply with the applicable federal requirements as set forth in in Exhibit B, Federal Flow Down Provisions; and
7. **WHEREAS**, the Code of Federal Regulations encourages grantees and subgrantees of federal funds, such as CMAQ funds, to enter into local intergovernmental agreements for procurement or use of common goods or services; and
8. **WHEREAS**, for the avoidance of doubt, the Parties to this Agreement acknowledge and agree that RCTC is not a subrecipient of federal funds from SBCTA, but is entering into a local intergovernmental agreement with SBCTA for procurement or use of common goods or services; and
9. **WHEREAS**, this Agreement defines the specific terms and conditions between the Parties only as they may relate to the subject matters and no other purpose; and
10. **WHEREAS**, the Parties will protect the Confidential Information received or accessible through the PROJECT, as described in Article 7 of this Agreement.

NOW THEREFORE, the Parties agree as follows:

ARTICLE 1. CONTRACT SERVICES

- 1.1 RCTC will manage work performed by the SERVICES CONTRACTOR and MISCELLANEOUS SERVICES CONTRACTORS for the Parties' PROJECT.
- 1.2 RCTC shall assure that the SERVICES CONTRACTOR performs their required work within the Parties' budget set forth in Article 2 of this Agreement and Exhibit A, RCTC Services Contractor.
- 1.3 RCTC shall assure that the MISCELLANEOUS SERVICES CONTRACTORS perform their work within the Parties' budget set forth in Article 2 of this Agreement for work as agreed to in writing between the Parties'.
- 1.4 RCTC will notify SBCTA in writing and work collaboratively with SBCTA regarding changes to the contracts with the SERVICES CONTRACTOR and/or MISCELLANEOUS SERVICES CONTRACTORS that impact the PROJECT, including but not limited to changes to the Scope of Work, key personnel or pricing.
- 1.5 Each Party shall timely respond to the other Party on matters requiring coordination as set forth in this Agreement, or in the exhibits hereto. All references in exhibits to "SANBAG" or "San Bernardino Associated Governments" shall mean SBCTA.

ARTICLE 2. COMPENSATION

- 2.1 SBCTA shall pay RCTC on a cost-reimbursement basis, based upon invoices which delineate charges based on tasks identified in the scope of work for the SERVICES CONTRACTOR, as set forth in Exhibit A, RCTC Services Contractor, and for work as agreed to in writing between the Parties for MISCELLANEOUS SERVICES CONTRACTORS. All invoices shall be provided to SBCTA on a quarterly basis. All invoices will be delivered to and received by SBCTA no later than 60 days after the end of the calendar year quarter. SBCTA shall, within 30 days of receiving an invoice from RCTC, review the invoice and pay all approved charges thereon.
- 2.2 The Parties agree that SBCTA's total obligation to RCTC shall not exceed Ten Million, Seven Hundred Thousand Dollars (\$10,700,000) for the services rendered through the SERVICES CONTRACTOR and MISCELLANEOUS SERVICES CONTRACTOR.
- 2.3 It is agreed that in the event that either Party does not have sufficient funds to implement the PROJECT, either Party may terminate this Agreement as provided in Section 3.2 below. The terminating Party shall be responsible for any amounts required to cover its share of the costs of this Agreement in accordance with this Article 2 existing as of the date of Agreement termination.
- 2.4 SBCTA shall be responsible for obtaining cost reimbursements of CMAQ funds. SBCTA shall ensure that the CMAQ funds are used for authorized purposes in compliance with laws, regulations, and the provision of the terms in this agreement, and that performance goals are achieved.
- 2.5 RCTC shall maintain during the term of this Agreement and for three years from its expiration, or until the conclusion of all litigation, appeals or claims related to this Contract, whichever is longer, accounting records which cover the receipt and disbursement of all funds provided for the programs administered and implemented under this Agreement by RCTC. Such records shall be made available for inspection during normal business hours by duly authorized representatives of SBCTA, SBCTA's auditors, Caltrans, Federal Highway Administration, and the United States Department of Transportation, so that SBCTA can comply with the Single Audit Act and OMB Circular No. A-133. In addition, the federal provisions set forth in Exhibit B, Federal Provisions, shall apply to this Agreement.

ARTICLE 3. TERM

- 3.1 This Agreement shall commence on July 1, 2026, and terminate on June 30, 2029, unless it is extended by a written amendment approved and signed by the Parties.
- 3.2 Either Party may terminate this Agreement by giving thirty (30) days written notice to the other for no or any reason. Said termination shall become effective on the 30th day following provision of such written notice. Pursuant to Article 2 of this Agreement, each Party shall compensate the other Party for work performed up to the effective date of the termination.

- 3.3. The Executive Directors of both SBCTA and RCTC shall have the authority in their sole discretion to give notice of termination on behalf of their respective agencies

ARTICLE 4. INDEMNIFICATION AND INSURANCE

- 4.1 It is understood and agreed that neither SBCTA nor any officer, official, employee, director, consultant, agent, member or volunteer thereof is responsible for any damage or liability occurring by reasons of anything done or omitted to be done by RCTC under or in connection with any work authority or jurisdiction delegated to RCTC under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, RCTC shall fully defend, indemnify and save harmless SBCTA, and all its officers, officials, employees, directors, consultants, agents or volunteers from all claims, suits or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RCTC or its contractors under or in connection with any work, authority or jurisdiction delegated to RCTC under this Agreement.

It is understood and agreed that neither RCTC nor any officer, official, employee, director, consultant, agent, or volunteer thereof is responsible for any damage or liability occurring by reasons of anything done or omitted to be done by SBCTA under or in connection with any work authority or jurisdiction delegated to SBCTA under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, SBCTA shall fully defend, indemnify and save harmless RCTC, and all its officers, officials, employees, directors, consultants, agents and volunteers from all claims, suits or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SBCTA under or in connection with any work, authority or jurisdiction delegated to SBCTA under this Agreement.

These indemnification obligations shall survive expiration or termination of this Agreement.

- 4.2 Without in any way affecting the indemnity provisions identified in this Agreement, the Parties shall, at their own sole expense, and prior to the commencement of any work, procure and maintain in full force, insurance through the entire term of this Agreement and shall be written with at least the following limits of liability:

4.2.1 Professional Liability - Shall be provided in an amount not less than \$1,000,000, per claim and \$2,000,000 in the aggregate. The Parties shall secure and maintain this insurance or "tail" coverage provided throughout the term of this Agreement and for a minimum of three (3) years after Agreement completion.

4.2.2 Workers' Compensation - Worker's Compensation insurance shall be provided in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers Liability with \$1,000,000 limits, covering all persons providing services on behalf of the respective Party and all risks to such persons under this Agreement.

4.2.3 Commercial General Liability - To include coverage for Premises and Operations, Contractual Liability, Personal Injury Liability, Products/Completed Operations Liability, Broad-Form Property Damage and Independent Contractors' Liability, in an amount of not less than \$5,000,000 per occurrence, combined single limit, and \$5,000,000 in the aggregate written on an occurrence form.

4.2.4 Automobile Liability - To include owned, non-owned and hired automobiles, in an amount of not less than \$5,000,000 per occurrence, combined single limit, and in the aggregate written on an occurrence form.

4.2.5 Network and Privacy Insurance (Cyber Liability) - Each Party shall carry, or shall cause its contractors to carry, Network and Privacy (Errors and Omissions) insurance in an amount of not less than \$1,000,000 per claim and \$1,000,000 in the annual aggregate, protecting itself and the other Party from the following exposures relating to the insuring Party or any of its contractors performance under the Agreement:

(i) the theft, dissemination and/or unauthorized disclosure or use of Confidential Information and personally identifiable information (not to be limited to bank information, social security numbers, health information, credit card account information, and confidential corporate information). Such insurance shall also include coverage for credit monitoring, notification expenses and other related costs associated with mitigating a data security or privacy breach; and

(ii) the introduction of a computer virus into, or otherwise causing damage to, a computer, computer system, network or similar computer-related property and the data, software, and programs used herein.

If such insurance is maintained on an occurrence basis, the Parties or their contractors shall maintain such insurance for an additional period of one year following the end of the applicable Term. If such insurance is maintained on a claims-made basis, the Parties or their contractors shall maintain such insurance for an additional period of three years following the end of the applicable Term.

4.2.6 Proof of Coverage - The Parties shall furnish certificates of insurance to each other evidencing the insurance coverage required above, prior to the commencement of performance of services hereunder, and such certificates shall include the other Party as an additional insured on all insurances except Workers' Compensation, Cyber Liability and Professional Liability. Prior to commencing any work, each Party shall furnish the other Party with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth in this Article. If the insurance company elects to cancel or non-renew coverage for any reason, the responsible Party will provide 30 days' notice of such cancellation or nonrenewal to the other Party. If a Party's policy is cancelled for nonpayment of premium, the applicable Party shall provide the other Party ten (10) days' notice. The Parties shall

maintain such insurance from the time each Party commences performance of services hereunder until the completion of such Services. All certificates of insurance are to include the contract number and Project Manager's name.

4.2.7 Additional Insured - All policies of each Party, except for Workers Compensation, Cyber Liability and Professional Liability policies, shall contain endorsements naming the other Party and its officers, employees, agents, and volunteers as additional insureds with respect to liabilities arising out to the performance of Services hereunder. The additional insured endorsements shall not limit the scope of coverage for a Party to vicarious liability but shall allow coverage for the Party to the full extent provided by the policy.

4.2.8 Waiver of Subrogation Rights - Each Party shall require the carriers of the above required coverages to waive all rights of subrogation against the other Party, its officers, employees, agents, volunteers, contractors, and subcontractors. All general auto liability insurance coverage provided shall not prohibit a Party or its contractors, employees or agents from waiving the right of subrogation prior to a loss or claim. Each Party hereby waives all rights of subrogation against the other Party.

4.2.9 All policies required to be carried by a Party herein are to be primary and non-contributory with any insurance carried or administered by the other Party.

4.2.10 Certificates/Insurer Rating/Cancellation Notice -

(i) The Parties shall maintain and shall require their contractors to maintain such insurance from the time the Project commences until the Project is completed, except as may be otherwise required by this Section.

(ii) The Parties may legally self-insure, but shall require their contractors to place insurance with insurers having an A.M. Best Company rating of no less than A:VIII and licensed to do business in California.

(iii) The Parties and their consultants shall replace certificates, policies and endorsements for any insurance expiring prior to completion of the Project.

ARTICLE 5. RIGHTS OF SBCTA AND RCTC

The Executive Directors of both SBCTA and RCTC shall have full authority to exercise their respective entities' rights under this Agreement, subject to all applicable agency policies.

ARTICLE 6. OWNERSHIP OF MATERIALS/CONFIDENTIALITY/USE OF DATA

6.1 Ownership. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials developed, either created by or provided to the Parties in connection with the performance of this Agreement, ("Documents and Data") shall become the common property of SBCTA and RCTC in both electronic and hard copy formats. SBCTA and RCTC shall comply with all applicable state and

federal law with regard to use of such data, but shall not otherwise be limited in any way in their use of such data at any time, provided that any such use not within the purposes intended by this Agreement shall be at the respective Party's sole risk and provided that said Party shall hold harmless and indemnify the other Party against any damages resulting from such use, including the release of this material to third parties for a use not intended by this Agreement. Neither Party to this Agreement shall sell the data or other materials prepared under this Agreement without the written permission of both Parties.

- 6.2 Confidentiality. All Documents and Data not developed for the purpose of public disclosure or otherwise subject to public disclosure required by law, shall be held confidential by the Parties and shall not, without the prior written consent of the Parties, be used by either Party for any purposes other than the performance or operation of the PROJECT. Nor shall such materials be disclosed to any person or entity not connected with the performance or operation of the PROJECT. Nothing furnished to the Parties that is otherwise known to the Parties or is generally known, or has become known, to other rideshare agencies, organizations or businesses shall be deemed confidential. The Parties shall not use the other Party's name or insignia, photographs of the project, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the other Party, except as otherwise part of the regular operation and advertisement of the PROJECT.
- 6.3 Use of Data. All Documents and Data, as defined above, shall be provided to the other Party in electronic media. Documents and Data in electronic media shall be provided in a form that will allow each Party to use, access, and manipulate the data to prepare reports and perform other PROJECT activities contemplated by this Agreement. Documents and Data shall be provided to each Party within 30 days, upon written notice of request.

ARTICLE 7. CONFIDENTIAL INFORMATION/NON-DISCLOSURE.

- 7.1 Confidential Information. "Confidential Information" shall include: all user names, passwords, or other log-in credentials used, provided, or accessible in connection with the PROJECT; all data or information accessible in connection with the PROJECT; all source code, work product, proprietary information, server logs, technical information, trade secrets, and proprietary systems related to the PROJECT; all personal information of rideshare and/or vanpool commuters, employers and their employees and others who participate in the PROJECT, including but not limited to a person's residence address, employment address or hours of employment used for the purpose of assisting private entities in the establishment or implementation of carpooling or ridesharing programs and subject to California Penal Code Section 637.6, as well as names, biographical information, demographic information, use data, contact information, or similar personal information of participants; and any and all data, content, materials, documents and/or other information related to the PROJECT designated, from time to time, in writing by the Parties as Confidential Information.

7.2 Non-Disclosure. Except as required by law, both Parties shall hold the Confidential Information in confidence, shall take reasonable precaution to protect and keep the Confidential Information confidential, shall not disclose the Confidential Information to any person or party not specifically authorized in writing by the affected Party to receive the Confidential Information, and shall not use the Confidential Information for any purpose other than as necessary to operate the PROJECT. Further, neither Party shall disclose a participant's personal information, including but not limited to a participant's residence address, employment address or hours of employment, used for the purpose of assisting private entities in the establishment or implementation of ridesharing programs, to any other person or use such information for purposes other than as necessary to operate the PROJECT, without the prior written consent of the participant, as required by California Penal Code section 637.6. Parties shall limit access to the Confidential Information only to individuals who are directly involved in operation of the PROJECT, and shall further ensure that such individuals are legally bound to maintain the confidentiality of the Confidential Information on substantially the same terms as set forth herein. The foregoing restrictions on disclosure shall not apply to Confidential Information which is (a) already known by the recipient, (b) becomes, through no act or fault of the recipient, publicly known, (c) received by recipient from a third party without a restriction on disclosure or use, (d) independently developed by recipient without reference to the Confidential Information, or (e) is required by law, or process of law, to be disclosed.

7.3 Expiration. Immediately upon (a) the expiration of this Agreement, or (b) a request for termination by a Party, the other Party shall turn over to requesting Party all Confidential Information of or directly pertaining to the requesting Party, as identified in Articles 6.1 and 7.1, and all documents or media containing any such Confidential Information, and any and all copies or extracts thereof. The foregoing shall not be interpreted to require the Parties to remove Confidential Information from PROJECT databases to which each Party may be entitled a copy, nor to cease use of such information on termination of this Agreement, provided that such use is for operation of the Rideshare and/or Vanpool Programs.

The Parties recognize that, pursuant to this provision, a Party may request copies of or export files from PROJECT databases containing Confidential Information of commuters and employers participating in the PROJECT. The requesting Party shall be solely responsible for maintaining the confidentiality and security of such data, and shall indemnify the other Party, pursuant to Article 6.1 of this Agreement, for any claims arising out of use or retention of such data.

7.4 Key Personnel. The Parties shall designate key personnel ("Key Personnel") requiring web based access to the PROJECT. Key Personnel shall use the log-in information provided by SBCTA and/or RCTC and all Confidential Information only and strictly for the operation of the PROJECT, and shall not disclose or share such log-in information, or any other Confidential Information, whether or not employed by or in any way associated with either Party, who has not been specifically approved in writing to receive such log-in information or other Confidential Information.

7.5 This Article 7 and all of its subparagraphs shall survive expiration or termination of the Agreement.

ARTICLE 8. INDEPENDENT CONTRACTOR

Nothing in this Agreement shall create an employment relationship between the Parties or between the Parties and any contractors contemplated by this Agreement. The contractors and subcontractors performing the PROJECT under this Agreement on behalf of RCTC shall at all times be under RCTC's exclusive direction and control.

ARTICLE 9. ATTORNEYS' FEES AND COSTS

If any legal action is instituted to enforce or declare any Party's rights hereunder, each Party, including the prevailing Party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under Article 4, Indemnification and Insurance.

ARTICLE 10. CONSENT

Whenever consent or approval of any Party is required under this Agreement, that Party shall neither unreasonably withhold nor delay such consent or approval.

ARTICLE 11. INCORPORATION OF RECITALS

The recitals set forth above are true and correct and are incorporated by reference as though fully set forth herein.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----

DRAFT

Attachment: 26-1003452 (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program Implementation)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement below.

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

By: _____
Carolyn Schindler
Executive Director

By: _____
Aaron Hake
Executive Director

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____
Julianna K. Tillquist
General Counsel

By: _____
Best, Best & Krieger, LLP
General Counsel

Date: _____

Date: _____

DRAFT

Attachment: 26-1003452 (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program Implementation)

Exhibit A

RCTC Services Contractor

Executive Summary

The Riverside County Transportation Commission (RCTC) is Riverside County's transportation planning and programming agency and consists of 34 Board members and an employee administrative staff dedicated to administering and carrying out its programs and projects. Every city in the county holds a vote on the Commission along with the five members of the Riverside County Board of Supervisors. The Governor also appoints a non-voting member to the board who is the Director of Caltrans from the local District office.

RCTC, through Assembly Bill 1246, was created in 1976 to: a) Coordinate state highway planning; b) Adopt Short Range Transit Plans; c) Coordinate transit service; d) Allocate Transportation Development Act funds; and e) Coordinate county highway and transit plans with regional and state agencies. Over time, RCTC was charged with several expanded roles including: a) Service authority for freeway emergencies; b) Congestion Management Program; and c) Measure A 1/2 cent sales tax for transportation. The administration of Measure A, one of RCTC's primary responsibilities was first approved by voters in 1988.

Measure A serves as the primary funding source for the western county Commuter Assistance Program (CAP), and envisions Transportation Demand Management (TDM) as a viable option in its suite of tools for extracting efficient operation out of the county's transportation system. That vision has been acknowledged and further recognized as successful with the passage and implementation of the renewed measure, which began July 1, 2009. The renewed measure again includes a TDM strategy as a funded element of the plan through 2039. While elements of the CAP provide services countywide (Ridematching, Rideshare Plus), commuter incentives (Rideshare incentive, vanpool incentives, buspool subsidies, etc.) are limited to western Riverside County residents because they are funded solely out of Measure A.

RCTC has long been considered to be a leader in the implementation of successful TDM programs and has had a contractor-operated program in place since 1991. Building on past performance and with an eye towards future growth, RCTC has developed a Scope of Services (SOS) which identifies required work tasks to be undertaken by the Contractor for the implementation and operation of the CAP.

For clarity, the program has been subdivided into three groups which are referred to as Program Elements. These Program Elements are as follows: 1. Programs and Services; 2. Marketing and Communications; and 3. Program Management. All program elements are required to be continuously performed throughout the duration of the contract term without exception.

Generally speaking, the entirety of the Program includes incentive management, employer and employee account management, end user account management, marketing to employer partners, marketing to end user commuters, development of marketing materials including graphic design and message development, and messaging via advertising campaigns to be hosted on IECommuter.org as well as banner graphic design and production for web based advertising. The contractor will be responsible for the production of all marketing collateral deemed necessary by RCTC as well as that dictated by the Contractors' need for meeting the program performance goals.

It should be noted that RCTC has developed its own Program software (IE Commuter) which will be maintained by RCTC and administered by the CAP contractor. IE Commuter, is the repository for all database activities pertaining to program administration including: employer management, employee accounts, individual (non-employer related) accounts, ridematching, Average Vehicle Ridership (AVR) calculation, the production of RideGuides, incentive program management, output reports, marketing logs, commuter diary, and vanpool administration. IE Commuter is managed and hosted by a third party consultant who is responsible for software development, web site administration, hosting and technical support for the software package. The Contractor shall be responsible for coordinating its efforts in the use of IE Commuter with the Commissions third party contractor to ensure a seamless environment for employers, end user/or individual commuters and Contractors in-house staff. The contractor will be responsible for hosting IE Commuter and will be responsible for having staff with the appropriate technical skill available to manage the database on behalf of employers and commuters and to successfully implement and manage the Program. RCTC anticipates that the life cycle of the current IE Commuter system is 3-5 years and as such, does not anticipate that the current system will need to be replaced in its entirety during the initial term of the new contract. However, RCTC expects that the Contractor will need to incorporate the administration of approved enhancements (as developed by RCTC) including new functionality, e.g., new incentive types, enhanced real-time matching capabilities, a guaranteed ride home module, mobile device interface, and enhanced social networking.

Additional Program services include Guaranteed Ride Home, Vanpool Subsidization, and AQMD Rule 2202 assistance.

Program Goals and Objectives

The goal of the CAP is twofold, first to mitigate traffic congestion and secondly to reduce auto emissions region-wide by initiating and sustaining quantifiable modal shifts from single occupant vehicle (SOV) trips to alternative modes of transportation and by initiating and sustaining quantifiable employer TDM programs.

The CAP objectives are to:

- Reduce vehicle trips, vehicle miles traveled (VMT), and auto emissions
- Increase awareness and consideration of TDM strategies to employers and alternative modes of transportation to commuters
- Provide traveler information, support services, and incentives to commuters
- Maintain and administer the bicounty rideshare database and services
- Maintain and increase system park and ride capacity

RCTC manages the program through the use of Key Performance Indicators (KPIs) which will become the responsibility of the contractor to manage and report on quarterly as well as a year-end annual compiled report. The KPIs are as follows:

- Total program vehicle trips reduced
- Total program vehicle miles traveled (VMT) reduced
- Pounds of pollutants reduced
- Total incentive participants

It is RCTC's intention to manage the Commuter Assistance Program in a manner consistent with year over year population growth (or decline) in Riverside and San Bernardino counties. The Contractor's performance in managing and implementing the Program will be judged purely against these key performance indicators.

Funding

Measure A serves as the primary funding source for the western county Commuter Assistance Program throughout the entire contract period. Grants will supplement Measure A and provide funding for adhoc rideshare projects. SANBAG projects will be funded primarily with Congestion Mitigation and Air Quality (CMAQ) funds and matched with San Bernardino County local Measure I funds passed through SANBAG to RCTC. RCTC occasionally receives grants for CAP project implementation; The Contractor agrees that such work will be incorporated at RCTC direction at rates specified in cost proposal or established labor rates.

Office Location/ Set-up

The Contractor shall establish an office location in the Inland Empire within close proximity (30 minutes) to either RCTC or SANBAG offices for the duration of the contract. This office shall be staffed and furnished by the Contractor and have standard business hours of operation. The office must be publicly accessible and be equipped with a conference room, phone lines/service, computers, photocopier, fax machine, storage room for marketing collateral, and a safe for storage of merchant gift cards. The Contractor will set-up, operate, and maintain the following office elements:

- Call Centers/ Communications**
 - Toll-free commuter based phone line (866-RIDESHARE)
 - Minimum of two Helpdesk phone lines into and out of the office
 - Voice Mail
 - Toll-free employer based phone line (866-IECS4HELP) and Local area based phone line (951-343-2663)
 - Minimum of three Helpdesk phone lines into and out of the office
 - Voice Mail

Contractor is responsible for set-up, operation and maintenance of the call center/communication lines.

Photocopier To support client outreach and enrollment.

Safe The Contractor will provide secure (and fireproof) storage for the incentive gift cards referenced in the Rideshare Incentives section of the SOW and to secure Rideshare Week prize donations.

Storage Room To house various CAP related marketing collateral, stationery and promotional items.

Attachment: 26-1003452 Exhibit A Scope of Work (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

Team Structure & Organization

Given that RCTC manages not only its own CAP but a mirror CAP on behalf of SANBAG, the Contractor must allocate resources according to both function and geography to support separate efforts in both Riverside and San Bernardino Counties. In order to start program operations with the agreed-upon understanding and expectations of all parties, Contractor will host RCTC and SANBAG leadership and CAP program managers, within the first 60 days of the contract execution, for the first of up to four half-day strategic planning and partnering sessions, culminating in a consolidated strategic, business, and action plan for the CAP.

Period of Performance

The initial period of performance for this contract will be two years, from June 1, 2015 to June 30, 2017 with an additional two one-year option periods.

Programs and Services

Employer partnerships are at the core of the Program and provide an efficient and effective channel for RCTC's TDM products to be delivered to its constituents. Additionally, RCTC has partnered with its sister agency, the San Bernardino Associated Governments (SANBAG) in order to implement its Commuter Assistance Program. While some minor implementation differences are in place, for all intents and purposes and when responding to the RFP, Proposers should recognize that the two programs generally mirror each other and will be operated concurrently by the Contractor.

To support these partnerships and efforts by local employers in implementing and maintaining rideshare activities at their work sites, the Programs and Services element provides turnkey services and tools to Riverside and San Bernardino County employers and commuters, including:

- Employer outreach
- Employer rideshare planning
- Commuter transportation survey services
- Production and distribution of personalized RideGuides
- Ridematching for carpools and vanpools
- AQMD Rule 2202/ Average Vehicle Ridership (AVR) support and technical assistance
- Commuter incentives
- Marketing materials
- Staff support for employer events
- Continuing education through transportation forums and newsletters
- Rideshare week and the ETC kick-off event
- Other specialized efforts as determined by changing conditions

Employers are retained through the use of an Employer Partnership Agreement (EPA) which is renewed every three years. Outreach to potential new employer clients, renewals of existing employers and management of the employer database will be the responsibility of the Contractor. Additionally, with the use of individual accounts in IE Commuter, Programs and Services also includes outreach to individuals or clusters of individuals, individual end user marketing, account management and technical support.

A. Employer Services

Employer Outreach/ Program Enrollment

Contractor will initiate outreach and facilitate enrollment with new and existing employers in Riverside and San Bernardino County. Employer clients acknowledge their enrollment and level of participation in the CAP program by signing an EPA. Employers may be enrolled in one or all of the employer services, therefore, Contractor will tailor consultation to employer leads specific conditions; company size, demographics, accessibility to transportation facilities, internal policies, ETC availability, etc. Currently, there are over 300 Inland Empire employers enrolled via EPAs that all expires on June 30, 2016. Contractor will update customized RCTC and SANBAG EPA forms (as needed), keep signed EPAs on file and mail fully executed EPAs to clients.

Alternative approach to EPAs: Contractor will investigate eliminating the Employer Participation Agreement forms and process to increase participation among employers. Contractor shall observe and evaluate the current EPA process and research whether an equal or increasing number of employers (and employee reach) could be served without the signed EPA document while achieving the same goals. See #3 in Exhibit "C" - CAP Proposal Refinements.

Contractor will provide outreach to Riverside and San Bernardino County employers outside of the installed base of employer clients to enroll incremental employer partners. Contractor will generate leads through referrals, events, Dun and Bradstreet list (employers with more than 250 employees), and coordination with business organizations, etc. and follow up with new leads generated from IE Commuter. Company name, contact person, address, telephone and fax numbers are available to the Contractor to use for outreach/enrollment purposes.

Contractor will enter data into the IE Commuter administration portal, track, and report:
1) Employer Name 2) Number of Employees 3) Industry 4) City 5) County 6) Status (existing/new) 7) Number of Worksites 8) AQMD Status 9) Plan Due Date (if applicable) 10) Last Survey Date (if applicable). RCTC will be provided continuous online access to the employer data as well as provide reports as requested.

Deliverables:

- Territory plans for both Riverside and San Bernardino counties. Plans to include, but are not limited to County overview, commuter patterns, employer profile, industry representation, employer clusters, transportation infrastructure, transit/rail/bike information, goals/challenges/opportunities.

Attachment: 26-1003452 Exhibit A Scope of Work (12401) : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

- FY 15/16 Targets

	RCTC	SANBAG	TOTAL
Total Signed Employer Partnership Agreements (Renewals and New)	160	175	335

Employer Development

Contractor will develop and implement with RCTC approval, incentives and/or strategies to maximize an employer client’s participation in the CAP program. Through regular contact with employers, education and information exchange, Contractor will tailor participation goals for each employer. More often than not, the rideshare component is a very small fraction of an ETCs job function. Understanding employers’ needs and challenges, and customizing the services rendered is critical to building and maintaining positive working relationships to effectively increase worksite participation. Contractor will be responsible for prioritizing resources and efforts accordingly to achieve program goals. Among the tools the contractor will use to understand ETCs’ motivations and maximize their participation in the CAP program are SWOT analysis, online research to determine the commuting needs of employees and the most important triggers to choosing ridesharing, and strategic selling, active listening and problem solving with stakeholders and employer clients to better understand their issues, challenges, and opportunities.

Deliverables:

- Employers successfully reaching or exceeding established program participation goals year over year, ultimately resulting in a net increase in program performance elements: surveys, Rideshare Incentive participation, Rideshare Plus participation.
- Generate and distribute Annual Employer Reports to ETCs which translate an employer’s participation in the CAP program into trips and emissions reduced.

KPIs:

- Number of employers with registered ETCs.
- New employers added.
- Net increase in program performance elements: surveys, Rideshare Incentive participation, Rideshare Plus participation.
- Number of Annual Employer Reports distributed to ETCs.
- % increase in employers meeting or exceeding established program participation goals.

Employer Transportation Survey/ RideGuide/ AVR Services

Contractor will provide transportation survey, RideGuide/ridematching, Average Vehicle Ridership (AVR) report, and post survey analysis services to employer clients. Briefing meetings will be scheduled and conducted with the ETC to provide an overview of the AVR/ transportation survey process and assist employers with implementation of surveys (printed or electronic) at one or multiple employer worksite(s). An employer survey processing calendar should be managed in order to ensure equal distribution of workload and to ensure survey fulfillment targets (below) are achieved.

Attachment: 26-1003452 Exhibit A Scope of Work (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

Survey Fulfillment Targets

- Process paper employer surveys with less than a 10% error rate. Surveys with an error rate in excess of 10% will be returned to employer for correction.
- Produce employer Average Vehicle Ridership (AVR) report from employee survey data and provide to employer within five business days.
- Ten (10) working day turnaround time for the production of RideGuides and employer survey analysis.

Using IE Commuter, Contractor will process all surveys (paper and electronic) to generate RideGuides (paper and electronic), AVR reports, and post survey analysis reports for employer clients. Additional steps are involved with processing paper surveys and RideGuides. Paper surveys are imported into the IE Commuter after they have been scanned for errors and data has been captured (optical or keypunch services at the Contractors discretion) and transferred into an electronic file conforming to the IE Commuter data import format. Following the survey process, employees that have expressed interest in ridematching but do not provide an email address during the survey process will receive a paper RideGuide. Paper RideGuides are printed from IE Commuter and prepared (folded and stuffed) for delivery to clients. For quality control purposes, samples of RideGuides will be reviewed. To conclude the survey process, Contractor will schedule and conduct a meeting with the ETC to present AVR and post survey analysis reports generated by IE Commuter.

Contractor will keep abreast of Rule 2202 guidelines and provide liaison with SCAQMD staff to identify and resolve AVR issues and clarification of program processes, as needed. Contractor will troubleshoot IE Commuter to assess issues for clarification to staff or to interface with RCTC technical consultant for interpretation or repair. Contractor will track and report on client production of 1) Surveys processed 2) RideGuides generated for reporting purposes in IE Commuter.

Deliverables:

- Standard operating procedure (SOP) for processing paper, online, and combo surveys, generating RideGuides and survey analysis reports, including quality control review. The SOP will include the procedures for staying up to date on Rule 2202 and coordinating with South Coast AQMD staff.
- Employer survey processing calendar.
- FY 15/16 Targets

	<i>RCTC</i>	<i>SANBAG</i>	<i>TOTAL</i>
Survey/Rideguide Services	385	260	630
Commuter Surveys	67,000	58,700	125,700
RideGuides	23,900	16,500	40,400

KPIs:

- Decreased error rate on paper employer surveys.
- Produce employer Average Vehicle Ridership (AVR) report from employee survey data and provide to employer within five business days.
- Ten (10) working day turnaround time for the production of RideGuides and employer survey analysis.

Attachment: 26-1003452 Exhibit A Scope of Work (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

- % reduction in costs to process paper surveys.

In FY 13/14, 66% of all surveys processed were paper surveys and 34% were electronic. Some industries in the Inland Empire, such as those with employees with limited to no web access, are not conducive to the electronic Survey process. Migrating the other industries from paper to electronic processing is an ongoing initiative.

Employer Information Services and Support

Contractor will maintain and staff a toll-free help line, 1-866-IECS4HELP, to provide customer assistance to employer representatives using the CAP suite of services. Contractor will support employer leads and clients via this employer help line and via e-mail.

Deliverables:

- Contractor will serve as a rideshare resource and provide the following services:
 - Provide general assistance to employer clients using the Electronic Survey or requiring a higher level of clarification of the AVR Program.
 - Provide technical assistance (Contacts/ Rule Interpretation/ Commute Reduction Strategies/ Marketing/ Information Referral/ Other Services) to ETCs.
 - Provide information to ETC and/or referral to another source regarding programs and services which are beyond IE Commuter's funding or scope of service.
 - Fulfill employer client requests for marketing collateral (flyers, paycheck stuffers, posters, etc.) to supplement their internal marketing efforts/campaigns.
 - Provide staff resources (Commuter Exchange and/or Staff) for employer promotions, rideshare or benefits fairs, employer presentations, lunchtime promotions and worksite mode formation meetings.
- Contractor will develop for RCTC's consideration, a contact center scope, schedule and budget center to support the Inland Empire's transportation agencies and serve as a one-stop portal for the public.
- Contractor will develop a proposal for customer satisfaction survey tools for RCTC review and approval.

Employer Events (Kick-Off Meeting/ Marketing Workshops)

Contractor will plan, organize, and implement three Inland Empire employer events network meetings to provide continuing education (marketing certificate) for employer representatives. One of the three network meetings includes the Rideshare Week Kick-Off Event. The Contractor will be responsible for activities including, but not limited to, researching, recommending, and securing dates, speakers (if applicable), and locations, coordinating meeting logistics to include room set up, materials preparation, ensuring event content meets marketing criteria set forth by AQMD, providing staffing assistance, and assisting with other event activities including site coordination, vendor participation, and tracking event participation. As part of these services, Contractor will also conduct post-event evaluations and incorporate changes from feedback into future events.

Deliverable:

- FY 15/16 Targets

	<i>RCTC</i>	<i>SANBAG</i>	<i>TOTAL</i>
Network Meetings			
ETC Kick-Off Meeting	Shared	Shared	1
Marketing Workshop	Shared	Shared	2

KPI:

- Number of attendees qualifying for course completion.

B. Commuter Programs

Rideshare Commuter Incentive

To reduce single occupant vehicle trips, this short term incentive offers \$2/day for each day a new rideshare participant uses an alternate mode of transportation in a three month period. Incentive payments are provided in the form of Vons, Stater Bros, or Amazon gift cards. The incentive is available to western Riverside County residents and San Bernardino County who currently drive alone to participating employers and start any of the rideshare alternatives. Enrollment in this incentive is available to employees of employer clients online at IECommuter.org or via paper forms.

Contractor will market and administer the Rideshare Incentive Program to employers located in Los Angeles, Orange, Riverside, San Bernardino and San Diego counties. In addition to receipt of the incentive and payment letter, participants will receive a follow up notice (Employee Report Card) detailing how much money they saved and how many trips and emissions were reduced as a result of their ridesharing efforts. Contractor will approve online enrollment forms, generate payment letters, and employee report cards using the incentive module of IE Commuter and will process incentive gift cards according to established policy.

The Contractor will manage procurement, accounting, handling and delivery of incentive scrip payments in a manner that best protects RCTC against fraudulent practices. Contractor management practices will be audited one time per year by RCTC or RCTC’s agent or additionally as deemed necessary.

It should also be noted that RCTC expects to implement a new financial incentive program at some point during the course of this contract. Contractor shall build a framework for a multimodal rideshare rewards program and for new incentives program focused on rail and transit. Contractor will also develop a strategy and implementation plan to transition the application, approval, and administration of incentives to an entirely electronic (no paper) process. RCTC envisions the new incentive programs to promote the use of bus and rail transit as well as the carpool element of its SR91 toll facility via the use of transponders.

Attachment: 26-1003452 Exhibit A Scope of Work (12401) : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

Contractor will enter into IE Commuter, track, and report on 1) Rideshare Incentive Participants by County 2) Translated trip reductions, miles reduced, and emissions reduced 3) Participant submission broken down by paper or online submission.

Deliverables:

- Regular reports to RCTC on Rideshare Incentive participants, translated trip reductions, miles reduced and emissions reduced, participant submissions and pertinent campaign results such as impressions, reach, click-through rates and conversions.
- FY 15/16 Targets

	<i>RCTC</i>	<i>SANBAG</i>	<i>TOTAL</i>
Participants	1,185	1,545	2,730

KPI:

- % increase in new IE Commuter participants.

Rideshare Plus Program

To recognize the contribution of commuters who have been ridesharing three months or longer, this incentive offers discounts at restaurants, entertainment and service facilities to participants who live in western Riverside and San Bernardino County, and rideshare at least five days per month. Members are provided with an Entertainment membership that includes a Rideshare Plus Rewards Book containing premium coupons (over \$1,000 in value) from Entertainment, Inc. and online access to www.rideshareplus.info, powered by Entertainment’s Online Savers Guide for additional online and mobile-app discounts at over 200,000 merchants nationwide. Enrollment in this incentive is available online at IECommuter.org or via paper forms.

Contractor will administer and market Rideshare Plus Rewards Program to employers located in Los Angeles, Orange, Riverside, San Bernardino and San Diego Counties. Contractor will sub-contract with Entertainment Inc., or vendor equivalent, to provide a similar incentive package. Contractors will a) select offers/promotions for the Rideshare Plus Rewards Book based on locations that serve Rideshare Plus membership b) mail out correspondence/announcements to Rideshare Plus employer clients and members informing them of annual update process, c) deliver Rideshare Plus Rewards Book to members, d) resolve member complaints with Entertainment, or vendor equivalent, regarding merchants who do not honor the discount as outlined in the Rideshare Plus Rewards Book.

To foster continued engagement with IE Commuter and reduce overall costs administering this incentive, Contractor will continue to research and implement new strategies to leverage digital processes all while enhancing the customer experience.

Enter into the administration portal of IE Commuter, track, and report on 1) Rideshare Plus Participants by County 2) Translated trip reductions, miles reduced, and emissions reduced 2) Participants broken down by new or renewal 3) Participant submission by paper or online submission 4) Participation in RidesharePlus promotions.

Attachment: 26-1003452 Exhibit A Scope of Work (12401) : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

Deliverable:

- FY 15/16 Targets

	<i>RCTC</i>	<i>SANBAG</i>	<i>TOTAL</i>
Participants	5,500	7,800	13,300
Rideshare Plus Rewards Offers	Shared	Shared	Minimum 100,000 offers

Vanpool Incentive Program

This incentive provides \$1,800 over nine months for the formation of new vanpools by Riverside and San Bernardino County residents. The program is operated in coordination with subsidized programs offered by Los Angeles County Transportation Authority (Metro), Orange County Transportation Agency (OCTA), and San Bernardino Associated Governments (SANDAG) to ensure new vanpools do not secure incentives from more than one agency.

Contractor will market and administer the RCTC/SANBAG Vanpool Incentive Programs. At the time of contract award, it is anticipated that SANBAG will have implemented a countywide NTD vanpool program expansion providing \$400/month for each vanpool in perpetuity. A determination whether RCTC adopts the same NTD incentive will be made during the first year of the contract. Contractor will be responsible for administering or supporting two separate vanpool incentives programs. RCTC’s vanpool incentive provides \$1,800 over nine months for the formation of new vanpools. Contractor will coordinate with Metro, OCTA, and SANDAG to ensure new vanpools do not secure incentives from more than one agency. Contractor will register and maintain vanpool commute and contact data in IE Commuter. Contractor will enter into the administration portal of IE Commuter, track, and report on 1) Number of vanpools receiving RCTC/SANBAG incentive 2) Translated trip reductions, miles reduced, and emissions reduced.

Deliverables:

- Establish a new standard operating procedure (SOP) document for the vanpool program.
- Qualify potential vanpool groups in accordance with their eligibility, RCTC’s Program Resolution, and SANBAG’s NTD vanpool guidelines.
 - Verify with Metro, OCTA or SANDAG that the vanpool is not receiving any other subsidy.
- Establish and document a protocol for exchanging NTD data with designated partners, including PII compliance as appropriate.
- Prepare quarterly report of incentives issues, vanpool participation, and vehicle trips.
- Coordinate the potential transition of RCTC vanpool subsidy.
- Maintain the integrity and accuracy of IE Commuter’s vanpool database and provide reports on incentives distributed and the resulting trip, mileage and emission reductions.

Attachment: 26-1003452 Exhibit A Scope of Work (12401) : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

KPIs:

- % of accurately issued vanpool incentives.

Guaranteed Ride Home Program

This project offers employees who share the ride to work a free rental car or taxi ride home (twice per year) in case of an emergency or unexpected overtime. This program is available to all ridesharing employees of an employer client with a signed EPA, regardless of home county origin.

Leveraging existing GRH policy and guidelines, Contractor will administer and market the regional Guaranteed Ride Home (GRH) Program to employers located in Riverside and San Bernardino counties. The GRH Program is available to all ridesharing employees of an enrolled employer, regardless of home county origin. Additionally, Contractor will:

- a. Enroll GRH employer clients in GRH module/database and maintain spreadsheet of current client listing. Run a monthly report of new clients and enroll in the GRH database.
- b. Monitor any employer changes and send to the regional GRH Program Manager.
- c. Troubleshoot client issues and document the resolution.
- d. Enter, track, and report on GRH participation by county.

Deliverables:

- Contractor will create a standard operating procedure to document step-by-step processing, validation and payment of GRH trips, including strategies for detecting potential fraudulent or disallowed use.
- Monthly GRH reports provided to the regional GRH program manager: new employers enrolling in the GRH program, changes in employers, client issues, troubleshooting and resolution; and GRH participation by county.

Commuter Information Services

RCTC requires that a toll-free commuter based customer service information number, 1-866-RIDESHARE, is maintained and staffed. This line is also a direct transfer from 511 for Inland Empire rideshare calls. Live operators answer the phones from 8:00am to 6:00pm weekdays, except holidays. An after-hours voice mail service is provided and phone calls are returned the next business day. Operators answer a wide variety of questions on topics such as the Commuter Assistance Programs, park and ride lots, GRH, ridematching, traffic information, etc. The number provides a one stop shop for rideshare information.

Contractor will respond to and provide rideshare assistance to Riverside and San Bernardino County residents who call 1-866-RIDESHARE and 511 or submit inquiries through IE511 or IE Commuter. Assistance will be provided either by phone, e-mail, or fax and includes, but is not limited to, IE Commuter account set up, ridematching, RideGuide requests, and other rideshare related topics. Telephone call activity will be tracked and reported by Contractor to help assess various marketing campaign efforts and 511 phone activity. Contractor will establish outbound follow up call

protocols to offer additional assistance, promote incentive programs, and update commuter account information as needed. The Contractor will provide office phone equipment capable of accommodating call volume growth up to 15,000 calls per year.

Deliverables:

- Provide office phone equipment capable of accommodating call volume growth up to 15,000 calls per year.
- Track and report telephone call activity to help assess various marketing campaign efforts and 511 phone activity.
- Establish outbound follow-up call protocols to offer additional assistance, promote incentive programs, and update commuter account information as needed.
- FY 15/16 Targets

	<i>RCTC</i>	<i>SANBAG</i>	<i>TOTAL</i>
866-RIDESHARE	Shared	Shared	4,000

KPIs:

- % uptime of telephone equipment.
- % of calls answered ranked by 10-second increments.
- % increase in the number of outbound phone calls and their associated metrics.

C. Park and Ride Development

To support formation of carpool and vanpool arrangements, this project leases existing parking spaces from schools, shopping centers, churches, and various other businesses, to establish park and ride lots. The lease, a three party agreement between the property owner, Caltrans and RCTC or SANBAG, allows flexibility in meeting the changing needs of ridesharing commuters as location and number of spaces can be adjusted under the annual lease process. The Contractor will provide outreach services related to establishing park and ride leases for both RCTC and SANBAG.

Deliverables:

- A scope, schedule and budget for outreach services to establish an agreed-upon number of new park and ride lot leases will be developed and presented to RCTC for review and approval.

KPIs:

- Number of new park and ride lots.
- Number of new parking spaces.

Marketing and Communications

The Contractor will work in coordination with RCTC to develop messaging, advertising, marketing pieces, and other collateral materials to support the CAP program. Programs and services will be marketed and promoted through media advertising and with collateral materials under the IE Commuter umbrella that align with and leverage the IE511 brand. The Contractor will develop a marketing plan (Plan) within the first three months of the project that serves as the blueprint for the communications effort. Contractor acknowledges that it represents RCTC and is acting on behalf of RCTC. Contractor shall not market or promote its own brand as part of this effort.

A. Communications

Marketing Plan Development

The marketing plan (Plan) will reiterate CAP objectives and target audiences and will include key messages to be used in all communications to commuter and employer markets and submarket segments along with the strategies and tactics to reach each audience. Contractor will identify outreach strategies to be deployed and the channels through which target audiences can be reached most cost-effectively. An evaluation mechanism for each strategy will be developed so that results can be tracked throughout implementation and changed as needed to be more effective. The marketing plan will be completed within three months of permission to start from RCTC. The Plan and all resultant products will be reviewed and approved by RCTC.

Deliverables:

A marketing plan that includes the following:

- IE Commuter Style and Branding Guidelines
- Online and mobile strategy, including online marketing, search optimization, and social media/networking
- Media plan/spend
- Recognition event (optional)
- Public relations strategy
- Collateral needs
- Identify marketing needs, including but not limited to telemarketing, direct mail, video media, events (the plan will include strategies and types of tactics to be undertaken; specific schedules will be developed once the contract is signed).

KPI:

- % increase in IE Commuter registrations and mode shift.

IE Commuter

Commuters and travelers looking for rideshare assistance (carpool, vanpool, or transit) will be directed to www.IECommuter.org, a robust, secure, and mobile-friendly website. Additionally, worksites will find general information about employer services under the same IE Commuter website. Once on the IE Commuter site, visitors can set up an account and get transit information or rideshare information personalized to their schedule and route. The Contractor will update/maintain CAP program content, including but not

limited to employer services content, commuter incentives content, park and ride information, employer event schedule, etc. Contractor will be provided with a login/password to access the IECommuter.org website content editing tool.

Deliverables:

- Contractor will make recommendations to RCTC as opportunities for IE Commuter to support other RCTC and SANBAG projects arise.

Collateral Development and Sales Support

Collateral materials – brochures, fact sheets, promotional items, sales presentations, success stories, maps, and other materials that support IE Commuter messages – are an important part of the IE Commuter account executive’s toolbox. These materials explain IE Commuter services value proposition to target audiences, increase IE Commuter awareness and consideration, persuade and prompt actions to be taken, and give them a resource for moving forward with changing driving behavior. As part of the transition, the Contractor will assess the current suite of collateral materials and make recommendations to cost effectively support the marketing plan.

Key elements of the Contractor’s approach to developing collateral materials and other sales support efforts:

- Materials will increase awareness and consideration of CAP programs and services, and drive target audience traffic to IECommuter.org.
- Sales support items (including presentations, fact sheets, brochures, success stories, giveaways, and event displays) and lead generation activities (direct mail and telemarketing) will be developed and coordinated as determined by the marketing plan, to ensure consistency of message, quality, and usage.

Collateral and sales support materials will include, at a minimum, the following items:

- **Sales Toolkit Development**
Account managers need materials to take with them to employer presentations. The Contractor will develop a customizable sales kit (RC or SB). This kit will be IE Commuter branded and will cite IE Commuter staff as the contact for detailed information for carpooling, vanpooling and other IE Commuter programs. Typically, a sales kit will include:
 - A branded folder with a place for the account executive’s business card
 - A brochure for employers on commuter services offered by the Contractor
 - A standalone card for each program
 - Fact sheets relevant to the specific services available in the account manager’s geographic region, including vanpooling, guaranteed ride home, etc.
 - Local transit and bike maps (if available)
 - A brochure and/or promotional items about IE Commuter
 - Relevant enrollment forms
 - An accompanying PowerPoint presentation aimed at company decision-makers

- **Electronic Newsletter**
Existing newsletter efforts (Rideshare Connection) will be combined into two e-newsletters that cover the entire Inland Empire area but which feature individual regional features as applicable. One e-newsletter will focus on the commuter; the other will focus on employers. The Contractor will distribute the e-newsletter via e-mail to commuters registered in IE Commuter, key local stakeholders, employers, and others who opt in to receive information. In addition, the Contractor will make the newsletter available on the IE Commuter website in PDF format and potentially through social networking tools.
- **IE Commuter Brochure**
The Contractor will develop a single brochure (or other collateral piece) describing services offered by IE Commuter for commuters. This will cover at a minimum ridematching services and incentives, vanpooling options, transit planning, and guaranteed ride home. IE Commuter will be referenced as the go-to source for travel and transit information, including online ridematching.
- **IE Commuter Promotional Items**
Additionally, small promotional items such as pens, magnets, mugs and USB chargers will be purchased by Contractor in a higher volume in order to maximize economies of scale. These items can be handed out at events as well as included with the account executive's Sales Toolkit as a leave-behind item. Promotional items can be more versatile than the collateral pieces focused only on new employers, since these items can be equally effective with existing employer clients.

Deliverables:

- Customizable Sales Toolkit for Riverside and San Bernardino counties.
- Distribute e-newsletters and post e-newsletters on IE Commuter website.
- Develop an IE Commuter brochure.
- IE Commuter Promotional items.

KPIs:

- Number of sales toolkits used for employer consultations.
- Number of days to newsletter.
- Number of stakeholder requests for IE Commuter brochures.

Graphic Design and Content Development

The Contractor will work in coordination with RCTC to develop one or more of the following:

- Graphic design and production of print advertising, marketing, and other collateral materials to support CAP projects and programs. These materials may include brochures, newsletters, graphics, fact sheets, print and/or online advertisements, promotional items, and other collateral. Specific examples include: RidesharePlus Rewards Book designs, GRH posters and flyers, paper RideGuide maps and design, employer event invitations).

- Signage including the design and fabrication of construction project and highway Signage, custom exhibit/trade show exhibits, and/or procurement of promotional items such as mugs, pens, and other promotional items, as necessary.
- Video production to develop both cost-effective videos, as well as high-end, multi-media.
- Presentations for use on a variety of platforms including the Web and PowerPoint presentations. The ability to produce animated PowerPoint presentations is also desired. These efforts will require production, editing, casting, scriptwriting, digital animation, and other expertise.
- Photographic services in support of targeted marketing campaigns and public outreach campaigns.
- New media efforts for various projects such as social media, blogs, and other Web- or electronic-based outreach.

Deliverables:

- Design and fabrication of Construction project and highway signage.
- Custom exhibit/trade show exhibits that maintain a professional and modern design yet are collapsible for easy transport.
- Video production for both cost-effective and high-end multimedia.
- Presentations production for a variety of platforms including website, video, and PowerPoint.
- Photographic services in support of targeted marketing campaigns and public outreach campaigns.
- New media efforts for various projects such as social media, blogs, and other Web or electronic-based outreach.

KPIs:

- % increase in CAP program participation.
- % decrease in costs in marketing material production.

B. Media Planning, Purchasing, and Advertising Services

The Contractor will provide media recommendations and buying services for print, broadcast, online and other advertising services in step with the marketing plan. As traffic to IECommuter.org increases, RCTC may require expertise in advertising sales, sponsorship, and account management services to develop and execute sponsorship programs for IE Commuter online properties, and identify and contact potential sponsors or partners on behalf of RCTC, possibly on an annual basis.

Deliverables:

- Media recommendations and buying services for print, broadcast, online and other advertising services.
- Monthly reporting on new users joining IE Commuter and the relevant advertising campaigns they can be attributed to.
- Media/Communications/Events Calendar.

KPI:

- KPIs to be determined by the goals of a particular media buy.

C. Events/Rideshare Week

Rideshare Week

The biggest industry related promotional event of the year is the annual statewide Rideshare Week campaign. Contractor will plan, organize, and implement Rideshare Week (RW) in the Inland Empire. Contractor will develop RW promotional themes for RCTC review/development. Once a RW theme has been decided, Contractor will:

- Coordinate RW material review with the preparation of the timeline, list of materials, promotional items and quantities for RCTC review.
- Coordinate the production and delivery of RW promotional materials
- Research new RW Sponsors and solicit for prize donations.
- Develop and write RW Sponsor letters for RCTC review.
- Mail solicitation letter to approximately 500 potential RW Sponsors.
- Solicit area newspapers for free advertising space for RW.
- Secure donated RW prizes and sponsor logos.
- Prepare RW sponsor and prize list.
- Prepare thank you letters and arrange for gift baskets (or similar recognition item) for all RW Sponsors; Send or deliver letters, gift baskets and copies of marketing materials to RW Sponsors.
- Develop in coordination with RCTC the RW ETC contest, rules and the securing of prizes.
- Track, and report on 1) Rideshare Week Participation Results 2) Participation broken down by County. 3) Comparison reports to prior years.

Deliverables:

- FY 15/16 Targets

	<i>RCTC</i>	<i>SANBAG</i>	<i>TOTAL</i>
Rideshare Week Sponsors	Shared	Shared	20 – 30 Sponsors
Rideshare Week Prizes	Shared	Shared	Minimum \$30,000 Total Value of Donated Prizes per Year

KPIs:

- Rideshare Week participation results.
- Participation broken down by county.
- Comparison reports to prior years.

Attachment: 26-1003452 Exhibit A Scope of Work (12401 : Cooperative Agreement No. 26-1003452 with RCTC for Rideshare Program

CAP Program Management/ Administration

Provide overall program coordination between Contractor staff and RCTC, with regard to the development and implementation of the Commuter Assistance Program (CAP), data tracking, program reporting, event management, documentation retention, graphic design services and the delivery and/or distribution of the products necessary for their support. Prepare and submit progress reports in the format and frequency prescribed by RCTC.

A. Administration

Contractual, financial, and documentation management:

- a. Contractor oversees assignment and completion of all work by Contractor staff.
- b. Work productivity and timeline for completion will be those established by RCTC and Contractor Program Manager.
- c. Contractor Program Manager will ensure the timely delivery of goals, products and deliverables through ongoing oversight of staff. Coordination and issue resolution will occur with RCTC Program Manager.
- d. Contractor will monitor and manage the number of labor hours expended to ensure that the number of hours/budget utilized do not exceed the hours/budget allocated.
- e. Monitor special projects labor hours/budget and to ensure proper billing.
- f. Contractor will invoice RCTC on a monthly basis.
- g. Contractor will provide annual budget projections for incentive programs.
- h. Participate in annual programmatic and financial reviews and audits.
- i. Maintain employer client filing system according to established policy.

Deliverables:

- Monthly invoicing
- Quarterly progress reports
- Annual budget projections for incentive programs
- Year End Program Report

B. Project Transition Planning

As previously stated, RCTC has used and is currently using a contractor to implement the Commuter Assistance Program. The current contract expires at midnight on June 30, 2015. As such, the Contractor will be responsible for participation and coordination with the team from the current contractor in order to ensure an orderly transition of ridematching software, phone lines, 866 numbers, office set-up, client outreach and support and program marketing. The contractor is responsible for the provision of office space as required, all telecommunications equipment, all computer equipment required for access to the IE Commuter system, office clerical and staff support, account managers/program administrators, graphic supplies and ancillary office equipment as needed to implement and operate the Commuter Assistance Program.

Deliverables

- A fully functioning and staffed Commuter Assistance Program will be operational in Parsons Brinckerhoff's San Bernardino office on or before July 1, 2015.

KPIs:

- Fully functioning phone, Internet and IE Commuter software.
- Staffing resources identified, in place and trained.
- Accounting, filing and project documentation systems opened and operational.
- Marketing materials available and needed updates identified.

C. Program Reporting and Refinement

Program performance reporting is key to validating the success of the program and establishing which TDM strategies and outreach methods are most effective. Program performance measures to be tracked and reported on by the Contractor include, but are not limited to:

- Employer Clients (Signed EPA)
 - Number of employees by worksite and percentage that are participating in commute alternatives
 - Total ETCs on File
- Commuter Surveys Processed (Total/Paper/Electronic)
- RideGuides Issued (Total/Paper/Electronic)
 - Electronic (Open Rate/Bounce)
- Total Commuters on File (IE Commuter System)
 - Total Active IE Commuter Accounts
 - Survey Vs. Public Web Registration
- IECommuter.com Web Visits
 - Sources of visits (survey, search, online advertising, email, etc)
- Calls to IE Commuter Phone Lines
 - Sources (511, AQMD, etc)

Initial program targets will be established by RCTC; however, the contractor will help refine and build on existing goals, performance measures, and desired outcomes, and then establish appropriate output and activity measures that contribute to these outcomes. The Contractor shall use agreed upon performance evaluation to continuously adjust or improve program operations and administration to meet program goals tied to the Key Performance Indicators (KPI) below.

A strong emphasis shall be placed on the KPIs which directly translate the results of the contractor's administration of the program. The Consultant shall establish specific targets for desired achievements as directed by RCTC. In this way, the program and its various elements have a set of clear, measurable objectives that focus on results. These targets shall be realistic, but also challenge staff to advance beyond current levels and continually enhance market reach, customer service, and overall program effectiveness. The Consultant shall perform annual assessments and recommend refinement to RCTC to continually improve and enhance program effectiveness.

Deliverables:

- Quarterly progress reports
- Quarterly recommendations for performance improvement

KPIs:

- Total program vehicle trips reduced
- Total program vehicle miles traveled (VMT) reduced
- Pounds of pollutants reduced
- Total incentive participants

EXHIBIT B**FEDERAL FLOW DOWN PROVISIONS****ARTICLE I – FISCAL PROVISIONS**

- A. The Cost Principles and Procedures set forth in 48 CFR Ch. 1, Subch. E, Part 31, as constituted on the effective date of this Contract shall be utilized to determine allowability of costs under this Contract and may be modified from time to time by written amendment of the Contract.
- B. RCTC agrees to comply with Federal Department of Transportation procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- C. Any costs for which payment has been made to RCTC that are determined by subsequent audit to be unallowed under 48 CFR, Ch.1, Subch E, Part 31, Contract Cost Principles and Procedures, or 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall be repaid by RCTC to Agency. SBCTA shall then repay RCTC for such costs, if such costs are for the Services, using local funds.

ARTICLE II – AUDITS, THIRD PARTY CONTRACTING, RECORDS RETENTION AND REPORTS

- A. RCTC agrees that any and all subcontractors of RCTC performing Work under this Agreement will comply with the terms and conditions of this Agreement applicable to the portion of Work performed by them. CONSULTANT shall incorporate the following applicable provisions of this Agreement into their subcontracts regardless of the tier: Article I -- Fiscal Provisions, and this Article II -- Audits, Third Party Contracting, Records Retention and Reports.
- B. RCTC shall provide SBCTA, or authorized representatives or agents of SBCTA, including but not limited to Caltrans, Federal Transit Administration (FTA) or Federal Highway Administration (FHWA), access to CONSULTANT's records that are directly related to this Agreement for the purpose of inspection, auditing or copying. RCTC shall maintain all records related to this Agreement in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment by SBCTA, except in the event of litigation or settlement of claims arising out of this Agreement in which case RCTC agrees to maintain records through the conclusion of all such litigation, appeals or claims related to this Agreement. RCTC further agrees to maintain separate records for costs of work performed by amendment. RCTC shall allow SBCTA, Caltrans, FHWA, FTA or any duly authorized agents to reproduce any materials as reasonably necessary.

- D. The cost proposal and/or invoices for this Agreement are subject to audit by SBCTA and/or any state or federal agency funding this Project at any time. After RCTC receives any audit recommendations, the cost proposal shall be adjusted by RCTC and approved by SBCTA's Project Manager to conform to the audit recommendations. RCTC agrees that individual items of cost identified in the audit report may be incorporated into the Agreement at SBCTA's sole discretion. Refusal by RCTC to incorporate the audit or post award recommendations will be considered a breach of the Agreement and cause for termination of the Agreement. Any dispute concerning the audit findings of this Agreement shall be reviewed by SBCTA's Chief Financial Officer. RCTC may request a review by submitting the request in writing to SBCTA within thirty (30) calendar days after issuance of the audit report. SBCTA shall pay all costs related to the audit. Further, a breach under this clause shall not imply any wrongdoing by RCTC. SBCTA shall pay RCTC for work completed up to the date of termination if such costs are for the Services. As determined necessary by SBCTA, such payment will be made using local funds.
- E. RCTC agrees that RCTC's travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as Project Costs only after those costs are incurred and paid for by the subcontractors.

ARTICLE III – EQUAL EMPLOYMENT OPPORTUNITY

During the term of this Agreement, RCTC and its subcontractors shall not willfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, reproductive health decision making, gender, marital status, sexual orientation, age, political affiliation or disability. RCTC agrees to comply, and to require its subcontractors to comply, with the provisions of Title VII of the Civil Rights Act of 1964, the California Fair Employment Practices Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

ARTICLE IV – GENERAL

- A. Subcontracts must include provisions for terminating the subcontract for cause or convenience by RCTC.
- B. Subcontracts must include administrative, contractual or legal remedies in instances of the subcontractor violating or breaching the Agreement terms.

ARTICLE V – COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

RCTC and all subcontractors shall comply with all applicable provisions of the Americans with Disabilities Act in performing Work under this Agreement.

Minute Action

AGENDA ITEM: 9

Date: April 16, 2026

Subject:

Contract No. 26-1003453 with the SCAQMD for MSRC Funding for Free Transit during the 2028 Olympics and Paralympics

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

Authorize the Executive Director, or her designee, to approve Contract No. 26-1003453 with the South Coast Air Quality Management District to receive \$1,000,000 from the Mobile Source Air Pollution Reduction Review Committee for free transit fares in San Bernardino County during the 2028 Olympics and Paralympics, subject to approval as to form by SBCTA General Counsel.

Background:

At the July 2025 San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) meeting, the Board authorized staff to respond to the Mobile Source Air Pollution Reduction Review Committee's (MSRC) Fiscal Year 2024/2025 Clean Transportation Funding™ Invitation to Negotiate (ITN) for their Transportation Demand Management (TDM) County Transportation Commission (CTC) Partnership Program. The ITN made \$4 million available to each CTC in the South Coast Air Basin (SCAB) for innovative TDM and air pollution reduction projects. SBCTA's Board approved two projects for consideration: \$3 million for the Highland/Redlands Regional Connector Project and \$1 million to support fare-free transit for San Bernardino County operators during the 2028 Olympic and Paralympic Games (Games). The MSRC approved both projects; however, this item pertains only to the free fare initiative.

The ITN emphasized support for upcoming mega-events and SBCTA has had success increasing transit ridership through promotional, reduced-fare, and free fare initiatives. The purpose of this free fare initiative is to remove barriers for San Bernardino County residents, ensuring they can move freely and have easy access to key destinations within the county and region during the Games. A major goal is to encourage behavioral changes, grow long-term transit ridership, and increase awareness of public transit options. With the Games being publicly promoted as "car-free," this presents a prime opportunity to attract new riders and leverage the excitement surrounding Southern California during this period.

SBCTA will coordinate with San Bernardino County transit operators within the SCAB, specifically Metrolink. The total project cost as identified in the grant application was \$3,725,000 with the MRSC award and SBCTA's \$105,000 in-kind match (staff time), the remaining funding gap is \$2,620,000. However, SBCTA will receive the \$1,000,000 in MSRC funding, which is not contingent upon securing additional funds. The SBCTA Board recently created the LA28 Ad Hoc Committee, and based on the Ad Hoc Committee's direction, staff will pursue additional grant opportunities to close the funding gap or scale down the project to match the funding received from the MSRC. Furthermore, since the funds are only eligible for transit operators within the SCAB, additional funding should be pursued to include Victor Valley Transit Authority, Mountain Transit, Basin Transit, and Needles Area Transit, to ensure all county residents can benefit and travel seamlessly throughout the region. As noted in the statement of work attached to the agreement, the implementation details, such as the duration of free fares,

Entity: San Bernardino County Transportation Authority

ticket distribution, and coordination with existing free fare programs, including SBCTA's IE Commuter Experience Metrolink, are intended to be developed as part of the program, which is planned to be presented to the Transit Committee once developed.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2025/2026. Funding will be programmed and allocated to transit operators in future budgets.

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel and Procurement Manager have reviewed this item and the draft contract.

Responsible Staff:

Nancy Strickert, Multimodal Manager

Approved
Transit Committee
Date: April 16, 2026
Witnessed By:

General Contract Information

Contract No: 26-1003453 Amendment No.: _____
 Contract Class: Receivable Department: Transit
 Customer ID: SCAQMD Customer Name: South Coast Air Quality Management District (SCAQMD)
 Description: Mobile Source Air Pollution Reduction Review Committee funding for free transit in San Bernardino County during the 2028 Olympic Games

List Any Accounts Payable Related Contract Nos.: _____

Dollar Amount					
Original Contract	\$	1,000,000.00	Original Contingency	\$	-
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
Total/Revised Contract Value	\$	1,000,000.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	1,000,000.00

Contract Authorization

Board of Directors _____ Date: 5/6/2026 _____ Committee _____ Item # _____

Contract Management (Internal Purposes Only)

State/Local _____ Funding Agreement _____ N/A

Accounts Receivable

Total Contract Funding: \$ 1,000,000.00 Funding Agreement No: 26-1003453
 Beginning POP Date: Execution Date Ending POP Date: 2/28/2029 Final Billing Date: 2/28/2029
 Expiration Date: 2/28/2029 Fund Admin: Yes
 Parent Contract 26-1003453 PM Description MSRC Funding Agreement for free transit in San Bernardino County during the 2028 Olympic Games

Z-Related Contracts

Sub-							Sub-						
Fund	Prog	Task	Task	Revenue	Total Contract Funding:	Fund	Prog	Task	Task	Revenue	Total Contract Funding:		
GL	2830	30	0314	0377	42214011	1,000,000.00	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		
GL						-	GL				-		

Nicole Soto
Project Manager (Print Name)

Victor Lopez
Task Manager (Print Name)

Additional Notes: _____

Attachment: 26-1003453 CSS (11679) : Contract No. 26-1003453 MSRC Funding for Free Transit in San Bernardino County During the Olympics)



**AB 2766/MSRC CLEAN TRANSPORTATION TRAFFIC MANAGEMENT COUNTY TRANSPORTATION COMMISSION
PARTNERSHIP PROGRAM GRANT AGREEMENT**

1. PARTIES

The parties to this Grant Agreement ("Agreement") are the South Coast Air Quality Management District (referred to here as "SCAQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and San Bernardino County Transportation Authority (referred to here as "RECIPIENT") whose address is 1170 West 3rd Street 2nd Floor, San Bernardino, California 92410.

2. RECITALS

- A. SCAQMD is the local agency with primary responsibility for regulating stationary source air pollution within the geographical boundaries of the South Coast Air Quality Management District in the State of California (State).
- B. Under State Health & Safety Code Sections 44225, *et seq.* (AB 2766), SCAQMD's Governing Board has authorized the imposition of the statutorily set motor vehicle fee for the purpose of reducing air pollution from motor vehicles and to implement the California Clean Air Act. By taking such action, the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to SCAQMD.
- C. AB 2766 further mandates that thirty (30) percent of such vehicle registration fees be placed by SCAQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles.
- D. AB 2766 creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account. Pursuant to approval of the work program by SCAQMD's Governing Board, SCAQMD authorized this Agreement with RECIPIENT for equipment or services described in Attachment 1 - Statement of Work, expressly incorporated herein by this reference and made a part hereof of this Agreement.
- E. RECIPIENT met the requirements for receipt of AB 2766 Discretionary Funds as set forth in RECIPIENT's Clean Transportation Traffic Management County Transportation Commission Partnership Program Proposal dated July 31, 2025 and was awarded a grant under the work program.
- F. RECIPIENT is authorized to do business in the State of California and attests that it is in good tax standing with the California Franchise Tax Board.
- G. All parties to this Agreement have had the opportunity to have this Agreement reviewed by their attorney.

3. DMV FEES

RECIPIENT acknowledges that SCAQMD cannot guarantee that the amount of fees to be collected under AB 2766 will be sufficient to fund this Agreement. RECIPIENT further acknowledges that payment under this Agreement is contingent upon SCAQMD receiving sufficient funds from the DMV, and that SCAQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees.

4. AUDIT AND RECORDS RETENTION

A. RECIPIENT shall, at least once every two years, or within two years of the termination of the Agreement if the term is less than two years, be subject to an audit by SCAQMD or its authorized representative to determine if the revenues received by RECIPIENT were spent for the reduction of pollution from motor vehicles pursuant to the Clean Air Act of 1988.

Attachment: MSRC - 26-1003453 Clean Version (PRINTING) (11679 : Contract No. 26-1003453 MSRC Funding for Free Transit in San Bernardino

- B. RECIPIENT agrees to maintain records related to this Agreement during the Agreement term and continue to retain these records for a period of two years beyond the Agreement term, except that in no case shall RECIPIENT be required to retain more than the most recent five years' records. SCAQMD shall coordinate such audit through RECIPIENT'S audit staff.
- C. If an amount is found to be inappropriately expended, SCAQMD may withhold funding, or seek reimbursement, from RECIPIENT in the amount equal to the amount that was inappropriately expended. Such withholding shall not be construed as SCAQMD's sole remedy and shall not relieve RECIPIENT of its obligation to perform under the terms of this Agreement.

5. TERM

The term of this Agreement is from the date of execution by both parties and shall remain in effect until February 28, 2029, unless terminated earlier as provided for in the TERMINATION clause of this Agreement or the term is extended by amendment of this Agreement in writing. No work shall commence prior to the Agreement start date, except at RECIPIENT's cost and risk, and no charges are authorized until this Agreement is fully executed, subject to the provisions stated in the PRE-AGREEMENT COSTS clause of this Agreement.

6. SUCCESSORS-IN-INTEREST

This Agreement, and the obligations arising under the Agreement, shall be binding on and inure to the benefit of RECIPIENT and their executors, administrators, successors, and assigns.

7. REPORTING

RECIPIENT shall submit reports to SCAQMD as outlined in Attachment 1 - Statement of Work. SCAQMD reserves the right to review, comment, and request changes to any report produced as a result of this Agreement.

8. TERMINATION

- A. In the event any party fails to comply with any term or condition of this Agreement or fails to provide services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 - Statement of Work, this failure shall constitute a breach of this Agreement. The non-breaching party shall notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this Agreement. Notification shall be provided in the manner set forth in the NOTICES clause of this Agreement. The non-breaching party reserves all rights under law and equity to enforce this Agreement and recover damages.
- B. SCAQMD reserves the right to terminate this Agreement, in whole or in part, without cause, upon thirty (30) days' written notice. Once such notice has been given, RECIPIENT shall use all reasonable efforts to mitigate its expenses and obligations. RECIPIENT will be paid in accordance with this Agreement for tasks performed and costs incurred that could not be mitigated before the effective date of termination.
- B. RECIPIENT shall be paid in accordance with this Agreement for all Work performed before the effective date of termination under section B of the TERMINATION clause of this Agreement. Before expiration of the thirty (30) days' written notice, RECIPIENT shall promptly deliver to SCAQMD all copies of documents and other information and data prepared or developed by RECIPIENT under this Agreement with the exception of a record copy of such materials, which may be retained by RECIPIENT.

9. INSURANCE

- A. RECIPIENT shall furnish evidence to SCAQMD of workers' compensation insurance for each of its employees, in accordance with either California or other states' applicable statutory requirements prior to commencement of any work on this Agreement.
- B. RECIPIENT shall furnish evidence to SCAQMD of general liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in a general aggregate prior to commencement of any work on this Agreement. SCAQMD shall be named as an additional insured on any such liability policy, and thirty (30) days written notice prior to cancellation of any such insurance shall be given by RECIPIENT to SCAQMD.
- C. RECIPIENT shall furnish evidence to SCAQMD of each contractor's automobile liability insurance and/or rail liability insurance, as applicable, for automobiles or rail operating within SCAQMD jurisdiction, with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries, and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage, prior to commencement of any work on this Agreement. SCAQMD shall be named as an additional insured on any such liability policy, and thirty (30) days written notice prior to cancellation of any such insurance shall be given by RECIPIENT to SCAQMD.
- D. If RECIPIENT fails to maintain the required insurance coverage set forth above, SCAQMD reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to RECIPIENT or terminate this Agreement for breach.
- E. For MSRC Contracts Administrator: All insurance certificates and other documents evidencing coverage shall be mailed to: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, Attention: Cynthia Ravenstein, MSRC Contracts Administrator. **The SCAQMD Agreement Number must be included on the face of the certificate.**
- F. For Risk Management Department: All insurance certificates and other documents evidencing coverage shall be sent to SCAQMD Risk Management, by email (insurancecertificate@aqmd.gov). **The SCAQMD Agreement Number must be included on the face of the certificate.**
- G. RECIPIENT must provide annual updates on the insurance coverage throughout the term of the Agreement to ensure that there is no break in coverage during the period of Agreement performance. Failure to provide evidence of current coverage shall be grounds for termination for breach of Agreement.

10. INDEMNIFICATION

RECIPIENT agrees to hold harmless, defend and indemnify SCAQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action, judgments, attorney's fees, or any other expenses arising from or related to any third party claim against SCAQMD, its officers, employees, agents, representatives, or successors in interest that arise or result in whole or in part, from any actual or alleged act or omission of RECIPIENT, its officers, its employees, contractors, agents or representatives in the performance of this Agreement. This Indemnification Clause shall survive the expiration or termination (for any reason) of the Agreement and shall remain in full force and effect.

11. PAYMENT

- A. SCAQMD shall reimburse RECIPIENT up to a total amount of One Million Dollars (\$1,000,000) in accordance with Attachment 2 - Payment Schedule expressly incorporated herein by this reference and made a part hereof of the Agreement.
- B. A withhold amount or percentage (if any) shall be identified in the Payment Schedule, and such amount shall be withheld from each invoice. Upon satisfactory completion of project and final acceptance of work and the final report, RECIPIENT's invoice for the withheld amount shall be released. Proof of project completion shall include a Final Report detailing the project goals and accomplishments, data collected

during project performance, if any, documentation of significant results, and emissions reduction input data needed for calculation of emissions reductions.

- C. Any funds not expended upon early Agreement termination or Agreement completion shall revert to the AB 2766 Discretionary Fund. Payment of charges shall be made by SCAQMD to RECIPIENT within thirty (30) days after approval by SCAQMD of an itemized invoice prepared and furnished by RECIPIENT.
- D. An invoice submitted to SCAQMD for payment must be prepared in duplicate, on company letterhead, and list SCAQMD's Agreement number, period covered by invoice, and RECIPIENT's social security number or Employer Identification Number and submitted to:

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: Cynthia Ravenstein, MSRC Contracts Administrator

- 1. Charges for equipment, material, and supply costs, travel expenses, contractor, and other charges, as applicable, must be itemized by RECIPIENT. Reimbursement for equipment, material, supplies, contractor, and other charges, as applicable, shall be made at actual cost. Supporting documentation must be provided for all individual charges (with the exception of direct labor charges provided by RECIPIENT).
- 2. SCAQMD shall pay RECIPIENT for travel-related expenses only if such travel is expressly set forth in Attachment 2 - Payment Schedule of this Agreement or pre-authorized by SCAQMD in writing.
- 3. RECIPIENT's failure to provide receipts shall be grounds for SCAQMD's non-reimbursement of such charges. SCAQMD may reduce payments on invoices by those charges for which receipts were not provided.
- 4. RECIPIENT must submit final invoice no later than ninety (90) days after the termination date of this Agreement or invoice may not be paid.

12. COMPLIANCE WITH APPLICABLE LAWS, LICENSES, PERMITS

RECIPIENT agrees to comply with all federal, state, and local laws, ordinances, codes and regulations and orders of public authorities in the performance of this Agreement, including complying with all licensing and permitting requirements and obtaining all clearances from appropriate agencies applicable to the project. RECIPIENT must also ensure that contractor vehicles and/or equipment to be used in the performance of this Agreement are in compliance with all applicable federal, state, and local air quality rules and regulations, and that it will maintain compliance for the full Agreement term. RECIPIENT shall ensure that the provisions of this clause are included in all contracts and subcontracts.

13. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)

- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
- B. RECIPIENT has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from funding sources other than AB2766. These MSERCs, which are issued by SCAQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."
- C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering

of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. SCAQMD staff, at the time an MSERC application is submitted, will calculate total MSERCs and retire the AB 2766-MSERCs. RECIPIENT would then receive the balance of the MSERCs not associated with AB 2766 funding.

14. NOTICES

All notices that are required under this Agreement shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by email, U.S. Mail, express, certified, return receipt requested, or a nationally recognized overnight courier service. In the case of email communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. Email communications shall be deemed to have been received on the date of such transmission, provided such date was a business day (Tuesday-Friday) and delivered prior to 5:30pm Pacific Standard Time. Otherwise, receipt of email communications shall be deemed to have occurred on the following business day. In the case of U.S. Mail notice, notice shall be deemed to be received when delivered or five (5) business days after deposit in the U.S. Mail. In the case of a nationally recognized overnight courier service, notice shall be deemed received when delivered (written receipt of delivery).

SCAQMD:

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Attn: Cynthia Ravenstein, MSRC Contracts Administrator, email: cravenstein@aqmd.gov

RECIPIENT:

San Bernardino County Transportation Authority
1170 W. 3rd St. 2nd Floor
San Bernardino, CA 92410
Attn: Nicole Soto, email: nsoto@gosbcta.com

15. INDEPENDENT CONTRACTOR

RECIPIENT, its officers, employees, agents, or representatives shall act in an independent capacity, and shall in no sense be considered employees or agents of SCAQMD, nor shall RECIPIENT, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by SCAQMD to its employees. SCAQMD will not supervise, direct, or have control over, or be responsible for RECIPIENT's means, methods, techniques, work sequences or procedures, or for the safety precautions and programs incident thereto, or for any failure by them to comply with any local, state, or federal laws, or rules or regulations, including state minimum wage laws and OSHA requirements.

16. OWNERSHIP

Title and full ownership rights to any equipment purchased under this Agreement shall at all times remain with RECIPIENT.

17. NON-DISCRIMINATION

In the performance of this Agreement, RECIPIENT shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, sex, sexual orientation, marital status, age, mental status, medical condition, physical or mental disability, or allow unlawful denial of family and medical care leave, denial of pregnancy disability leave, or reasonable accommodations. RECIPIENT shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto.

18. NON-EFFECT OF WAIVER

The failure of RECIPIENT or SCAQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Agreement, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

19. TAX IMPLICATIONS FROM RECEIPT OF MSRC FUNDS

RECIPIENT is advised to consult a tax attorney regarding potential tax implications from receipt of MSRC funds.

20. ATTORNEYS' FEES

In the event any action is filed in connection with the enforcement or interpretation of this Agreement, each party in said action shall pay its own attorneys' fees and costs.

21. FORCE MAJEURE

A party shall not be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the party's reasonable control.

22. SEVERABILITY

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

23. HEADINGS

Headings on the clauses of this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

24. SIGNATURES

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute together one and the same instrument. Further, the parties agree that this Agreement or any counterpart may be executed and delivered by DocuSign, or by transmitting a manual signature by fax or .pdf, which shall have the same force and effect as copies executed and delivered with original manual signatures.

25. GOVERNING LAW

This Agreement shall be construed and interpreted, and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any disputes under this Agreement shall be Los Angeles County, California.

26. PRE-AGREEMENT COSTS

Any costs incurred by RECIPIENT prior to RECIPIENT receipt of a fully executed Agreement shall be incurred solely at the risk of the RECIPIENT. In the event that this Agreement is not executed, neither the MSRC nor the SCAQMD shall be liable for any amounts expended in anticipation of a fully executed Agreement. If this Agreement is fully executed, pre-Agreement cost expenditures authorized by the Agreement will be reimbursed in accordance with the Payment Schedule and payment provision of the Agreement.

27. CHANGE TERMS

Changes to any part of this Agreement must be requested in writing by RECIPIENT and approved by MSRC in accordance with MSRC policies and procedures. RECIPIENT must make requests a minimum of 90 days prior to desired effective date of change. All modifications to this Agreement shall be in writing and signed by the authorized representatives of the parties. Fueling station location changes shall not be approved under any circumstances.

28. ENTIRE AGREEMENT

This Agreement represents the entire agreement between RECIPIENT and SCAQMD. There are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the authorized representative of the party against whom enforcement of such waiver, alteration, or modification is sought. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

29. AUTHORITY

The signatory hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Agreement and to legally bind RECIPIENT both in an operational and financial capacity and that the requirements and obligations under this Agreement are legally enforceable and binding on RECIPIENT.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

By: _____
Michael A. Cacciotti, Chair, Governing Board

By: _____
Name: Carolyn Schindler
Title: Executive Director

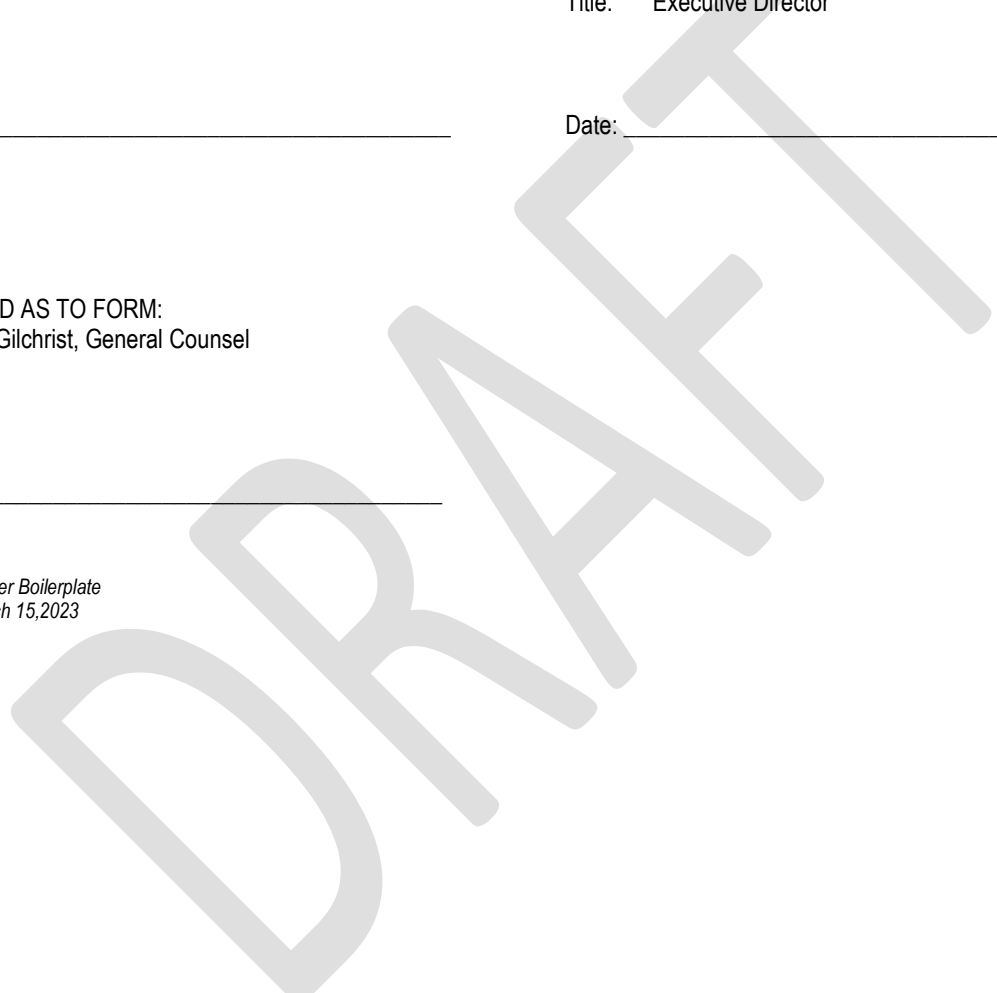
Date: _____

Date: _____

APPROVED AS TO FORM:
Bayron T. Gilchrist, General Counsel

By: _____

//MSRC Master Boilerplate
Revised March 15,2023



Attachment: MSRC - 26-1003453 Clean Version (PRINTING) (11679 : Contract No. 26-1003453 MSRC Funding for Free Transit in San Bernardino

**Attachment 1
Statement of Work
San Bernardino County Transportation Authority
Agreement #MS27007**

Project Description

Southern California will welcome approximately 15,000 athletes and millions of ticket holders during the 2028 Olympic and Paralympic Games (2028 Games). Organizers of the 2028 Games have publicly committed that spectator access to the venues will be “car-free”, emphasizing the use of existing public transportation as the primary mode of access. Despite the venues for the 2028 Games being hosted in neighboring counties, there is a need to move visitors and residents via transit in, out, and throughout San Bernardino County. Prioritizing transit would alleviate traffic and air quality impacts and reduce barriers for residents.

San Bernardino County Transportation Authority (SBCTA, hereinafter referred to as RECIPIENT) proposes to establish a free fare initiative aimed at providing both residents and visitors with seamless access to public transit during the 2028 Games. Not only would this program result in reduced emissions, but it would also encourage new riders to experience transit. Using funds provided by the South Coast Air Quality Management District (SCAQMD), on behalf of the Mobile Source Air Pollution Reduction Review Committee (MSRC), RECIPIENT shall coordinate with and to the extent necessary, contract with San Bernardino County transit operators (contractors) to implement free fares program (Program) as described below. The Program would be implemented throughout San Bernardino County, however, MSRC funding would only be utilized for those operators within the jurisdiction of SCAQMD.

Statement of Work

1. Develop Program Plan: RECIPIENT shall develop a Program Plan for the implementation of free transit service within San Bernardino County during the 2028 Games. At a minimum, the Program Plan shall incorporate the following:
 - a. Scope – At a minimum, fare free service shall be provided on the Metrolink San Bernardino Line and Omnitrans. For trips which extend beyond San Bernardino County, the San Bernardino County portion of the trip shall be fare free.
 - b. Duration – At a minimum, the periods of fare free service shall encompass July 14 - 30, 2028 and August 15 - 27, 2028.
 - c. Marketing strategy – This shall consist of a promotional plan to market the Program and, where feasible, the air quality benefits of alternative commute modes. To the extent feasible, the marketing shall acknowledge the MSRC’s co-funding of the program. If feasible, proposed marketing materials shall be submitted to the MSRC Contracts Administrator for review and approval prior to publication or posting. The MSRC Contracts Administrator shall respond, if applicable, with any comments within three business days, otherwise, the proposed materials shall be deemed approved.

RECIPIENT shall submit Program Plan to MSRC or its designee for review and approval prior to commencing outreach. Any work performed beyond Task I without MSRC approval of the

**Attachment 1
Statement of Work
San Bernardino County Transportation Authority
Agreement #MS27007**

Program Plan is at RECIPIENT's own risk. Once approved, the Program Plan may not be modified without prior MSRC approval.

2. Implement Program Plan: RECIPIENT shall implement the Program Plan, including implementation of Marketing strategy and ensuring that free fares are provided in accordance with the approved Program Plan. RECIPIENT shall also ensure that such other measures as necessary to implement the free fares are undertaken, including, but not necessarily limited to, website and ticket vending machine programming.
3. Monitoring and Reporting
 - a. Quarterly Reports: Until work is complete, RECIPIENT shall provide quarterly progress reports that summarize the project results to date, including information on estimated outreach impressions. Progress reports that do not comply will be returned to the RECIPIENT as inadequate.
 - b. Final Report: A Final Report shall be submitted by the RECIPIENT in the format provided by SCAQMD staff. The Final Report shall include, at a minimum: a) an executive summary; and b) a detailed discussion of the results and conclusions of this project. RECIPIENT will identify any barriers encountered and solutions developed to overcome the barriers, and impact of the project on future San Bernardino County transit ridership. Additionally, the Final Report should address:
 - i. Estimated impacts on ridership, total and broken down by contractor
 - ii. Estimated reductions in vehicle miles travelled; and
 - iii. Information on outreach impressions (e.g. number of website or social media hits).
4. Project Schedule - RECIPIENT shall comply with the increments of progress identified in the following chart. The completion month for each task is based on the date of Agreement execution.

Task	Completion
Task 1 –Develop Program Plan	July 2027
Task 2 – Implement Program Plan	August 2028
Task 3 – Monitoring and Reporting	January 2029

**Attachment 2
Payment Schedule
San Bernardino County Transportation Authority
Agreement #MS27007**

Cost Breakdown

RECIPIENT shall be reimbursed for transit operators’ revenue losses associated with the free fares on an actual cost basis until all funds are exhausted.

Program Cost Element	Maximum AB 2766 Discretionary Funds payable under this Agreement	RECIPIENT Co-Funding	SCAQMD Jurisdiction Transit Operator Co-Funding	Outside SCAQMD Jurisdiction Transit Operator Co-Funding	Total Project Cost
Task 1 – Develop Program Plan	\$0	\$15,000	\$0	\$0	\$15,000
Task 2 – Implement Program Plan	\$1,000,000 (to offset loss of fares/operational costs only)	\$75,000	\$2,000,000	\$650,000	\$3,725,000
Task 3 – Monitoring and Reporting	\$0	\$15,000	\$0	\$0	\$15,000
Totals	\$1,000,000	\$105,000	\$2,000,000	\$650,000	<u>\$2,755,000</u>

An amount equal to five percent (5%) shall be withheld from each invoice. Upon satisfactory completion of the project and final acceptance of the work and the Final Report, RECIPIENT’S invoice for the 5% shall be released.

RECIPIENT’S and partners’ co-funding contributions, including in-kind labor contributions, are estimates only and are not required to be documented.

RECIPIENT shall be reimbursed according to the amounts stated above upon submission of invoices which shall include a copy of service provider(s) invoice(s) detailing the amount of fares foregone. Invoices shall not be submitted more than once per month. RECIPIENT shall be reimbursed solely for the operating costs of the Program; marketing and outreach costs shall be borne by RECIPIENT and partners.

Additional AB 2766 Discretionary Funds will not be available to fund project cost overruns. Any project cost overruns must be funded from other than AB 2766 Discretionary Funds.

Attachment: Include_Contract No. 26-1003453_Attachment 2 (11679) : Contract No. 26-1003453 MSRC Funding for Free Transit in San

Minute Action

AGENDA ITEM: 10

Date: April 16, 2026

Subject:

Allocation of Transportation Development Act Funds for Fiscal Year 2026/2027

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Adopt Resolution No. 26-012 authorizing the allocation of Local Transportation Funds and State Transit Assistance Funds for Fiscal Year 2026/2027 and the transmittal of allocation instructions to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector.

Background:

Section 99214 of the California Public Utilities Code designates the San Bernardino County Transportation Authority (SBCTA) as the agency responsible for administering Transportation Development Act (TDA) funds. This responsibility includes the approval of the Local Transportation Fund (LTF) and State Transit Assistance (STA) apportionments, issuance of LTF and STA allocation instructions to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector (ATC), and authorization of LTF and STA payments in accordance with the claim amounts filed by the claimants.

Title 21, Sections 6659 and 6753 of the California Code of Regulations require that the governing body adopt a resolution authorizing the issuance of LTF and STA allocation instructions. Resolution No. 26-012 fulfills this requirement. The issuance of LTF and STA allocation instructions will allocate funding for TDA administration, transportation planning and programming functions, and operating and capital assistance for the SBCTA Transit Program and other eligible TDA claimants, consistent with apportionments and allocations adopted by the SBCTA Board of Directors (Board).

Eligible TDA claimants submit claims annually, and SBCTA staff verifies the claim packages against various documents. Some of the documents used as the basis for approving the statutory claims of TDA funding include the most recently approved transit operator Short Range Transit Plans, the SBCTA 10-Year Delivery Plan, and the SBCTA Fiscal Year (FY) Budget.

Following approval of a transit claim, staff issues allocation instructions to the ATC authorizing the use of the funds by the claimant for specific purposes. Then, throughout the year, staff requests disbursements of funds from the ATC in accordance with disbursement requests submitted by the claimants.

In March 2026, the Board approved the FY 2026/2027 LTF and STA apportionments. The apportionments have been incorporated into the SBCTA FY 2026/2027 Proposed Budget. Allocations to individual transit operators will be presented to the Board for approval in June 2026.

Financial Impact:

SBCTA is the designated agency responsible for the administration of Transportation Development Act funds for San Bernardino County. Allocations to claimants shall be made and take effect by resolution adopted by the governing board of the regional entity. Adoption of the LTF resolution fulfills this requirement. This item has no financial impact on the adopted Budget for FY 2025/2026.

Entity: San Bernardino County Transportation Authority

Transit Committee Agenda Item
April 16, 2026
Page 2

Reviewed By:

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the draft resolution.

Responsible Staff:

Brianna Martinez, Management Analyst III

Approved
Transit Committee
Date: April 16, 2026

Witnessed By:

RESOLUTION NO. 26-012

**RESOLUTION OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
AUTHORIZING THE ALLOCATION OF LOCAL TRANSPORTATION FUNDS AND STATE
TRANSIT ASSISTANCE FUNDS FOR FISCAL YEAR 2026/2027**

WHEREAS, the San Bernardino County Transportation Authority (SBCTA) is the designated transportation planning agency for the administration of the Transportation Development Act funds within San Bernardino County; and

WHEREAS, the Southern California Association of Governments Executive Committee has adopted a Regional Transportation Plan directed toward the achievement of a coordinated and balanced transportation system; and

WHEREAS, the SBCTA Board of Directors (Board) adopts Short Range Transit Plans for each of the San Bernardino County transit operators; and

WHEREAS, the Board has adopted the SBCTA 10-Year Delivery Plan and annual SBCTA budgets documenting anticipated expenditures for SBCTA's transit programs; and

WHEREAS, claims may be submitted under the Transportation Development Act for allocations from the Local Transportation Fund and State Transit Assistance Fund consistent with the adopted plans, apportionments, and allocations; and

WHEREAS, the Short Range Transit Plans, the SBCTA 10-Year Delivery Plan, and the annual SBCTA budgets include planned expenditures of transportation funds, including Local Transportation Funds and State Transit Assistance Funds; and

WHEREAS, the award of Transportation Development Act Article 3 funds for bicycle and pedestrian facilities and transit stop access improvement projects, pursuant to Public Utilities Code Section 99233.3, is typically approved in a separate Board action following a biennial call for projects and project evaluation process; and

WHEREAS, SBCTA has incorporated the amount to be allocated to each of the transit operators and SBCTA into its Fiscal Year 2026/2027 Budget.

NOW THEREFORE BE IT RESOLVED, by the San Bernardino County Transportation Authority:

Section 1. That the allocation of Local Transportation Funds and State Transit Assistance Funds for Fiscal Year 2026/2027 is hereby approved subject to those claims conforming to adopted apportionments and all other requirements of the Transportation Development Act, including but not limited to the following determinations:

1. The claimant's proposed expenditures are in conformity with the Regional Transportation Plan, the claimant's Short Range Transit Plan, SBCTA's 10-Year Delivery Plan, and SBCTA's annual budget, as applicable, and as amended through subsequent Board action.

2. The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the applicable fare revenue to operating expense (operating ratio) requirements as required by the Transportation Development Act.
3. The claimant is making full use of Federal funds available pursuant to the Infrastructure Investment and Jobs Act (IIJA).
4. The sum of the claimant’s allocations from the State Transit Assistance Fund and Local Transportation Fund does not exceed the amount the claimant is eligible to receive during the Fiscal Year.
5. Priority consideration has been given to claims to offset reductions in Federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area-wide public transportation needs.
6. The claimant has made reasonable efforts to implement the productivity improvements recommended pursuant to Public Utilities Code Section 99244, including the specific reference to the improvements recommended and the efforts made by the claimant to implement them.
7. The claimant submits a certification issued by the Department of California Highway Patrol within the last 13 months verifying that the claimant is in compliance with Section 1808.1 of the Vehicle Code (Drivers Pull Notice Program), as required by Public Utilities Code Section 99251.
8. The claimant is in compliance with the qualifying criteria pursuant to Public Utilities Code Section 99314.6 (use of State Transit Assistance Fund for operating purposes).
9. The transportation services contracted for under Public Utilities Code Section 99400(c) are responding to a transportation need not otherwise being met within the community or jurisdiction of the claimant and that, where appropriate, the services are coordinated with the existing transportation service.

Section 2. That such approval does not include allocations for local streets and roads unless the provisions of Sections 99401.5 and 99401.6 of the Public Utilities Code have been met; and

Section 3. That the Executive Director or her designee is authorized to transmit allocation instructions to the San Bernardino County Auditor/Controller, having first determined that the required allocation meets all requirements of this Resolution and the Transportation Development Act.

Section 4. The foregoing recitals are true and correct and are hereby incorporated herein by reference.

Section 5. This Resolution is effective upon its approval.

-----SIGNATURES ON FOLLOWING PAGE-----

PASSED AND ADOPTED at a meeting of the San Bernardino County Transportation Authority held on May 6, 2026.

Rick Denison, President
San Bernardino County Transportation Authority

ATTEST:

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

DRAFT

Additional Information

TRANSIT COMMITTEE ATTENDANCE RECORD – 2026

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Art Bishop Town of Apple Valley		X	X									
Eunice Ulloa City of Chino												
Ray Marquez City of Chino Hills		X										
Frank Navarro City of Colton		X	X									
Aquanetta Warren City of Fontana		X	X									
Bill Hussey City of Grand Terrace		X										
Larry McCallon City of Highland		X	X									
John Dutrey City of Montclair		X	X									
Alan Wapner City of Ontario		X	X									
L. Dennis Michael City of Rancho Cucamonga		X										
Rick Denison Town of Yucca Valley		X	X									
Joe Baca, Jr. Board of Supervisors		X	X									

X = Member attended meeting Empty box = Member did not attend meeting
 Crossed out box = Not a member at the time Shaded box=The Transit Committee did not meet

This list provides information on acronyms commonly used by transportation planning professionals. This information is provided in an effort to assist Board Members and partners as they participate in deliberations at Board meetings. While a complete list of all acronyms which may arise at any given time is not possible, this list attempts to provide the most commonly-used terms. Staff makes every effort to minimize use of acronyms to ensure good communication and understanding of complex transportation processes.

AB	Assembly Bill
ACFR	Annual Comprehensive Financial Report
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ARRA	American Recovery and Reinvestment Act
ATC	San Bernardino County Auditor-Controller/Treasurer/Tax Collector
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CAMP	California Asset Management Program
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CTA	California Transit Association
CTC	California Transportation Commission or County Transportation Commission
CTP	Comprehensive Transportation Plan
DBE	Disadvantaged Business Enterprise
DOT	Department of Transportation
EA	Environmental Assessment
E&D	Elderly and Disabled
E&H	Elderly and Handicapped
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (Federal)
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GAAP	Generally Accepted Accounting Principals
GA Dues	General Assessment Dues
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICAP	Indirect Cost Allocation Plan
IEEP	Inland Empire Economic Partnership
IREN	Inland Regional Energy Network
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITOC	Independent Taxpayer Oversight Committee
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency

LACMTA	Los Angeles County Metropolitan Transportation Authority
LAIF	Local Agency Investment Fund
LAPM	Local Assistance Procedures Manual - Caltrans
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
NAT	Needles Area Transit
NEPA	National Environmental Policy Act
OA	Obligation Authority
OCTA	Orange County Transportation Authority
ONT	Ontario International Airport
PACE	Property Assessed Clean Energy
PA/ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PNRS	Projects of National and Regional Significance
PPM	Planning, Programming and Monitoring Funds
PS&E	Plans, Specifications and Estimates
PSR	Project Study Report
PTA	Public Transportation Account
PTC	Positive Train Control
PTMISEA	Public Transportation Modernization, Improvement and Service Enhancement Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
RSTIS	Regionally Significant Transportation Investment Study
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SBCERA	San Bernardino County Employees' Retirement Association
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCCP	Solutions for Congested Corridors Program
SCRRA	Southern California Regional Rail Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SRTP	Short Range Transit Plan
SGR	State of Good Repair Funds
STA	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Block Grant Program
TAC	Technical Advisory Committee
TCEP	Trade Corridor Enhancement Program
TCIF	Trade Corridor Improvement Fund
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIRCP	Transit and Intercity Rail Capital Program
TMC	Transportation Management Center

Acronym List

TMEE	Traffic Management and Environmental Enhancement
TSM	Transportation Systems Management
UAAL	Unfunded Actuarial Accrued Liability
USFWS	United States Fish and Wildlife Service
VMT	Vehicle Miles Traveled
VCTC	Ventura County Transportation Commission
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments



MISSION STATEMENT

Our mission is to improve the quality of life and mobility in San Bernardino County. Safety is the cornerstone of all we do.

We achieve this by:

- Making all transportation modes as efficient, economical, and environmentally responsible as possible.
- Envisioning the future, embracing emerging technology, and innovating to ensure our transportation options are successful and sustainable.
- Promoting collaboration among all levels of government.
- Optimizing our impact in regional, state, and federal policy and funding decisions.
- Using all revenue sources in the most responsible and transparent way.

Approved December 4, 2019