City Council
AGENDA

Tuesday, April 21, 2026, 5:30 p.m.

Council Chambers, 990 Palm Street, San Luis Obispo

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INSTRUCTIONS FOR PUBLIC COMMENT:

Public Comment prior to the meeting (must be received 3 hours in advance of the meeting):

Mail - Delivered by the U.S. Postal Service. Address letters to the City Clerk's Office at 990 Palm Street, San Luis Obispo, California, 93401.

Email - Submit Public Comments via email to emailcouncil@slocity.org. In the body of your email, please include the date of the meeting and the item number (if applicable). Emails *will not* be read aloud during the meeting.

Voicemail - Call (805) 781-7164 and leave a voicemail. Please state and spell your name, the agenda item number you are calling about, and leave your comment. Verbal comments must be limited to 3 minutes. Voicemails *will not* be played during the meeting.

**All correspondence will be archived and distributed to councilmembers, however, submissions received after the deadline may not be processed until the following day.*

Public Comment during the meeting:

Meetings are held in-person. To provide public comment during the meeting, you must be present at the meeting location.

Electronic Visual Aid Presentation. To conform with the City's Network Access and Use Policy, Chapter 1.3.8 of the Council Policies & Procedures Manual, members of the public who desire to utilize electronic visual aids to supplement their oral presentation must provide display-ready material to the City Clerk by 12:00 p.m. on the day of the meeting. Contact the City Clerk's Office at cityclerk@slocity.org or (805) 781-7114.

Pages

1. CLOSED SESSION (4:45 PM START)

1.a CALL TO ORDER

Mayor Erica A. Stewart will call the Closed Session of the San Luis Obispo City Council to order at 4:45 PM in the Council Hearing Room at City Hall, 990 Palm Street, San Luis Obispo.

1.b CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

Agency Negotiator: Nickole Domini

Unrepresented Employees: City Manager, City Attorney and Unrepresented Management Employees

1.c ADJOURNMENT

The Council will hold a Regular Meeting of the San Luis Obispo Council in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

2. CALL TO ORDER

Mayor Erica A. Stewart will call the Regular Meeting of the San Luis Obispo City Council to order.

3. PLEDGE OF ALLEGIANCE

Council Member Jan Marx will lead the Council in the Pledge of Allegiance.

4. PRESENTATIONS

4.a CALIFORNIA CITIES WEEK

Mayor Stewart will present a Proclamation declaring April 19 - April 25, 2026 as California Cities Week.

4.b VOLUNTEER APPRECIATION WEEK

Mayor Stewart will present a Proclamation declaring April 19 - 25, 2026 as Volunteer Appreciation Week.

4.c BIKE MONTH

Mayor Stewart will present a Proclamation declaring May 2026 as Bike Month.

4.d CITY MANAGER REPORT

Receive a brief report from City Manager Whitney McDonald.

5. PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA

The Council welcomes your input. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). Staff may be asked to follow up on such items.

6. CONSENT AGENDA

Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon at one time. A member of the public may request the Council to pull an item for discussion. Pulled items shall be heard at the close of the Consent Agenda unless a majority of the Council chooses another time. The public may comment on any and all items on the Consent Agenda within the three-minute time limit.

Recommendation:
To approve Consent Calendar Items 6a to 6f.

6.a WAIVE READING IN FULL OF ALL RESOLUTIONS AND ORDINANCES

Recommendation:
Waive reading of all resolutions and ordinances as appropriate.

6.b MINUTES REVIEW - APRIL 7, 2026 COUNCIL MINUTES

Recommendation:
Approve the minutes of the City Council meeting held on April 7, 2026.

6.c COMMUNITY PARTNERSHIP AGREEMENT AND GRANT AGREEMENT FOR RIGHETTI FISCALINI RANCH CONSERVATION EASEMENT WITH THE LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY 17

Recommendation:

1. Approve a Community Partnership Agreement with The Land Conservancy of San Luis Obispo County; and

2. Approve a Grant Agreement for the Righetti Fiscalini Ranch conservation easement project; and

3. Authorize the City Manager to sign the Community Partnership Agreement and the Grant Agreement in a final form satisfactory to the City Attorney.

6.d APPROVE A MILLS ACT CONTRACT FOR LANDMARK PROPERTY AT 1421 GARDEN STREET 53

Recommendation:

Adopt a draft resolution entitled “Resolution of the City Council of the City of San Luis Obispo, California, approving a Historic Property Preservation Agreement between the City and the Owners of the Meredith House at 1421 Garden Street (Application No. HIST-0681-2025),” as recommended by the Cultural Heritage Committee.

6.e REVIEW OF APPLICATION TO DESIGNATE 571 PISMO STREET AS A HISTORIC LANDMARK 73

Recommendation:

Adopt a draft resolution entitled “Resolution by the City Council of the City of San Luis Obispo, California, designating the Property Located at 571 Pismo Street as a Landmark Historic Resource, called the George and Cordelia McCabe House (Application No. HIST -0944-2025),” as recommended by the Cultural Heritage Committee.

6.f AUTHORIZATION TO AWARD TRANSIT OPERATION AND MAINTENANCE SERVICES CONTRACT 145

Recommendation:

1. Authorize the City Manager to award a contract to MV Transportation, Inc. for Transit Operation and Maintenance Services in a form approved by the City Attorney's Office; and

2. Authorize the City Manager to approve contract amendments, provided that the cumulative value of all such amendments does not exceed 10 percent of the total contract amount, inclusive of all base term years.

7. PUBLIC HEARING AND BUSINESS ITEMS

7.a OVERVIEW OF VACANCIES AND RECRUITMENT AND RETENTION EFFORTS (15 MINUTES) 309

Recommendation:

Conduct a public hearing regarding and receive and file the City of San Luis Obispo Workforce Vacancies, Recruitment, and Retention Trends presentation.

7.b ORDINANCE AMENDING TITLE 13 OF THE MUNICIPAL CODE REGARDING PRIVATE SEWER LATERAL INSPECTIONS, REPLACEMENTS, AND DISSOLUTION OF THE MANDATORY WASTEWATER FLOW OFFSET PROGRAM (60 MINUTES) 315

Recommendation:

1. Introduce a Draft Ordinance entitled “An Ordinance of the City Council of the City of San Luis Obispo, California, Amending Section 13.08.395 (Private Sewer Laterals/Systems) and Section 13.08.396 (Wastewater Flow Offset) of the City of San Luis Obispo Municipal Code.”

2. Adopt a Draft Resolution entitled “A Resolution of the City Council of the City of San Luis Obispo, California, Authorizing the Discretion of the Public Works and Utilities Director to Waive Wastewater Flow Offset Program Requirements and Resolution and Determination of Satisfaction of Conditions of Approval Related to Wastewater Flow Offsets.”

3. Find the actions exempt from the California Environmental Quality Act (CEQA).

8. STUDY SESSION

8.a 2026 WATER AND SEWER RATE STRUCTURE STUDY (60 MINUTES) 359

Recommendation:

1. Receive a presentation and conduct a Study Session on the 2026 Water and Sewer Rate Structure Study;

2. Confirm the City’s prioritization of rate design attributes; and

3. Confirm staff’s recommendation to proceed with a four-year rate adoption period.

9. LIAISON REPORTS AND COMMUNICATIONS

Not to exceed 15 minutes. Council Members report on subcommittee assignments, listed below, and other City activities. At this time, any Council Member or the City Manager may ask a question for clarification, make an announcement, or report briefly on their activities. In addition, subject to Council Policies and Procedures, they may provide a reference to staff or other resources for factual information, request staff to report back to the Council at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov. Code Sec. 54954.2)

Mayor Stewart	**Vice Mayor Francis**	**Council Member Boswell**	**Council Member Marx**	**Council Member Shoresman**
SLO Council of Governments	Airport Land Use	Community Action Partnership	Air Pollution Control District	CP Campus Planning Committee
Regional Economic Action Coalition	Nacimiento Water Project	SLO Climate Coalition	County Water Resources Advisory Committee	Downtown Association Board
CA Men's Colony Advisory Committee	Zone 9 Advisory Committee	Local Agency Formation Commission		Homeless Services Oversight Committee
Performing Arts Center Commission				Integrated Waste Management Authority
SLO Regional Transit Authority				
Visit SLO County Advisory Committee				
Central Coast Clean Energy				

10. ADJOURNMENT

The next Regular Meeting of the City Council will be held on May 5, 2026 at 5:30 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

LISTENING ASSISTIVE DEVICES for the hearing impaired - see the Clerk.

The City of San Luis Obispo wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office at (805) 781-7114 at least 48 hours before the meeting, if possible. Telecommunications Device for the Deaf (805) 781-7410.

City Council meetings are televised live on Charter Channel 20 and the City's YouTube Channel: www.youtube.com/CityofSanLuisObispo. Agenda related writings or documents provided to the City Council are available for public inspection in the City Clerk's Office located at 990 Palm Street, San Luis Obispo, California during normal business hours, and on the City's website https://www.slocity.org/government/mayor-and-city-council/agendas-and-minutes. Persons with questions concerning any agenda item may call the City Clerk's Office at (805) 781-7114.

Council Minutes

April 7, 2026, 5:30 p.m.
Council Chambers, 990 Palm Street, San Luis Obispo

Council Members Present:	Council Member Mike Boswell, Council Member Michelle Shoresman, Vice Mayor Emily Francis, Mayor Erica A. Stewart
Council Members Absent:	Council Member Jan Marx
City Staff Present:	City Manager Whitney McDonald, Christine Dietrick, City Attorney, Teresa Purrington, City Clerk

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1. CLOSED SESSION

1.a CALL TO ORDER

Mayor Erica A. Stewart called the Closed Session of the San Luis Obispo City Council to order at 4:00 PM indicating that all Council Members except Council Member Marx were present.

1.b CONFERENCE WITH REAL PROPERTY NEGOTIATORS

City Attorney Christine Dietrick reported that the Council met in Closed Session regarding real property negotiations on property located at 975 Broad Street.

Motion By Mayor Stewart
Second By Council Member Boswell

To authorize staff to enter into real property negotiations and provided direction on price and terms.

Ayes (4): Council Member Boswell, Council Member Shoresman, Vice Mayor Francis, and Mayor Stewart

Absent (1): Council Member Marx

CARRIED (4 to 0)

1.c CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

City Attorney Christine Dietrick indicated that the Council met in Closed Session regarding conference with Legal Counsel on one matter of existing litigation Ruda et al vs. City of San Luis Obispo.

Motion By Council Member Shoresman
Second By Vice Mayor Francis

To authorize defense of the action and authorize staff to retain Kevin Siegel, Burke Williams Sorensen to act as outside counsel in defense of the city.

Ayes (4): Council Member Boswell, Council Member Shoresman, Vice Mayor Francis, and Mayor Stewart

Absent (1): Council Member Marx

CARRIED (4 to 0)

1.d ADJOURNMENT

Closed Session adjourned at 5:15 PM.

2. CALL TO ORDER

A Regular Meeting of the San Luis Obispo City Council was called to order on April 7, 2026 at 5:30 p.m. with all members present except Council Member Marx.

3. PLEDGE OF ALLEGIANCE

Council Member Shoresman led the Council in the Pledge of Allegiance.

4. PRESENTATIONS

4.a MONTH OF THE CHILD

Vice Mayor Francis presented a Proclamation to Shelby West representing the Early Childcare Education & Planning Council.

4.b NATIONAL ARAB AMERICAN HERITAGE MONTH

Council Member Shoresman presented the Proclamation to Sandra Sarrouf representing Cultural Creations Collaborative.

4.c EARTH MONTH

Council Member Boswell presented the Proclamation to Laura Albers representing the SLO Climate Coalition.

4.d SEXUAL ASSAULT AWARENESS MONTH

Mayor Erica A. Stewart presented the Proclamation to Maggie Torres representing Lumina Alliance.

4.e CITY MANAGER REPORT

City Manager Whitney McDonald provided a report on upcoming projects.

5. PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA

Public Comment:
Shawn Harris
Ben Lippert
Jackie Loew
Steve Barrasch
Leslie Halls
KC Matthews

--End of Public Comment--

6. CONSENT AGENDA

Mayor Stewart requested that Item 6c be pulled from the Consent Agenda.

Public Comment:
None

--End of Public Comment--

Motion By Council Member Shoresman
Second By Vice Mayor Francis

To approve Consent Calendar Items 6a, 6b and 6d.

Ayes (4): Council Member Boswell, Council Member Shoresman, Vice Mayor Francis, and Mayor Stewart

Absent (1): Council Member Marx

CARRIED (4 to 0)

6.a WAIVE READING IN FULL OF ALL RESOLUTIONS AND ORDINANCES

Waive reading of all resolutions and ordinances as appropriate.

6.b MINUTES REVIEW - MARCH 17, 2026 COUNCIL MINUTES

Approve the minutes of the City Council meeting held on March 17, 2026.

6.d AUTHORIZATION TO AWARD 879 MORRO ROOF REPLACEMENT, SPECIFICATION NO. 2000075-10

1. Approve the project plans and special provisions for the 879 Morro Roof Replacement, Specification No. 2000075-10; and
2. Award a construction contract (Attachment A) to Ranger Roofing and Solar in the amount of $189,074.96 for the 879 Morro Roof Replacement, Specification No. 2000075-10; and,
3. Authorize staff to issue a Purchase Order to Brezden Pest Control Inc., following completion of the roofing project, at an amount within the remaining available project budget; and,
4. Authorize a transfer of $24,948.21 from Sewer Fund Completed Projects to support the roofing project and pest control work; and,
5. Authorize the City Engineer to approve Contract Change Orders, provided they remain within the approved project budget or any amended budget subsequently authorized by the City Manager.

6.c 2026 LEGISLATIVE ACTION PLATFORM

Public Comments:
None

---End of Public Comment---

Motion By Vice Mayor Francis
Second By Mayor Stewart

To adopt Resolution No. 11638 (2026 Series) entitled, “A Resolution of the City Council of the City of San Luis Obispo, California, establishing a City Legislative Action Platform for 2026 and appointing a Council Member and Staff Persons to act as a liaison between the City of San Luis Obispo and the League of California Cities”; with the following changes

1. **Update**: Public Safety #18: Support building code reforms to enable single-stair mid-rise apartment buildings, consistent with the findings of the March 2026 Cal Fire – Office of the State Fire Marshal report to the Legislature pursuant to Assembly Bill 835 and that incorporate modern fire and life safety standards.
2. **Update:** Diversity, Equity, Inclusion #14: Support Medicare and other health insurance program reforms, including updates to geographic designation criteria, that promote equity, expand access

to care, enhance regional collaboration, and ensure healthcare sustainability on the Central Coast.

3. **Add:** Transportation #22: Support legislation that strengthens e‑ bike safety through rider education, improved equipment regulations, and visibility standards, provides cities with local authority to set operating and speed rules on bike paths and multi‑ use trails and that also support the City's mobility and climate goals.

4. **Add**: Public Safety #32: Support legislation, laws, and policies that ensure municipalities retain full autonomy over data collection, responsible data use, and data privacy protections.

To appoint the Mayor, City Manager, and the City Attorney to act as the primary legislative liaisons between the League of California Cities and the City of San Luis Obispo.

Ayes (4): Council Member Boswell, Council Member Shoresman, Vice Mayor Francis, and Mayor Stewart

Absent (1): Council Member Marx

CARRIED (4 to 0)

7. PUBLIC HEARING AND BUSINESS ITEMS

7.a 2025 GENERAL PLAN ANNUAL REPORT (30 MINUTES)

David Amini, Senior Planner and Ethan Estrada, Assistant Planner, provided an in-depth staff report and responded to Council questions.

Public Comments:
None

---End of Public Comment---

ACTION: No action taken other than receive and file.

8. STUDY SESSION

8.a COMMUNITY CLIMATE ACTION PLAN PROGRESS REPORT AND 2027 PLAN UPDATE STUDY SESSION (60 MINUTES)

Chris Read, Sustainability Manager and Lucia Baesemann, Sustainability and Natural Resources Analyst provided an in-depth staff report and responded to Council questions.

Public Comments:
Mary Gardner
June McIvor
Spencer Brandt
Melanie Mills
Lea Brooks
Rachel Whalen
Garret Olson
Eric Vieum
Megan Souza
Laura Albers
Barry Rands
Don Maruska

---End of Public Comment---

The City Council provided the following direction:

- Think about the opportunity to align and accelerate implementation of our existing Plans.
- Recognizing what we are doing in San Luis Obispo, we need every city in the county, every city in the state and the world doing more. We need to be more assertive in asking other cities to do their part.
- We should continue to look for opportunities to tell our story beyond our community.
- Tell our story that we have continued to grow our economy along with reducing our carbon emissions.

Staff should evaluate the following as part of the 2027 Climate Action Plan Update.

1. Re-evaluation of mobility innovations related to bikeshare, carshare, and microtransit.
2. Enhanced support for regional transit and EV charging infrastructure.
3. Re-evaluation of large building energy efficiency programs.
4. Evaluation of the new single-family Home Energy Score program.
5. Proactive legislative advocacy.

6. Evaluation of bulk purchasing and direct installation programs for rooftop solar, batteries, and electric heat-pump water-heater and HVAC units.
7. Support for “plug-in” solar and battery energy storage systems.
8. Recommitment to our mode share goals.
9. Look for direct-to renter benefits.

Council wants to maintain our existing carbon neutral goals for 2035.

Continue with the existing “narrow and deep” approach to covered greenhouse gas emissions (focusing on energy, transportation, and landfilled solid waste.)

Motion By Mayor Stewart
Second By Council Member Shoresman

To join the Local Government Climate Alliance to advocate for pre-approved positions via the City’s adopted Legislative Action Platform to advance Council goals related to the Climate Action Plan, and delegate City participation in the organization to the City Manager or their designee.

Ayes (4): Council Member Boswell, Council Member Shoresman, Vice Mayor Francis, and Mayor Stewart

Absent (1): Council Member Marx

CARRIED (4 to 0)

9. LIAISON REPORTS AND COMMUNICATIONS

Mayor Stewart

- Attended the SLO Council of Governments (SLOCOG) Board meeting on April 1
- Toured the ECHO Shelter in Atascadero
- Attended the Mid State Fair Annual Awards
- Attended the Righetti Ranch Groundbreaking
- Attended the Mid-Higuera Bypass Wrap Party

Vice Mayor Francis

- Attended the SLO NOOR Volunteer Appreciation Event
- Attended the Righetti Ranch Groundbreaking
- Attended the Mid-Higuera Bypass Wrap Party

Council Member Boswell

- Attended the Community Action Partnership Board of Directors Meeting
- Attended the Mid-Higuera Bypass Wrap Party
- Attended the Righetti park groundbreaking
- Attended the SLO Climate Coalition Strategic Planning Retreat
- Attended the April 1st WRAC meeting for Council Member Marx

Council Member Marx - absent

Council Member Shoresman

- Attended the Righetti Park Groundbreaking
- Attended the Mid-Higuera Bypass Wrap Party
- Attended the Community Academy Public Safety night
- Attended the La Loma Adobe open house
- Spoke to students at Cuesta on the Citywide Single Vote

10. ADJOURNMENT

The meeting was adjourned at 9:45 p.m. The next Regular City Council Meeting is scheduled for April 21, 2026 at 5:30 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

APPROVED BY COUNCIL: XX/XX/202X

Department: Administration
Cost Center: 1005
For Agenda of: 4/21/2026
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Robert Hill, Sustainability & Natural Resources Official

SUBJECT: COMMUNITY PARTNERSHIP AGREEMENT AND GRANT AGREEMENT FOR RIGHETTI FISCALINI RANCH CONSERVATION EASEMENT WITH THE LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY

RECOMMENDATION

1. Approve a Community Partnership Agreement with The Land Conservancy of San Luis Obispo County; and
2. Approve a Grant Agreement for the Righetti Fiscalini Ranch conservation easement project; and
3. Authorize the City Manager to sign the Community Partnership Agreement and the Grant Agreement in a final form satisfactory to the City Attorney.

POLICY CONTEXT

The City Council set forth a policy for Community Partnerships by Resolution No. 8862 (1998 Series) on October 20, 1998 (Attachment A), with the stated goal to "encourage partnerships with non-profit organizations for the mutual benefit of both the City and the organizations." Further, the policy also:

> …directs the City to form community partnerships only with entities that can demonstrate good organization and stability. Non-profits should have a board of directors, and, if funding is involved, must be qualified under Section 501(c)3 of the Internal Revenue Code. To assure both parties in the partnership understand their responsibilities and any financial arrangements, the policy requires that a formal agreement be drawn up. If significant funding or significant in-kind support is involved, the agreement will be approved by the City Council.

There are numerous policies and programs included in the Conservation and Open Space Element (2006) of the City's General Plan related to open space protection. Most pertinent to this project are Program 8.7.1 (J) and (L) and Policy 9.1.1 (A):

> **8.7.1 Protect open space resources.**
> The City will take the following actions to protect open space, and will encourage individuals, organizations, and other agencies to take the same actions within their

areas of responsibility and jurisdiction:

J. Improve interagency cooperation for open space acquisition, greenbelt, creeks, wetlands, and wildlife habitat protection in open space areas by coordinating with other government agencies and organizations having interest or expertise in resource protection.

L. Establish mutually respectful, long-term relationships with landowners, and conservation organizations such as land trusts, and local environmental organizations.

9.1.1 (A): Preserve natural and agricultural landscapes.
The City will implement the following policies and will encourage other agencies with jurisdiction to do likewise:

A. Natural and agricultural landscapes that the City has not designated for urban use shall be maintained in their current patterns of use.

The City Council adopted the City of San Luis Obispo 2015 Open Space Maintenance Plan that includes the Technical Appendix: *Integrated Vegetation Management Plan for Open Space Lands of the City of San Luis Obispo*. This document outlines the City's approach for invasive species treatment using Integrated Pest Management (IPM) protocols as promulgated by the University of California. This approach is also established in policy in the Conservation and Open Space Element (2006):

7.6.1 Environmental toxins
The City will avoid the use of synthetic organic chemicals unless there is no practical alternative, and support use of integrated pest management techniques. When the use of a synthetic organic chemical cannot be avoided, the material shall be selective (its effect limited to the target species so far as possible), and it shall be applied selectively.

DISCUSSION

Background and Community Partnership Agreement

The City of San Luis Obispo enjoys a long-standing public-private partnership with The Land Conservancy of San Obispo County (LCSLO) in furtherance of land conservation efforts within the City's Greenbelt. Over the course of this nearly thirty-year relationship, the City has partnered on numerous planning and land protection efforts, including the Stenner Springs Natural Reserve, Maino Open Space, and Bowden Ranch Open Space acquisitions, as well as the Guidetti Ranch, Stenner Ranch, Brughelli Ranch, and O'Connor Ranch conservation easements, together with numerous other successful projects including land restoration and land management activities. In summary, the partnership provides capacity building, fundraising, technical expertise, and relationships that are of significant benefit to the City.

The purposes of the Community Partnership Agreement are two-fold. The first is to formally

document the partnership and recognize the mutual benefits and accomplishments of both the City and LCSLO over the course of over 30 years of working together. The second purpose is to ensure that the required elements of a community partnership, per the 1998 policy, are in place given the size and complexity of the projects and the associated need for clear roles and responsibilities and strong governance; fiscal responsibility and oversight; liability, indemnity and insurance; and, appropriate contractual agreements and purchasing authorities on a project-by-project basis.

Current Funding Requests

LCSLO has reached an agreement to purchase a conservation easement interest in the Righetti Fiscalini Ranch, located in the northeast portion of the City's Greenbelt. On March 30, 2026, the City received a letter from LCSLO requesting consideration of funding in the amount of $65,000 towards the purchase of the conservation easement interest. LCSLO has secured a primary grant from the State of California Department of Conservation's Sustainable Agriculture Land Conservation Program, as well as other private donations, and would have all of the necessary funding to complete the transaction should Council approve the request. The appraised value for the subject conservation easement is $2,390,000. As stated in LCSLO's letter, the property description and articulation of conservation values are as follows:

> The Righetti Fiscalini Ranch is a prominent part of the southern San Luis Obispo Greenbelt and is visible from many City vantage points and open space areas. Two seasonal streams converge on the ranch which ultimately feed into San Luis Obispo Creek. Wildlife including black bears and various raptor species are frequently observed on the property. The ranch's current agricultural uses include approximately 91 acres of avocado orchard and 55 acres of vineyard.
>
> The proposed conservation easement will permanently protect these scenic, environmental, and agricultural conservation values by restricting development to one potential future single residence within a defined building envelope. Additional restrictions will prohibit future subdivision, intensive non-agricultural land uses, activities that lead to soil erosion, unnecessary removal of native vegetation, and other perpetual land use restrictions. These restrictions will ensure the conservation values of the Righetti Fiscalini Ranch are protected in perpetuity.

See Attachment B, Draft Grant Agreement, and Attachment C, LCSLO Funding Request Letter.

The City has also solicited a proposal from LCSLO for invasive species treatments at a suite of City open space properties, including Bishop Peak, Irish Hills, Stenner Springs and South Hills Natural Reserves, as well as Miossi Open Space. The priority species identified for treatment are yellow-star thistle (*Centaurea solstitialis*), wooly distaff thistle (*Carthamus lanatus*), jubata grass (*Cortaderia jubata*), and stinkwort (*Dittrichia graveolens*). These species carry a ranking of "high" or "alert" from the California Invasive Species Council, meaning that they have the capability to impact ecosystem processes, impact other plant communities, and impact genetic integrity, as well as possessing high

rates of spread with no management, innate reproductive potential, and potential of human-caused or natural long-distance dispersal, among other risk-based evaluative parameters.

Over the years, the City has sought LCSLO's services due to their intimate knowledge of City open space locations and habitats, decades of invasive species-specific experience, and specialized licensing and credentials (e.g. pest control applicator's license, qualified applicator license). As the City moves towards increased management actions attendant to reducing wildland fire risk, it is anticipated that invasive species treatments will play an important role. This is because some of the priority species are highly flammable in and of themselves (pampas grass) while others have the capability of converting grassland systems to the point where livestock grazing as a fuel reduction management strategy is much less viable because species such as yellow star thistle and distaff thistle are unpalatable to livestock grazing animals. The current scope of work and budget provided by LCSLO following coordination with City staff is $43,155.

Previous Council Direction
City Council's most recent notable action related to land protection within the San Luis Obispo Greenbelt is the adoption of the Major City Goal (MCG) for Open Space, Climate Action, and Resilience included with the 2025-27 Financial Plan, including these goals:

4 – Protect, sustain and advance open space and natural and historic resources
- **a.** Pursue priority land conservation opportunities to expand the Greenbelt, identify funding opportunities and resources, and engage with priority landowners on an annual basis

2 – Implement disaster mitigation efforts to reduce risks from flood and fires
- **b.** Treat at least 25 acres of vegetative fuels in high wildfire risk areas of City creeks and Open Space

Public Engagement
The Major City Goal strategy to protect and maintain open space is reflective of extensive public engagement during the 2025-27 Financial Plan process, including the Community Forum, Goal Setting Workshop, numerous survey and public input opportunities, Strategic Budget Direction, and the final adoption of the Financial Plan itself. Any member of the public may put forward either written or verbal comments to the City Council pertaining to this agenda item.

CONCURRENCE

The Community Development Department concurs with the recommended action due to the role of the proposed Conservation Easement in service of implementing the Land Use Element (2014) of the City's General Plan.

The City's Ranger Service and the Fire Department's Emergency Management personnel support the treatment of invasive species within City open space to reduce the risk of wildland fires.

ENVIRONMENTAL REVIEW

The recommended action to provide grant funding for the purchase of a conservation easement is not considered a Project under the California Environmental Quality Act. Further, the acquisition of a conservation easement is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) because it involves "acquisition of lands for fish and wildlife conservation purposes including (a) preservation of fish and wildlife habitat..." (CEQA Guidelines § 15313), and because it involves the "acceptance of ... easement interests in order to maintain the open space character of the area" (CEQA Guidelines§ 15317).

The City also recently completed registration with the State of California pursuant to the Governor's executive order and its CEQA Suspension process for projects that reduce the risk of wildfire (Secretarial Suspension Authorization, Project ID: 3c76408c-c831-40e7-85e6-8283a118f7b9, "City of San Luis Obispo Hazardous Fuels Reduction and Wildfire Prevention Project"). This approval specifically covers invasive species treatment actions in the locations identified under the proposed scope of work. Project activities will need to comply with the Statewide Fuels Reduction Environmental Protection Plan (EPP) following submittal of a Notice of Commencement specifying the date and location where activities will actually take place.

FISCAL IMPACT

Budgeted: Yes
Budget Year: 2025-26
Funding Identified: Yes

Fiscal Analysis:

Righetti Fiscalini Ranch Conservation Easement – In-Lieu Funds

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other: Avila Ranch In-Lieu Open Space Funds	$603,500	$65,000	$538,500	N/A
Total	**$603,500**	**$65,000**	**$538,500**	**N/A**

Invasive Species Treatments - Open Space Maintenance CIP

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	$213,221	$43,155	$170,066	N/A
State				
Federal				
Fees				
Other:				
Total	**$213,221**	**$43,155**	**$170,066**	**N/A**

As part of the Development Agreement and conditions of approval for the Avila Ranch project, the City collected a total of $603,500 as an in-lieu payment to offset open space impacts and conversion of agricultural soils that occurred at the project site. The Avila Ranch project will dedicate agricultural open space land on-site, and the in-lieu funds represent the off-site requirement that could not be completed within the project boundary. The funds should be spent within the San Luis Obispo Greenbelt and should be used for conservation projects with an agriculture nexus. Per the draft Grant Agreement, the City's funds would be sent directly to escrow with instruction to be used if, and only if, the escrow officer has all other funds on hand and is in position to record the Deed of Conservation Easement. Because LCSLO is responsible for easement administration and annual monitoring, the annual ongoing cost to the City is negligible.

The Open Space Maintenance CIP is used for a broad variety of activities outlined in the City of San Luis Obispo 2015 Open Space Maintenance Plan, including invasive species treatment activities. A total of $213,221 is currently available to support the funding request of $43,155. Ongoing costs are difficult to determine; in some cases, a single treatment may be effective while in other cases a treatment area may need multiple visits based on the management objective (e.g. eradication, perimeter control) and variable field conditions in the future based on timing and amount of seasonal rainfall. In any case, follow-up treatments would be the subject to a future scope of work and funding availability. This funding request would be enabled through the City's standard purchase requisition and purchase order process.

ALTERNATIVES

Council may request changes to either the draft Community Partnership Agreement or the draft Grant Agreement. Council could also elect to fund only the conservation easement or only the invasive species treatment work described herein, or fund either of the projects at a lesser amount. Council could choose not to approve any of the recommended actions. Should Council direct an alternative that requires staff to return at a later time, a "date certain" should be identified that works with LCSLO's acquisition schedule and timing for the conservation easement project.

ATTACHMENTS

A - Community Partnership and Foundation Policy and Resolution No. 8862 (1998 Series)
B - Draft Community Partnership Agreement
C - Draft Grant Agreement
D - LCSLO Funding Request Letter - Righetti Fiscalini Ranch Conservation Easement

council agenda report

Meeting Date: 10-20-98
Item Number: 5

CITY OF SAN LUIS OBISPO

FROM: Ken Hampian, Assistant City Administrative Officer KH
Prepared By: Wendy George, Assistant to the City Administrative Officer WG
Paul LeSage, Parks and Recreation Director PL

SUBJECT: COMMUNITY PARTNERSHIP AND FOUNDATION POLICY

CAO RECOMMENDATION

1) Adopt a resolution approving a Community Partnership and Foundation Policy.
2) Adopt a resolution endorsing a Community Recreation and Parks Foundation, subject to receipt of its 501(c) non-profit status, the formation of a board of directors and approval of proposed by-laws.

DISCUSSION

Background

During the goal setting process for the 1997-99 Financial Plan, the Council created a goal to "encourage partnerships with non-profit organizations for the mutual benefit of both the City and the organizations." In considering this goal, the Council recognized that the possibilities for such partnerships and foundations are wide-ranging and could also create competition with other local non-profit agencies. Therefore, staff was directed to develop procedures for establishing them in a well-defined, logical way, based on a full understanding of the implications involved. In order to fulfill this direction, staff surveyed a number of other public agencies and gathered information about the types of partnerships and level of governmental support involved.

The results of this survey were presented to the City Council at its January 13, 1998, meeting. Following a discussion of the information provided, the City Council directed staff to develop a community partnership policy which addresses establishing partnerships for specific City-related projects and the formation of a Parks and Recreation Foundation. Staff was asked to include the following areas in the policy:

- Guidelines for the level of "seed" money to be provided to a partner.
- Guidelines for the level of "in-kind" support to be provided to a partner.
- The type of formal agreement which must be developed with a partner.
- Requirements which a partner must meet to prevent the City from assuming additional liability.
- Methods of publicizing the City's interest in developing community partnerships.
- The level of direct City involvement with a City-endorsed foundation.
- Parameters for a City-endorsed foundation which would prevent it from competing with other non-profit organizations.

Community Partnerships

The proposed Community Partnership and Foundation Policy (Attachment 1) is divided into two sections. The first addresses partnerships and the second addresses City-endorsed foundations. In developing the section on partnerships, it became quickly apparent that it would be difficult to create hard and fast rules relating to the types of programs, projects and activities that would be appropriate for partnerships. Instead, the policy sets forth evaluation criteria, such as the level of public benefit offered by the partnership, the extent to which a partnership will help advance existing City goals and the cost-effectiveness of the partnership. These criteria can then be used on a case-by-case basis to evaluate the appropriateness of a given partnership.

The policy also directs the City to form community partnerships only with entities that can demonstrate good organization and stability. Non-profits should have a board of directors, and, if funding is involved, must be qualified under Section 501(c) of the Internal Revenue Code. To assure that both parties in the partnership understand their responsibilities and any financial arrangements, the policy requires that a formal agreement be drawn up. If significant funding or significant in-kind support is involved, the agreement will be approved by the City Council. Otherwise, the City Administrative Officer may provide approval. The agreement will also protect the City from liability by providing indemnification and requiring the partner to be properly insured.

Similar to the issue of trying to succinctly define appropriate types of partnerships, it was difficult for staff to provide specific parameters on the level or type of City support, given the variety of possibilities. However, the policy does provide a general guideline that it is reasonable to expect the City and the partner(s) to share the cost equally. It further states that this ratio could vary depending on the cost of the program/project, the resources of the partner(s) and the degree of interest on the part of the City. The policy also assures that the potential impact on other existing City services and priorities will be considered when determining the level of the City's in-kind commitment.

In order for partnerships to become one of the City's standard problem-solving tools, we propose to send copies of the approved policy to all non-profit organizations within the City. Staff will also consider and, when appropriate, recommend partnerships as a way of completing City programs, projects and activities that would otherwise lack sufficient funding for completion. The community will also be encouraged to consider partnerships when advocating to the City for the initiation of new programs or projects. (For example, as part of the bi-annual goal setting process.)

City-Endorsed Foundations

The second section of the policy addresses what we are now calling "City-endorsed foundations". (Attachment 1). We believe this is a more appropriate description than the term "City foundation", which was used during earlier discussions of this issue. These are foundations that are not formed directly by the City, but ones whose efforts the City sanctions; and for which the City may provide limited formation assistance, such as reviewing proposed by-laws to assure their compatibility with City interests. Prior to the City offering such recognition, the proposed foundation will be evaluated to assure that it will not compete for resources that are currently supporting other non-

profit activities in the community. Endorsed foundations must be qualified under Section 501(c) of the Internal Revenue Code and have by-laws that clearly state their purposes. The policy requires formal action by the City Council to affect endorsement.

The purpose of a City-endorsed foundation is to assist members of the community in raising funds for a particular program area that is of benefit to the City. Funds may be used for the construction or improvement of facilities, purchases of equipment, development of innovative programs and scholarships or other forms of financial assistance. Funds may be granted by the foundation to the City or to other community organizations that provide services or opportunities within the foundation's program area.

The policy provides very specific restrictions on fundraising, which must be followed by any foundation wishing City endorsement. They shall not:

- Accept funds that simply redistribute existing community resources.
- Compete against other local non-profit organizations for funds that they have formerly received.
- Undertake a general fundraising campaign. All fundraising must be directed toward a specific purpose.
- Allocate funds other than to the specific stated purpose of the fundraising.

Proposed San Luis Obispo Community Recreation and Parks Foundation

Staff recommends that the City Council endorse the formation of a Community Recreation and Parks Foundation that will benefit all of the organizations that provide leisure services.

As defined in the organization's proposed by-laws, the Foundation would:

- Assist members of the community in raising funds for construction of new recreation facilities, improvements of existing facilities, purchase of equipment, development of innovative recreation programs and scholarships.

- Obtain grants from other non-profit foundations.

The proposed Community Recreation and Parks foundation will meet the guidelines of the Council relating to City-endorsed foundations. A set of bylaws (Attachment 3) has already been developed. Once a conditional endorsement is received from the City, a board of directors will be formed, based on the by-laws, and the organization will apply for its 501(c) non-profit status.

The Foundation will be careful not to undertake any activity that is contrary to the goals and purposes of the various organizations that provide recreation and park services within the San Luis Obispo community. To ensure this, the board will appoint ex-officio advisory board members from these organizations. The Foundation will not accept funding that merely redistributes existing community resources, nor will it undertake a general fundraising campaign. Funds raised will be used only for the specific activity for which they are intended.

Because of the community nature of this Foundation, all local recreation and park agencies can become active partners under its umbrella. This can lead to other successful partnerships similar to the Santa Rosa Skate Park and the Mayor's Youth Task Force.

It is likely that a small amount of staff time will be needed initially to assist with the organization of the Foundation. That time commitment will decrease as the Foundation board of directors becomes active. Many local citizens are already aware of the proposed Foundation and have expressed an interest in serving on the board.

CONCURRENCES

- The Parks and Recreation Commission endorses the formation of a Community Recreation and Parks Foundation.
- The San Luis Obispo YMCA concurs with the formation of a Community Recreation and Parks Foundation, with the understanding that they will become an active partner in it.
- The Field Users Task Force has also been apprised of the Community Recreation and Parks Foundation and has expressed its support.

FISCAL IMPACT

There is no fiscal impact to the City created by the establishment of a Community Partnership and Foundation Policy. Implementation of the policy has the potential to provide considerable outside financial support or cost savings to the City, but will also require the potential investment of funds and manpower on the part of the City. The net fiscal impact to the City will be determined on a case-by-case basis.

Attachments

1 - Resolution approving the Community Partnership and Foundation Policy
2 - Resolution approving the City Endorsement of a Parks and Recreation Foundation
3 - Community Recreation and Parks Foundation By-Laws

City of San Luis Obispo Community Partnership and Foundation Policy

Purpose. There are many programs, projects and activities which are of interest to the City and the community, but cannot be addressed directly due to limitations on the City's human or financial resources. However, in keeping with the City's tradition of citizen involvement, City resources can be used in partnership with others to create opportunities for otherwise unfeasible projects or programs. The City encourages the formation of such community partnerships whenever possible. Under certain limited conditions the City will also consider endorsing the establishment of a foundation to encourage public contributions and grant funding for specific purposes that affect City programs. Both partnerships and foundations can be methods for the public to become more involved in creating the quality of life that is so special to the residents.

A few examples of some successful City partnerships are:

- Performing Arts Center
- DARE Program
- Prado Day Center
- Santa Rosa Park roller hockey rink
- STAR At-Risk Program
- Creek Stewardship Program

I. COMMUNITY PARTNERSHIPS

Eligible Programs, Projects and Activities. On occasion, the City may propose a partnership with another community organization. More often, however, partnerships with the City are proposed by community organizations wishing to initiate or enhance certain programs, projects or activities of special interest to them. In judging whether or not to participate in such partnerships, the City will consider such things as:

- The level of public benefit offered by the partnership;
- The extent to which such a partnership will help advance existing City goals;
- Whether or not the partnership will help meet a currently unmet community need;
- The potential success and cost-effectiveness of the proposed partnership strategy;
- Whether or not the City is the appropriate public agency partner (or if another agency would be more appropriate).

Eligible Community Partners. The City shall only form community partnerships with entities that can demonstrate good organization and stability throughout the term of the partnership. Non-profit organizations should have a board of directors and, if funding is

to be received from the City, must be qualified under Section 501(c) of the Internal Revenue Code. If no funding is to be received from the City, official non-profit status is not required.

Community Partnership Agreement. All community partnerships require a formal agreement between the City and the partner(s). The agreement shall clearly define the purpose of the partnership, the City's responsibilities, the partner(s)' responsibilities, the level of in-kind (e.g., labor and materials) and direct financial support the City shall contribute, the level of in-kind or financial support the partner(s) shall contribute, any reporting responsibilities the partner(s) shall have and any other operational details relevant to the purpose of the partnership. The City's standard contract agreement format shall be used to document the partnership. If City funding, or significant in-kind support is to be provided, or the purposes of the partnership could have major community impact, the partnership agreement shall be approved by the City Council. Other agreements may generally be approved by the City Administrative Officer.

Level and Type of City Support. Because there is such a diversity in the nature of potential partnerships, it is difficult to establish rigid parameters for an appropriate level of City support. As a general guideline, it is reasonable to expect the City and the partner(s) shall each contribute half the cost toward a community partnership. However, this ratio could vary depending upon the program/project cost, resources of the partner(s) and level of interest on the part of the City. In-kind contributions shall be counted, as well as actual cash, in calculating the total contribution of the parties. Once agreement is reached on the levels of contribution by the parties, it will be documented in the partnership agreement. The level of in-kind support to be committed from the City, particularly the amount of staff support, shall be determined based on work load considerations and the potential impact on other existing City services and priorities. In particular, before the commitment of financial or in-kind support which cannot be easily accommodated within existing departmental budgets, the availability of additional funding must be determined.

Examples:

The City and the Central Coast Women's League form a partnership to enhance the existing skate park. The total cost of the enhancements is anticipated to be $40,000. Each party commits to contributing $20,000 either in cash or in a combination of "in-kind" services, e.g. volunteer or staff labor, and cash.

The City and Friends of Las Casas de Adobe (FOCA) form a partnership to rehabilitate the three City-owned adobes. The total cost of the project is anticipated $1.2 million. The parties agree that the City will provide $25,000 in "seed money" from the General Fund to allow FOCA to perform initial studies and establish fundraising mechanisms. In addition the City agrees to provide certain assistance, such as tree trimming, and to approve other sources of funding such as the Community Development Block Grant. The City's funding commitment is documented in the partnership agreement. The Friends of Las Casas de Adobe are responsible for the remaining funding.

Organizations which are formally approved partners of the City may be eligible for certain benefits which are not normally made available to other groups. For example, use of City equipment, such as the trolley or portable toilets, may be approved on a case-by-case basis for official City partners.

Indemnification and Liability Insurance. Any partner(s) shall agree to indemnify the City against all claims or actual liability arising out of the partnership. The City's standard indemnification language shall be included in the partnership agreement. Any partner(s) shall provide proof of insurance in accordance with the City's standard Insurance Requirements for Contractors. Exceptions to the insurance requirements shall be approved by the Risk Manager.

Promotion of Community Partnership Opportunities. Partnerships have become a part of the City's standard set of problem solving tools, and this formalized policy shall be made available to non-profit organizations within the community. In addition to being receptive to partnerships proposed by such organizations, staff shall also consider, and when appropriate recommend, partnerships as a way of completing City programs, projects and activities that otherwise lack sufficient funding. The community will also be encouraged to suggest potential partnership strategies when advocating to the City Council for the initiation of new programs, projects, and activities (i.e. during the bi-annual goal setting process).

II. CITY-ENDORSED FOUNDATIONS

Formation of Community Foundations. The formation of community foundations has become a way of tapping into new resources to support programs, projects, and activities that benefit the public. While the City will not directly form such a foundation, under certain conditions the City might endorse and assist in such efforts. In addition to assuring public benefit, one key condition prior to endorsement or assistance is that the proposed foundation is not being formed to compete for resources presently supporting other non-profit activities in the community. Endorsement shall be by the City Council, and forms of assistance provided by City staff shall be advisory only, such as reviewing proposed bylaws to assure compatibility with City conditions and interests.

Purposes of a City-Endorsed Foundation. A City-endorsed foundation's purpose shall be to assist members of the community in raising funds for a particular program area that is of benefit to the City, for example recreation and parks. Funds may be used for the construction of new facilities, improvements of existing facilities, purchase of equipment, development of innovative programs or providing scholarships or financial assistance to program participants. Funds may be granted by the foundation to City departments or programs, as well as to other organizations within the community which provide services or opportunities within the given program area.

The Endorsement Process. Endorsement of a local foundation shall be given by the City Council through the adoption of a resolution. In order to consider the appropriateness of an endorsement, the following will be considered:

- **Non-profit status.** The foundation must be qualified under section 501(c) of the Internal Revenue Code.

- **By-laws.** A City-endorsed Foundation shall have formal by-laws which clearly state the purpose of the foundation and provide operational directives which assure that the foundation will satisfactorily meet the conditions of this policy.

- **Board of Directors.** City employees shall not serve on the board of directors of a City-endorsed foundation. However, as appropriate, City employees may serve in an advisory capacity to the board of directors.

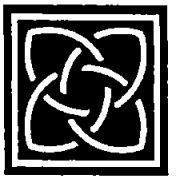
- **Fiscal Provisions.**

    * A City-endorsed foundation shall not accept funds that simply redistribute existing community resources.

    * A City-endorsed foundation shall avoid competing against other local non-profit organizations for funds that have typically gone to these other community organizations.

    * A City-endorsed foundation shall not undertake a general fundraising campaign. All fundraising shall be directed toward a particular defined purpose. A City-endorsed foundations primary source of funds shall be through the solicitation of grants, donations and bequests and the conducting of special fundraising events for a particular purpose.

    * A City-endorsed foundation shall allocate all funds raised to the particular program, activity or facility stated to be the purpose for the fundraising.



RESOLUTION NO. 8862 (1998 Series)

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO APPROVING A COMMUNITY PARTNERSHIP AND FOUNDATION POLICY

WHEREAS, there are many programs, projects and activities which are of interest to the City and the community, but cannot be addressed directly due to limitations on the City's human or financial resources; and

WHEREAS, the City of San Luis Obispo has a tradition of citizen involvement in its programs, projects and activities; and

WHEREAS, City resources can be used in partnership with others to create opportunities for otherwise unfeasible projects or programs; and

WHEREAS, under certain limited conditions the City and community can also benefit from the establishment of a foundation to encourage public contributions and grant funding for specific purposes that affect City programs.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

The City of San Luis Obispo Community Partnership and Foundation Policy found in Attachment 1 is hereby approved.

Upon motion of Council Member Williams, seconded by Vice Mayor Romero, and on the following roll call vote:

AYES: Council Members Schwartz, Romero, Williams, Mayor Settle

NOES: None

ABSENT: Council Member Roalman

the foregoing resolution was adopted this 20 day of October, 1998.

Mayor Allen Settle

ATTEST:

Lee Price, City Clerk

APPROVED AS TO FORM:

Jeffrey G. Jorgensen, City Attorney

COMMUNITY PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF SAN LUIS OBISPO AND
THE LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY

This **COMMUNITY PARTNERSHIP AGREEMENT**, hereinafter referred to as the Agreement, is made and entered into in the City of San Luis Obispo on _____ by and between the CITY OF SAN LUIS OBISPO, a municipal corporation (hereinafter referred to as "CITY"), and LAND CONSERVANCY OF SAN LUIS OBISPO, a California non-profit organization (hereinafter referred to as "LCSLO"). The CITY and LCSLO are individually referred to as a "party" or collectively as the "parties".

WITNESSETH:

WHEREAS, the CITY and LCSLO have a long-standing public / private partnership stretching over thirty years where the two entities have engaged in mutually beneficial community projects including conservation planning efforts, land conservation projects, land and stream restoration projects; an historic preservation project; public engagement and education; and, community awareness and fundraising for one another's projects; and

WHEREAS, select examples of such projects include the *Saving Special Places* conservation plans; acquisition and / or conservation easements at Maino Open Space, Stenner Springs Natural Reserve, Bowden Ranch Open Space, Froom Ranch Open Space, and, most recently, Dixon Ranch; wetland and floodplain enhancement at Filipponi Ecological Reserve, numerous fish passage improvement projects along Prefumo Creek, Stenner Creek, and San Luis Obispo Creek; ongoing invasive species treatment work and participation and support for the Octagon Barn Center and Bob Jones Pathway, among many other endeavors between CITY and LCSLO; and

WHEREAS, CITY's 2025-27 Financial Plan feature a Major City Goal work plan for Open Space, Climate Action, and Resilience, including section 4 "Protect, sustain and advance open space and natural and historic resources" with sub-section 4. being most pertinent "Pursue priority land conservation opportunities to expand the Greenbelt, identify funding opportunities and resources, and engage with priority landowners on an annual basis"; and

WHEREAS, LCSLO has set forth a request for CITY to participate in funding a currently active conservation easement project, and CITY has solicited a proposal from LCSLO for its services in providing invasives species treatments within CITY open space property; and

WHEREAS, the CITY desires to maintain a mutually beneficial relationship between the CITY and LCSLO to advance open space protection and land stewardship goals; and

WHEREAS, the CITY has determined that partnerships with community organizations to provide shared services to the community are of great benefit and LCSLO has expressed a willingness to continue these shared services, in partnership and in cooperation with CITY; and

WHEREAS, LCSLO is a 501(c)3 non-profit organization and is uniquely qualified to provide the services contemplated under this Agreement due to its more than 40 years of experience delivering conservation planning and land protection projects, as well as its extensive experience, credentials, and professional licenses related to land restoration and invasive species treatment projects within the San Luis Obispo Greenbelt.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The duration of this Agreement shall be for a period of approximately three (3) years, commencing on **April 21, 2026** and continuing to **June 30, 2029** (the "Term"), which may be extended upon the mutual written agreement of the parties.

2. **FINANCIAL MANAGEMENT.** Initially, the CITY and LCSLO intend to engage in certain projects relating to land protection and land restoration and invasive species treatment and in connection therewith the parties intend to implement those projects in accordance with the financial terms outlined in Section 2.1, below.

   2.1 PAYMENT TO LCSLO. The CITY shall provide funding to LCSLO for certain known project efforts, described below:

   A. CITY will provide matching grant funds in the amount of $65,000 for LCSLO's Righetti-Fiscalini Ranch project. CITY and LCSLO shall enter into a separate grant agreement (the "Righetti-Fiscalini Grant Agreement"), which shall provide that the CITY's funds will be delivered directly to an account established for the transaction upon notification from LCSLO. The terms of the Righetti-Fiscalini Grant Agreement shall be subject to the mutual written approval by the CITY and LCSLO.
   B. CITY has requested LCSLO's services for invasive species treatment work at various CITY open space properties. CITY shall issue a Purchase Order (the "City Purchase Order") in the amount of $43,155 pursuant to LCSLO's proposal and scope of work, which shall be incorporated into the City Purchase Order. CITY shall remit payment to LCSLO on a reimbursable basis upon receipt of periodic invoices from LCSLO in accordance with the City Purchase Order. The City Purchase Order shall be subject to the mutual written approval by the CITY and LCSLO.

3. **ROLES AND RESPONSIBILITIES.** The CITY's Sustainability & Natural Resources Official may authorize minor modifications from time to time within the scope of their financial and/or operational authority, to the Roles and Responsibilities as they may deem necessary or appropriate to the partnership between the CITY and LCSLO. Any material amendment or modifications to the Roles and Responsibilities shall be upon mutual written consent of both parties, in accordance with paragraph 6, below.

   A. SCOPE OF SERVICES

   i. Both parties agree to collaborate on the land conservation and land restoration projects identified at paragraph 2.1, above.
   ii. Both parties will consider prospective additional project opportunities as they arise during the Term of this Agreement. Any additional project opportunities that CITY and LCSLO elect to pursue together under this Agreement shall be subject to available funding and staff resources of each of the parties and would be facilitated and administered through an appropriate contractual agreement or purchasing method. Through this Agreement, it is CITY's express intent to identify LCSLO as a preferred partner and vendor for project activities as described herein.
   iii. CITY and LCSLO staff will meet and coordinate project administration and implementation on an as-needed basis.

B. CITY OBLIGATIONS

i. CITY will be available for monthly reoccurring meetings, or as needed, with LCSLO during the Term.
ii. CITY shall remit approved payments to LCSLO as outlined and in accordance with the Righetti-Fiscalini Grant Agreement and City Purchase Order described above.
iii. CITY shall provide administrative support for grant management and reporting.
iv. CITY shall coordinate timing and access to CITY's open space properties where invasive species treatments will occur.
v. CITY will coordinate with LCSLO on any press releases, media, or public communications related to the Scope of Services.

C. LCSLO OBLIGATIONS

i. LCSLO will be available for monthly reoccurring meetings, or as needed, with CITY during the Term.
ii. LCSLO will dutifully carry out the Scope of Services.
iii. LCSLO shall submit requests for payment or periodic invoices to CITY as outlined and in accordance with the Righetti-Fiscalini Grant Agreement and City Purchase Order described above.
iv. LCSLO shall provide CITY with a copy of the recorded Deed of Conservation Easement upon completion of the Righetti-Fiscalini project and carry out the perpetual duties of monitoring and enforcement of the Righetti-Fiscalini conservation easement interest.
v. LCSLO shall provide notification of timing and access to CITY's open space properties where invasive species treatments will occur.
vi. LCSLO shall at all times maintain its 501(c)3 non-profit status

4. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding or representation be binding upon the parties hereto.

5. **AGREEMENT TERMINATION.** Either party may terminate the Agreement for convenience provided that 30 days written notice is given. The Agreement may be terminated by either party for cause, provided that written notice has been given in the manner specified herein stating the reasons for the intended termination and providing the other party at least 10 days to cure any alleged breach. If the party receiving notice fails or refuses to cure the alleged breach within 10 days, or to make substantial progress toward cure to the satisfaction of the party demanding cure, this Agreement may be terminated 10 days after receipt of the notice as specified herein.

6. **AGREEMENT AMENDMENTS.** Except as otherwise stated in Section 3 of this Agreement, any amendment, modification or variation from the terms of this Agreement shall be presented in writing by CITY and / or LCSLO and shall be effective only upon final written approval by an authorized representative of each of the parties.

7. **INSURANCE AND LIABILITY**

A. Each party to this Agreement shall make the other party, its officers, agents, employees and volunteers as separately additionally insured through a CG 20 26 or equivalent, blanket endorsement or section of the policy no later than October 1 of

each year. Each party agrees to provide commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00-01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability.

B. Each party agrees to provide a minimum liability and property damage insurance coverage of one million dollars ($1,000,000).

C. Each party shall maintain worker's compensation insurance at a level that is consistent with state law requirements.

8. HOLD HARMLESS AND INDEMNIFICATION

A. CITY agrees to defend, indemnify, protect and hold LCSLO and its agents, officers and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to LCSLO's employees, agents, officers or volunteers, which arise from or are connected with or are caused or claimed to be caused by the acts or omissions of the CITY, and its agents, officers, employees or volunteers, in performing its responsibilities hereunder, and all expenses of investigating and defending against same; provided, however, that the CITY duty to indemnify and hold harmless shall not include any claims or liability arising from the negligence or willful misconduct of LCSLO, its agents, officers, employees or volunteers.

B. LCSLO agrees to defend, indemnify, protect and hold the CITY and its agents, officers and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to the CITY employees, agents, officers or volunteers, which arise from or are connected with or are caused or claimed to be caused by the acts or omissions of LCSLO, and its agents, officers, employees or volunteers, in performing its responsibilities hereunder, and all expenses of investigating and defending against same; provided, however, that LCSLO's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligence or willful misconduct of the CITY, its agents, officers, employees or volunteers

9. NOTICE. All written notices to the parties hereto shall be sent by USPS Mail, postage prepaid by registered or certified mail addressed as follows:

CITY: City Manager
City of San Luis Obispo
990 Palm St.
San Luis Obispo, CA 93401

LCSLO: Executive Director
Land Conservancy of San Luis Obispo County
1137 Pacific Street, Suite A
San Luis Obispo, CA 93401

Notices given pursuant to this section shall be deemed effective five (5) calendar days after deposit with USPS Mail. Either party may change its address for notices from time to time by giving written notice of such change in accordance with this section.

11. AUTHORITY TO EXECUTE AGREEMENT. Both CITY and LCSLO do covenant that each individual executing this Agreement on behalf of each party is a person duly authorized and empowered to execute agreements for their party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

ATTEST:

Teresa Purrington
City Clerk

CITY OF SAN LUIS OBISPO:

Erica Stewart
Mayor

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

LAND CONSERVANCY SAN LUIS OBISPO COUNTY:

Kaila Adriane Dettman Hooker
Executive Director

GRANT AGREEMENT FOR
RIGHETTI FISCALINI RANCH
CONSERVATION EASEMENT ACQUISITION

THIS Grant Agreement (the "Agreement") is made on _____ by the CITY OF SAN LUIS OBISPO ("CITY") and THE LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY ("LAND CONSERVANCY") who are collectively referred to as the "Parties".

RECITALS

WHEREAS, LAND CONSERVANCY has reached an agreement with the Righetti Family to acquire a Conservation Easement interest (the "Conservation Easement") in land commonly known as the Righetti Fiscalini Ranch, thereby ensuring the preservation of approximately two-hundred acres of real property (the "Property") located within CITY's established Greenbelt boundary, which Property is identified as San Luis Obispo County Assessor Parcel Number 044-051-028; and

WHEREAS, both CITY and LAND CONSERVANCY desire to ensure the preservation of the Property consistent with goals and policies set forth in CITY's Conservation and Open Space Element of its General Plan pertaining to protection of wildlife corridors and contiguous habitat, as well as to protect the scenic, open space, and agricultural values of the Property in perpetuity; and

WHEREAS, the appraised value for the Conservation Easement is $2,390,000.00 pursuant to a qualified independent appraisal; and

WHEREAS, CITY, in consideration of a request from LAND CONSERVANCY, and of the Parties' mutual goals and long-standing partnership in land conservation, desires to make a grant in the amount of $65,000.00 towards the purchase price of the Conservation Easement; and

WHEREAS, LAND CONSERVANCY has secured a primary grant from the State of California Department of Conservation's Sustainable Agriculture Land Conservation Program, as well as other private donations, that will provide the remaining funds needed to complete the transaction and provide for the long-term monitoring and stewardship of the Conservation Easement; and

WHEREAS, LAND CONSERVANCY will enter into to the Conservation Easement subject to certain contractual requirements by the State of California Department of Conservation that include various protective measures to ensure that the purposes of public expenditures of funds are adhered to and carried out in perpetuity; and

NOW, THEREFORE, in consideration of the promises herein and the mutual benefits accruing to the Parties, and to the general public from the acquisition of the Conservation Easement exclusively for conservation purposes as contemplated herein, CITY and LAND CONSERVANCY hereby agree as follows:

A. The Recitals herein are incorporated into and made a part of this Agreement.

B. CITY shall make a grant of funds to LAND CONSERVANCY in the amount of $65,000.00 which shall be deposited to an escrow account at First American Title Company that has been established for the benefit of this transaction, upon LAND CONSERVANCY's written request made at least 14 days in advance to do so.

C. CITY's funds shall only be used if, and only if, all other funds are deposited to escrow and the Conservation Easement Deed that will encumber the Property is duly executed, notarized, and recorded with the San Luis Obispo County Clerk / Recorder. If the transaction is substantially delayed or does not take place for any reason whatsoever, then LAND CONSERVANCY shall cause First American Title Company to promptly return the funds to CITY.

D. LAND CONSERVANCY, or its successors and assigns, shall hold all right, privilege and interests accruing from ownership of the Conservation Easement in perpetuity.

STANDARD PROVISIONS

1. Amendments
CITY and LAND CONSERVANCY may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City Manager. Such amendments will not invalidate this Agreement, nor relieve or release the CITY or LAND CONSERVANCY from its obligations under this Agreement, except as expressly provided in writing in any subsequent amendments.

2. Financial Assurance
CITY reserves the right to request copies of invoices, account statements, or audits of LAND CONSERVANCY's financial records pertinent to this Agreement. LAND CONSERVANCY shall at all times maintain its 501(c)3 non-profit status.

3. Civil Rights
Title VI of the Civil Rights Act of 1964
Under Title VI of the Civil Rights Act of 1964, no person will, on the grounds of race, color, creed, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974
No person in the United States will on the grounds of race, color, creed, religion, sex or national origin be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

Age Discrimination Act of 1975, as Amended
No person will be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance. (42 U.S.C. 610 et. seq.)

Section 504 of the Rehabilitation Act of 1973, as Amended
No otherwise qualified individual will, solely by reason or his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funds. (29 U.S.C. 794)

Public Law 101-336, Americans with Disabilities Act of 1990
Subject to the provisions of this title, no qualified individual with a disability will, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity.

4. Assignability
LAND CONSERVANCY will not assign or transfer any interest in this Agreement without the prior written consent of the City.

5. Conflict of Interest
No member of the CITY's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the project, will have any personal financial interest, direct or indirect, in this agreement; and LAND CONSERVANCY will take appropriate steps to assure compliance.

LAND CONSERVANCY agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

6. Severability
If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby, and all other parts of this Agreement will nevertheless be in full force and effect.

7. Entire Agreement
This Agreement constitutes the entire agreement between CITY and LAND CONSERVANCY for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between City and LAND CONSERVANCY with respect to this Agreement.

8. No Agency or Employment
LAND CONSERVANCY is solely responsible for the conduct of its activities in association with this Agreement. Nothing in this Agreement creates a formal partnership, agency, joint venture, employment, or any other type of relationship. LAND CONSERVANCY shall not represent itself as an agent of CITY for any purpose and has

no authority to bind the CITY in any manner whatsoever. LAND CONSERVANCY and all of its agents, representatives, or participants in any manner in the performance of its obligations and duties hereunder, shall be employees, independent contractors, or volunteers solely of LAND CONSERVANCY. They shall not for any purpose be considered employees or agents of the CITY.

9. Indemnification
LAND CONSERVANCY agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless CITY and its officers, directors, affiliates, employees, and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of LAND CONSERVANCY, its employees or agents, in accepting the funds, in expending or applying funds, or in carrying out the project as set forth.

CITY agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless LAND CONSERVANCY its officers, directors, affiliates, employees, and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of CITY, its employees or agents, in expending or applying funds, or in carrying out the project as set forth.

10. Termination
The CITY or LAND CONSERVANCY may initiate termination of this Agreement in the event of a substantial breach of the terms of this Agreement, or in the event of gross negligence, upon ten (10) days written notice to the other Party. Said termination shall be effective thirty (30) days after receipt by certified mail of a notice of termination to the other Party.

11. Compliance with Human Relations Commission "By Laws"
LAND CONSERVANCY hereby certifies and agrees that it will comply with the Human Relations Commission's "Bylaws" which creates an environment within the City in which all persons can enjoy equal rights and opportunities regardless of race, religion, sex, national origin, sexual orientation, age, physical, mental or economic status.

12. Notices
For purposes of notice under this agreement, all notices shall be considered effective upon being sent by certified mail to the following addresses:

To CITY:

City of San Luis Obispo
990 Palm Street
San Luis Obispo, CA 93401
Attn: City Manager

To LAND CONSERVANCY:

The Land Conservancy of San Luis Obispo County
1137 Pacific Street, Suite A
San Luis Obispo, CA 93401
Attn: Executive Director

IN WITNESS WHEREOF, the Parties have executed the foregoing as of the date year first above written.

CITY OF SAN LUIS OBISPO:

By: _____ Date:_____
Whitney McDonald, City Manager

APPROVED AS TO FORM:

By:_____ Date:_____
J. Christine Dietrick, City Attorney

THE LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY:

By:_____ Date:_____
Kaila Dettman, Executive Director

THE LAND CONSERVANCY of San Luis Obispo County

Mailing: PO Box 12206, San Luis Obispo, CA 93406
Office: 1137 Pacific Street, Suite A, San Luis Obispo, CA 93401

805 544 9096
805 544 5122
lc@lcslo.org
lcslo.org

March 30, 2026

City of San Luis Obispo
990 Palm Street
San Luis Obispo, CA 93401
Attn: Mayor Stewart and City Council
Via: Whitney McDonald, City Manager
Bob Hill, Sustainability & Natural Resources Official

RE: Righetti Fiscalini Ranch Conservation Easement

Dear Mayor Stewart and City Council,

The Land Conservancy of San Luis Obispo County ("The Land Conservancy") respectfully requests the City Council's consideration of a $65,000 contribution to help fund a conservation easement on the Righetti Fiscalini Ranch, located on Orcutt Road south of San Luis Obispo in the scenic greenbelt surrounding the City of San Luis Obispo ("City"). A conservation easement on this ranch will permanently protect a suite of scenic, agricultural, and environmental conservation values.

Project Overview
The Righetti Fiscalini Ranch conservation easement project will protect 199 acres within the City's Greenbelt. The property is situated within Edna Valley's complex of long-standing agricultural lands, including the adjacent Dixon Ranch which was protected by The Land Conservancy in 2023 with modest matching funding from the City. The Righetti Fiscalini Ranch is a prominent part of the southern San Luis Obispo Greenbelt and is visible from many City vantage points and open space areas. Two seasonal streams converge on the ranch which ultimately feed into San Luis Obispo Creek. Wildlife including black bear and various raptor species are frequently observed on the property. The ranch's current agricultural uses include approximately 91 acres of avocado orchard and 55 acres of vineyard.

The proposed conservation easement will permanently protect these scenic, environmental, and agricultural conservation values by restricting development to one potential future single residence within a defined building envelope. Additional restrictions will prohibit future subdivision, intensive non-agricultural land uses, activities that lead to soil erosion, unnecessary removal of native vegetation, and other perpetual land use restrictions. These restrictions will ensure the conservation values of the Righetti Fiscalini Ranch are protected in perpetuity.

Support for City Goals
Protecting the Righetti Fiscalini Ranch will address multiple City policy goals. The City's 2025-2027 Financial Plan identifies pursuit of land conservation opportunities to improve the Greenbelt as an ongoing priority to achieve their Open Space, Climate Action, and Resilience goal of sustaining and advancing open space and natural resources. Additionally, the Conservation and Open Space Element of the City's General Plan states that open space and productive agricultural land within the Greenbelt should be protected and maintained to preserve the City's charm and character. The Righetti Fiscalini

THE LAND CONSERVANCY of San Luis Obispo County

Mailing: PO Box 12206, San Luis Obispo, CA 93406
Office: 1137 Pacific Street, Suite A, San Luis Obispo, CA 93401

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Ranch conservation easement will directly support these goals by protecting 199 acres of highly scenic and productive agricultural land from development within the City's Greenbelt.

The permanent protection of the Righetti Fiscalini Ranch also aligns with the sustainability and healthy community policies identified in the Land Use Element of the City's General Plan in two important ways. First, the conservation easement will support the City's efforts to maintain and expand natural areas surrounding the city to foster carbon sequestration. The natural and agricultural land cover on the property will continue to absorb and store atmospheric carbon for generations to come. Second, the Righetti Fiscalini Ranch provides significant contributions to the City's goal of supporting local food systems, including produce grown on the ranch, which are a local favorite at farmers' markets and co-ops.

Finally, the City's participation in the Righetti Fiscalini Ranch conservation easement acquisition would add to the long history of successful conservation partnerships between the City and The Land Conservancy. Multiple Greenbelt, open space, wildlife habitat, and riparian protection projects have been completed through this partnership including Bowden Ranch, Stenner Springs, Maino Open Space, Guidetti Ranch, and Dixon Ranch among many other conservation and ecosystem restoration projects in the greater City region.

Funding, Timeline, and Long-Term Stewardship
City funding toward this conservation easement will be heavily leveraged by the California Department of Conservation's Sustainable Agricultural Lands Conservation Program ($2,125,000) and the John S. Kiewit Memorial Foundation Grant ($200,000). These two match funding sources amount to 97% of the appraised conservation easement value of $2,390,000. This easement would be fully funded and able to close in fall 2026 should the City choose to grant the final $65,000 gap.

Once acquired, the conservation easement will be held and stewarded by The Land Conservancy. The permanent conservation of the Righetti Fiscalini Ranch will be realized through a perpetual commitment to annual monitoring of the easement and, if required, enforcement of easement terms. Funding for this perpetual stewardship commitment will be donated by the landowner at the time of close and will be held in The Land Conservancy's dedicated Easement Stewardship and Defense account.

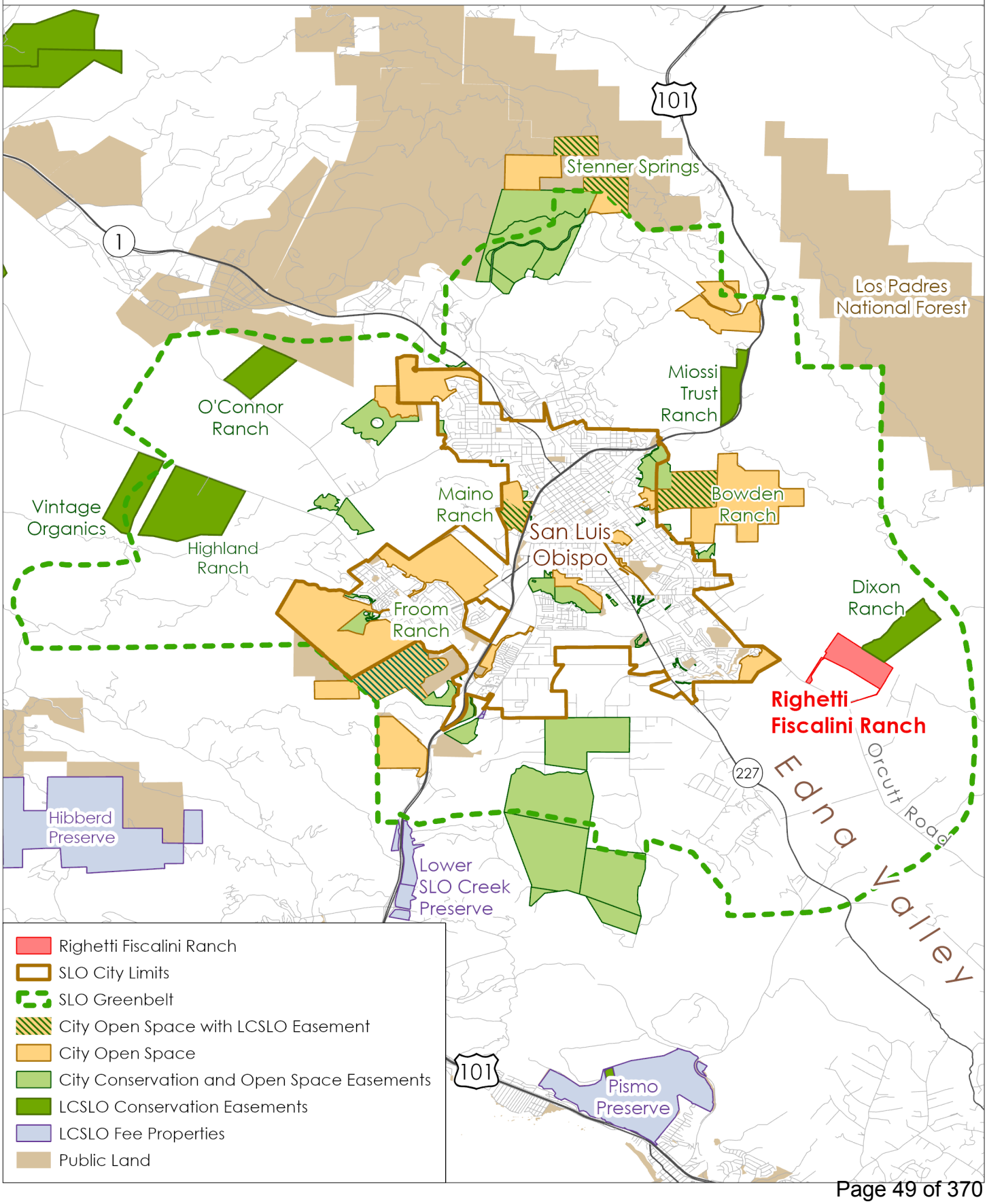
Thank you for your consideration of this funding request to protect a key property within the City Greenbelt. Maps and photos of the Righetti Fiscalini Ranch have been included below. Please contact Kyle Walsh, Conservation Director at 805-544-9096 or kylew@lcslo.org with any questions or for additional information.

Sincerely,

Kyle Walsh
Conservation Director

Righetti Fiscalini Ranch Conservation Easement
City of SLO Funding Request
Vicinity Map

2 miles



Righetti Fiscalini Ranch Conservation Easement
City of SLO Funding Request
Aerial Map

1/4 mile

Photos of the Righetti Fiscalini Ranch

Figure 1. Coyote seen roaming through the grassland at the Righetti Fiscalini Ranch.

Figure 2. Stream channel which connects to San Luis Obispo Creek, shown adjacent to serpentine rock outcrop.

Figure 2. Avocado orchard with Cerro San Luis and Bishop Peak City Open Spaces in the background.

Figure 1. One of several owl boxes located throughout the property. Avocado orchard shown in the background.

Department: Community Development
Cost Center: 4003
For Agenda of: 4/21/2025
Placement: Consent
Estimated Time: N/A

FROM: Timmi Tway, Community Development Director
Prepared By: Eva Wynn, Assistant Planner

SUBJECT: APPROVE A MILLS ACT CONTRACT FOR LANDMARK PROPERTY AT 1421 GARDEN STREET

RECOMMENDATION

Adopt a draft resolution entitled "Resolution of the City Council of the City of San Luis Obispo, California, approving a Historic Property Preservation Agreement between the City and the Owners of the Meredith House at 1421 Garden Street (Application No. HIST-0681-2025)," as recommended by the Cultural Heritage Committee.

POLICY CONTEXT

The recommended action on this item is supported by historical preservation policies set out in Section 3 of the Conservation and Open Space Element of the City's General Plan, particularly Program 3.6.2, regarding participation in financial incentive programs to encourage maintenance and restoration of historic properties, and also with the purpose of encouraging private stewardship of historic buildings through incentives, as provided by Section 14.01.010 (B)(3) of the City's Historic Preservation Ordinance.

DISCUSSION

The owners of the Meredith House at 1421 Garden Street submitted an application on September 15, 2025, to enter into a Mills Act historic property preservation contract with the City (see Draft Agreement, Attachment A).

Figure 1: Meredith House (1421 Garden St)

The property is located on the southwest side of Garden Street, about 100 feet south of Pismo Street, in the Old Town Historic District, one of the

City's oldest residential neighborhoods, built up historically around the turn of the twentieth century, with older structures dating back to the 1880s.

The subject house, built in 1883, embodies the Swiss Revival/Heimatstil style and was included in the City's Inventory of Historic Resources as a Master List[1] property (Landmark) by Resolution No. 11365 (2022). It was found to satisfy historic significance evaluation criteria for Architecture and Persons, and was found to retain a high degree of integrity to communicate its significance. The residence was designated a Landmark for its association with David Milton Meredith, an early San Luis Obispo leader who influenced the city's development in education, finance, and religion; and for its embodiment of the Swiss Revival/Heimatstil style, as concluded by the application and historic evaluation prepared by James Papp, PhD. It is the earliest documented of the city's Swiss Revival resources. More information regarding the historic significance of the Meredith House can be found in the staff report prepared for the Master List (Landmark) designation application from 2022.

The Mills Act Program

It is the City's policy that significant historic resources be rehabilitated and preserved (COSE § 3.3.1). The Mills Act Program is a property tax reduction program for protection of cultural resources that encourages their maintenance and restoration (COSE § 3.6.2 of the General Plan Conservation and Open Space Element). Participation in the program is limited to Landmark resources; resources that are of the greatest importance at the local, regional, state, or national level in terms of age, architectural or historical significance, rarity, or association with important persons or events in the City's past, that meet one or more of the criteria outlined in Section 14.01.060 and that retain a high degree of integrity (HPO § 14.01.050 (A)(1)). Currently, there are 67 properties participating in the program, with the last request (for the Vollmer House at 1116 Pismo St) approved by the Council on June 3, 2025. The City and owners of a Landmark enter into a historical property contract under which the owners agree to restore, maintain, and protect the property in accordance with historical preservation standards. Owners may qualify for property tax relief, potentially realizing tax savings of between 40% and 60% per year. A Mills Act Contract has a minimum term of ten years, and is extended annually for an additional year, unless, after the initial term, either the City or the owner, by written notice, decides not to renew the contract.

As described in the applicant's request letter (Attachment C), several renovations and maintenance items are planned to be completed within the life of the contract:

- spot maintenance of the recent exterior painting
- repair of porch and other areas of rotting wood
- window upgrades to historic standards

[1] Master List and Contributing List Resources – The Historic Preservation Ordinance (§14.01) was updated by Council Ordinance No. 1753 (2025 Series) which included changes to naming conventions for Historic Resources. The updated ordinance was introduced December 2, 2025 and adopted January 13, 2026 (effective February 13, 2026).

- repair of incorrectly installed drains
- new roof shingles toward the end of their lifespan in the next ten years

Previous Council or Advisory Body Action

On February 23, 2026, the Cultural Heritage Committee reviewed this application for participation in the Mills Act Historic Preservation Program, along with the terms of the draft preservation contract, and, by a vote of 6-0 (one seat is vacant), recommended that the City Council approve the historic property preservation contract.

Public Engagement

Public notice of this hearing has been provided to owners and occupants of property near the subject site, and published in a widely circulated local newspaper, and hearing agendas for this meeting have been posted at City Hall, consistent with adopted notification procedures. Public notice was also previously provided for the Cultural Heritage Committee meeting of February 23, 2026.

ENVIRONMENTAL REVIEW

Entering into a "Mills Act Contract" with the owners of historical property is not subject to the provisions of the California Environmental Quality Act (CEQA) because it is not a project as defined in CEQA Guidelines § 15378 (Definitions – Project). Implementation of the Mills Act is a government fiscal activity which does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment (CEQA Guidelines § 15378 (b)(4)).

FISCAL IMPACT
Budgeted: No Budget Year: 2025-26
Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	$0	$	$	$
State				
Federal				
Fees				
Other:				
Total	**$**	**$0**	**$**	**$0**

After the Mills Act contract is recorded, the County Assessor values the property by an income capitalization method, following guidelines provided by the State Board of Equalization. Because of the timing and the method of valuing the restricted property, it

is difficult to accurately estimate the tax savings and resulting fiscal impacts to the City under a particular historical property contract. However, a recent summary provided by the County Assessor indicated that the total reduction in annual tax revenue to the City amounted to approximately $67,000 for a total of 65 properties on Mills Act contracts at the time, or about $1,000 per property.

ALTERNATIVES

1. ***Decline to enter into a Mills Act Historical Property Contract with the property owner.*** Denying the request to enter into a Mills Act contract would make unavailable an effective incentive for the historic property's long-term preservation. The Mills Act Program is a financial assistance program identified in the General Plan for encouraging maintenance and restoration of historic properties.

2. ***Continue consideration of the request to a future date for additional information or discussion.*** If the Council wishes to continue consideration of this item to a future date, staff requests that the Council identify the information that should be provided for discussion at the future meeting.

ATTACHMENTS

A - Draft Resolution approving a Mills Act Contract for 1421 Garden St
B - Draft Historic Property Preservation Agreement (HIST-0681-2025)
C - Applicant Request Letter

RESOLUTION NO. XXXX (2026 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING A HISTORIC PROPERTY PRESERVATION AGREEMENT BETWEEN THE CITY AND THE OWNERS OF THE MEREDITH HOUSE AT 1421 GARDEN STREET (APPLICATION NO. HIST -0681-2025)

WHEREAS, the City Council of the City of San Luis Obispo is authorized by California Government Code Section 50280 et seq. (known as "the Mills Act") to enter into contracts with the owners of qualified historical properties to provide for appropriate use, maintenance, and rehabilitation such that these historic properties retain their historic characteristics; and

WHEREAS, the City Council has adopted Resolution No. 9136 (2000 Series), establishing the Mills Act Historic Property Tax Incentive Program as an ongoing historic preservation program to promote the preservation, maintenance, and rehabilitation of historic resources through financial incentives; and

WHEREAS, the City Council of the City of San Luis Obispo designated 1421 Garden Street, described as the Meredith House, as a Landmark of the City of San Luis Obispo on October 4, 2022, by adoption of Resolution No. 11365, pursuant to the policies in the City's Historic Preservation Program Guidelines;

WHEREAS, Beau and Jennifer Narragon are the owners of that certain qualified real property, together with associated structures and improvement thereon, located on Assessor's Parcel Number 003-533-011, located at 1421 Garden Street, in the City of San Luis Obispo, California, also described as The Meredith House; and

WHEREAS, the City and Owners, for their mutual benefit, now desire to enter into an agreement to limit the use of the property to prevent inappropriate alterations and to ensure that character-defining features are preserved and maintained in an exemplary manner, and repairs and improvements are completed as necessary to carry out the purposes of California Government Code, Chapter 1, Part 5 of Division 1 of Title 5, Article 12, Sec. 50280 et seq., and to qualify for an assessment of valuation pursuant to Article 1.9, Sec. 439 et. seq. of the Revenue and Taxation Code; and

WHEREAS, the Cultural Heritage Committee of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on February 23, 2026, for the purpose of reviewing the proposed historic property preservation agreement, and recommended that the City enter into the agreement; and

WHEREAS, the City Council conducted a public meeting in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on April 21, 2026, for the purpose of considering approval of the historic property preservation agreement, and has

duly considered all evidence, including the record of the Cultural Heritage Committee hearing and recommendation and the evaluation and recommendation by staff ; and

WHEREAS, notices of said public hearings and meetings were made at the time and in the manner required by law.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all the evidence, the City Council makes the following findings:

a) Conservation and Open Space Element Program 3.6.2 states that the City will participate in financial assistance programs such as property tax reduction programs that encourage maintenance and restoration of historic properties.

b) The Meredith House, located at 1421 Garden Street, has been recognized as a historic asset in the community by its designation as a Landmark by the City Council on October 4, 2022 (Resolution No. 11365). As such, maintaining the structure will meet the City's goals for historic preservation listed in policies 3.3.1 through 3.3.5 of the Conservation and Open Space Element.

SECTION 2. Environmental Determination. The City Council has determined that the above actions do not constitute a project, as defined in California Environmental Quality Act Guidelines § 15378, and are not subject to environmental review.

SECTION 3. Historic Property Preservation Agreement Approved. The City Council hereby approves the "Historic Property Preservation Agreement between the City of San Luis Obispo and the Owners of the Historic Property Located at 1116 Pismo Street," to be entered into by the City and the property owners, Christopher David Frago and Heidi A. Howland-Frago, attached hereto as "Exhibit A."

SECTION 4. Community Development Director Authorized to Sign Agreement for City. The City Council hereby authorizes the Community Development Director to execute said agreement on behalf of the Council of the City of San Luis Obispo.

SECTION 5. Recordation of the Agreement. No later than twenty (20) days after the parties enter into said agreement, the City Clerk shall cause the agreement to be recorded in the Office of the County Recorder of the County of San Luis Obispo.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:
NOES:
ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2026.

_____
Mayor Erica A. Stewart

ATTEST:

_____
Teresa Purrington
City Clerk

APPROVED AS TO FORM:

_____
J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

_____
Teresa Purrington
City Clerk

HISTORIC PROPERTY PRESERVATION AGREEMENT BETWEEN THE CITY OF SAN LUIS OBISPO AND THE OWNER OF THE HISTORIC PROPERTY LOCATED AT 1421 GARDEN STREET, IN THE CITY AND THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

THIS AGREEMENT is made and entered into this _____ day of _____ , 2026, by and between the City of San Luis Obispo, a municipal corporation (hereinafter referred to as the "City"), and Beau J. Narragon and Jennifer Narragon, Trustees of The JBCH Family Trust (hereinafter referred to as "Owner"), and collectively referred to as the "parties."

WHEREAS, Owners are the owners of that certain real property commonly known as 1421 Garden Street (APN 003-533-011), and legally described as shown in the attached "Exhibit B" ("Owners' Property"); and

WHEREAS, Owners have agreed to enter into a Historical Property Contract with the City for the preservation, maintenance, restoration, or rehabilitation of Owners' Property, a historic resource within the City;

NOW, THEREFORE, in consideration of the above recitals and in further consideration of the mutual benefits, promises, and agreements set out herein, the parties agree as follows:

Section 1. Description of Preservation Measures. The Owner, their heirs, or assigns hereby agree to undertake and complete, at their expense, the preservation, maintenance, and improvements measures described in "Exhibit A" attached hereto.

Section 2. Effective Date and Term of Agreement. This agreement shall be effective and commence upon recordation and shall remain in effect for an initial term of ten (10) years thereafter. Each year upon the anniversary of the agreement's effective date, such initial term will automatically be extended as provided in California Government Code Section 50280 through 50290 and in Section 3, below.

Section 3. Agreement Renewal and Non-renewal.

a. Each year on the anniversary of the effective date of this agreement (hereinafter referred to as "annual renewal date"), a year shall automatically be added to the initial term of this agreement unless written notice of nonrenewal is served as provided herein.

b. If the Owner or the City desires in any year not to renew the agreement, the Owner or the City shall serve written notice of nonrenewal of the agreement on the other party. Unless such notice is served by the Owner to the City at least ninety (90) days prior to the annual renewal date, or served by the City to the Owner at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the agreement as provided herein.

c. The Owner may make a written protest of the notice. The City may, at any time prior to the annual renewal date, withdraw its notice to the Owner of nonrenewal.

d. If either the City or the Owner serves notice to the other party of nonrenewal in any year, the agreement shall remain in effect for the balance of the term then remaining.

Section 4. Standards and Conditions. During the term of this agreement, the historic property shall be subject to the following conditions:

a. Owner agrees to preserve, maintain, and, where necessary, restore or rehabilitate the building and its character-defining features, including: the building's general architectural form, style, materials, design, scale, proportions, organization of windows, doors, and other openings; interior architectural elements that are integral to the building's historic character or significance; exterior materials, coatings, textures, details, mass, roof line, porch, and other aspects of the appearance of the building's exterior, as described in Exhibit A, to the satisfaction of the Community Development Director or his designee.

b. All building changes shall comply with applicable City specific plans, City regulations and guidelines, and conform to the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation, namely the U.S. Secretary of the Interior's Standards for Rehabilitation and Standards and Guidelines for Historic Preservation Projects. Interior remodeling shall retain original, character-defining architectural features such as oak and mahogany details, pillars and arches, special tile work, or architectural ornamentation to the greatest extent possible.

c. The Community Development Director shall be notified by the Owner of changes to character-defining exterior features prior to their execution, such as major landscaping projects and tree removals, exterior door or window replacement, repainting, remodeling, or other exterior alterations requiring a building permit. The Owner agrees to secure all necessary City approvals and/or permits prior to changing the building's use or commencing construction work.

d. Owner agrees that property tax savings resulting from this agreement shall be used for property maintenance and improvements as described in Exhibit A.

e. The following are prohibited: demolition or partial demolition of the historic building; exterior alterations or additions not in keeping with the standards listed above; dilapidated, deteriorating, or unrepaired structures such as fences, roofs, doors, walls, windows; outdoor storage of junk, trash, debris, appliances, or furniture visible from a public way; or any device, decoration, structure, or vegetation which is unsightly due to lack of maintenance or because such feature adversely affects, or is visually incompatible with, the property's recognized

historic character, significance, and design as determined by the Community Development Director.

f. Owner shall allow reasonable periodic examination, by prior appointment, of the interior and exterior of the historic property by representatives of the County Assessor, the State Department of Parks and Recreation, the State Board of Equalization, and the City as may be necessary to determine the owners' compliance with the terms and provisions of this agreement.

Section 5. Furnishing of Information. The Owner hereby agrees to furnish any and all information requested by the City which may be necessary or advisable to determine compliance with the terms and provisions of this agreement.

Section 6. Cancellation.

a. The City, following a duly-noticed public hearing by the City Council as set forth in Government Code Section 50285, may cancel this agreement if it determines that the Owner has breached any of the conditions of this agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property; or if the City determines that the Owner has failed to preserve, maintain, or rehabilitate the property in the manner specified in Section 4 of this agreement. If a contract is cancelled because of failure of the Owner to preserve, maintain, and rehabilitate the historic property as specified above, the Owner shall pay a cancellation fee to the State Controller as set forth in Government Code Section 50286, which states that the fee shall be 12 ½% of the full value of the property at the time of cancellation without regard to any restriction imposed with this agreement.

b. If the historic building is acquired by eminent domain and the City Council determines that the acquisition frustrates the purpose of the agreement, the agreement shall be cancelled and no fee imposed, as specified in Government Code Section 50288.

Section 7. Enforcement of Agreement.

a. In lieu of and/or in addition to any provisions to cancel the agreement as referenced herein, the City may specifically enforce, or enjoin the breach of, the terms of the agreement. In the event of a default, under the provisions to cancel the agreement by the Owner, the City shall give written notice of violation to the Owner by registered or certified mail addressed to the address stated in this agreement. If such a violation is not corrected to the reasonable satisfaction of the Community Development Director or designee within thirty (30) days thereafter; or if not corrected within such a reasonable time as may be required to cure the breach or default of said breach; or if the default cannot be cured within thirty (30) days (provided that acts to cure the breach or default may be commenced within thirty (30) days and shall thereafter be diligently pursued to completion by the Owner);

then the City may, without further notice, declare a default under the terms of this agreement and may bring any action necessary to specifically enforce the obligations of the Owner growing out of the terms of this agreement, apply to any court, state or federal, for injunctive relief against any violation by the owners or apply for such relief as may be appropriate.

b. The City does not waive any claim of default by the Owner if the City does not enforce or cancel this agreement. All other remedies at law or in equity which are not otherwise provided for in this agreement or in the City's regulations governing historic properties are available to the City to pursue in the event that there is a breach or default under this agreement. No waiver by the City of any breach or default under this agreement shall be deemed to be a waiver of any other subsequent breach thereof or default herein under.

c. By mutual agreement, City and Owner may enter into mediation or binding arbitration to resolve disputes or grievances growing out of this contract.

Section 8. Binding Effect of Agreement. The Owner hereby subjects the historic building located at 1421 Garden St, San Luis Obispo, California, Assessors Parcel Number 003-533-011, to the covenants, reservations, and restrictions as set forth in this agreement. The City and Owner hereby declare their specific intent that the covenants, reservations, and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors and assigns in title or interest to the historic property. Every contract, deed, or other instrument hereinafter executed, covering or conveying the historic property or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the covenants, reservations, and restrictions expressed in this agreement regardless of whether such covenants, restrictions, and reservations are set forth in such contract, deed, or other instrument.

Section 9. Notice. Any notice required by the terms of this agreement shall be sent to the address of the respective parties as specified below or at other addresses that may be later specified by the parties hereto.

To City: Community Development Director
City of San Luis Obispo
919 Palm Street
San Luis Obispo, CA 93401

To Owner: Beau and Jennifer Narragon
1421 Garden St
San Luis Obispo, CA, 93401

Section 10. General Provisions.

a. None of the terms, provisions, or conditions of this agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors, or

assigns, nor shall such terms, provisions, or conditions cause them to be considered joint ventures or members of any joint enterprise.

b. The Owner agrees to hold the City and its elected and appointed officials, officers, agents, and employees harmless from liability for damage or from claims for damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or activities of the Owner, or from those of their contractor, subcontractor, agent, employee, or other person acting on the Owner's behalf which relates to the use, operation, maintenance, or improvement of the historic property. The Owner hereby agrees to and shall defend the City and its elected and appointed officials, officers, agents, and employees with respect to any and all claims or actions for damages caused by, or alleged to have been caused by, reason of the Owner's activities in connection with the historic property, excepting however any such claims or actions which are the result of the sole negligence or willful misconduct of City, its officers, agents, or employees.

c. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, and costs of defense incurred, by reason of the operations referred to in this agreement regardless of whether or not the City prepared, supplied, or approved the plans, specifications, or other documents for the historic property.

d. All of the agreements, rights, covenants, reservations, and restrictions contained in this agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns, and all persons acquiring any part or portion of the historic property, whether by operation of law or in any manner whatsoever.

e. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations, or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

f. In the event that any of the provisions of this agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

g. This agreement shall be construed and governed in accordance with the laws of the State of California.

Section 11. Amendments. This agreement may be amended, in whole or in part, only by a written recorded instrument executed by the parties hereto.

Section 12. Recordation and Fees. No later than twenty (20) days after the parties enter into this agreement, the City shall cause this agreement to be recorded in the office of the County Recorder of the County of San Luis Obispo. Participation in the program shall be at no cost to the Owner; however the City may charge reasonable and necessary fees to recover direct costs of executing, recording, and administering the historical property contracts.

IN WITNESS WHEREOF, the City and Owner have executed this agreement on the day and year written above.

OWNERS

_____ _____
Beau J. Narragon Date

_____ _____
Jennifer Narragon Date

CITY OF SAN LUIS OBISPO

_____ _____
Tyler Corey, Deputy Director Date
For: Timothea Tway
Community Development Director
Pursuant to authority conferred under by Resolution No XXXX

ATTEST:

_____
Theresa Purrington, City Clerk

APPROVED AS TO FORM:

_____
Christine Dietrick, City Attorney

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

MAINTENANCE AND IMPROVEMENT MEASURES FOR THE MEREDITH HOUSE LOCATED AT 1421 GARDEN STREET, SAN LUIS OBISPO, CALIFORNIA

Owner shall preserve, maintain, and repair the historic building, including its character-defining architectural features in good condition, to the satisfaction of the Community Development Director or designee, pursuant to a Mills Act Preservation Contract with the City of San Luis Obispo for property located at 1421 Garden Street. Character-defining features shall include, but are not limited to: roof, eaves, dormers, trim, porches, walls and siding, architectural detailing, doors and windows, window screens and shutters, balustrades and railings, foundations, and surface treatments.

Owner agrees to make the following improvements and/or repairs during the term of this contract but in no case later than ten (10) years from the contract date. All changes or repairs shall be consistent with the City's Historic Preservation Ordinance and the Secretary of the Interior's Standards for the Treatment of Historic Properties:

- spot maintenance of the recent exterior painting
- repair of porch and other areas of rotting wood
- window upgrades to historic standards
- repair of incorrectly installed drains
- new roof shingles toward the end of their lifespan in the next ten years

EXHIBIT B
Legal Description

For APN/Parcel ID(s): 003-533-011

TO BE INCLUDED IN FINAL CONTRACT AGREEMENT.

APN: 003-533-011

State of California }
County of San Luis Obispo }

On _____, before me _____ ,
Date Name and Title of the Officer

personally appeared, _____ ,
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public Place Notary Seal Above

State of California }
County of San Luis Obispo }

On _____, before me _____ ,
Date Name and Title of the Officer

personally appeared, _____ ,
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public Place Notary Seal Above

D. M. and Carrie Proper Meredith House
1421 Garden Street
Mills Act Application

The D. M. and Carrie Proper Meredith House was added to San Luis Obispo's Master List of Historic Properties in 2023 for association with early San Luis Obispo City and County leader in education and finance D. M. Meredith and for embodiment of the Swiss Revival/Heimatstil style, at 1883 the earliest documented of the city's Swiss Revival resources, which include the Master List Snyder House (by 1886) and Angel and Greenfield Houses (circa 1890) and, of course, Madonna Inn, designed in 1957 and built over the ensuing decade.

The owners of the Meredith House, Beau and Jennifer Narragon, are applying for Mills Act tax abatement, innovated by State Senator Jim Mills and voted in referendum by the citizens of California in 1976 to assist owners of historic buildings with the additional expenses of preservation. The program reduces property taxes on a formula set by the county, while the city mandates a contract to ensure that the historic resource is properly maintained. The undertaking for the Meredith House focuses on maintenance of the historic structure and fabric of the house against water damage, including

- spot maintenance of the recent exterior painting
- repair of porch and other areas of rotting wood
- window upgrades to historic standards
- repair of incorrectly installed drains
- new roof shingles toward the end of their lifespan in the next ten years

Following precedent of the Cultural Heritage Committee, these expenses relate to maintenance of the historic structure itself and not to ancillary aspects of the property.

James Papp, PhD, Historian and Architectural Historian, City and County of San Luis Obispo
964 Chorro Street, San Luis Obispo, CA 93401 | papp.architectural.history@gmail.com
805-470-0983

Submitted 26 August 2025 on behalf of Beau and Jennifer Narragon, 1421 Garden Street

Department: Community Development
Cost Center: 4003
For Agenda of: 4/21/2025
Placement: Consent
Estimated Time: N/A

FROM: Timmi Tway, Community Development Director
Prepared By: Eva Wynn, Assistant Planner

SUBJECT: REVIEW OF APPLICATION TO DESIGNATE 571 PISMO STREET AS A HISTORIC LANDMARK

RECOMMENDATION

Adopt a draft resolution entitled "Resolution by the City Council of the City of San Luis Obispo, California, designating the Property Located at 571 Pismo Street as a Landmark Historic Resource, called the George and Cordelia McCabe House (Application No. HIST -0944-2025)," as recommended by the Cultural Heritage Committee.

POLICY CONTEXT

The recommended action on this item is supported by historical preservation policies in Section 3.0 (Cultural Heritage) of the Conservation and Open Space Element of the City's General Plan, including COSE Policy 3.3.1, *Historic preservation* which provides that significant historic and architectural resources should be identified, preserved and rehabilitated. The recommended action is consistent with procedures and standards for listing of historic resources provided in the City's Historic Preservation Ordinance §14.01.

DISCUSSION

Background

The property owners of 571 Pismo St, represented by James Papp, have requested that the property at 571 Pismo Street be designated as a Landmark in the City's Inventory of Historic Resources (previously called Master List[1] Resource), as the George and Cordelia McCabe House. The property is currently a listed Local Register Resource (previously called Contributing[1]). The applicant has provided an evaluation of the property and its eligibility for Landmark status (Attachment B), prepared by James Papp, PhD, Historian and Architectural Historian.

[1] Master List and Contributing List Resources – The Historic Preservation Ordinance (§14.01) was updated by Council Ordinance No. 1753 (2025 Series) which included changes to naming conventions for Historic Resources. The updated ordinance was introduced December 2, 2025 and adopted January 13, 2026 (effective February 13, 2026).

Figure 1 - McCabe House circa 2025

Figure 2 - McCabe House circa 1895 or 1896

571 Pismo Street is located within the Old Town Historic District between two Landmarks, the Patton House at 1407 Nipomo St and the Biddle House at 559 Pismo St. The Old Town Historic District was created to encompass one of the oldest residential neighborhoods and most of the development was done around the turn of the 20th century. The high concentration of 100-year-old or older residences establishes predominant architectural and visual character of the District, with many examples of High Victorian architecture, such as Queen Anne, Italianate, Stick and Gothic Revival influences, along with more modest structures with simpler styles including Neo-classic Row House, Folk Victorian, and Craftsman Bungalow (Historic Preservation Program Guidelines § 5.2.1).

The residence at 571 Pismo was built in or prior to 1891, as evidenced by the December 1891 Sanborn Map of San Luis Obispo (Attachment B, pp 6.). George and Cordelia McCabe owned the house until 1902 when the property was transferred to S. T. Coiner from whom it changed hands several times in the 20th century. The residence was built in the Eastlake style and the property is currently on the City's Inventory of Historic Resources, the property was listed as a Contributing Resource in 1983 and is now recognized as a Local Register Resource under the updated Historic Preservation Ordinance (HPO), adopted in 2026. The submitted application (Attachment B) expands on the architectural style of the residence and how it was influenced over the years. The response to staff's questions (Attachment C) further elaborates why the resource embodies Eastlake architecture, opposed to Colonial/Queen Anne, and discusses how the remaining original features enable the structure to communicate its significance. The notable features that communicate the style of the residence include the single-story double bay-front Eastlake cottage with sitting porch and the pierced column portico. The application describes both features as rare, and potentially the last example of pierced columns on the Central Coast, or even in the state. The original design of the residence is traceable to a photo from 1895 or 1896 (Figure 2).

A Landmark resource, defined in the HPO § 14.01.020.28, is the "highest level of individual local designation and may be applied to a historic resource that has been found significant at the local, state, or national level." In order to be eligible for designation, a

Landmark shall be at least fifty years old, demonstrate significance under at least one of the criteria outlined in §14.01.060, and retain a high degree of integrity. The designation is reserved to those properties that are of the greatest importance at the local, regional, state, or national levels.

Pursuant to §14.01.070 of the City's HPO, the City Council, with a recommendation from the CHC, shall take an action on the application to designate or not designate the property as a Landmark.

Evaluation of Eligibility

In the City of San Luis Obispo, historic resources must meet at least one criterion set forth in §14.01.060 of the Historic Preservation Ordinance to be eligible for inclusion on the Inventory of Historic Resources and retain a sufficient or high level of integrity, depending on the designation type as Local Register or Landmark. The significance criteria in §14.01.060 include Events, Persons, Architecture, and Information Potential.

> *Architecture. Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an architect or design professional of merit or possesses high artistic values*.

The historic evaluation describes that the McCabe House meets the architectural criterion as a unique example of a late 19th century double-bay-front Eastlake cottage with a sitting porch framed by pierced columns of extreme rarity. Distinct characteristics include the character defining Eastlake square bays, including "the five sash windows on each, the panels below and above the windows, and the vertical edge-molding of each bay," and porch between the bays (pg. 53). The pierced-column portico is described as a rare and delicate feature, which is rarely retained on surviving buildings (Attachment B, pg. 47).

> *Information Potential: It has yielded, or has the potential to yield, information important to the prehistory or history of the local area, California, or the nation*.

The evaluation states that "the pierced columns on the McCabe House are likely the last used on the Central Coast and possibly California, are exceedingly rare or possibly unique examples of capital-free Eastlake pierced columns and are likely to yield information important in architectural history" (Attachment B, pg. 46). The form is described as the "last use of the pierced-column portico in the region (pg. 2).

The request to list the property at 571 Pismo St as a Landmark is based on the architectural criterion of designation and asserts that the pierced columns are likely to yield information important in architectural history. The application indicates the property is not significant for its association with Events, or Persons. Based on the property's current designation as a Local Register Resource and supported by the submitted application, the subject property meets at least one criterion set forth in §14.01.060 of the HPO.

Evaluation of Integrity

Architectural or historical integrity is “the ability of a historic resource to convey its significance, typically evidenced by the retention of attributes that existed during a resource’s period of significance and including location, design, setting, materials, workmanship, feeling, and association” (§14.01.020 (26)). To be designated a historic Landmark, the resource must retain a high degree of integrity to convey its significance and be of the greatest importance at the local, regional, state, or national level.

The submitted evaluation provides a detailed analysis of integrity, identifying the features that enable the structure to retain and communicate its historic significance. The evaluation explains that the removal or replacement of some character defining features, such as the change to the roof line and removal of some façade detailing, are a loss to the residence but do not inhibit the structure from communicating its significance and architectural style. The evaluation concludes that the residence retains a degree of integrity necessary to communicate its significance, evidenced by the retention of character-defining features such as the Eastlake façade, rare pierced columns, and square bay windows.

Conclusion

The submitted application requests the property’s inclusion in the Inventory as a Landmark for its embodiment of a rare double-bay-fronted Eastlake cottage with pierced column portico. The evaluation provides important background on the property and confirms the property’s eligibility for listing under the significance criteria in §14.01.060. The evaluation affirms the property qualifies for individual listing under the HPO, as updated in 2026, and provides evidence supporting the request to elevate the property’s status to Landmark.

Previous Council or Advisory Body Action

On February 23, 2026, the Cultural Heritage Committee (CHC) considered this request and, by a vote of 4-2 (one seat is vacant), recommended that the City Council designate the property as a Landmark in the City’s Inventory of Historic Resources. The recommendation is based on the findings that the McCabe House is significant because of its distinct architecture and potential to yield information important to the architectural history of the city; and retains a high level of integrity to communicate its significance as a rare, local example of a single-story double bay-front Eastlake cottage with sitting porch and the pierced column portico. For these reasons, the McCabe House is of the greatest importance in the City’s Inventory of Historic Resources. During deliberation, Committee Member Blakely brought up concerns regarding the level of integrity and expressed that the alteration to roofline and loss of façade features limit the property’s ability to meet the integrity standard for a Landmark resource under the HPO. The majority of committee members expressed that the essential elements to communicate the property’s significance are retained to the level required for the Landmark designation, and rarity of those elements (i.e. pierced columns, original windows, window bays, etc.) further justify

elevating the property's historic designation to Landmark. The motion to recommend City Council approve the Landmark request was passed on a 4-2 vote (Committee Chair Tischler and Members Ashbaugh, Arrona, and Gray voting yes; Members Blakely and Simon voting no).

Public Engagement

Public notice of this hearing has been provided to owners and occupants of property near the subject site, and published in a widely circulated local newspaper, and hearing agendas for this meeting have been posted at City Hall, consistent with adopted notification procedures. Public notice was also previously provided for the Cultural Heritage Committee meeting of February 23, 2026.

ENVIRONMENTAL REVIEW

This project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA). Inclusion of the subject properties on the City's Inventory of Historic Resources does not have the potential for causing a significant effect on the environment and so is covered by the general rule described in Section 15061 (b) (3) of the CEQA Guidelines.

FISCAL IMPACT
Budgeted: No Budget Year: 2025-26
Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	$	$	$	$
State				
Federal				
Fees				
Other:				
Total	**$**	**$**	**$**	**$**

Adding the property to the Inventory of Historic Resources will have no fiscal impacts. Historic designation of property itself has no bearing on City fiscal resources. As a Landmark, however, the property would be eligible for historic preservation incentives under the Mills Act through property tax credits. Any subsequent request to enter into a Mills Act Contract with the City would be considered under separate application. A separate fiscal analysis would be reviewed by the City Council should any of the properties be proposed for participation in the Mills Act Program.

ALTERNATIVES

1. ***Decline to designate the property as a Landmark in the Inventory of Historic Resources.*** This decision would require Council to adopt a resolution with the findings that the property is not considered to be sufficiently important or does not retain a high degree of integrity, to justify elevating the property to Landmark status. If the property is not elevated to Landmark status, the property would remain in the Inventory as a Local Register Resource.

2. ***Continue consideration of the request for additional information or discussion.*** This alternative would allow the City Council to request additional information to aid in determining whether the property should be designated as a Landmark.

ATTACHMENTS

A - Draft Resolution designating 571 Pismo St as a Landmark in the City's Inventory of Historic Resources
B - Historic Resource Evaluation, The McCabe House at 571 Pismo St (James Papp, PhD)
C - Response to Staff's Questions (James Papp, PhD)

RESOLUTION NO. XXXX (2026 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, DESIGNATING THE PROPERTY LOCATED AT 571 PISMO STREET AS A LANDMARK HISTORIC RESOURCE, KNOWN AS THE GEORGE AND CORDELIA MCCABE HOUSE (APPLICATION NO. HIST-0681-2025)

WHEREAS, the applicants, Ben and Saskia Winter, filed an application on December 2, 2025, for review of the inclusion of the property at 571 Pismo Street on the City's List of Historic Resources as a Landmark; and

WHEREAS, the Cultural Heritage Committee of the City of San Luis Obispo conducted a public hearing in the Council Hearing Room of City Hall, 990 Palm Street, San Luis Obispo, California on February 23, 2026, and recommended that the City Council designate the property at 571 Pismo Street as a Landmark Property on the City's Inventory of Historic Resources; and

WHEREAS, the City Council of the City of San Luis Obispo conducted a public hearing on April 21, 2026, for the purpose of considering the request to add the property to the Inventory of Historic Resources; and

WHEREAS, notices of said public hearings were made at the time and in the manner required by law; and

WHEREAS, the City Council has duly considered all evidence, including the record of the Cultural Heritage Committee hearing and recommendation, and the evaluation and recommendation prepared by staff.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all the evidence, the City Council makes the following findings:

a) The subject property is eligible for inclusion in the City' s Inventory of Historic Resources as a Landmark because the property satisfies at least one of the significance criteria for historic resource listing described in 14.01.060 of the City's Historic Preservation Ordinance (HPO), exhibits a high degree of integrity, and is more than 50 years old.

b) The subject property satisfies architectural criterion as a unique example of a late 19th century double-bay-front Eastlake cottage with a sitting porch framed by rare, pierced columns. The building retains character-defining square window bays, the porch between bays, and pierced columns framing the portico. The pieced columns are rare features that have potential to yield information important to the architectural history of the City of San Luis Obispo.

SECTION 2. Environmental Determination. The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA). Inclusion of the subject property on the City's Inventory of Historic Resources does not have the potential for causing a significant effect on the environment, and so is covered by the general rule described in 15061 (b) (3) of the CEQA Guidelines.

SECTION 3. Action. The City Council of the City of San Luis Obispo does hereby designate the property located at 571 Pismo Street as a Landmark Resource, referred to as "The George and Cordelia McCabe House."

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:
NOES:
ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2026.

_____
Mayor Erica A. Stewart

ATTEST:

_____
Teresa Purrington
City Clerk

APPROVED AS TO FORM:

_____
J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

_____
Teresa Purrington
City Clerk

R _____

Master List Application
The George and Cordelia McCabe House
571 Pismo Street

I. Summary Conclusion

The George and Cordelia McCabe House at 571 Pismo Street in the Old Town Historic District has three points of significance and extreme rarity, embodying the

- single-story double-bay-front Eastlake cottage with sitting porch
- pierced-column portico

and also possessing

- photo documentation of its earliest appearance to minute detail

Eastlake was the dominant late-nineteenth-century domestic architecture of Northern California and the Central Coast and is the dominant architecture of the Old Town Historic District's nineteenth-century buildings, with 41 percent of them being Eastlake designs. The double-bay-front cottage is an important Eastlake adaptation with roots in full-width-front-porch Greek Revival cottages of the mid nineteenth century, transferred through later Italianate cottages. There are only four double-bay-front Eastlake cottages in the City of San Luis Obispo, the other three of which have been Master Listed—the Goldtree-McCaffrey

Building, Lewin House, and most recently Dana-Barneberg House—and there appears to be only one other double-bay-front Eastlake in San Luis Obispo County: 1905 Vine Street in Paso Robles. Those with sitting as distinct from entry porches—the case with all five San Luis Obispo County examples—appear to be limited to the Central Coast, with one extant example in Santa Barbara, making this a historically significant regional form.

To compound the rarity of the McCabe House, there appear to be only two houses with pierced columns in the City of San Luis Obispo and five in the entire county, and the McCabe House is one of only two in the county displaying fretwork within its piercing.

It also appears to be the sole Eastlake on the Central Coast, possibly California, using pierced columns—a form more associated with Gothic Revival and Italianate architecture of the 1850s through 1870s. As the last use of the pierced-column portico in the region, the McCabe House fulfills criteria for designation as a California Historical Landmark.

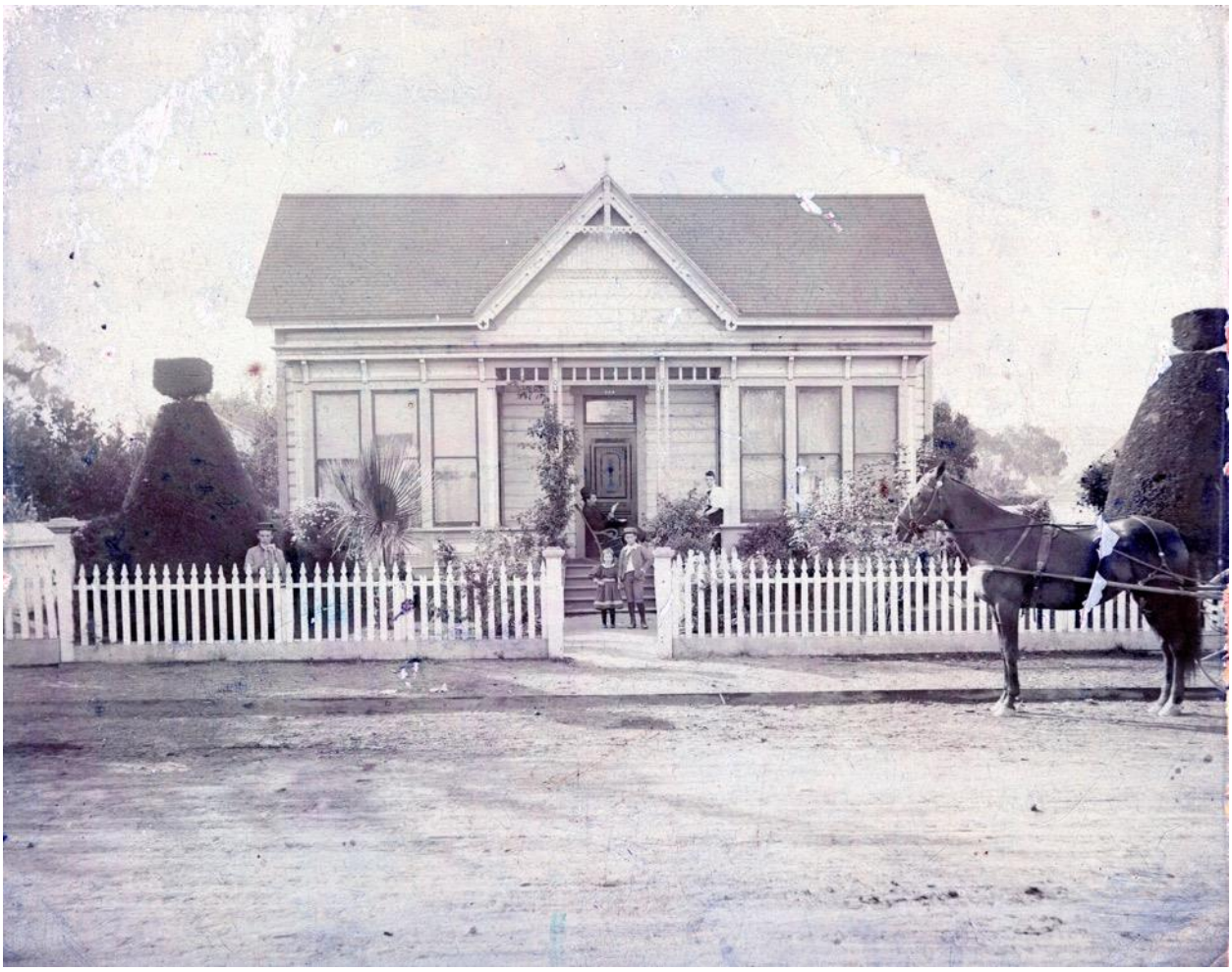
The McCabe House's pierced-column portico may also, because of its lateness, yield information important to architectural history, a National Register criterion.

Finally, a previously unidentified photograph at the History Center of San Luis Obispo County, developed from a glass plate negative, records the McCabe family with the McCabe House probably in 1895 or 1896. It is rare for historic buildings to survive, rarer still for historic photographs of demolished buildings to survive, which is why communities provide care for the preservation of both. Detailed early photographs of extant buildings that can be still be associated with them, however, are scarcer than hen's teeth, as such photos are generally family possessions that become dissociated from the structure. The practical advantage of such a photograph is that it can be used for meticulous restoration to Secretary of the Interior Standards, which is the intention of the current owners of the McCabe House, Ben and Saskia Winter.

None of the double-bay-fronted Eastlake cottages in San Luis Obispo is in perfect condition. The Goldtree House, originally an Italianate cottage later given an Eastlake façade, was still later converted into a two-story apartment building. The Lewin House's roof and southwest

façade were reconfigured in the early twentieth century, and the Dana-Barneberg House acquired canted side bays, lost its roof cresting, and was moved to a new location. The McCabe House also had its roof reconfigured in the mid 1920s or early 1930s, impacting its design, materials, and workmanship.

Nonetheless, it retains the integrity to convey the significance of its innovative double-bay-front Eastlake form and rare pierced columns in their sitting porch setting. In addition, because of its early photographic documentation, both these aspects can be further restored to Secretary of the Interior Standards.



The McCabe House circa 1895 or 1896. George and Cordelia McCabe are seated on the porch, with Leslie, Mabel, and Clarence standing in the garden. Courtesy of the History Center of San Luis Obispo County.

Eastlake architecture is particularly important to preserve, restore, research, and celebrate, as the recognition of this influential style on the West Coast has long been marginalized as a result of the East Coast architectural historian Vincent Scully's insistence—in a bizarre footnote to his 1971 book *The Shingle Style and the Stick Style*—that Eastlake architecture

never existed. This inveigled the seminal 1980s writers of architecture guides for the burgeoning preservation movement to proscribe mention of Eastlake architecture from their books, despite the fact that they included numerous images of it. As a result, Eastlake is never mentioned in the "Architectural Character" of the Old Town Historic District's description in San Luis Obispo's *Historic Preservation Program Guidelines*, despite its dominance as a style.

Eastlake architecture is alive and well and living in San Luis Obispo, and the George and Cordelia McCabe House—an exemplar of the double-bay-front Eastlake Cottage with pierced columns apparently unique on the Central Coast—should be added with its sister structures to the Master List.

Submitted on 1 December 2025 by

James Papp, PhD | Historian and Architectural Historian, City & County of San Luis Obispo
964 Chorro Street, San Luis Obispo, CA 93401 | 805-470-0983
papp.architectural.history@gmail.com

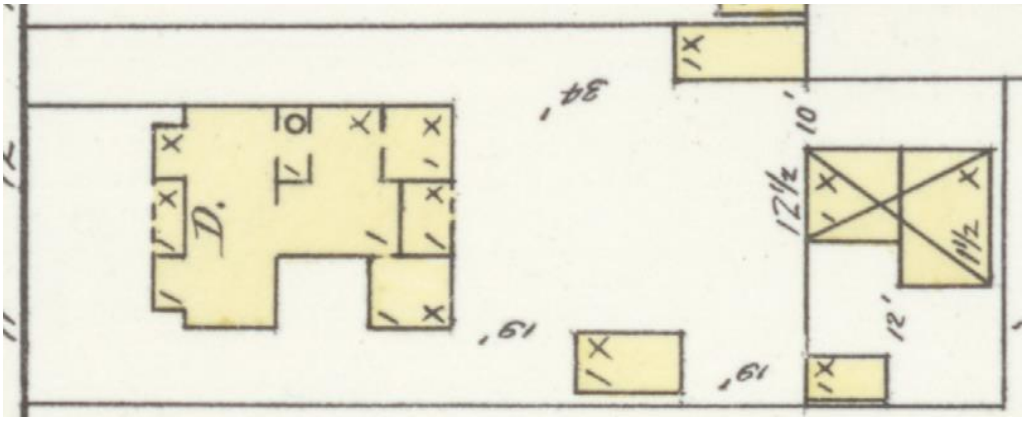
on behalf of Ben and Saskia Winter

Contents

I.	Summary Conclusion	1
II.	Timeline	6
III.	Historical Context: The Strange Rise of Eastlake Architecture	9
IV.	Pictorial: San Francisco Eastlakes	14
V.	San Luis Obispo Eastlakes	15
VI.	Arroyo Grande Easlakes	15
VII.	San Luis Obispo's Lost Eastlakes	16
VIII.	Samuel and Joseph Cather Newsom's Eastlake Designs	17
IX.	Historiographic Context: The Strange Erasure of Eastlake Architecture	18
X.	The Development of the Double-Bay-Fronted Eastlake Cottage	22
XI.	Pierced Columns in American Architecture	35
XII.	The McCabe House: Period of Significance	43
XIII.	Significance	45
XIV.	Integrity	51
XV.	Conclusion	58

II. Timeline

ca. 1891 Construction of the McCabe House, based on its presence in the December 1891 Sanborn Map of San Luis Obispo (below). A 1 March 1891 transfer between G. W. McCabe *et al* and the Bank of San Luis Obispo (County Deed Index) may be related to a loan for construction. The block is not included in the 1888 Sanborn Map. Although we know from E. S. Glover's *Bird's Eye View of San Luis Obispo, California* that there were houses on it by 1877, there may have been too few to interest the Sanborn Company.



Above: detail from a panoramic photo taken from Cerro San Luis, early 1890s: St. Stephen's at left, Nipomo Street School at center (on what is now Emerson Park), McCabe House the last house on the right, before the vacant lot where the Biddle House will be built in 1893. Courtesy of the History Center of San Luis Obispo County.

ca. 1895 The McCabes are photographed in front of their house, George and Cordelia on the porch, the children—Leslie, Mabel, and Clarence, about 12, 5, and 11—in the front garden. George McCabe, a blacksmith and wagonmaker, would later go into the automobile business ("A Proposition: Two Trustees and a Well Known Businessman Meet," *San Luis Obispo Tribune*, 27 May 1899, p. 4).

1896 Feb 11 A surprise party is held at "the residence of Mr. and Mrs. G. W. McCabe on Pismo Street," leading to the first press confirmation of their presence at the house ("Surprise Party," *Tribune*, 12 Feb. 1896, p. 2).

1899 May 12 A 1:30 pm fire at "G. W. McCabe's residence on Pismo Street" causes $49.25 of damage ("From Chief Payne's Report," *Tribune*, 20 July 1899).

1902 Dec. 2 George McCabe *et ux* transfer the property at 571 Pismo to S. T. Coiner, local manager of the San Luis Implement Company (County Deed Index; "Getting to the Front," *Tribune*, 26 Aug. 1903, p. 1).

1905 Jan Harry A. Truesdale purchases the McCabe House from S. T. Coiner ("Coiner Place Sold," *Tribune*, 11 Jan. 1905, p. 2). Truesdale would later become County Auditor but was at that time a postman, one of the first three selected by civil service examination for the new free delivery in San Luis ("Carriers Are Selected," *Tribune*, 21 Jan. 1904, p. 1).

1911 Jan 28 The seven-room house and lot at 571 Pismo are advertised for sale for $2,450 between 28 Jan. and 2 Mar. in the *Daily Telegram*. It is purchased by Stephen Albert "Bert" Call and Georgia Alice Smith Call (William Cattaneo, Jr., "Time Traveling," *Telegram-Tribune*, 10 Dec. 1978, p. 27). Members of the family will occupy the house till 1970 (*Polk's San Luis Obispo City Directory*, 1970).

1914 The Call family pays off the property's mortgage (Cattaneo, *op. cit.*).

1925 Jul 21 S. A. Call applies for a permit for $1,000 of unspecified repairs to the residence (San Luis Obispo Building Permits Collection [1906–1927], Cal Poly Special Collections).

1926 Apr The 1926 Sanborn Map book of San Luis Obispo shows the U on the southwest side façade of the house filled in and a pushout added to the rear of the northeast side façade.

1933 Gas water heater explosion at 2 am causes fire that does $1,000 damage, "igniting the roof and back rooms of the home … while the city fire department prevented spread of the blaze into the front part of the home" ("Home Damaged in Night Fire," *Telegram*, 27 June 1933, p. 8).

1937 Feb Aerial photograph by US Army for US Department of Agriculture shows the current front-gabled roof on the house (AXH-1937, frame 39, UCSB Aerial Photography Collection).

1953 Aug 16 Bert and Georgia Call celebrate their fiftieth wedding anniversary with fifty guests at their house at 571 Pismo ("Golden Wedding Anniversary," 22 Aug. 1953, Telegram-Tribune, p. 2).

1970 Polk's San Luis Obispo City Directory lists Joy Call living at 571 Pismo, the last year a Call family member is recorded occupying the house.

1975 Feb 15 A photograph by Wayne Nicholls of part of a La Fiesta float in the front yard of the McCabe House in the *Telegram-Tribune* records the pierced columns, column fretwork, balustrades, balustrade fretwork, and porch frieze screen (see p. 50).

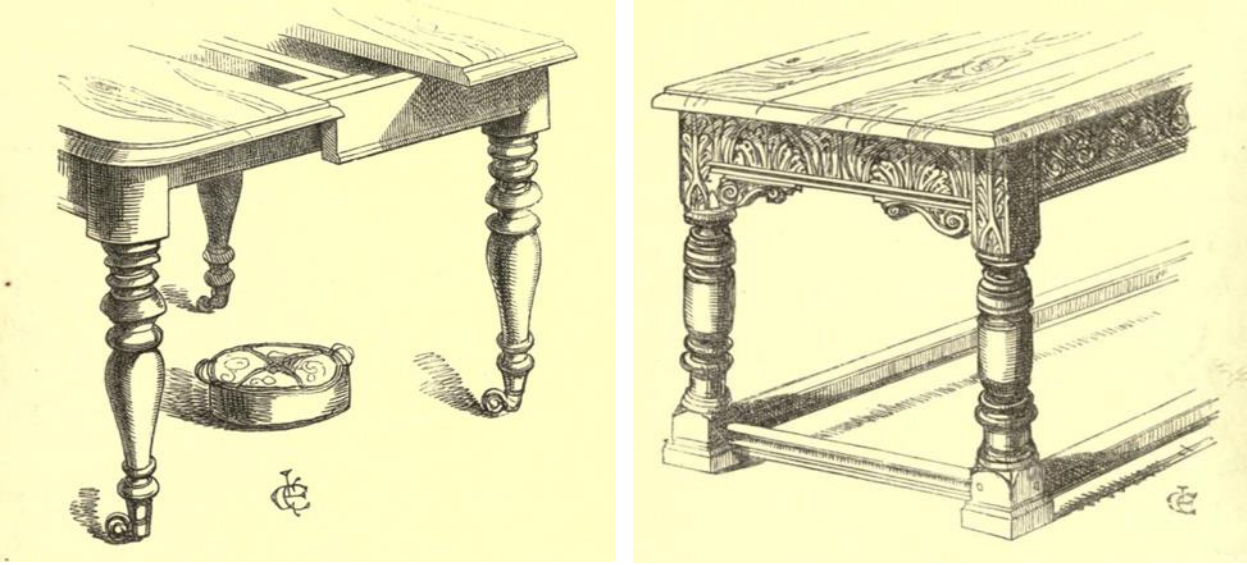
1983 Aug 16 571 Pismo is added to the Contributing List in the Old Town Historic District.

ca 1986 Photograph by Barron Wiley (below) shows the McCabe House with missing frieze screen, balusters intact but missing their fretwork, as well as fretwork, bases, and caps missing from the columns.

III. Historical Context: The Strange Rise of Eastlake Architecture

The Englishman Charles Locke Eastlake (1836–1906) trained as an architect, but his celebrity would come from furniture design and testy commentary about architecture, interior decoration, and the shape of common objects. He was twenty-eight when the *Cornhill* published his essay "The Fashion of Furniture." *The Queen* then commissioned a series of articles called "Hints on Household Taste," from 1865 to 1866. In 1868 Longmans published in book form *Hints on Household Taste in Furniture, Upholstery, and Other Details*, for the first time including Eastlake's drawings of historic furniture and his own designs.

Eastlake promoted traditional craftsmanship and form following function. He inveighed against false structural features ("It is not at all uncommon to see a would-be Doric or Corinthian shaft shorn of its base and actually hanging to the side of a house until the pedestal (which, of course, will also be made of cement) is completed"[1]), extension tables ("It must depend for its support on some contrivance that is not consistent with the material of which it is made" [75]), and French polish ("because the surface of wood thus lacquered can never change its color or acquire the rich hue that is one of the chief charms of old cabinetwork" [84]).



Above left: Eastlake's sketch of a contemporary "telescope table" with "planks of polished oak or mahogany laid upon an insecure framework of the same material, and supported by four gouty legs, ornamented by the turner with moldings which look like inverted cups and saucers piled upon an attic baluster" (p. 67, 1869 edition); right, his sketch of a Jacobean table "of a very simple but picturesque design, [...] the moldings [...] distributed in the legs to give variety of outline without weakening them [... ,] with a delicate bas-relief of ornament" (69–70).

1. Charles L. Eastlake, *Hints on Household Taste in Furniture, Upholstery, and Other Details* (London: Longmans, Green, 1869), p. 29.

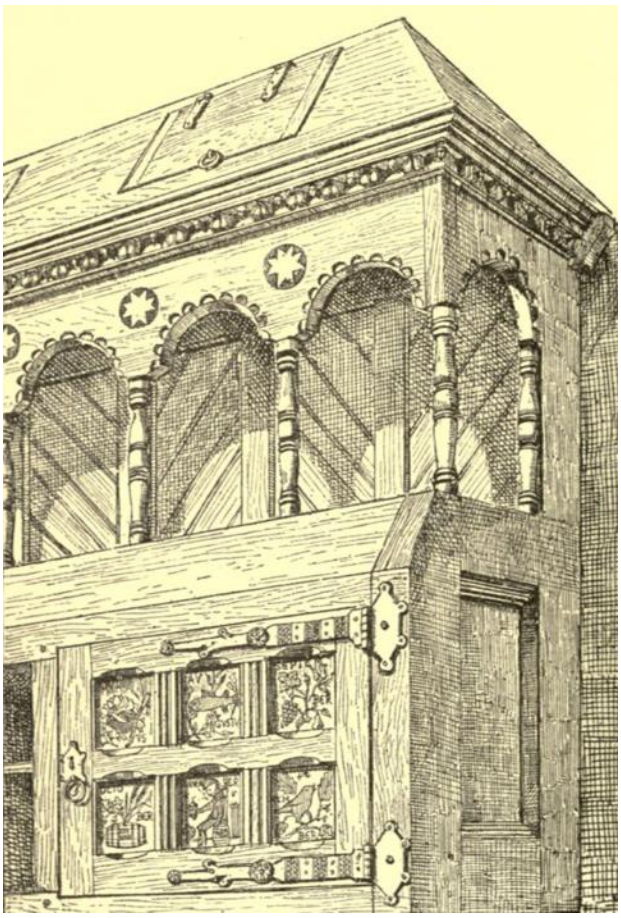
The historic furniture he illustrated was mostly early-seventeenth-century. His own designs for furniture were in what he called the "Early English" style, also pursued by his contemporary architect and furniture designer William Burges. They were solid, planar, and—apart from decorative flourishes of Romanesque arches, turned supports, corbels, bosses, rosettes, perforation, incising, and geometric borders—angular. Joinery was exposed, and flat surfaces of oak allowed to speak for themselves, with decoration reserved for edges. Eastlake's designs were explicitly an attempt to rationalize, simplify, and make furniture muscular as well as plain. "[O]bjects intended for real and daily service, such as a table which has to bear the weight of heavy books and dishes, or a sofa on which we may recline at full length, ought not to look light and elegant, but strong and comely" (146). Eastlake was also making an effort to nationalize design using English models, much as Norman Shaw was doing with Queen Anne architecture at the same time.

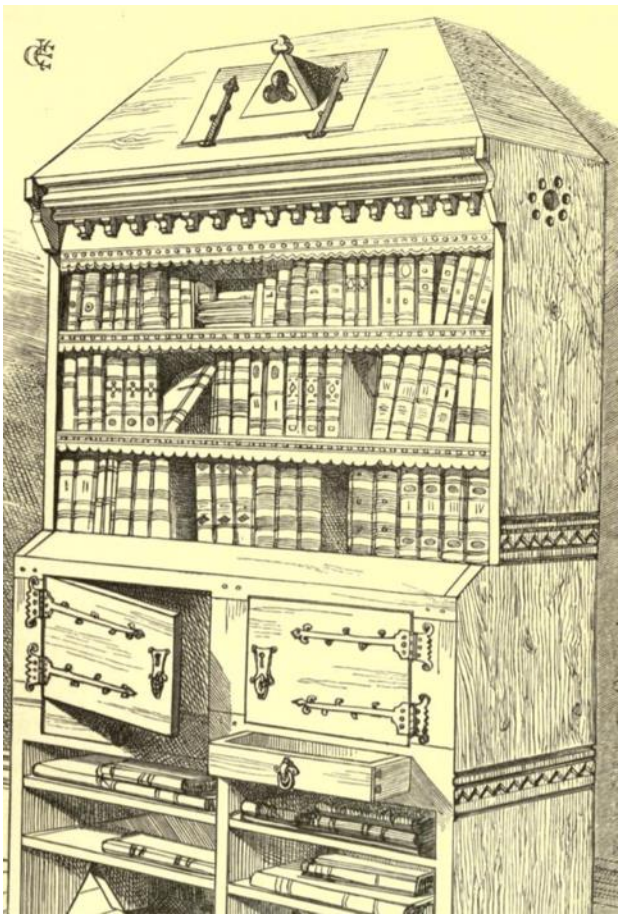
Eastlake's designs and ideas caught on in America, where their flat surfaces, straight lines, and lathe-made spindles and finials were susceptible to the new mass manufacture along less substantial lines. Eastlake fought back: In a preface to the expanded fourth edition of *Hints on Household Taste* in 1878, he warned, "I find American tradesmen continually advertising what they are pleased to call 'Eastlake' furniture, with the production of which I have had nothing whatever to do, and for the taste of which I should be very sorry to be considered responsible."

By 1878, however, America had already invented Eastlake architecture. Charles Eastlake's furniture *looked* like buildings. (John Gloag says the same of Norman Shaw's oak bookcase for the 1862 International Exhibition: "architectural composition […] masquerading as a piece of furniture [*Victorian Taste* {New York: Harper, 1973}, p. 92].) The term *Eastlake* was used of architecture in the press as early as 1875 ("the Renaissance, or more properly at the present day the Eastlake architecture" ["A Great Modern Invention Is Building," Scranton *Morning Republican*, 28 Oct. 1875, p. 3]) and was in common architectural usage by the 1880s (in William T. Comstock's *Modern Architectural Designs and Details* [1881], for instance, and Samuel and Joseph Newsom's *Picturesque California Homes* [1884]).

Yet Eastlake architecture starts as early as 1871, with Philadelphia architect Frank Furness's winning entry for the Pennsylvania Academy of the Fine Arts. Architectural historian James O'Gorman in *Three American Architects: Richardson, Sullivan, and Wright, 1865–1915* laments it as "a building blatantly mixing forms from a variety of sources" and "a textbook example of eclecticism" without ever identifying its clear organizing aesthetic: Charles Eastlake's newly published furniture designs.[2] Mansardic roofs, arches, columns, corbels, scenic plaques, geometric decoration, and joiner-like exterior elements are all from Eastlake's book, as can be seen in comparisons on the following page.

2. (Chicago: U of Chicago P, 1991), pp. 16–17.





Above: designs for a cabinet and a library bookcase by Charles Locke Eastlake, plates 1 and 25 in his book Hints on Household Taste*, 1868; below left: the Pennsylvania Academy of the Fine Arts, designed by Frank Furness in 1871 and completed in 1876. Below right: Hilamon Spencer Laird's Masonic Temple, San Luis Obispo, 1875.*

Furness went on to be the leading exponent of Eastlake on the East Coast, but on the West Coast, one can see Hilamon Spencer Laird, San Luis Obispo's first longstanding professional architect, adapting, for the town's second Masonic Temple, the basic form of Eastlake's cabinet and bookcase through Furness's Pennsylvania Academy building, along with Eastlake decorative principles like borders of bosses and perforations (the latter doubling as basement illumination) and motifs (like the sunburst at the street façade crest). This plain, muscular building put San Luis Obispo at the cutting edge of the new architecture.

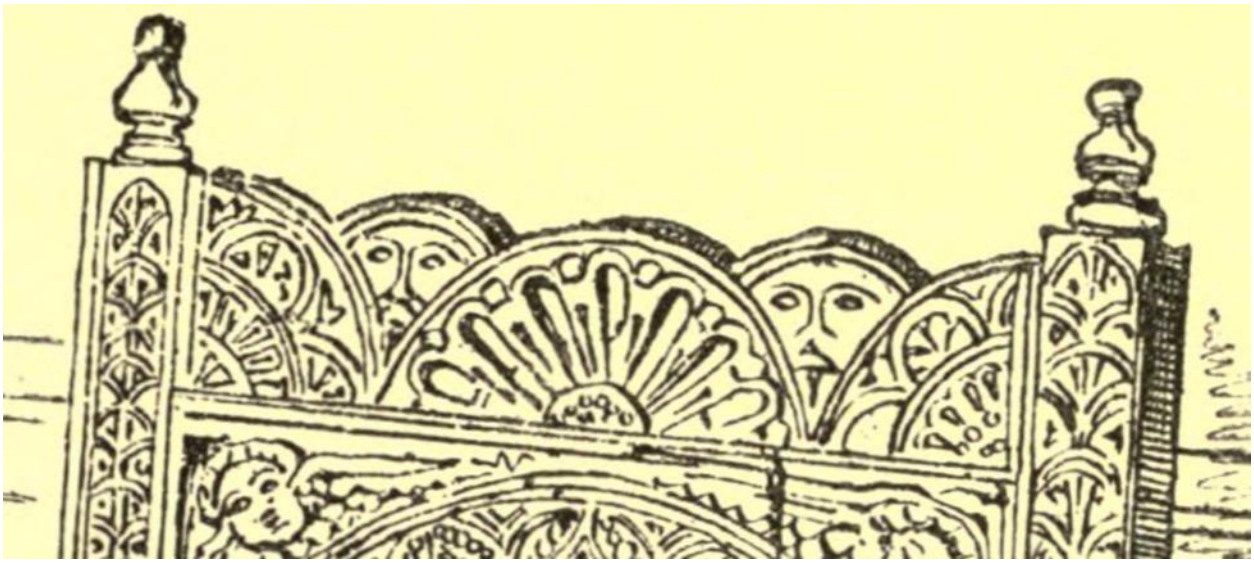
Wood construction lends itself to Eastlake architecture, given its origin in furniture and preference for geometric shapes, and it is not surprising that Eastlake would come to dominate the wood architecture of California. Queen Anne architecture, in contrast, has its origins in English brick, hung tiles, and plaster, and its curvatures and Neoclassical motifs had to be adapted to wood.

Eastlake architecture developed, as we see, at the beginning of the 1870s; Queen Anne architecture was introduced to America by Henry Hobson Richardson with the William Watts Sherman House in Newport, RI in 1875–1876; and the firm of McKim, Mead, and Bigelow (later McKim, Mead, and White) introduces Colonial Revival with Oakswood in Lennox, MA in 1877–1878.

Good rules of thumb for distinguishing Eastlake, Queen Anne, and Colonial Revival are that

- Eastlake, in urban circumstances, generally has a flat, mansardic, or hip roof (in suburban circumstances side gables), often with a diminutive or decorative front-facing gable or gablet; Queen Anne, a large open gable, front-facing; Colonial, a front-facing closed gable or open-pediment gable, usually accompanying a hip roof, or a hip roof with central hip dormer
- Eastlake, square towers and bays; Queen Anne, round ones; and Colonial Revival, octagonal or canted ones
- Eastlake, spindle columns; Queen Anne, Ionic; and Colonial Revival, Tuscan
- Eastlake, geometric friezes; Queen Anne, figural; and Colonial Revival, blank
- Eastlake, plain sash windows and occasionally square and usually stained perimeter panes; Queen Anne, plain sash windows (occasionally a Juliet balcony and/or a Palladian window); and Colonial Revival, diamond or square panes in the upper sash
- Eastlake, arches; Queen Anne and Colonial Revival, porticoes
- Eastlake, vertical corbels; Queen Anne, horizontal modillions; Colonial, plain soffits
- Eastlake, porch frieze screens; Queen Anne and Colonial Revival, none
- The sunburst pattern is a specifically Eastlake motif, possibly with its origin in an early seventeenth-century chair at the Earl of Mount Edgecumbe's Cotehele,

illustrated by Charles Eastlake in plate 11 of *Hints on Household Taste* (detail below) and still extant in the great hall at Cotehele, now belonging to the National Trust.



At the discretion of the architect, builder, client, or local practice, decorative elements were occasionally borrowed from one style to another, but, in general, stylistic vocabularies were consistent. Charges of eclecticism and mixing forms tend to come from a present-day inability to listen to nineteenth-century architectural vocabulary rather than a nineteenth-century inability to speak it clearly.

Though Eastlake was initially a reform style emphasizing strength, simplicity, and form-following-function, it is the style people think of as "Victorian" and cluttered, from the propensity of builders and clients to add more—and more elaborate—spindles, borders, bosses, rosettes, moldings, stained glass perimeter panes, and wall shingles. Some Eastlake buildings reveal a compulsion to cover every surface and extend decoration from every line or point, from ridge cresting to frieze screens and ascending or descending finials. Samuel and Joseph Newsom's 1884–1886 Carson Mansion in Eureka is the apotheosis of this tendency. (Pure Eastlake, the Carson Mansion is often called Queen Anne, as Queen Anne is the only late-nineteenth-century architectural style most people have heard of.)

Eastlake, like Queen Anne, fell from fashion in San Luis Obispo soon after the turn of the century. Colonial Bungalow architecture, which came late to California ("Our Colonial Craze," *San Francisco Examiner*, 13 Sep. 1891, p. 13), and lacked the multipliable decorative features of Eastlake, became the latest reform architecture for simplifying and streamlining. It dominated from the early 1900s to the early 1910s in San Luis Obispo, interspersed and influenced by the Prairie School, before being displaced by yet another simplifying, muscular, back-to-basics architecture: the California Bungalow.

IV. Pictorial: San Francisco Eastlakes

V. San Luis Obispo Eastlakes

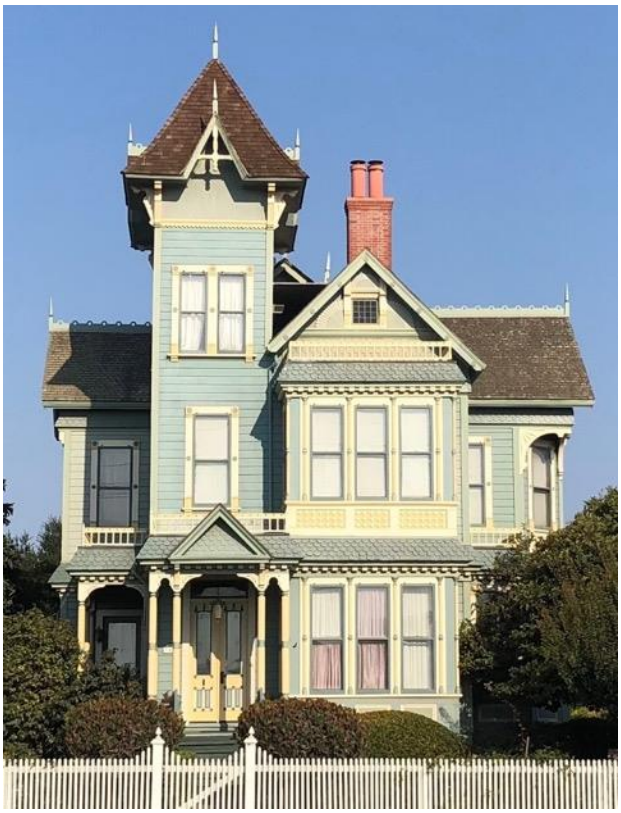
Erickson House (above); Shipsey House (right)

Biddle House

McKennon House

VI. Arroyo Grande Eastlakes

Heritage House Museum (126 S. Mason)

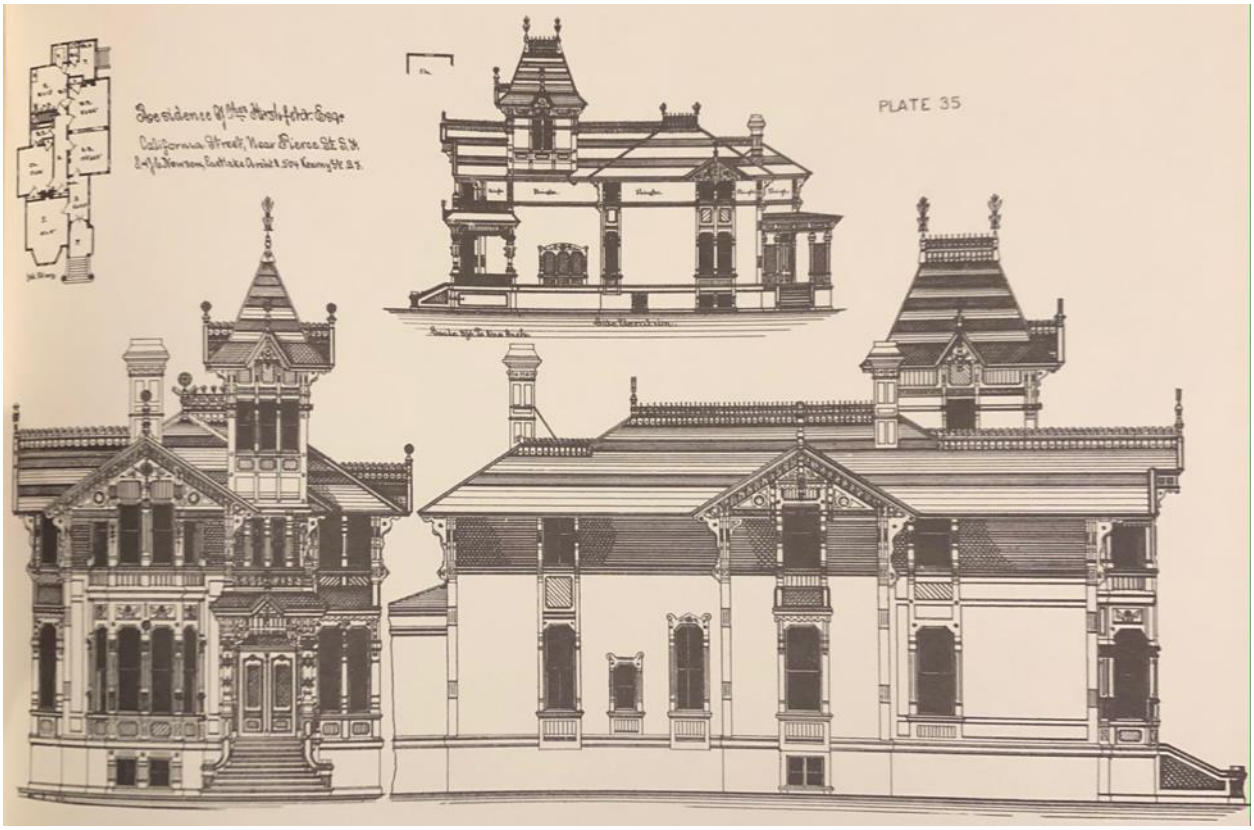


Above: Pitkin-Conrow House; left: 127 S. Mason

VII. San Luis Obispo's Lost Eastlakes

Above: Cortesi House; below: a house once on the Cuesta Grade, photographed 1912

VIII. Samuel and Joseph Cather Newsom's Eastlake Designs



Above: a design advertising "S. and J. C. Newsom, Eastlake Archts." From their pattern book Picturesque California Homes, *1884; left, the Newsom's 1884–1886 Carson Mansion, Eureka*

IX. Historiographic Context: The Strange Erasure of Eastlake Architecture

Eastlake disappeared from architectural historiography through the hubris of an influential scholar dismissing something he knew nothing about in a footnote to an essay about something else that, unlike most footnotes, everyone read. In his 1955 dissertation–based *The Shingle Style: Architectural Theory and Design from Richardson to the Origins of Wright*, Vincent Scully transformed a fabric into an architectural style. The nature of academia is to look, ex post facto, for patterns that people were not aware of at the time, yet it is as dangerous to deny the self-awareness and intentionality of people in the past as it is of people from other cultures, by assuming that either is more primitive than the analyst.

Suddenly, every building covered with unpainted shingles was being labeled Shingle Style as if that had more reality than the Colonial Revival, Queen Anne, or other styles their architects or builders thought they were creating. Worse, sometimes the shingles were put on later, or unpainted shingles were painted, or they were merely a fungible option to other fabrics on a model, instead of clapboard or novelty siding.

Next, in 1971, Scully combined his shingle book with an essay on a phenomenon he had noticed in some Swiss Revival architecture, "the development in [American] wooden domestic architecture between 1840 and 1876" of asymmetry and external articulation of framing ([New Haven: Yale] p. 2).[3] Having shown his facility for catchy names, Scully decided to call this the Stick Style, and indeed the name caught on—so well that people forgot that what he was explicitly and admittedly describing was Swiss Revival, one of the earliest and most persistent and influential revival styles, which from England to America and back to Continental Europe.

Scully includes no single example of Eastlake architecture in his "Stick" section, but someone must have suggested that one example (the Bassett House, New Haven [fig. 17]) was Eastlake (it isn't), because in an accompanying footnote (note 90, p. lv) Scully denounces the notion that Eastlake was a recognized architectural style in nineteenth-century America. In point of fact, Eastlake architecture was much designed in, written about, and hugely popular, particularly on the West Coast. A search of newspaper.com's database shows the term "Eastlake cottage" mentioned 1,687 times in California newspapers between 1881 and 1900, compared to 245 times in the rest of the United States. In contrast, during the same period "Queen Anne cottage" was mentioned 12,086 times in the rest of the United States and only 458 times in California. So a Yale-based architectural historian might be excused for not having seen much Eastlake architecture—though not for denying its existence.

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3. *The Shingle Style and the Stick Style: Architectural Theory and Design from Downing to the Origins of Wright* (New Haven: Yale UP, 1971), p. 2.

In Footnote 90, Scully, contradictorily, both criticizes Eastlake architecture as "watered-down Gothic revival *Sachlichkeit*, derived from Pugin and Ruskin" and questions its existence. He adds, "[Charles] Eastlake's actual influence was mainly in furniture design" and claims the term Eastlake architecture is "an epithet coined by the Eclectic Apologists of the early twentieth century." All of which is demonstrably false:

- Charles Locke Eastlake's "Early English" furniture designs were intentionally stripped down, handcraftable Romanesque compared to Pugin's complex Gothic.
- His furniture designs were portrayed as simple unpainted wood, in contrast to Ruskin's polychrome Continental Gothic.
- Hermann Muthesius's *Das englische Haus* (Berlin: Ernst Wasmuth, 1904, 1905) focuses on Norman Shaw, C. F. A. Voysey, Edwin Lutyens and their ilk and their Queen Anne– and Arts and Crafts–descendant architecture from the mid to late 1890s and early 1900s (the more Neoclassical of which gains the nickname Wrenaissance later in the twentieth century), which was antithetical to Pugin and Ruskin (whose English and Continental Gothicisms were in turn antithetical to each other) of many decades earlier. Muthesius's concept of English *Sachlichkeit* (objectivity or functionalism) is best expressed by his epigram from William Morris at the beginning of his third chapter, "Der Aufbau des englischen Hauses" (The Construction of the English House): "Of all things not wanted at the present day, the thing that is least wanted is ornament"—which is antithetical to American Eastlake architecture. It is hard not to accuse Scully of being disingenuous here, since he knew almost no American readers would have access to Muthesius's book, untranslated even in abridgment till 1979 and in full till 2007. (The fact that he doesn't explain where the term *Sachlichkeit* is from is even more snobbish and disingenuous.)
- Charles Locke Eastlake, a trained architect, designed furniture, but his furniture designs were quickly translated to architecture, particularly in the American West, where the forms and decorative elements of the one were easily adapted to the wood material and machined spindles, molding, and bosses of the other. Scully might not have been expected to pore through contemporary newspapers, but *The American Architect and Building News*, which in its first two years discussed Eastlake exclusively as furniture, by its 19 January 1878 edition was discussing Eastlake as architecture (A. F. Oakey, AIA, "The Possibility of a New Style in Architecture," vol. 3, no. 108, p. 22). By 9 August 1884 the journal was speculating that "the Neo-Gothic and the 'Eastlake' have not become so completely things of the past in the West as they have in the East" ("American Interiors," vol. 16, no. 450, p. 63).

  Doubtless the mainstream architectural profession on the East Coast mostly looked down on Eastlake architecture so-called, despite Furness have apparently introduced it to America and practiced it in a variety private and public buildings, but a reading of *The*

American Architect and Building News would make it hard to deny its existence. And even if Scully did not have access to West Coast pattern books like those of the Newsoms, he should have done to East Coast books like William T. Comstock's previously mentioned *Modern Architectural Designs and Details*, published in New York in 1881. It's subtitle is "Containing eighty finely lithographed plates, showing new and original designs in the Queen Anne, Eastlake, Elizabethan, and other modernized styles."

One may glory in or abhor Eastlake architecture, but one must be willfully obtuse to deny its existence and popularity in the late nineteenth century.

Yet that is what Scully's followers did: a cultlike denial of the objective reality in front of them. The popular guides to American building styles that guided the Preservation Movement in the late 1970s and early 1980s largely blackballed Eastlake *and* Swiss Revival, in deference to Scully, while writing of "Shingle" and "Stick." This created a particular problem in San Francisco, where Eastlake architecture was the overwhelming choice in the late nineteenth century, solved by creating a category called "Eastlake/Stick" or "Eastlake-Stick," despite the fact that beyond the occasional Swiss gable bracket in an Eastlake gable, Swiss Revival and Eastlake have nothing whatever to do with each other as architectural styles, either aesthetically or in time period.

Virginia McAlester's 1984 *A Field Guide to American Houses* has become the longest survivor in print of the preservation guides and is demonstrative of the phenomenon. She admits to Eastlake being only a decorative overlay of other forms but not an architecture in itself. Her "Stick" chapter's 16 photos comprise 12 Swiss Revival houses (pp. 258–260), 3 Eastlakes (p. 261), and 1 Queen Anne (260). Meanwhile, the "Queen Anne" chapter contains about two dozen photos of Eastlake houses, as she transfers spindle columns and porch friezes—core characteristics of Eastlake houses—to a newly invented category of "Spindlework Queen Anne."

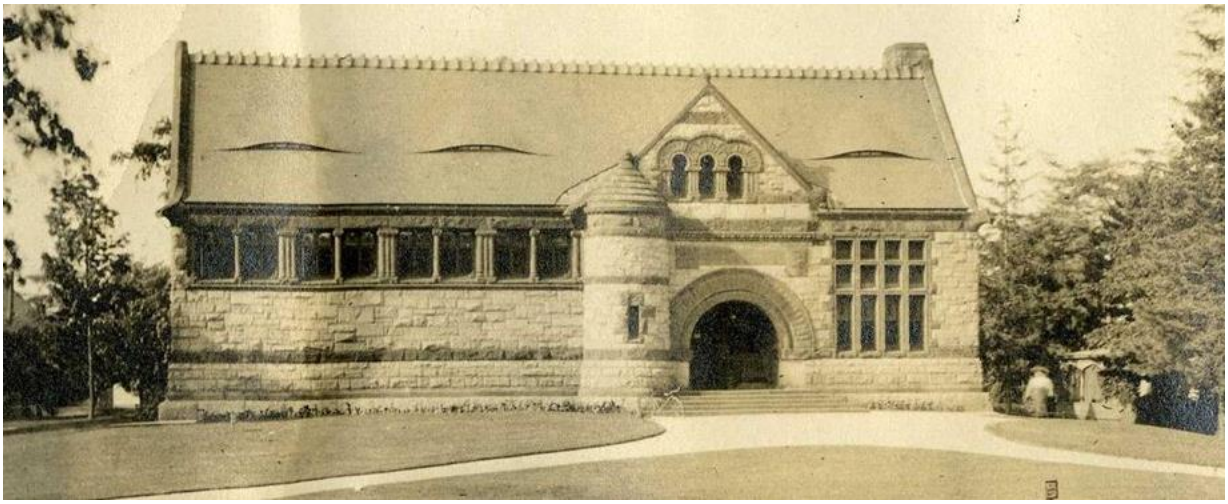
"Stick" became so popular (and poorly understood) a term that it was even included in a 1973 episode of *The Streets of San Francisco*, where old-school detective Karl Malden and college-educated detective Michael Douglas have the following conversation while staking out at a house that's a potential crime scene:

> "Looks kind of creepy."
> "Huh, Stick."
> "What?"
> "The architecture's called Stick. You can tell by those bay windows. See how they're squared off? Must be 1885 or '90, maybe."
> "But you just put that down in the report. Observations like that are going to get you right to the top of the department."

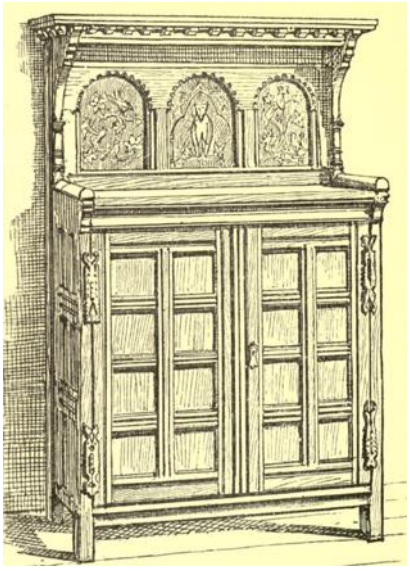
In fact, the house used for the episode was the 1867 Italianate Adams House, 300 Pennsylvania Avenue, with canted bays, but in a brief night shot with the film flipped left to right it was hard to tell. (Square bays, of course, are indicative of Eastlake. Swiss Revival tends to eschew bays, which were not part of Swiss architectural vocabulary.)

The residual effect of the Scully Cult for the preservation profession can be seen in contrasting Charles Page and Associates' 1976 *Santa Cruz Historic Building Survey* (Santa Cruz: City of Santa Cruz, 1976), where Eastlake cottages are frequently so identified, with successor firm Page & Turnbull's 143-page 2013 *Historic Context Statement and Survey Report: City of Arroyo Grande*, where the word Eastlake goes unmentioned, despite the Arroyo Grande having one of the finest concentrations of Eastlake architecture south of Pacific Grove, including the masterwork Pitkin-Conrow House.

Ironically, the American architect who most closely followed Eastlakes actual beliefs and practices was lionized by Scully: Henry Hobson Richardson. Richardson's mature style—with semi-circular arches; reliance on planes where the texture of the stone, like the texture of Eastlake's oak, speaks for itself; and decoration reserved for borders—



Richardson's 1880–1882 Crane Memorial Library, exterior above and interior at left, uses planes, surfaces, shapes, and repetition in much the same simple and rhythmic way that Eastlake did in his cabinet design at right (plate 30, Hints on Household Taste*, 1868).*



X. The Development of the Double-Bay-Fronted Eastlake Cottage

Some architectural styles, like Greek Revival, are defined by symmetry; others, like Italianate, Queen Anne, and Colonial Bungalows, favor asymmetry. But certain forms persist through changes of decorative style. The symmetrical one-story Greek Revival cottage with full-width front porch appears to be the forebear of the double-bay-front Eastlake cottage.

The above 1850s building, Sunnyside, near Natchez, with square columns and rectangular transom (Greek Revivalists were aware the ancient Greeks did not use arches on their buildings so eschewed fanlights) demonstrates the one-story Greek Revival cottage subtype, as do examples below (1850 and 1873 respectively) from New Orleans.

The subtype was equally present in San Luis Obispo, as in the lost Stanusich Adobe, top of next page, center rear, to the right of the extant Gothic Revival Hays-Latimer Adobe on West Monterey Street, in a detail of Leon Trousset's 1870 panorama at the Mission Museum.

The subtype also survives as the Dallidet Adobe (below left in a detail from an 1876 Carlton Watkins photograph), whose symmetry, hip roof, porch, white-painted square posts, and rectangular transom conveyed the Greek Revival to contemporary observers (photo at bottom by Gregory Morris, 1954).

The last extant nineteenth-century Greek Revival in San Luis Obispo was built between the 1870 Trousset painting and the first Sanborn Map in 1874: the redwood cladding of the Sauer-Adams Adobe at 964 Chorro, which is essentially a Greek Revival cottage on top of a lower commercial story—or Monterey Style adobe, three-dimensional Greek Revival having been brought to Monterey by Thomas O. Larkin of Massachusetts by way of the 1835 Larkin

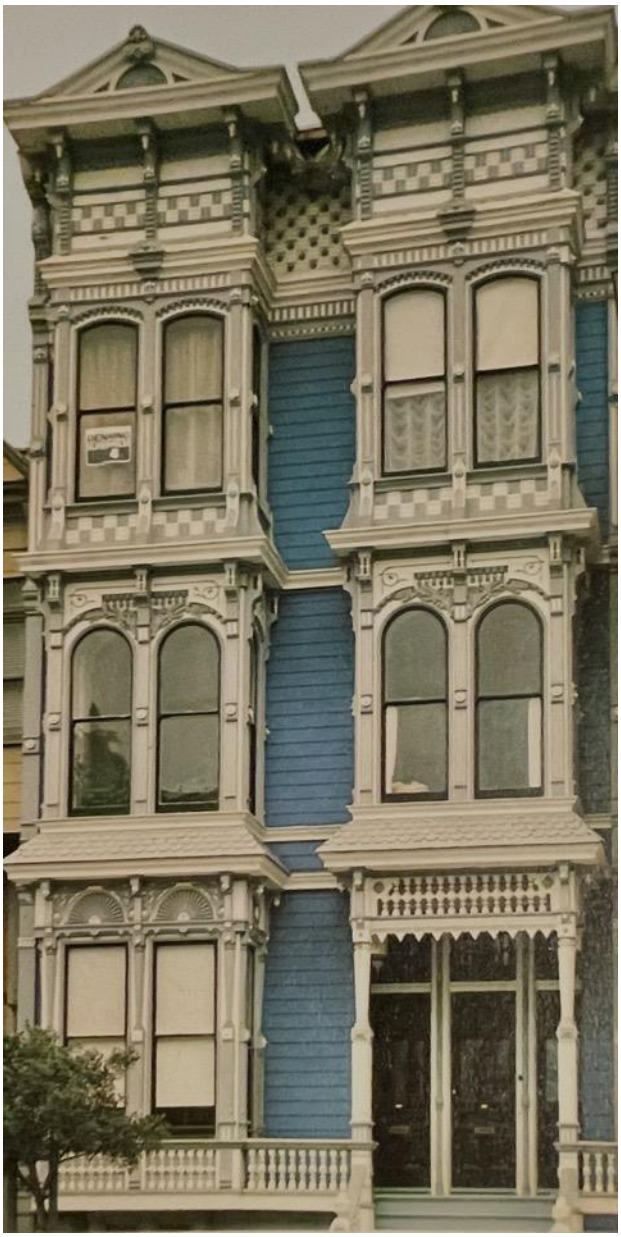
House. Yet Esteban Munras of Monterey had designed a two-dimensional Greek Revival trompe l'oeil interior for the Mission San Miguel, executed by Salinan Indians, in 1820 as California's earliest Greek Revival architecture. The Sauer-Adams' square columns with capitals and bases, as well as pediments above each window (seen below in a 1950s photo), are more sophisticatedly Greek than the Dallidet, but the layout (and rectangular transom above the entry door on the ground floor) are the same Greek Revival form.

Greek Revival was going out of fashion by the 1870s, having dominated San Luis architecture in the early American period, but Italianate domestic architecture would remain popular through the end of the century in San Luis. The simple, functional, and attractive Greek Revival cottage had only to replace the Greek columns that held up its portico with Italianate ones (chamfered square posts with horizontally exaggerated capitals, astragals, and high bases) and separate them with their own hip or shed roof (seen on the following page in the circa 1887 Pinho House, Marsh Street, before it was surrounded by the Manse).

Of new architectures, Queen Anne was too high-gabled to adapt to the low-pitched hip or side-gabled Greek Revival cottage form, and the Colonial Bungalow would establish itself with an asymmetric porch and front-facing gable as a pediment over either colonnade or bay. Eastlake architecture, however, had been introduced to America by Frank Furness as a symmetrical form with mansardic roof (steeply tilted hip but unoccupied and unfenestrated, unlike an actual Second Empire mansard). Add spindle columns, frieze screens, perimeter-paned windows, and peaked roof peeking over a hip portico and the Italianate cottage, formerly a Greek Revival cottage, becomes an Eastlake cottage, as seen

below on two New Orleans examples, from the Uptown Historic District (left, photo by David J. L'Hoste) and 815 St. Maurice Avenue in an 1883 duplex. Revealing their heritage, the ground-floor frames and crown molding on both are still distinctly Italianate.

In New Orleans such cottages acquired Eastlake decorative features—including front-facing gable exposed above a hip porch roof (see also the late Greek Revival from 1873 on page 22, which seems to have been influenced by its contemporaries), but they kept their full porches, presumably out of utility for the heat. In San Luis Obispo, in contrast, two bays enclosing the central porch and entrance would give the same light and views behind huge sash windows but some measure of protection from cold days and evenings—akin to 1940s Streamline enclosures of earlier Colonial and California Bungalow porches but designed in from construction.



Double-bay-front is an Eastlake characteristic. In San Francisco, nineteenth-century townhouses typically have asymmetrical bays opposite entrances. The few double-bay-front examples tend to be Eastlake, like the triplex at left (2139–43 Pine), with characteristic square bays; spindle frieze screen; corbels; gablets; and geometric dogtooth fretwork, window dentilation, bosses, checkerboard, and sunbursts, or the quadriplex with similar characteristics (4186–92 17th Street) below (Elizabeth Pomada *et al.*, *Painted Ladies: San Francisco's Resplendent Victorians* [New York: Dutton, 1978], pp. 23 and 58).

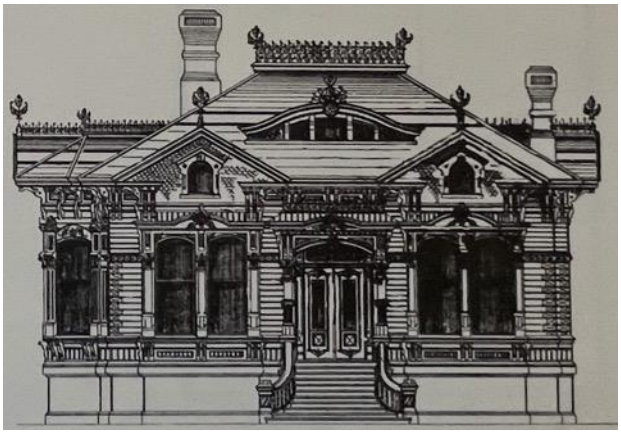
The other double-bay-front style in San Francisco, however, is Renaissance Revival, recalling the flanking towers of French châteaux. Renaissance Revival arrived in America just before Eastlake. The *Hartford Daily Courant* in a 25 Sep. 1869 column "Our Architecture" notes, "We are just now in a reaction against the Renaissance revival of the classic and returning to the Gothic" (p. 2), perhaps the first American newspaper mention of a style already employed in Europe by the mid 1850s. Renaissance Revival is today often mistaken for Eastlake and even was in the nineteenth century, as the 1875 quotation from the Scranton *Morning Republican* on page 10 suggests: "the Renaissance, or more properly at the present day the Eastlake architecture."

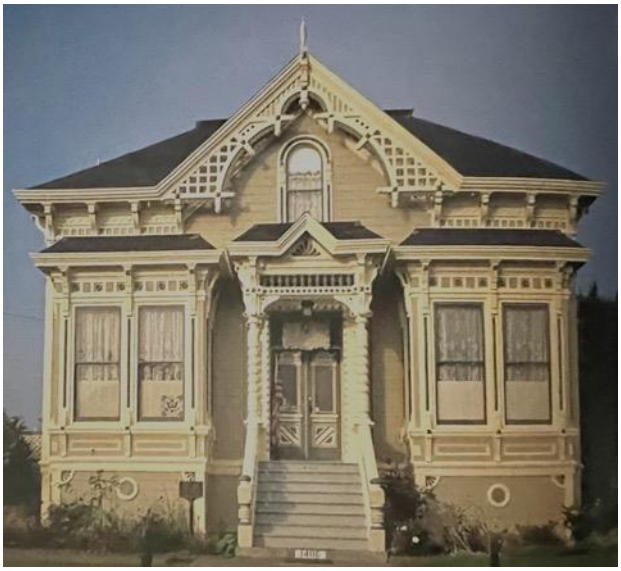
Classical columns, arches and segmental arches in and above windows, figurative bas relief, and the absence of spindlework and geometric decoration indicate Renaissance Revival, even though some elements, particularly the triangular pediments over windows—a motif absent from Charles Eastlake's Mediaevalist furniture designs—will be borrowed in Eastlake architecture as the gablet (photos from Pomada, *et al.*, pp. 27, 46, and 63).

We now have two possible progenitors of the double-bay-front Eastlake: (1) the Greek Revival full-width-front-porch cottage, through its Italianate adaptation, Eastlake adaptation, and glazing of the porch ends with square bays, and (2) the double-bay-front Renaissance Revival.

Notably, none of the Renaissance Revival buildings above—2537–41 Washington, 1491–99 McAllister, and 3933 21st Street—or the Eastlakes on the previous page has a sitting porch, only an entry porch (the wide porch of 4186–92 17th Street is to accommodate four doors). Sitting porches are for small towns, not big cities. But even in surrounding areas of Northern California, double-bay-front Eastlake cottages have entry porches rather than sitting porches between the bays.

Samuel and Joseph Newsom's 1884–1885 *Picturesque California Homes* 1 and 2 include one double-bay-front out of seventy-four plans: vol. 1, pl. 12, "now building at Eureka." The front elevation, top left below, shows a Renaissance Revival cottage (classical columns, segmental arched windows, segmental pediments, quoining, elaborate free-form crest decoration) has only a stair-top entry porch (confirmed by the floor plan); likewise the circa 1885 Renaissance Revival cottage in Napa (top right) and the Eastlake (with Swiss Revival gable bracket) 1888 W. S. Clark House in Eureka (bottom left). Is this a cultural or climatological feature of Northern California double-bay-front architecture? Or influenced by the more formal affect of Renaissance Revival? At bottom right we see a much less elaborate building, the Eastlake 1905 Vine Street, Paso Robles, built between the 1892 and 1903 Sanborn Maps. Besides the four in San Luis Obispo City, it appears to be the only double-bay-front Eastlake in San Luis Obispo County, and all five have sitting porches between their bays.





Pacific Grove's cottages tend to asymmetry or full-width front porches, the latter perhaps because they were used only during summer. I have found no extant examples there, though I have found one demolished example built between the 1897 and 1905 Sanborn Maps.

Trio of full-width-front-porch cottages on 18th Street's 100 block, Pacific Grove. The left two combine Italianate columns, Eastlake frieze screens, and Swiss gable brackets; the rightward one, Italianate columns, Eastlake sunburst corbels, Swiss gable bracket, and later bay.

Moving south to Santa Barbara, one-story cottages tend to have full-width front porches and be Italo-Eastlake, with hip roofs and Italianate columns but center gablets, like the four at the south end of Brinckerhoff Avenue in the Brinckerhoff Landmark District and the two at left. The rare star of Brinckerhoff Avenue is 519, below, an angled -double-bay-front sitting-porch Eastlake.

The hundreds of photographs of nineteenth-century houses in Virginia McAlester's *A Field Guide the American Houses* include (apart from Beaux Arts plutocrat palaces in Newport and the Vanderbilts' Renaissance Revival Biltmore in Asheville) only three double-bay-fronts, all with sitting porches: a one-story 1858 Gothic in Demopolis, Alabama; two-story 1877 Italianate in Bloomington, Wisconsin; and two-story Italianate I-house in Laurens, South Carolina (pp. 204, 219, and 314 [New York: Knopf, 1984). Frequently reprinted pattern books of the mid nineteenth century—Andrew Jackson Downing's *Cottage Residences* (1842) and *The Architecture of Country Houses* (1850) and Henry Cleaveland's

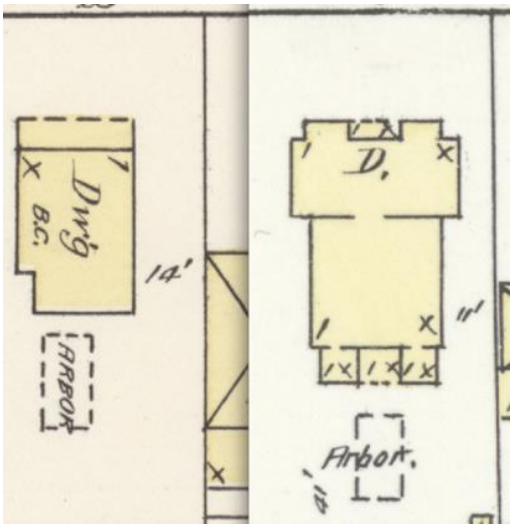
Village and Farm Cottages (1856)—have, among hundreds of designs, no single-story double-bay-front cottages and just three two-story houses with ground-floor double bays.

Dozens of catalogues of historic houses in California and other states reveal no double-bay-front Eastlake cottages. It is an exceedingly rare nineteenth-century form in America, which—after the symmetry of Georgian, Federal, Greek, and Gothic—embraced asymmetric urban, suburban, and rural architecture. The surviving concentration of the form in San Luis Obispo County is extraordinary and extremely historically significant.

The city's earliest documented examples still extant are the GoldtreeMcCaffrey Building at 1212 Garden Street and Dana-Barneberg House at 531 Dana Street, both on the 1888 Sanborn Map (the Dana-Barneberg later being moved across the street).

The Goldtree House is an Italianate cottage with a double-bay-front Eastlake porch and gablet. It was not a later adaptation, because the 1886 Sanborn Map shows the previous Gothic-form cottage; the 1888 map, the Italo-Eastlake footprint, confirmed in the photo detail below, with the Italianate hip roof and roof balustrade and Italianate hip porch roof (the Dana-Barneberg, Lewin, and McCabe Houses all have or had flat porch roofs).

The Dana-Barneberg, Lewin, and McCabe Houses also appear to have been originally constructed as double-bay-front Eastlake cottages from the physical evidence. A full-width-front-porch cottage, however, is at the Lewin House site in the 1888 Sanborn Map (near right), replaced with a double-bay-front cottage by 1891 (far right), but if the second house was constructed with the bones of the first, which is certainly plausible, it was a thorough transformation into the Eastlake form.



Dana-Barneberg House around the turn of the last century

Dana-Barneberg House now, absent ridge cresting and gable finial

Goldtree House as an Italianate cottage with double-bay Eastlake porch attached

Goldtree House now, with McCaffrey Flats conversion of 1908

McCabe House in original form

McCabe House with 1925 or 1933 roof

Lewin House in 1986, photographed by Barron Wiley. Courtesy of the History Center.

Lewin House now

Lewin House prior to restoration in 2017 (above left and right)

Significant to the Eastlake double-bay front is that it is not just a decorative departure from the Greek Revival cottage but a departure in form, replacing the full-width portico with a smaller portico (or, in the case of the Lewin House, an uncolumned porch) sandwiched between characteristically square Eastlake bays. The square bays' sash windows took advantage of the newly available larger panes of glass (unlike the two-over-two of Italianate and six-over-six of Greek Revival) and clustered the sashes together to let in light and views. The reduced portico was emphasized by its own gable or gablet peak (in the San Luis and Eureka examples; in the Paso Robles and Santa Barbara examples, the peaks were put over the bays).

None of the San Luis examples indulged in spindle columns: Goldtree and Dana-Barneberg have chamfered square posts, like stripped-down Italianate, while the Lewin House has no columns and the McCabe House the rare pierced ones, though modified for Eastlake use by eschewing capitals that would interfere with a frieze screen. The Goldtree had (and has) dogtooth fretwork borders; the Dana-Barneberg and Lewin, modified perforated egg-and-dart without the darts, which may well be a borrowing from the lobed decoration of Swiss

Revival. The Goldtree and McCabe were constructed with porch frieze screens (partial, in the case of the Goldtree, and surviving till the 1970s, in the case of the McCabe). Goldtree, Dana-Barneberg, and McCabe all had fretwork-enhanced balustrades. Only the Goldtree had perimeter stained glass; only the Goldtree and McCabe, corbels. Thus, with the same elements of Eastlake form adapted from the Greek Revival cottage, these four Eastlake double-bay-fronts demonstrate a wide variety of distinct and character-defining decorative elements.

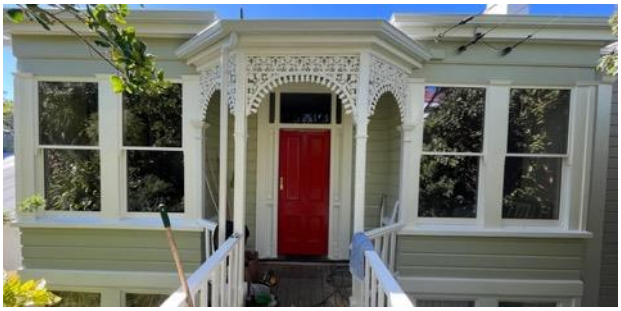
I have been able to track down no American double-bay-front Eastlake cottages outside California and few in this state, but a strange coda to the form is its rebirth in New Zealand/Aotearoa—a British Empire outpost more influenced by England and such forms as Gothic Revival and Queen Anne—in the first decade of the twentieth century.

Double-bay-front cottages with sitting or entry porches turn up frequently in Auckland on the North Island, as a half dozen examples on the following page attest. They more often have gables over than gablets between the bays. Eastlake porch frieze screens are common, along with Italianate columns and Swiss gable brackets.

This incursion would anticipate the second and broader architectural invasion of the California Bungalow to New Zealand and Australia in the 1910s—particularly Australia, where it suited the climate. But how the double-bay-front in the compact California form characteristic of Eastlake and Renaissance Revival cottages made its way to Auckland remains a mystery. Eastlake furniture was mentioned in New Zealand newspapers as early as 1877 ("Fashions and Fancies," *New Zealand Herald*, 1 Sep. 1877, p. 6) and was also available ("The Greatest Sale of American Furniture," advertisement, [Wellington] *Evening Post*, 6 May 1886, p. 3). Charles Eastlake's death in 1896 was widely covered in the New Zealand press. But the press never mentions the characteristically American Eastlake architectural style.

Italianate columns and canted bays and Swiss Revival gable brackets distinguish the cottages above left and right (no date) and below left (1910), but gables and gablets, porch frieze screens and decorative wall shingles make Eastlake origins clear.

The cottages above (1910), below (1903) and bottom left have Eastlake square bays, though the faux quoining above would be characteristically Italianate in America.



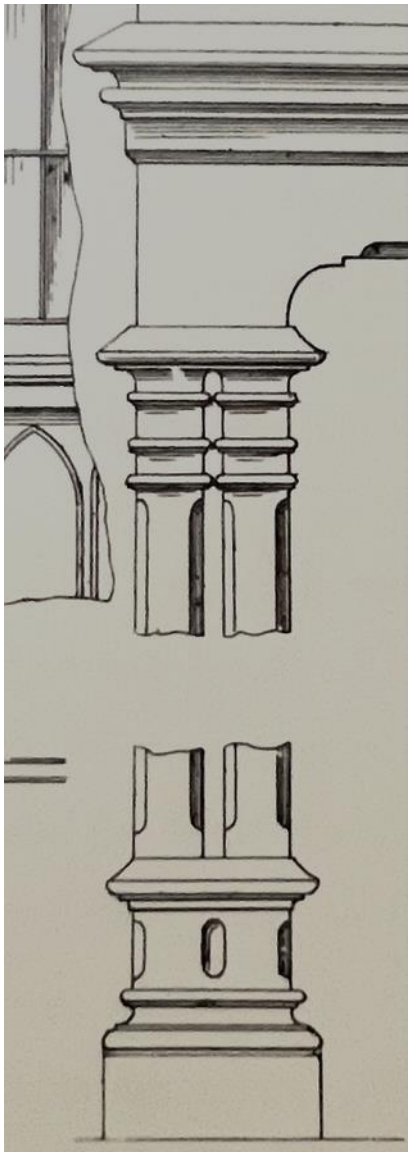
Right: a spindle-columned fireplace from the cottage above—beyond the square bays, porch frieze screen, and door perimeter panes—makes the Eastlake connection clear.

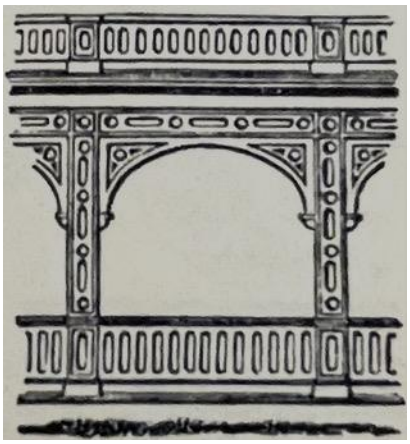
XI. Pierced Columns in American Architecture

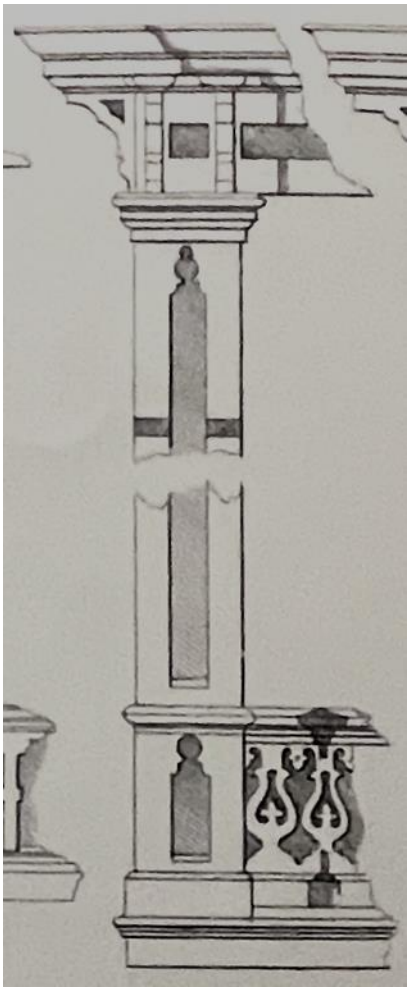
The innovative American architect Alexander Jackson Davis appears to have originated—or first published—pierced columns in the illustration for "Cottage Orné Designed for David Codwise, Esq." in his 1837 book *Rural Residences* (below, the original 1835 elevation [Metropolitan Museum of Art]), specifying that they were made of wood.

The cottage's design is essentially Greek Revival, but Davis in the early 1840s would use similarly two-dimensional columns on Gothic Revival designs, in lattice or foliate fretwork. Davis's disciple Andrew Jackson Downing portrays the master's latticework columns on Gothic houses in his popular 1842 *Cottage Residence* (fig. 51) and 1850 *The Architecture of Country Houses* (figs. 33, 76, and 128). At right, foliate pierced columns on the 1852 Peter Davis House in Noank, Connecticut, an 1852 essentially Italianate house with fretwork more common to the Gothic, built by a 22-year-old shipbuilder who did his own carpentry (Alma deC. McArdle *et al*, *Carpenter Gothic*, [New York: Whitney Library of Design, 1983, p. 33).

Samuel Sloan's 1852 *The Model Architect* has detailed images of both flat fretwork columns and heavier pierced bases for substantially three-dimensional Greek and Gothic double columns (the Gothic examples at near right, but the Greek Revival example similar and both essentially Italianate in form [republished as *Sloan's Victorian Buildings*, {Mineola: Dover, 1980}, design 11, pl. 52, and design 12, pl. 56]).







Calvert Vaux's 1857 *Villas and Cottages* shows several examples of lattice columns but also a veranda with elaborately pierced columns, spandrels, frieze, and floor and roof balustrades (at top far right; fig. A, p. 111 [Mineola: Dover, 1970]).

A. J. Bicknell and Company's 1873 *Detail, Cottage and Constructive Architecture*, shows the pierced column (at bottom far right) close to how it will appear in San Luis Obispo County and in the decade it seems to first appear here (at least among its survivors) (republished as *Victorian Architectural Details* [Mineola: Dover, 2005], pl. 23). Bicknell's

pattern book focuses on the Renaissance Revival, Swiss, and Second Empire styles, though there are some repetitive geometric patterns that are either already seeping over from Eastlake or will be picked up in that style. Only eight years later, in the 1881 publication of William T. Comstock's *Modern Architectural Designs and Details: […] Showing New and Original Designs in the Queen Anne, Eastlake, Elizabethan, and Other Modernized Styles*, columns are largely spindle, with the occasional chamfered or fluted square column that would do with Renaissance Revival or Italianate (or Queen Anne and Elizabethan/Tudor, which puzzled American architects and builders, as the styles came from England, where there was no tradition of porch building so no predetermined column type) (republished as *Victorian Domestic Architectural Plans and Details*[Mineola: Dover, 1987]). Comstock has not a single pierced column in his pattern book, since piercing does not suit the three-dimensionality of spindle columns

Above: the 1830 John Lane House, a Greek Revival with Vicksburg's earliest pierced columns. Most of that city's pierced columns appear on Italianates of the 1870s, such as those on Belle Fleur (above right, circa 1872–1875), resembling ones on the Bianchini and Music Houses in Cambria and 1429 Nipomo in San Luis Obispo. Photographs from southernlagniappe.blogspot.com/2011/02/architectural-mystery.htm, accessed 7 Nov. 2025.

In the built (and extant) world, pierced columns appear to concentrate in specific locations, presumably from local information cascades. The form is so prevalent in Vicksburg, Mississippi, for instance, that the Vicksburg Foundation for Historic Preservation refers to it

as the Vicksburg Pierced Column and claims it is found more often there than in any other community, having sent enquiries to SHPOs in the Southeast and along the Mississippi.[4] A 1987 inventory found fifty examples of buildings with pierced columns in Vicksburg; as of the writing of an undated article on the foundation's website, there were only forty, attesting to the form's fragility.

Pierced Columns in San Luis Obispo County

There is a concentration of pierced columns in Cambria, whose eleven nineteenth-century houses of recognizably nineteenth-century appearance include three with pierced columns, or nearly a quarter: the 1870 Guthrie-Bianchini House (now Cambria Historical Museum) at 2251 Center Street, 1865 Music House (converted into a residence in the early 1870s) at 2581 Main Street, and 1877 Darke–Van Gorden–Squibb House at 4063 Burton Drive (dates of construction from Cambria Historical Society plaques). How many other houses that may have had pierced columns and were demolished—or whose columns were lost or replaced—is unknown.

The Guthrie-Bianchi House's pierced columns around the turn of the century, with spindle columns on the porch at far left.

All three houses are Italianate. The Music House is out of the frame of the earliest, 1886 Sanborn Map of Cambria, but the Bianchini and Squibb Houses appear with their current

4. "The Vicksburg Pierced Column," preservevicksburg.org/column.htm, accessed 6 Nov. 2025

pierced-columned porches, so the columns are less likely later additions. Physical evidence suggests, however, that the three Bianchini porches were built (or altered) at separate times, as the rear one has Italianate chamfered square columns, the Burton Drive porch has Eastlake spindle columns, and the Center Street porch has pierced columns.

Similar pierced columns on the Guthrie-Bianchini House (above) and Music House (below). Note their larger upper and smaller lower piercings, emphasized by horizontal astragals between them on the Bianchini House.

I have not been able to find pierced columns in Paso Robles, Arroyo Grande, or other county communities apart from San Luis, where the only two pierced-column buildings are the McCabe House and nearby 1429 Nipomo Street (equally notable as the only false-front

aedicular Neo-Baroque house in the city or [possibly] county, the style having been reserved almost exclusively for commercial buildings in the Old West). 1429 Nipomo *may* date as far back as 1877, as a structure consistent with the center block appears in the same location in E. S. Glover's *Bird's Eye View of San Luis Obispo, Cal.* of that year, though it is portrayed as a hip-roof Italianate without a front porch rather than a false-front gabled building with a porch. Unfortunately, the Sanborn Map does not cover the block till 1891, when 1429 appears in its current form, and the original structure was either rebuilt or replaced in the interim. With square capitals and astragals, its columns are consistent with the 1870s Italianate pierced columns of Cambria, and its existence may have influenced the pierced columns on the McCabe House.

The Squibb House pierced columns, with elaborate fretwork inserts apparently never present in the pierced columns of the Bianchini and Music Houses

The 1889 Righetti (Graves) House at the corner of Johnson and Palm appears at a glance to have pierced columns, but they are, in fact, paired columns joined by a crown bracket but terminating in separate bases. (The house is self-consciously Eastlake—its architect described it as a "Romanesque cottage,"[5] and Eastlake presented his round-arched furniture

5. "Bids on the Ernest Graves Cottage," *Tribune*, 24 May 1889, p. 3.

as a Romanesque alternative to Gothic—but it also incorporates Swiss, Queen Anne, and Colonial elements.) Paired columns in California Bungalows of the earlier twentieth century also have distinct bases, referring to the columns on either side of Shinto *torii* gates.

In other words, pierced columns are, in San Luis Obispo, a specific and rare statement, apparently numbering two survivors in the city and a total of three more in the county.

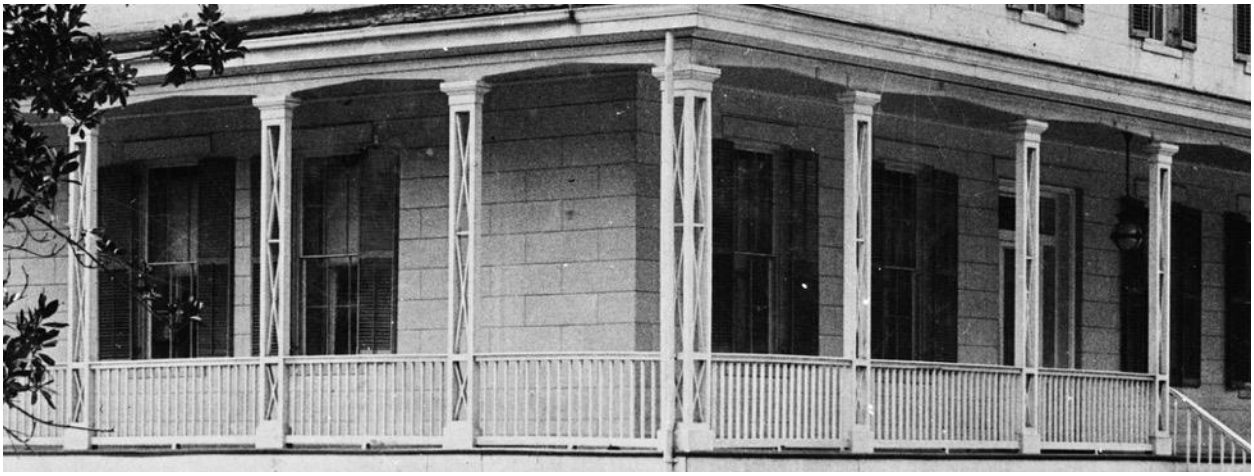
Above: paired columns on the 1889 Eastlake Righetti (Graves) House with separate bases (photograph 1904); below: paired pairs of paired columns in the California Bungalow–style duplex at 697 and 699 Chorro, the paired columns with separate bases representing the torii *or entrance gate to a Shinto shrine*

Like the Bianchini and Music Houses, 1429 Nipomo (next page) has a simple rectangular piercing with bead terminations (in profile). The McCabe House, in contrast, has fretwork inserts of ball finials in profile—six per column originally, now four—themselves pierced. Such fretwork balls or lobes often decorated Swiss Revival and were borrowed for Eastlake.

Importantly, unlike 1429 Nipomo or any of the pierced columns in Cambria—or any other post-Gothic pierced columns I can find in California or anywhere else in the United States—

the McCabe House columns lack capitals, so, in common Eastlake practice, they could accommodate an openwork porch frieze screen.

Above: The aedicular Neo-Baroque duplex 1429 Nipomo, central section possibly built by 1877, with pierced columns, here photographed by Barron Wiley (courtesy of the History Center of San Luis Obispo County); below: 2019 Google Street View of the square capitals, astragals, and bead terminations of the piercings; bottom: pierced columns with lattice inserts, 1854 Greek Revival adobe Casa Grande, New Almaden (San Jose)



XII. The McCabe House: Period of Significance

The McCabes—assuming they either bought or built the house at 571 Pismo in 1891, which is plausible given their mortgage history and documented occupancy of the property by 1895–1896—lived at the house for eleven years, long enough to establish association, if any of them was historically significant during the period of association. In 1899, the *Tribune* refers to George McCabe as a well known businessman, but that condition does not rise to historic significance. Nothing is documented about any historically significant activities of Cordelia McCabe's at the time. The next occupants, the Coiners and Truesdales, lived in the house too briefly to establish historic association and were, at any rate, either not historically significant or, if arguably so (as with later county auditor Harry Truesdale) not living in the house during their period of significance.

The Call family celebrates Joy Call's birthday in the garden at 571 Pismo circa 1915: from left to right, Albert G., Georgia, Joy, Beth, Aunt Rhoda Reed, Arthur, and Si. Courtesy of the History Center of San Luis Obispo County.

The next occupants were Stephen Albert "Bert" Call—manager of San Luis Obispo's gas and electric company 1906–1909 before he and his wife purchased the house in 1911 and subsequently a stationary engineer for the San Luis Obispo Ice and Cold Storage Company

until his retirement in 1941, living in the house till his death in 1955 ("Bert Call, 84, Native Obispan, Taken by Death," *Telegram-Tribune*, 10 Aug. 1955, p. 1)—and his wife Georgia, who died in 1958 and did not receive attention from the newspapers except for social activities. Son Albert G. Call, chief criminal investigator for the county sheriff and a union leader, did not live at the house during these activities. Daughter Joy Call is documented by city directories as living in the house until just before her retirement in 1975 from work in the county tax collector's office.

Georgia and Stephen Albert "Bert" Call in 1950. Courtesy of the History Center of San Luis Obispo County.

Thus the McCabe House's significance is based entirely on its embodiment of the rare double-bay-fronted Eastlake cottage form and the pierced column form in American architecture, which the circa 1895–1896 photograph shows to be the house's original form, and the period of significance coincides with the date of its construction to this documentation, 1891–1896.

XIII. Significance

The George and Cordelia McCabe House at 571 Pismo Street has three points of extreme rarity in San Luis Obispo City and County:

- It is 1 of only 4 double-bay-fronted sitting-porch Eastlake cottages in the city, 5 in the county, and 6 in the Central Coast region
- It retains 1 of only 2 examples of pierced-column porticoes in the city and 5 in the county
- The façade has detailed photo documentation within 5 years of construction

Per the Historic Preservation Ordinance, the house embodies two types of construction, the **double-bay-fronted Eastlake cottage** and the **pierced-column portico**. Under NRHP Criteria for Evaluation, the pierced columns are likely to yield knowledge important in architectural history, and, as likely the last use of pierced columns on the Central Coast, the house meets criteria for California Historical Landmark designation as "the first, last, only, or most significant of its type in the state or within a large geographic region."

The McCabe House as a double-bay-fronted Eastlake cottage Eastlake is the dominant late-nineteenth-century architecture style in California. The Old Town Historic District's 37 documentably nineteenth-century Master and Contributing resources include[6]

- 1 Gothic Revival (St. Stephen's Episcopal Church)
- 1 Neo-Baroque (1429 Nipomo)
- 1 Queen Anne (Erickson—687 Islay)
- 4 Swiss Revivals (Snyder, Angel, Greenfield, and Meredith)
- 6 full-width-front-porch (i.e., Greek Revival–based) Italianate cottages (654 Buchon, 654 Islay, 662 Islay, 454 Islay, 1526 Osos, and 673 Buchon)
- 9 Gabled Italianates (Rogers, Dana-Parsons, Fitzpatrick, 1415 Nipomo, 1516 Nipomo, 722 Buchon, 969 Pismo, 530 Buchon, and 651 Buchon,)
- 15 Eastlakes (Lewin, Jessie Wright, McKennon, Brooks, McCabe, Vollmer–497 Islay, Biddle, Falkenstein, Nichols, Fleuger, Miller, Fumigalli, Erickson–461 Islay, McManus, and 550 Islay [this last altered in form and decoration almost beyond recognition])

That is, 41 percent of the documentably nineteenth-century listed properties in the district are Eastlake. It is an impressive concentration, and 87 percent of them are Master Listed—with the two exceptions of the McCabe House and 550 Islay (the latter of which has had its

6. From E. S. Glover's *Berd's Eye View of San Luis Obispo, California*, Sanborn Maps, and newspaper accounts; see Papp, *Master List Application: Hans Nissen and Lena Peterson Hansen House, 1110 Buchon Street* (2025), pp. 35–36.

front porch subsumed into the house and has been shorn of any decorative features apart from one wall-shingled front gable).

The subset of double-bay-fronted Eastlakes in the district is far smaller, 2 of the 15 Eastlakes in the district, the Lewin House and McCabe House. The McCabe House's surviving columns and balustrade, which the Lewin lacks; five-windowed compared to the Lewin's four-windowed square bays with crown and base panels—not to mention the frieze screen, corbels, and fretworked balusters that can be restored to Secretary of the Standards from the circa 1895 photograph—makes the McCabe House more complex than the Lewin House in both its double-bay-front and porch and their decorative motifs.

The McCabe House's pierced columns There seems to be little if any research on pierced columns outside of the American South, yet the two photographs below of an unidentified but no longer extant full-width-front-porch Italianate cottage (perilously leaning) and a gabled Italianate, both in San Luis Obispo, show they were once more abundant than the city's two survivors. Pierced columns were used on structures as varied as the urban and sophisticated 1856 extension of the Gothic Revival Moses Chase House in Oakland (next page top left) and the remote and simple circa 1860 Italianate Pierano House in Angels Camp and 1863 Knapp House in Pescadero (next page bottom left).

In general, pierced columns date to styles and structures decades earlier than the McCabe House. Otherwise evidenced in San Luis and Santa Barbara Counties on Italianate and Neo-Baroque architecture, the pierced columns on the McCabe House are likely the last used on the Central Coast and possibly California, are exceedingly rare or possibly unique examples of capital-free Eastlake pierced columns, and are likely to yield information important in architectural history and meet the criteria for State Historical Landmark status.

Both photos courtesy of the History Center of San Luis Obispo County

Above left: Moses Chase House, Oakland, extant; below left, Knapp House, 85 Stage Road, Pescadero (Google Street View); above: Italianate Trussel House, Santa Barbara (HABS photograph, 1930s), demolished

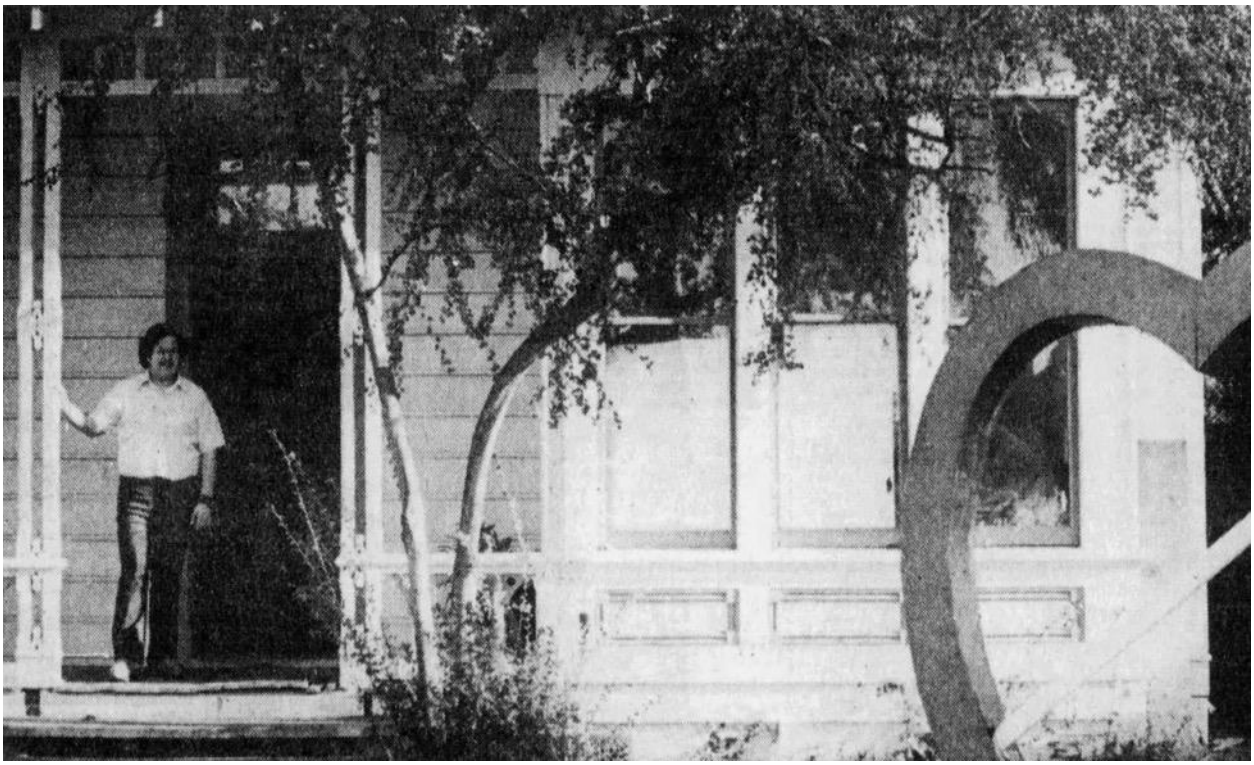
Rare and delicate, pierced columns tend not to survive and for that reason warrant heightened recognition and protection. Not only have three of the five examples pictured on this and the previous page been demolished, the pierced columns of the Pierano House in Angels Camp have been "restored" as double columns, as seen in the Depression Era HABS photo on the next page at top (loc.gov) compared to the 2018 photo below it (beyond.nvexpeditions.com/california/calaveras/angelscamp).

The McCabe House's photo documentation The detail from the McCabe House photograph of circa 1895 on the following page shows the extraordinary degree of glass-plate-negative precision in recording original detail merely of the porch, including corbels, frieze screen, pierced column interior fretwork, fretwork baluster corbels, and door molding and incising. Photographs of demolished, usually unidentified houses are rare, as are historic house with *no* photo documentation earlier than HABS reports, historic resources surveys, or Google street views. Of vanishing rarity are extant historic houses with early, detailed photographic documentation. This photograph in the History Center archives will allow restoration of the porch woodwork to Secretary of the Interior Standards. In combination with the 1975 Telegram-Tribune, 1982 historic resources survey photograph, and 1980s Barron Wiley photograph at the History Center, it allows us to

identify any earlier restoration work, its source and accuracy, as seen in the 1895 and 1975 photos compared on page 41.

Though not a technical reason for listing, detailed photo documentation is of enormous utility for accurate restoration to Secretary of the Interior Standards. A substantial number of Master List resources in the Old Town Historic District have had either porches added after the period of significance (e.g., the Italianate Rogers and Eastlake Jessie Wright) or character-defining porches enclosed. Lack of photography or lack of interest in investigating the existing photography has led to much misunderstanding of historic integrity in San Luis Obispo, with many Master Listed buildings far more changed than we generally believe or might care to admit.

Circa 1895–1896 (above) and 1975 (below)

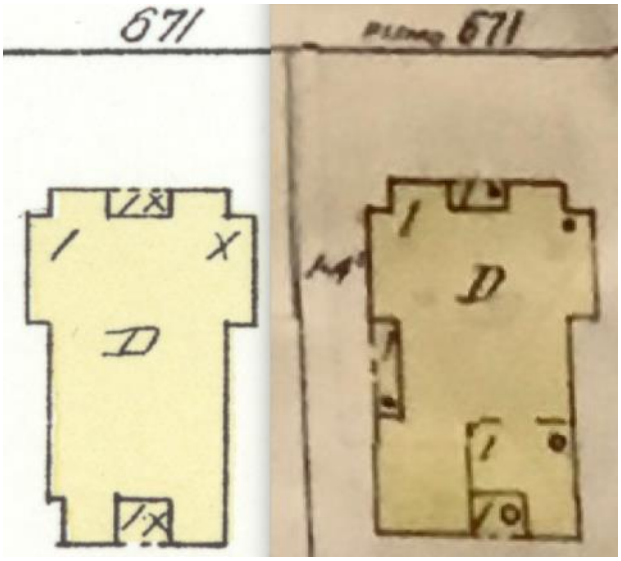


XIV. Integrity

Each of the three Master Listed double-bay-fronted Eastlake cottages in San Luis Obispo has significant challenges with integrity that were deemed insufficient to prevent them from conveying their significance.

Of the two included in the original round of Master Listing, the Goldtree House lost its Italianate hip roof and roof balustrade and Eastlake front central gablet and frieze molding when in 1908 it became the McCaffrey Flats, leaving only its square bays and front porch. The Lewin House's roof had been reconfigured, presumably with the pushout of its southwest wall between the 1909 and 1926 Sanborn Maps (below), engulfing the façade's original side gables and also giving the street façade an asymmetric appearance (above right).

Below: The original side gable is the front multicolored one. The second multicolored one topped a later (but since enclosed porch), with the larger, non-original gable enclosing both.



In addition, the Goldtree House, originally a cottage in a residential district, gained its apartment floor because of the expansion of downtown, and by the time of its Master

Listing, its original setting had been replaced by an apartment house on one side and office buildings and parking lots on the others, none of which were there when it was a double-bay-front Eastlake cottage or even at the McCaffrey Flats' conversion of 1908.

The more recently Master Listed Dana-Barneberg House, whose façade and side gables remain in original configuration, was moved across the street in 1911, losing integrity of location, and also had un-Eastlake canted bays added to both side façades between the 1891 and 1903 Sanborn Maps and lost its ridge cresting.

Thus the integrity of the McCabe House to convey the significance of the double-bay-front Eastlake cottage type exists not in a vacuum of perfection but among real-world comparisons.

Location The McCabe House retains its original location as shown on the 1891 Sanborn Map about the time it was likely constructed.

Setting The McCabe House remains in a suburban residential setting. The Biddle House, built about two years after it, in 1893, stands on its southwest side; 1415 Nipomo, dating from the 1870s, is visible behind it, and the 1873 St. Stephen's Episcopal Church and tower of the circa 1899 McManus House contribute to its front viewshed. The Nipomo Street School, closed at the end of the school year in 1949 and demolished soon after, has disappeared from the viewshed, but the schoolyard persists as Emerson Park, allowing the same view of Cerro San Luis (right) through the clear sash windows of the McCabe House's square bays and to the street observer standing in front of the house.

.

Design The design of the character-defining Eastlake square bays remains the same, including the five sash windows on each, the panels below and above the windows, and the vertical edge-molding of each bay,

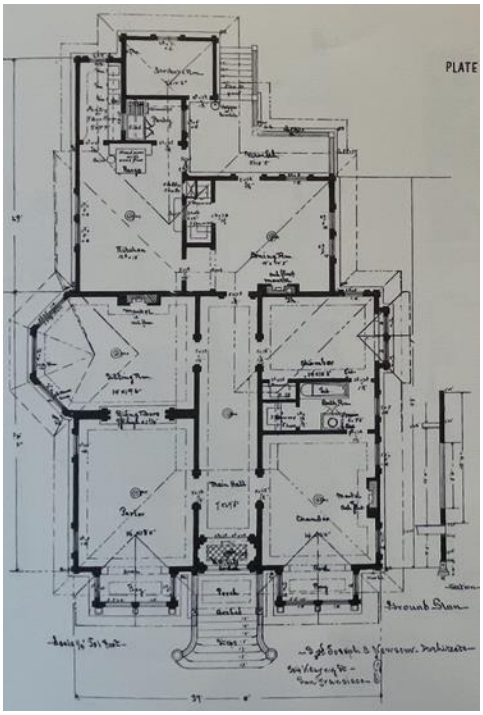
The design of the character-defining porch between the bays remains the same, including the pierced columns and balustrade railing, but excepting the missing frieze screen, four missing of the twelve original fretwork column inserts, and missing upright balusters with their fretwork corbels.

The design of the character-defining frieze molding and its ten supporting corbels, flat porch roof, and porch gablet with bargeboard incising (all Eastlake features), as well as gable bracket and vertical plank decoration (borrowed from Swiss Revival) has been replaced by a hip porch roof.

The design of the character-defining side gables has been replaced with a chalet-style front-gabled roof, possibly circa 1925 with the filling in of the southwest façade U (not a character-defining feature) or possibly circa 1933 after a roof fire.

The design of the character-defining Eastlake solid door, with molding and incising, has been replaced by a two-panel two-pane door.

The wall design throughout the front and side façades of character-defining shiplap and one-over-one sash windows remains.



The McCabe House, like the double-bay-front Renaissance Revival cottage published by the Newsom brothers in 1884 (left), has a parlor attached to one bay and bedchamber to the other, still used as such by the current owners.

As with the Goldtree-McCaffrey House, the replacement of porch roof, gablet, and side gables is a substantial loss to the McCabe House's ability to convey its significance as an Eastlake façade, though not as substantial, in terms of massing, as if an apartment story had been set on top of it, and the Goldtree-McCaffrey House was judged able to still convey its significance as an double-bay-front Eastlake cottage with the retention of its square bays and porch and their decorative features. The one feature the Goldtree retains that the McCabe does not is its original Eastlake doors, although the McCabe door could be reproduced to SOI Standards.

The McCabe porch, however, unlike the Goldtree, retains structural independence and could be returned to flat-roof design with corbels, frieze, frieze screen, and conceivably even gablet to SOI Standards.

Though in imperfect condition, overall, the McCabe House retains the chief part of its double-bay-fronted Eastlake design to convey the significance of the type.

The other key physical feature of the McCabe House's significance, independent of its Eastlake design, is its pierced columns and associated fretwork. This unique and historically important feature, with potential eligibility for State Historical Landmark

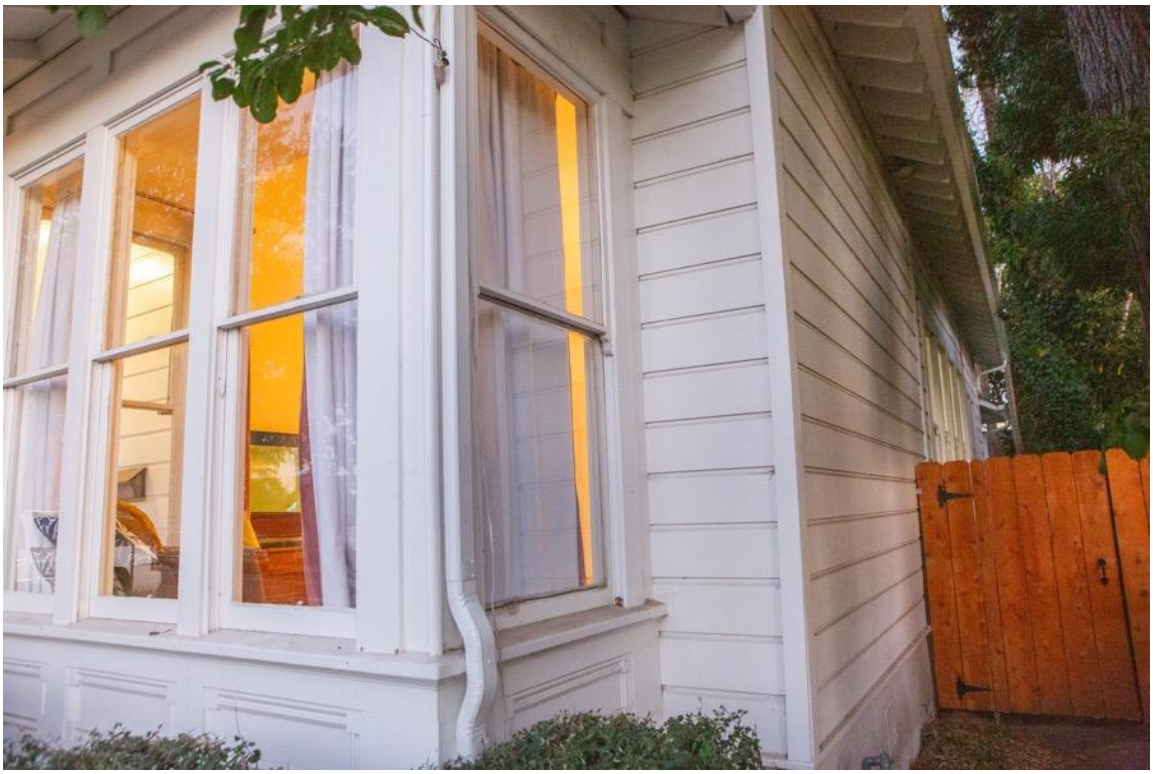
status, retains its integrity, apart from four missing fretwork decorations and the original integrated openwork frieze screen.

Materials As with design, retained material includes shiplap siding, sash windows, panels, molding, columns, most column fretwork, and railing. Lost material includes the front door, balusters and their fretwork faux corbels, some fretwork, corbels, frieze molding, frieze screen, gablet siding and bargeboard, and gable bracket.

Workmanship Most structural and decorative building materials of the mid to late nineteenth century are factory milled, with local workmanship the assembly by hand. As with design and materials, the retained assembly is in the bay and porch features, the lost assembly in the corbels, frieze, frieze screen, and gablet. The key pieces of individual handwork—the pierced columns and most of the column fretwork—are retained, with the fretwork faux corbels of the balusters lost but reproducible by modern craftspeople to SOI standards, given the photographs.

Feeling Feeling is a combination of the material integrities (location, design, setting, materials, and workmanship) in the expression of an aesthetic or historic sense of a particular time. The McCabe House retains its location and setting and the design, material, and workmanship of its pierced columns and the majority of the design, materials, and workmanship of its double-bay-front Eastlake architecture. It continues to convey the aesthetic sense of its time.

Association In absence of historically significant persons and events for the house or its features to be associated with, association is not relevant.



Southwest (above) and northeast (below) side façades. All color photographs of the McCabe House in this report are by Ben Winter.

XV.

In sum, the integrity of the McCabe House in location, design, setting, materials, workmanship, and feeling allows it to convey the significance of its rare double-bay-fronted Eastlake cottage design in massing, spatial relationships, and decoration, as well as the significance of its rare pierced-column portico, well in line with precedent set by other Master List resources.

XV. Conclusion

The McCabe House is significant for embodying the single-story double-bay-front sitting-porch Eastlake cottage and pierced-column portico architectural types. Both types are important in American, Californian, and San Luis Obispan architectural history, the first as a possibly peculiarly Central Coast descendant of the full-width-front-porch Greek Revival cottage form, the second as a phenomenon associated with the Greek and Gothic Revivals and Italianate architecture here adapted—possibly uniquely—to Eastlake. They are extraordinarily rare and important survivors in San Luis Obispo City and County but also for California and the nation as a whole. The McCabe House retains the integrity to communicate the significance of both architectural types, and Master Listing will ideally lead to a Mills Act project to restore lost but thoroughly documented features of the façade to Secretary of the Interior Standards, as the Mills Act was intended.

Papp Architectural History - Sauer-Adams Adobe - 964 Chorro St - San Luis Obispo, CA 93401

24 Dec. 2025

Dear Eva,

I'm responding to your 23 Dec. 2025 queries in a document, in case you consider it useful to attach to the Master List application as an addendum.

> *Query 1. The residence appears to have had significant changes since the original home was built. The change to the roofline, addition of triplet windows below the roof pitch, and removal of detailing appears to drastically alter the character of the residence. My understanding based on your report is that Eastlake architecture is known for its ornate detailing, much of which appears to have been lost when the roof was altered and the horizontal frieze features were removed. The wide and low roof pitch also seems to conflict with provided examples of Eastlake architecture. Could you provide more details as to how the residence communicates its significance without the Eastlake ornamental elements and with a completely altered roofline.*

I address the replacement of the roof and the loss of specific decorative features and their impact on integrity of design, materials, and workmanship on pp. 53–55 of the Master List application, both in terms of the McCabe House itself and in the universe of other Master List/Landmark double-bay-front Eastlake cottages in San Luis Obispo.

Let me reiterate here that what is key in evaluating integrity is to keep one's eyes on the prize: Any losses of integrity are not abstract but are based on the resource's ability to *convey its significance*, in this case the extraordinary significance of a specifically regional form—the double-bay-front Eastlake cottage with interstitial sitting porch—and a more widely distributed but, in contrast, locally rare form—pierced columns.

It is also important to emphasize that this is the first time the Goldtree-McCaffrey Building, Lewin House, Dana-Barneberg House, and McCabe House—four houses of the same form and decorative palette—have been connected to a single architectural style and related to examples and architectural trends outside of San Luis Obispo. The city's current version of the Goldtree-McCaffrey Building is that it is Italianate (probably based on its corbels, though these are the smaller and less elaborate corbels common to Eastlake architecture); Lewin House, that it "has Carpenter Gothic influence" (the common default in the Historic Resources Survey for every gable that approaches an acute angle); Dana-Barneberg House, that it is "Victorian vernacular ("vernacular" being a semi-expert placeholder for "I don't know" and a definitional impossibility where outside influences and materials are present); and McCabe House, that it is, as you point out, Colonial with Queen Anne influences. These can't all be true. In fact, none of them is true. But positing these styles was necessary because of the denial of the existence of Eastlake—their actual style based on empirical data and the dominant late-nineteenth-century California architecture.

Finally, unlike the vast majority of Master List buildings, we have a high-resolution early photograph to facilitate understanding of the property and detailed comparisons of current integrity and to serve as documentation for Restoration to Secretary of the Interior Standards. In the vast majority of cases in San Luis Obispo, buildings have been listed with

limited understanding of their architectures, only speculation as to what they originally looked like, and no documentation to restore them.

With all of that said, had either the double-bay front or the pierced columns been lost, the McCabe House would no longer have been able to communicate its significance. The altered roof, however, is not crucial to understanding either of these rare and important elements. The roof does not, per se, "conflict" with Eastlake examples; 519 Brinckerhoff (p. 29 of the application) has a similar full-width front gable; but that is irrelevant. It is clearly non-original in design, materials, and workmanship. But it does not prevent the double-bay-front Eastlake form and pierced columns from conveying their significance to the scholar or the casual viewer.

If the purpose of the Master List is to preserve and convey important information about unusually significant people, events, and architectures of the past, then the McCabe House is a crucial addition. If the Master List is a beauty contest, maybe not.

The original side-gable-center-gablet roof façade is one of the characteristic roof types of the double-bay-front Eastlake form—which includes double-gable on hip (1905 Vine, Paso Robles) and double-gable on full-width front-facing gable (519 Brinckerhoff, Santa Barbara) and possibly others yet undiscovered. But the Cultural Heritage Committee and City Council have concluded over a span of four decades, with each of the city's other three double-bay-front Eastlake cottages, that significant alteration in the roof—including loss of ridge-cresting (Dana-Barneberg), change in roof configuration (Lewin), and even the addition of a second story (Goldtree-McCaffrey)—does not so undermine the ability of the form to convey its significance as to disqualify it from Master List protection. This was so even before the buildings' relation as a subtype or their exceeding rarity and regional significance was brought to light.

Many Eastlake houses have highly elaborate decoration, and many do not, as you see from my photographic examples. The elaborate ones, like Samuel and Joseph Cather Newsom's Carson Mansion (1884–1886), have impressed themselves on the public consciousness, but the less elaborate ones are no less Eastlake. As the Newsoms themselves advertised, "The degree of ornamentation will be governed, more or less, by the size of the builder's purse" (*Picturesque and Artistic Homes and Buildings of California* [San Francisco: 1890], p. 24). It is the *geometric nature* of their decoration, in combination with Eastlake forms like square bays or in this case the double-bay front, that is character-defining. As you see from the early photograph of the McCabe House, its decoration was originally restrained, as was the decoration on the other examples from the Central Coast.

The Swiss Revival decoration associated with the gablet (gable bracket, finial, lobed bargeboard, vertical plank decoration—which are fairly common Swiss features borrowed for Eastlake gablets) is gone, but their loss does not prevent the house from conveying its significance as a rare double-bay-front Eastlake form or the pierced columns from conveying their significance.

The Swiss Revival decoration, with its associated side gables and gablet, is technically reproducible to Secretary of the Interior Standards, though it seems unlikely to be so reproduced any time soon—if more likely than the removal of the top floor of the Goldtree-

McCaffrey Building and the restoration of its original roof. (A surprising number of buildings in town, however, have had their top floors removed).

Some characteristically Eastlake decorative features, like the 2 porch rails and 18 window crown and base panels, remain intact. Others, like the frieze screen, 10 corbels, and associated molding can be reproduced to SOI Standards.

The key (though non-Eastlake) decorative elements are the two pierced columns, most of whose interior fretwork remains and the remainder of which can be reproduced to SOI Standards, as can the porch balusters and their fretwork faux corbels.

It is the intent of my clients to undertake extensive restoration of decorative features and the intent of the Mills Act to facilitate such restoration, and Master Listing is necessary for Mills Act.

> *Query 2. The City's Historic file indicates the predominant architectural style of the residence at 571 Pismo is Colonial with Queen Anne influences. Can you please identify the discrepancy between the two evaluations? What features of the residence, besides the pierced columns and sitting porch make the residence stand out as Eastlake Architecture? Additionally, why would it have previously been considered Colonial style with Queen Anne features?*

My HRE on the McCabe House is chiefly devoted to the discrepancy you mention, which arises from Vincent Scully's erasure of Eastlake architecture—the dominant late-nineteenth-century style of the West—from the American architectural canon.

Remember that San Luis Obispo's Historic Resources Survey was done in 1982—1983 when American preservation scholarship was still in its nascence. Serious architectural histories (like Henry-Russell Hitchcock's 1958 *Architecture: Nineteenth and Twentieth Centuries* and Burchard and Bush-Brown's 1961 *The Architecture of America: A Social and Cultural History*) had hitherto focused on large public buildings rather than small private houses, large cities rather than small towns, major architects rather than popular movements, academic rather than popular styles, and the East Coast rather than the West. Even such an apogee of wood design as the Carson Mansion in Eureka, an Eastlake masterpiece by Newsom and Newsom, who simultaneously advertised their expertise in the Eastlake form, was referenced only to point out that masonry buildings by East Coast architects were "by any absolute standard … superior" (Burchard and Bush-Brown, p. 267), ignoring any explication of what absolute standard that might be. That there was a widely popular and sophisticated form of architecture called Eastlake goes unmentioned in both these massive studies.

The growing academic exploration of long-ignored popular and domestic architecture, for which Yale architectural historian Vincent Scully deserves some credit, had the unfortunate side effect of the invention of "styles" that nineteenth-century architects and builders never recognized in their own era ("Shingle" and "Stick") and denial of styles that those architects and builders knew themselves to be practicing (Swiss Revival and Eastlake). This was entirely Scully's doing, but such was the paucity of knowledge and his academic prestige that this rewriting of architectural history was swallowed by most of the authors of taxonomic guides on which community surveyors, city planners, journalists, and even subsequent generations of architectural historians would come to depend.

By the time of San Luis Obispo's survey (the photographs were taken in 1982, the analysis done in 1983), some general taxonomic books—like Poppeliers, Chambers, and Schwartz's *What Style Is It? A Guide to American Architecture* (Washington, DC: Preservation Press, 1977), Blumenson's *Identifying American Architecture* (New York: Norton, 1977), Foley's *The American House* (New York: Harper, 1980), and Rifkind's *A Field Guide to American Architecture* (New York: Times Mirror, 1980)—had already been published; others—like Virginia McAlester's *A Field Guide to American Houses* (New York: Knopf, 1984) and Woodbridge's *California Architecture* (San Francisco: Chronicle, 1988)—were yet to come. Blumenson includes Eastlake; Poppeliers *et al.*, not; Foley has a brief but good discussion of Eastlake in her chapter "Mansardic and Stick Styles"; Rifkind acknowledges it only as a commercial style, though including an elevation of a clearly Eastlake house for which he invents the term "Carpenter Queen Anne."

But it is unclear which of these books San Luis Obispo's surveyors had access to, if any. They were offered two three-day seminars on local and California architecture (sixteen classroom hours and two field sessions) and two two-day classes on historical research (eight classroom hours), with five hours of weekly assignments during the subsequent two months (Cindy Lambert, "Saving San Luis Obispo County's Identity with Preservation Efforts," *La Vista*, 2015, p. 59; S. E. Seager, "Architecture Class Offered," *Telegram-Tribune*, 12 Jan. 1983, p. B-1). There appears to have been no professional architectural historians involved in the survey itself or in its vetting.

Some of the attributions of architectural style and form in the survey are reliable, but most show completely understandable gaps in knowledge that make the majority of attributions—attributions that have persisted in the city's records and online material—inaccurate, such as the tendency to attribute no architectural style to adobes; refer to Colonial Bungalows as Neoclassic rowhouses; confuse Mission Revival, Spanish Colonial Revival, and Mediterranean; conflate Art Deco and Streamline Moderne; consistently overlook Prairie School (though attribute our one Usonian building to Prairie School because it's by Frank Lloyd Wright, despite its dating from a full half century after he finished designing Prairie buildings); call any wood building with a near-acute gable Carpenter Gothic, regardless of date, while missing actual Gothic Revival; call any building with deep eaves Craftsman, also regardless of date or design; claim buildings mix multiple styles; and so on. (The surveyors were rarely aware of dates of construction and almost never of architects.)

Notably, as far as I can tell, no building in the survey is described as Eastlake, despite Eastlake's dominance as a California architectural style in the late nineteenth century (e.g., the 1,687 mentions of the term "Eastlake cottage" during 1881–1900 in California newspapers compared to 245 in the rest of the United States in the Newspapers.com database [see following page]), and despite the large number of Eastlake houses in San Luis, consistent with the period of the city's expansion.

Newspapers.com database search (search performed on 18 Oct. 2024)

	1881–1900	1901–1905	1906–1910
"Eastlake cottage," California	1,687	507	139
"Eastlake cottage," rest of US	245	2	3
"Queen Anne cottage," California	458	202	705
"Queen Anne cottage," rest of US	12,086	3,016	3,827

The McCabe House's specific attribution of "Colonial with Queen Anne influences" appears to be inspired by the replacement of its roof with a California Bungalow full-width chalet-style gable, which the surveyors must have thought original. The survey describes the Contributing List 1914 George Andrews House at 1307 Mill (above center), a California Bungalow with just such a gable (as well as other California Bungalow characteristics like knee brackets), as a "Colonial Revival residence." The Master List Weill House at 2132 Harris (above left, date unknown)—a full-width-front porch Italianate cottage (with Italianate columns and Italianate door, etc.), whose roof, like the McCabe House (above right), has been replaced in chalet style, presumably also during the California Bungalow period—is described as "single-story wood frame with Colonial Revival overtone." Apparently, someone confused full-width chalet roofs with open gables for the asymmetric closed gables characteristic of Colonial Bungalows

The pierced columns, as I point out in the HRE, are *not* characteristically Eastlake, which adds to the building's rarity.

The double-bay-front form with square bays is the stand-out Eastlake feature in form and massing (Italianate and Colonial Revival normally have canted bays, Queen Anne round or canted bays; Greek Revival and Italianate cottages normally have full-with porches and no bays; and Renaissance Revival cottages normally have entry rather than sitting porches). Other characteristic features include the previously mentioned surviving porch rails (Greek Revival and Italianate cottages tend to have columns without balustrades) and 18 crown and base panels (these can be found in earlier Italianate architecture but are not characteristic of contemporary Queen Anne or Swiss, Colonial, Renaissance, or Elizabethan Revivals) and absent but SOI Standards–reproducible frieze screen and 10 corbels (Italianate corbels are larger and more elaborate, while frieze screens are virtually never employed in any but Eastlake houses). The original gablet was Eastlake but its gable bracket and finial, lobed bargeboard, and vertical gable planking were Swiss Revival, though this was a fairly common Eastlake borrowing.

I hope this clarifies the significant formal and decorative features of the McCabe House, the specific nature of integrity in relation to conveying their significance, the nature of Eastlake decorative features and their extant and restorable extent on the McCabe House, and the discrepancies of architectural styles as attributed in the 1982–1983 Historic Resources Survey and subsequent documents. Let me know if you have any other questions.

If you can get an hour or two off work, it might be helpful—and save time in the future—to accompany me and Coco on a walk-through of the major historic districts to identify styles in situ and in comparison, with observations on what has been changed. Others would be welcome to join us—though I wouldn't want it to become a scheduling nightmare.

Sincerely,

James Papp, PhD
Historian and Architectural Historian
City and County of San Luis Obispo

Department: Public Works
Cost Center: 5201
For Agenda of: 4/21/2026
Placement: Consent
Estimated Time: N/A

FROM: Aaron Floyd, Public Works & Utilities Director
Prepared By: Alex Fuchs, Mobility Services Business Manager

SUBJECT: AUTHORIZATION TO AWARD TRANSIT OPERATION AND MAINTENANCE SERVICES CONTRACT

RECOMMENDATION

1. Authorize the City Manager to award a contract to MV Transportation, Inc. for Transit Operation and Maintenance Services in a form approved by the City Attorney's Office; and
2. Authorize the City Manager to approve contract amendments, provided that the cumulative value of all such amendments does not exceed 10 percent of the total contract amount, inclusive of all base term years.

REPORT-IN-BRIEF

This report recommends awarding a new contract (Attachment A) for the operation and maintenance of San Luis Obispo (SLO) Transit services, as the City's current agreement will expire on June 30, 2026, with no remaining extension options. Following a competitive Request for Proposals (RFP) process beginning in December 2025, proposals were evaluated based on technical qualifications and cost, with the highest-ranked firms participating in interviews and submitting Best and Final Offers (BAFOs).

The recommended contractor, MV Transportation, Inc. (MV Transportation) was selected among six responsive bidders based on overall proposal quality, experience, responsiveness, and cost. See Attachment B for a copy of MV Transportation proposal. The proposed contract incorporates updated operating costs, including recently adopted wage increases under a new collective bargaining agreement with the Teamsters Local Union No. 986, and supports implementation of select Short-Range Transit Plan (SRTP) service change recommendations. Funding for the contract will be provided through a combination of local and federal sources and, if approved, will be included in the City's FY 2026-27 Supplemental Budget.

POLICY CONTEXT

On May 17, 2022, Council approved a Purchasing Policy Update to the Financial Management Manual, requiring Council authorization for professional services contracts of $150,000 or more. As the Transit Fund budgets for and expends more than $5 million

dollars annually on contracted operation and maintenance services and all proposals submitted in response to the Request for Proposals (RFP) far exceed $150,000 for the life of the proposed contract term, Council approval is required to award a new contract for these services.

DISCUSSION

The City's public transit service, San Luis Obispo (SLO) Transit, is operated and maintained through a contract with a private vendor. The current agreement was awarded on June 14, 2016, and has been extended through subsequent amendments. The current contract is set to expire on June 30, 2026, and no additional Council-approved term extension options remain[1]. To ensure continuity of service and avoid any disruptions, the City issued a Request for Proposals (RFP) to secure a new contract beginning July 1, 2026. On November 18, 2025, Council authorized the advertisement of the RFP for qualified vendors to provide SLO Transit's operation and maintenance services. On November 20, 2025, the RFP was published and the current contractor was notified. Table 1 is the schedule and key milestones for this procurement.

Table 1 - Procurement Schedule

Date	Milestone
November 18, 2025	Council approves issuance of RFP
November 20, 2025	RFP is published
December 15, 2025	Pre-proposal meeting
January 9, 2026	Questions from prospective Proposers due
February 6, 2026	City responses to questions published
February 20, 2026	Proposals due (3:00 p.m. PT)
February 22 to March 3, 2026	Proposal review and initial screening
March 9 to March 12, 2026	Interviews
March 20, 2026	Best and Final Offers due
April 21, 2026	Council Hearing to approve contract award
April 28, 2026	Agreement executed (projected)
July 1, 2026	Start of service

Responsive Proposers

Proposals were due to the City by Friday, February 20, 2026, at 3:00 p.m. PT. The City received a total of seven proposals, one of which was deemed non-responsive due to lack of required cost proposal forms. The other six proposals were deemed responsive and provided to the Evaluation Committee for evaluation and scoring. The Evaluation Committee consisted of four internal staff members and one external staff member from the San Luis Obispo Council of Governments. Table 2 lists the Proposers and the status of their respective proposals.

[1] Council could authorize an extension of the existing agreement on a month-to-month or limited-term basis; however, the Federal Transit Administration (FTA) procurement guidelines emphasize full and open competition for these types of services and extended or repeated non-competitive procurements may not be compliant with federal procurement procedures without sufficient justification.

Table 2 - List of Proposers

Proposer	Status
Coach Bus Leasing (Coach USA)	Responsive
Keolis Transit Services	Responsive
LAZ Parking California	Responsive
MV Transportation	Responsive
RATP Dev USA	Responsive
RTW Management	Non-responsive
Transdev (First Transit)	Responsive

Evaluation and Selection Process

This procurement process used a "Best Value" approach as defined by the Federal Transit Administration (FTA). Best Value is a competitive, negotiated procurement process in which the award is based on a combination of price and qualitative considerations, allowing the City to select a proposal that provides the greatest overall value and is the most advantageous even if it is not the lowest priced.

To achieve Best Value, proposals were evaluated using factors that reflect the service requirements most important to the City including, but not limited to, operational approach, maintenance management, experience and qualifications of proposed personnel, past performance, safety record, and price. Table 3 lists all evaluation criteria and their respective weights.

Table 3 - Proposal Evaluation Criteria

Evaluation Criteria	Weight
Technical Factors	
Experience and Qualifications	10%
Operational Approach	20%
Maintenance	20%
Safety and Training	10%
Personnel	20%
Reporting	5%
Cost/Price Factor	
Cost Proposal Form	15%
Total	**100%**

Proposals were evaluated in accordance with the RFP requirements, with scores assigned to each Technical Factor based on the quality and completeness of the proposal content. The four highest-ranked firms, Transdev, Keolis Transit, MV Transportation, and RATP Dev, were subsequently invited to participate in virtual interviews with the Evaluation Committee. Interviews were conducted between March 9 and March 12, 2026. Each Proposer was allotted 30 minutes to respond to clarifying questions related to corporate support, experience with the operation and maintenance of electric vehicles, bus stop maintenance, and specific cost proposal items. The interviews were qualitative in nature, and because some questions were tailored to individual Proposers, responses

were not formally scored.

Best and Final Offer

The RFP required Proposers to submit a base cost proposal for delivery of existing service levels and an alternate cost proposal that included the full implementation of the Short-Range Transit Plan (SRTP) service expansion recommendations. Requiring Proposers to submit both a base cost proposal and an alternate cost proposal provides the City with a greater understanding of the cost requirements to fully implement the SRTP recommendations so that the final contract can align with available funding and desired service outcomes.

Following the interviews, staff requested Best and Final Offers (BAFO)s from the Proposers. These updated proposals incorporated certain SRTP service recommendations including increased Route 4A/4B frequency during the Academic year and operation of "B" Routes[2] on the weekends. The inclusion of these service recommendations increased the projected vehicle service hours by 13% annually which is reflected in the updated pricing. Table 4 is a summary of the total annual costs based on the Best and Final Offers.

Table 4 – Summary of Best and Final Offers

	Year One[3] (7/1/2026-6/30/2027)	Year Two (7/1/2027-6/30/2028)	Year Three (7/1/2028-6/30/2029)	Year Four (7/1/2029-6/30/2030)
Keolis Transit	$ 6,379,009	$ 6,638,164	$ 7,050,287	$ 7,566,088
MV Transportation	$ 5,973,074	$ 5,869,883	$ 6,219,832	$ 6,631,484
RATP Dev[4]	$ 6,149,077	$ 6,177,143	$ 6,492,335	$ 6,892,393
Transdev	$ 5,423,312	$ 5,779,727	$ 6,165,653	$ 6,580,502

The alternate cost proposal also included revisions to Route 2A/B (45-minute headways) and addition of a new, direct service to Avila Ranch. However, as noted in the SRTP, full implementation of all recommended service changes would require additional bus bay capacity. The Downtown Transit Center currently has five bus bays which are fully utilized at several times throughout the day[5]. There is a project underway to consider design alternatives for the Downtown Transit Center that, among other improvements, will add one to two additional bus bays to support future service expansion. Design for the project is anticipated to be completed by July 2027 with construction occurring from February through June 2028.

[2] "A" Routes travel clockwise and operate daily while "B" Routes travel counter-clockwise and currently only run on weekdays.
[3] Year One includes one-time Start-up and Transition costs provided by the Proposers
[4] RATP Dev's Best and Final Offer letter stated that maintenance costs, estimated to be $398,485 in Year One, is not included in the proposal and instead will be billed separately as a pass-through expense. Table 4 does not include these costs in the annual totals.
[5] Santa Maria Regional Transit (SMRT) requires limited use of the Downtown Transit Center throughout the week which is governed by a Memorandum of Understanding that prioritizes City transit vehicles for bus bay access. When bus bays are fully occupied, SMRT vehicles utilize other on-street locations in between trips, ensuring no impact to City operations.

Staff anticipates that additional SRTP service recommendations will be implemented later in the upcoming contract term, subject to the availability of funding, vehicles, and staffing. Any future service changes will be coordinated with the selected contractor and implemented through contract amendments as approved by the appropriate delegated authority.

Selected Vendor - MV Transportation

While there were multiple qualified proposals to consider with various pros and cons for each, staff recommends awarding the contract to MV Transportation for transit operation and maintenance services. This recommendation is based on the totality of the thorough review and selection process: evaluation and scoring of proposals for overall quality and completeness, responses to interview questions, cost comparison, and reference checks.

MV Transportation demonstrated the strongest overall alignment with the City's operational and service priorities, particularly in its approach to maintaining service reliability, safety performance, and operational continuity. In addition, their proposal reflected a strong understanding of key operational challenges and provided strategies for workforce management, maintenance oversight, and service delivery performance. Reference checks were consistent with these findings, indicating solid past performance with comparable transit systems. Attachment B is a copy of MV Transportation's technical proposal[6].

MV Transportation is the largest privately owned provider of contracted transit operations and maintenance services in the United States delivering services for more than 100 public agencies including 20 in the State of California alone. The company manages comprehensive turnkey transit services including scheduling, dispatch, workforce management, and preventative and predictive maintenance. A significant portion of their portfolio consists of small to mid-sized municipal systems similar to SLO Transit's service profile.

MV Transportation has extensive experience operating diverse fleets and is a leader in zero-emission transit by supporting battery electric bus deployments, charging strategies, and full fleet transitions. MV Transportation has demonstrated expertise in electric bus operations, infrastructure readiness, and performance optimization as agencies transition from fossil-fuel fleets to battery electric technology.

MV Transportation operates unionized transit services throughout California, including with Teamsters-represented workforces. The company has experience managing contract transitions involving organized labor and maintaining service continuity by engaging early with union representatives including retaining existing employees where possible. MV Transportation's Best and Final Cost Proposal includes a letter from Teamsters Local Union No. 986 (Attachment C) stating that they have successfully worked with MV on labor matters and fully support MV Transportation in this procurement

[6] Portions of the technical proposal have been redacted at MV Transportation's request based on their assertion that the information is exempt from disclosure as trade secret or proprietary information under applicable law.

process should they be recommended for contract award.

The Evaluation Committee is confident that MV Transportation can provide all the requirements of the contract in a manner consistent with the City's expectations for high-quality transit services.

Next Steps
MV Transportation has requested minor modifications to the draft contract published in the RFP. The requested modifications mainly concern price adjustments for factors beyond MV Transportation's control, vehicle acceptance standards to be used during the transition period, and facility conditions for hazardous materials. Staff is working with the City Attorney's office to determine whether and how the requested modifications can be incorporated into the contract. Once the contract is executed and current provider notified, the City will begin working with MV Transportation to implement their start-up and transition plan.

MV Transportation's Start-up and Transition Plan (document pages 10-15 and 31 of Attachment B) outlines a structured, low-risk approach designed to ensure a seamless, disruption-free transition of transit operations through detailed planning, strong leadership, and continuous coordination with the City. The plan includes a task-driven startup schedule, regular progress meetings, and corporate oversight to track accountability and address risks. MV Transportation will engage early with the Teamsters to retain and retrain the existing Transdev union-represented workforce, preserving institutional knowledge. The plan also details fleet and facility transition processes, including inspections, parts procurement, and system readiness, supported by corporate maintenance leadership.

The current agreement with Transdev requires that for a minimum of thirty days following the expiration of the agreement, Transdev cooperates fully with the City and the new operator in the transition to the successor operator. This cooperation includes consultation regarding labor and management issues, access to non-confidential personnel files, and access to maintenance records.

Previous Council or Advisory Body Action

1. On April 15, 2025, Council adopted SLO Transit's FY 2026-30 Short-Range Transit Plan which includes service, fare and program change recommendations.
2. On November 18, 2025, Council authorized the advertisement of the RFP for qualified vendors to provide SLO Transit's operation and maintenance services.

Public Engagement
This is an administrative item, so no outside public engagement was conducted. Public comment can be provided to the City Council meeting through written correspondence prior to the meeting and through public testimony at the meeting. The current vendor, Transdev, and the Teamsters Local Union No. 986, which represents the drivers and other transit worker positions, were notified of the RFP advertisement.

Significant outreach and engagement efforts occurred during the development of the SRTP update. That process resulted in the inclusion of service, fare, and program changes designed to meet the community's current and future transportation needs. These recommended changes were incorporated into the RFP Scope of Services. Certain service recommendations identified in years one and two of the SRTP have been incorporated into the agreement.

Based on the Start-up and Transition Plan included in MV Transportation's proposal, staff does not anticipate any service disruptions during or immediately following the transition period. Transit operation and maintenance service providers, like MV Transportation, regularly transition services between contracted providers and are prepared to address issues as they arise that may affect service delivery. If, however, service disruptions do occur, then the public will be notified as soon as possible through the City's website, Social Media (Facebook, Instagram, X), on-bus notices, notices at any affected bus stops, and trips planning services like Google Maps and the Transit app.

CONCURRENCE

The Evaluation Committee concurs with the recommended action to award the transit operation and maintenance services contract to MV Transportation. The City Attorney's Office was involved in the development of the RFP including the draft agreement and approves the form of the agreement. The City's Risk Manager concurs with the insurance requirements incorporated into the agreement by reference as Exhibit B.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes
Budget Year: 2026-27
Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available (FY 2026-27)	Current Funding Request	Revised Budget (FY 2026-27)	Annual Ongoing Cost (FY 2027-28)
General Fund	$ 0	$ 0	$ 0	$ 0
Transit Fund	$ 5,890,244	$ 82,830	$ 5,973,074	$ 5,869,883
State	$ 0	$ 0	$ 0	$ 0
Federal	$ 0	$ 0	$ 0	$ 0
Fees	$ 0	$ 0	$ 0	$ 0
Total	**$ 5,890,244**	**$ 82,830**	**$ 5,973,074**	**$ 5,869,883**

In FY 2026-27, the Transit Fund projected $5,890,244 for contracted operation and maintenance services. This amount reflects anticipated implementation of Short-Range Transit Plan (SRTP) service recommendations, based on projected operating costs calculated during the plan's development.

Since the adoption of the SRTP in April 2025, the City's current contractor, Transdev, negotiated and executed a new Collective Bargaining Agreement (CBA) with the Teamsters Local Union No. 986. The union represents full-time, regular part-time, casual Drivers, Road Supervisors, and Dispatchers employed by Transdev. The new CBA includes significant increases to hourly wage rates that were not known at the time the SRTP was developed or when the Request for Proposals (RFP) was published. The CBA was provided to Proposers in February 2026 through an addendum to the RFP, along with other requested information. All Proposers incorporated the updated wage rates in their cost proposals and committed to retaining existing represented employees and entering into a new agreement with the Teamsters union if selected.

Staff recommends awarding the contract to MV Transportation for transit operation and maintenance services based on the overall quality and completeness of their proposal, responses to interview questions, and cost. The current funding request of $5,973,074 in the above table is based on MV Transportation's Best and Final Offer for FY 2026-27 which includes one-time start-up and transition costs of $336,274.06. The year-over-year contractual cost increase, excluding the one-time start-up and transition costs, averages approximately 5.6% over the four-year base term, which is generally consistent with the increases proposed by the other firms in their Best and Final Offers.

Additional funding in the amount of $82,830 in FY 2026-27 will be needed to fulfil the City's obligations under the agreement. Funding will be provided through a combination of Federal Transit Administration (FTA) Section 5307 program funds and Transportation Development Act (TDA) program funds consistent with prior use of funds for operating assistance.

The City Attorney's Office has reviewed the current FTA Certifications and Assurances, which recipients must approve prior to applying for federal funding, and confirmed that the agreement does not contain any concerning language that would prevent the City from applying for FTA Section 5307 funds this fiscal year. Because the FTA updates these Certifications and Assurances annually, the City Attorney's Office will review future versions each year to ensure no impermissibly restrictive language is introduced before submitting grant applications.

FTA Section 5307 operating assistance grants are awarded on an annual basis, which presents some risk that these funds may not be available in a given year. In that event, the City would rely on Transportation Development Act (TDA) reserves to support transit operations. As noted in the City's FY 2024–25 TDA single audit, the City currently has slightly more than $10 million in TDA reserves available to fund both transit operating expenses and capital projects. Reserves could fund the equivalent of slightly less than two years of transit operating expenses.

If approved, these costs will be incorporated into the FY 2026-27 Supplemental Budget, which is scheduled to go before Council on June 2, 2026, for consideration.

ALTERNATIVES

1. ***Council could decide not to approve the contract with MV Transportation and, instead, continue to contract with the current service provider, Transdev.*** Should Council pursue this option, either the current agreement with Transdev will need to be amended further to extend the term for an additional one-year period, otherwise the agreement will expire on June 30, 2026, or the City can enter into a new agreement with Transdev using the form of agreement attached to the RFP. This action is not consistent with the FTA's procurement guidelines which emphasize full and open competition for these types of services.
2. ***Council could direct staff to negotiate further changes to the agreement terms.*** Should Council pursue this option, staff will make the necessary changes and return to Council at a later date for authorization. However, this action will shorten the start-up and transition period needed by both the selected vendor and staff to changeover between operators which may cause disruption to services.

ATTACHMENTS

A - Draft Agreement for Transit Operation and Maintenance Services
B - MV Transportation Technical Proposal
C - Teamsters Union Local No. 986 Letter of Support

CITY OF SAN LUIS OBISPO

AGREEMENT FOR TRANSIT OPERATION AND MAINTENANCE SERVICES

This Agreement is made and entered into in the City of San Luis Obispo on _____ , by and between the City of San Luis Obispo, a municipal corporation, hereinafter referred to as CITY, and MV Transportation, Inc. , hereinafter referred to as CONTRACTOR.

W I T N E S S E T H:

WHEREAS, on November 20, 2025, CITY requested proposals for transit operation and maintenance services.

WHEREAS, CONTRACTOR is qualified to perform this type of service and has submitted a proposal to do so which has been accepted by CITY.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM**. The term of this Agreement shall be for four (4) years commencing on July 1, 2026, through and including June 30, 2030. The term of this Agreement may be extended by mutual consent for an additional four (4) option terms of one (1) year each for a maximum term, including the initial term, of eight (8) years.
2. **INCORPORATION BY REFERENCE.** CITY Request for Proposals (including the terms of all addenda, exhibits, and attachments) and CONTRACTOR's proposal are hereby incorporated in and made a part of this Agreement, attached as Exhibit A. The CITY's insurance requirements are hereby incorporated in and made part of this Agreement, attached as Exhibit B. The Federal Transit Administration Third-Party Contracting Provisions are hereby incorporated in and made part of this Agreement, attached as Exhibit C. To the extent that there are any conflicts between the CONTRACTOR's fees and scope of work and the CITY's terms and conditions as stated herein, the CITY's terms and conditions shall prevail unless specifically agreed otherwise in writing signed by both Parties.
3. **CITY'S OBLIGATIONS**. For providing services as specified in this Agreement, and upon receipt of an invoice, the maximum cost CITY will pay and CONTRACTOR shall receive shall not exceed $5,973,074 in Year One; $5,869,883 in Year Two; $6,219,832 in Year Three; and $6,631,484 in Year Four as set forth in CONTRACTOR's proposal and pursuant to the payment terms set forth in Exhibit A and in Section 4 of this Agreement.
4. **PRICE FORMULA**. CITY agrees to pay CONTRACTOR for performance of the services set forth in this agreement as follows:
    a. Payment of a fixed hourly rate per vehicle service hour of $90.33 in Year One; $95.78 in Year Two; $102.41 in Year Three; and $107.71 in Year Four. A vehicle service hour is defined as a vehicle providing passenger service for one hour during the service

hours specified herein. A vehicle service hour shall be deemed to have commenced when a vehicle leaves CITY's Transit Center located at 990 Palm Street to provide the services required herein and shall not include any out-of-service vehicle time used for vehicle operator breaks or lunches. A vehicle service hour shall terminate when a vehicle returns to CITY Transit Center prior to any cleaning, servicing or fueling of the vehicle. The hourly rate shall include vehicle operator wages, fringe benefits, indirect labor and all consumable material costs that can be tracked by vehicle service hour such as vehicle maintenance parts and supplies including oil, and cost incurred in providing all vehicle and general liability insurance required under this Agreement as such insurance is defined in this Agreement..

b. Payment of a fixed monthly rate of $132,813.10 in Year One; $131,903.73 in Year Two; $136,350.28 in Year Three; and $141,018.41 in Year Four to compensate CONTRACTOR for all work to be performed under this agreement as defined in Exhibit A, except that which is included under Paragraph 5(a) and Paragraph 7 of this Agreement including, but not limited to: vehicle operator non-service wages; management, controller and maintenance employee wages and said employees fringe benefits and indirect labor costs; bus washing and cleaning supplies; uniforms; report reproduction; office supplies; project telephones; all other related operational costs; and the contract management fee.

c. Payment of a fixed rate not to exceed $336,274.06 in Year One to compensate CONTRACTOR for all work performed during the start-up and transition period as defined in Exhibit A. This amount shall be invoiced separately and is in excess of the fixed rates as defined herein.

d. Compensation for those items and services provided by CITY and which are specified in Exhibit A shall not be included in the hourly or monthly rates as defined above. Such items and services include but are not limited to tires; radios including connection fees and service agreements; CITY-owned vehicles; licenses for radios and vehicles; routine maintenance of radios; major facility furnishings; telephone system, building security, office copy machine; all major vehicle components which are engines, transmissions, differentials, and design retrofits; and office, garage, and parking facilities.

e. Additionally, CITY shall provide all marketing, tickets, passes, brochures, and related collateral service materials.

5. **EXTRA SERVICES**. Special promotional and community services shall be considered extra services and will be provided only with the authorization of CITY and the mutual consent of the CONTRACTOR. Such services shall be defined as those non-permanent service hours operated outside of the services identified in Exhibit A. Extra services shall be considered a change to this agreement as defined herein and shall be in excess of the maximum price defined in Section 3 of this Agreement. The costs for extra services will be determined at a rate per vehicle service hours of $90.33 in Year One; $95.78 in Year Two; $102.41 in Year Three; and $107.71 in Year Four and billed separately from the services specified in Exhibit A.

6. **CONTRACTOR'S OBLIGATIONS.** For and in consideration of the payments and agreements herein before mentioned to be made and performed by CITY, CONTRACTOR agrees with CITY to do everything required by this Agreement including that work as set forth in Exhibit A.

7. **PAYMENT OF TAXES.** The contract prices shall include full compensation for all taxes that the Contractor is required to pay.

8. **PERMITS AND LICENSES.** The Contractor shall procure all permits and licenses, pay all charges and fees, and give all notices necessary. At its sole cost and expense, CONTRACTOR shall obtain any and all permits, licenses, certificates, or entitlement to operate as are now or hereafter required by any agency, specifically including, but not limited to, those that may be required by the California Public Utilities Commission, the California Highway Patrol, the Department of Motor Vehicles and local jurisdictions, to enable CONTRACTOR to perform this agreement. Copies of all such entitlements shall be provided to CITY when received by CONTRACTOR. In the event that any aspect of this agreement requires prior approval by the PUC, the CONTRACTOR shall submit the necessary application forms. Both parties shall appear as necessary and cooperate in the commission approval process. CITY reserves the right to oppose, support or be neutral on any such request and on the PUC's ruling thereon. CONTRACTOR covenants to obtain all such approvals before commencing operations, and to conform to the PUC ruling thereon, at its sole cost and expense.

9. **COMPLIANCE WITH LAW.** The Contractor shall keep itself informed of and shall observe and comply with all applicable State and Federal laws and regulations, and County and City of San Luis Obispo ordinances, regulations and adopted codes, which in any manner affect those employed by Contractor or in any way affect the performance of the Services pursuant to this Agreement. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Contractor to comply with this Section. Failure to comply with local ordinances may result in monetary fines and cancellation of this Agreement.

10. **COMPLIANCE WITH INDUSTRY STANDARD.** Contractor shall provide services acceptable to City in strict conformance with the Agreement. Contractor shall also provide in accordance with the standards customarily called for under this Agreement using the degree of care and skill ordinarily exercised by reputable providers of such services. Where approval by the City, the City Manager, the Mayor, or other representative of City is required, it is understood to be general approval only and does not relieve Contractor of responsibility for complying with all applicable laws, codes, policies, regulations, and good business practices.

11. **INDEPENDENT CONTRACTOR.**

    a. CONTRACTOR is and shall at all times remain as to CITY a wholly independent contractor. The personnel performing the Services under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither CITY nor any of its officers, employees, or agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CITY. CONTRACTOR shall not incur or have

the power to incur any debt, obligation, or liability whatsoever against CITY, or bind CITY in any manner.

b. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except for the fees paid to CONTRACTOR as provided in the Agreement, CITY shall not pay salaries, wages, or other compensation to CONTRACTOR for performing the Services hereunder for CITY. CITY shall not be liable for compensation or indemnification to CONTRACTOR for injury or sickness arising out of performing services hereunder.

c. CONTRACTOR's duties and services under this Agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering this Agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. CONTRACTOR's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. CONTRACTOR shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by contractor pursuant to this Agreement."

12. **PRESERVATION OF CITY PROPERTY.** CONTRACTOR shall provide and install suitable safeguards, approved by CITY, to protect CITY property from injury or damage. If CITY property is injured or damaged resulting from the CONTRACTOR's operations, it shall be replaced or restored at the CONTRACTOR's expense. The facilities shall be replaced or restored to a condition as good as when the CONTRACTOR began work.

13. **IMMIGRATION ACT OF 1986.** CONTRACTOR warrants on behalf of itself and all subcontractors engaged for the performance of this work that only persons authorized to work in the United State pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.

14. **NON-DISCRIMINATION.** In the performance of the Services, CONTRACTOR Agrees that it will not engage in, nor permit such subcontractors as it may employ, to engage in discrimination in employment of persons because of age, race, color, sex, national origin or ancestry, sexual orientation, or religion of such persons.

15. **INVOICES.** All hourly costs shall be invoiced to CITY monthly following the service month provided. Said invoices shall specify the dates of service and the number of vehicle service hours claimed. Hourly costs shall be directly traceable by dispatcher and/or driver trip sheets and/or employee timecards, copies of which will be submitted to CITY monthly with each invoice. The monthly fixed rate and insurance rate shall be invoiced monthly following the service month provided. All reports and submissions required under this Agreement shall be accurately completed and submitted to CITY prior to payment of said monthly rate invoices. Any extra services provided under this Agreement shall be invoiced separately following the

provision of such services. Copies of all appropriate passenger and service logs shall be attached to each extra service invoice prior to payment.

16. **PAYMENT TERMS.** CITY's payment terms are thirty (30) days from the receipt of an original invoice and acceptance by CITY of the materials, supplies, equipment, or services provided by CONTRACTOR (Net 30). CONTRACTOR will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Final June invoices shall be received no later than the 5th business day of July to meet CITY fiscal year-end deadlines. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If CITY disputes any of CONTRACTOR's fees it shall give written notice to CONTRACTOR within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice, therefore.

17. **INSPECTION.** CONTRACTOR shall furnish CITY with every reasonable opportunity for CITY to ascertain that the services of CONTRACTOR are being performed in accordance with the requirements and intentions of this contract. All work done, and all materials furnished, if any, shall be subject to the CITY's inspection and approval. The inspection of such work shall not relieve CONTRACTOR of any of its obligations to fulfill its contract requirements.

18. **OWNERSHIP OF DOCUMENTS.**

    a. CONTRACTOR shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by CITY that relate to the performance of the Services under this Agreement. CONTRACTOR shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONTRACTOR shall provide free access to the representatives of CITY or its designees at reasonable times to such books and records; shall give CITY the right to examine and audit said books and records; shall permit CITY to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

    b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services under this Agreement shall become the sole property of CITY and may be used, reused, or otherwise disposed of by CITY without the permission of CONTRACTOR. With respect to computer files, CONTRACTOR shall make available to CITY, at CONTRACTOR's office and upon reasonable written request by CITY, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONTRACTOR hereby grants to CITY all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models,

computer files, surveys, notes, and other documents prepared by CONTRACTOR in the course of providing the Services under this Agreement.

19. **INDEMNIFICATION AND DEFENSE.** To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), CONTRACTOR shall indemnify, defend, and hold harmless CITY, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the CONTRACTOR's performance or CONTRACTOR's failure to perform its obligations under this Agreement or out of the operations conducted by CONTRACTOR, including the CITY's passive negligence, except for such loss or damage arising from the sole or active negligence or willful misconduct of CITY. In the event CITY Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from CONTRACTOR's performance of this Agreement, CONTRACTOR shall provide a defense to CITY Indemnitees or at CITY's option, reimburse CITY Indemnitees the of costs of defense, including reasonable legal fees, incurred in defense of such claims. The review, acceptance or approval of the CONTRACTOR's work or work product by any indemnified party shall not affect, relieve or reduce the CONTRACTOR's indemnification or defense obligations. This Section survives the completion of the services or the termination of this contract. The provisions of this section are not limited by and do not affect the provisions of this contract relating to insurance. CONTRACTOR's indemnification obligations under this section extend to any claims arising out of or related to the negligence, recklessness, or willful misconduct of any sub-Contractors/subcontractors.

20. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE.**
    a. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Contractor at least sixty (60) days prior written notice. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
    b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Contractor the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Contractor will submit an invoice to the City pursuant to Section 14.
21. **TERMINATION FOR CAUSE.** If, during the term of the Agreement, the City determines the Contractor is not faithfully abiding by any term or condition contained herein, the City may notify the Contractor in writing of such defect or failure to perform. This notice must give the Contractor a thirty (30) calendar day notice of time thereafter in which to perform said work or cure the deficiency.

a. If the Contractor has not performed the work or cured the deficiency within the thirty (30) days specified in the notice, such shall constitute a breach of the Agreement and the City may terminate the Agreement immediately by written notice to the Contractor to said effect ("Notice of Termination"). Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under the Agreement except to comply with the obligations upon termination.
b. In said event, the Contractor shall be entitled to the reasonable value of its services performed from the beginning date in which the breach occurs up to the day it received the City's Notice of Termination, minus any offset from such payment representing the City's damages from such breach. "Reasonable value" includes fees or charges for goods or services as of the last milestone or task satisfactorily delivered or completed by the Contractor as may be set forth in the Agreement payment schedule; compensation for any other work or services performed or provided by the Contractor shall be based solely on the City's assessment of the value of the work-in-progress in completing the overall scope.
c. The City reserves the right to delay such payment until completion or confirmed abandonment of the project, as may be determined in the City's sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall the Contractor be entitled to receive in excess of the not to exceed amount shown in this Agreement.

22. **INSURANCE.** CONTRACTOR shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and made part of this Agreement.

23. **BUSINESS LICENSE & TAX.** CONTRACTOR must have a valid City of San Luis Obispo business license & tax certificate before execution of the contract. Additional information regarding the City's business tax program may be obtained by calling (805) 781-7134.

24. **SAFETY PROVISIONS.** CONTRACTOR shall conform to the rules and regulations pertaining to safety established by OSHA and the California Division of Industrial Safety.

25. **PUBLIC AND EMPLOYEE SAFETY.** Whenever CONTRACTOR's operations create a condition hazardous to the public or CITY employees, it shall, at its expense and without cost to CITY, furnish, erect and maintain such fences, temporary railings, barricades, lights, signs and other devices and take such other protective measures as are necessary to prevent accidents or damage or injury to the public and employees.

26. **UNDUE INFLUENCE.** CONTRACTOR declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of CITY in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CITY has or will receive compensation, directly or indirectly, from CONTRACTOR, or from any officer, employee or agent of CONTRACTOR, in connection with the award of this Agreement or any work to be conducted as

a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CITY to any and all remedies at law or in equity.

27. **ASSIGNMENT.** CONTRACTOR shall not assign, transfer, convey or otherwise dispose of the contract, or its right, title or interest, or its power to execute such a contract to any individual or business entity of any kind without the previous written consent of CITY.

28. **OPERATING REVENUES.** All operating revenues collected by CONTRACTOR are the property of CITY. Operating revenues include, but are not limited to, all fares and the proceeds from the sale of tickets and passes. Operating revenues shall be counted and kept separately under appropriate security. Within one working day from collection, unless otherwise agreed upon, CONTRACTOR shall deposit fares at a banking institution as directed by CITY. Reports on the revenues collected and deposited shall be provided to CITY on a timely basis. CITY shall be provided with a written description of CONTRACTOR'S procedures regarding the collection, counting and controlling of fare revenues. These procedures are subject to CITY's audit and approval.

29. **CONTROL.**

    a. All services to be rendered by CONTRACTOR under this agreement shall be subject to the control of CITY. CONTRACTOR shall advise CITY of matters of importance and make recommendations when appropriate; however, final decision shall rest with CITY.

    b. CITY shall not interfere with the management of CONTRACTOR'S normal internal business affairs and shall not attempt to directly discipline or terminate CONTRACTOR employees. CITY may notify CONTRACTOR of the performance of any employee having a negative effect on the service being provided.

30. **RESOLUTION OF PROCUREMENT ISSUES.** The Federal Acquisition Regulations shall be used where applicable to define, resolve, and settle procurement issues. Unless otherwise directed by CITY, CONTRACTOR shall continue performance under this Agreement while matters in dispute are being resolved.

31. **CHANGES.** CITY, without invalidating this Agreement may order additions to or deletions from the work to be performed. Such changes shall be specified to CONTRACTOR in writing. If justified, the "CITY's Obligation" will be adjusted accordingly. New provisions must be mutually agreeable to both CITY and CONTRACTOR. A shift of vehicle service hours between services within the maximum value or an increase or decrease of up to twenty percent (20%) within the current span of service would not constitute a change as defined in this Agreement, but any such shift or change shall only occur at the direction of CITY. In the event that any federal, state, or local law enacted or amended after the effective date of this AGREEMENT modifies the applicable minimum wage or benefits required to be paid to CONTRACTOR's employees subject to this AGREEMENT, the Parties agree to negotiate in good faith an equitable adjustment to the rates under this AGREEMENT to reflect the modified labor costs directly attributable to such change.

32. **FORCE MAJEURE.** CONTRACTOR shall not be held responsible for losses, failure to perform, or excess costs caused by events beyond the control of CONTRACTOR. Such events may

include, but are not restricted to, the following: fire, epidemics, earthquake, flood, or other natural disaster; acts of the government; riots, strikes, war or other civil disorders; or fuel shortages. In every case, CONTRACTOR shall resume performance at the earliest possible date following the cessation of such unforeseen causes or events. CONTRACTOR shall be entitled to no compensation for any service, the performance of which is excused pursuant to this paragraph.

33. **EMERGENCY PROCEDURES.** In the event of a major emergency such as an earthquake, flood, or man-made catastrophe, CONTRACTOR shall make transportation and communication resources available to the maximum extent practical for emergency assistance. If the normal line of direct communication from CITY is intact, CONTRACTOR shall follow instruction of CITY. If the normal line of direct communication is broken, and for the period it is broken, CONTRACTOR shall make best use of transportation resources following to the degree possible the direction of an organization such as the San Luis Obispo Office of Emergency Services, CITY Police Department, Red Cross, or National Guard, which appears to have assumed responsibility within CITY's service area. Emergency uses of transportation may include evacuation, transportation of injured, and movement of people to food and shelter. CONTRACTOR shall be reimbursed in accordance with the normal "Price Formula" and "Payment" or, if the normal method does not cover the types of emergency services involved, then on the basis of fair, equitable and prompt reimbursement of CONTRACTOR'S actual costs. Reimbursement for such major emergency services shall be over and above the "CITY's Obligation" of this contract. Immediately when the emergency condition ceases, CONTRACTOR shall reinstate normal transportation services.

34. **TRANSFER OF TITLE TO EQUIPMENT.** All equipment, parts, and supplies purchased by CONTRACTOR under this Agreement, either as a direct charge expense or within the defined scope of services, shall become the property of CITY upon either the payment of the direct charge invoice or the expiration or termination of this Agreement for any reason unless otherwise specified in writing. CONTRACTOR shall maintain a perpetual inventory of all such equipment and supplies purchased under this, to be submitted for review on or before August 31 of each year. CONTRACTOR shall be responsible for the replacement of any equipment, parts and supplies purchased or provided, either by CITY or CONTRACTOR, under this Agreement that is lost or unreasonably destroyed while under the control of CONTRACTOR.

35. **TRANSPORTATION DATA REPORTING.** CONTRACTOR shall report to CITY accurate, timely, and complete operating, financial, and performance data in accordance with all applicable federal and state laws, rules, and reporting standards, including without limitation the California Public Utilities Code, Chapter 4, Section 99243 and Section 99243.5; the California Code of Regulations, Title 21, Chapter 3, Subchapter 2, as required under California Transportation Development Act; the National Transit Database (NTD) reporting requirements under 49 C.F.R. Part 630 and the current NTD Reporting Policy Manual; and any successor, replacement, or conforming federal state, or regulatory requirements, and any updates, amendments, or revisions to the foregoing.

36. **TRANSITION TO FUTURE OPERATOR.** Up to and for a minimum of thirty (30) days following the effective date of termination or expiration of this Agreement, CONTRACTOR shall provide

to either CITY or any future operator selected by CITY, CONTRACTOR's full cooperation in the transition to the successor operator. This shall include, at a minimum, consultation regarding labor and management issues (including a delineation of wages and benefits by employee category), access to non-confidential personnel files and maintenance records. CONTRACTOR shall provide its best professional effort to assure a smooth transition from CONTRACTOR's services to those provided by the new operator and shall cooperate fully with CITY and the new operator to this end.

37. **SEVERABILITY.** If any provision of this Agreement is held invalid or unconstitutional by any court of competent jurisdiction, such decision shall have no effect on the validity of the remaining provisions of this Agreement and such remaining provisions shall continue to remain in full force and effect.
38. **MISCELLANEOUS TERMS.** In the case of dispute, the prevailing party in any action between the parties to this Agreement, brought to enforce the terms of this Agreement, may recover from the other party its reasonable costs and attorneys' fees in connection with such an action. CITY's failure to insist in any one or more instances upon the performance of any term or terms of this Agreement shall not be construed as a waiver or relinquishment of CITY's right to such performance or to future performance of such a term or terms, and CONTRACTOR'S obligations in respect thereto shall continue in full force and effect. Time shall be of the essence.
39. **AMENDMENT**. Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the appropriate review authority according to the City's Financial Management Manual. CONTRACTOR shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized by CITY in advance and in writing.
40. **COMPLETE AGREEMENT**. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete Agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.
41. **NOTICE**. All notices to the Parties hereto under this Agreement shall be in writing and shall be sent either by (i) personal service, (ii) delivery by a reputable document delivery service, such as, but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) United States Mail, certified, postage prepaid, return receipt requested. All such notices shall be delivered to the addressee or addressed as set forth below:

City	City of San Luis Obispo 990 Palm Street San Luis Obispo, CA 93401

Contractor Company Name
Address Line 1
Address Line 2

42. **GOVERNING LAW**. Any action arising out of this Agreement shall be brought in the Superior Court of San Luis Obispo County, California, regardless of where else venue may lie. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the Parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.
43. **AUTHORITY TO EXECUTE AGREEMENT**. Both CITY and CONTRACTOR do covenant that each individual executing this Agreement on behalf of each party is a person duly authorized and empowered to execute Agreements for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

CITY OF SAN LUIS OBISPO:

By:_____

Whitney McDonald

City Manager

APPROVED AS TO FORM:

By: _____

Christine Dietrick

City Attorney

CONTRACTOR:

By: _____

Name of CAO / President

Its: CAO / President

EXHIBIT A

[Placeholder for City Request for Proposals and for Contractor Proposal]

EXHIBIT B

Insurance Requirements

Without limiting Contractor's indemnification of City, and prior to commencement of work, Contractor shall obtain, and maintain at its own expense during the term of this Agreement, policies of insurance of the types and amounts described below and in a form that is satisfactory to City.

General liability insurance. Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $10,000,000 per occurrence, $10,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted. Said policy shall include coverage for premises, specifically including dangerous condition of public property, as well as coverage for the facility and property provided by city for contractors used during the term of this contract.

Automobile liability insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than $10,000,000 combined single limit for each accident. Coverage will also include collision and comprehensive physical damage with a deductible not to exceed $50,000. Any deductible will be the responsibility of the Contractor. In case of damage, destruction or loss of any vehicle or equipment provided by city under the terms of this agreement, the CITY agrees that the liability of Contractor for said damage or destruction shall be limited to the fair market value of the vehicle or equipment at the time of loss.

Employee Crime / Theft Insurance. Contractor shall maintain an insurance policy or fidelity bond in an amount not less than $50,000 covering any loss of money, securities or property resulting from the dishonest acts of an employee, official or board member.

Umbrella or excess liability insurance. [If required to meet higher limits]. Contractor may obtain and maintain an umbrella liability insurance policy with limits that will provide bodily injury, personal injury, and property damage liability coverage, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;
- "Pay on behalf of" wording as opposed to "reimbursement";
- Concurrency of effective dates with primary policies.

Excess insurance. Should Contractor obtain and maintain an excess liability policy, such policy shall be excess over commercial general liability, automobile liability, and employer's liability policies. Such policy or policies shall include wording that the excess liability policy follows the terms and conditions of the underlying policies.

Workers' compensation insurance. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000). Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

Notice of cancellation. Contractor agrees to oblige its insurance agent or broker and insurers to provide the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. If any of the Contractor's insurers are unwilling to provide such notice, then Contractor shall have the responsibility of notifying the City immediately in the event of Contractor's failure to renew any of the required insurance coverages or insurer's cancellation or non-renewal.

Additional insured status. General liability, automobile liability, and umbrella/excess liability insurance policies shall provide or be endorsed to provide that City and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies. Undisclosed coverage limitations are prohibited. None of the coverages required herein shall comply with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing. The additional insured endorsement will explicitly include coverage for both ongoing and completed operations.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. Contractor agrees to ensure that its subconsultants, subcontractors, and any other party who is brought onto or involved in the project/service by Contractor (hereinafter collectively "subcontractor"), provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. However, in the event Contractor's subcontractor cannot comply with this requirement, which proof must be submitted to the City, Contractor shall be required to ensure that its subcontractor provide and maintain insurance coverage and endorsements sufficient to the specific risk of exposure involved with subcontractor's scope of work and services, with limits less than required of the Contractor, but in all other terms consistent with the Contractor's requirements under this agreement.

This provision does not relieve the Contractor of its contractual obligations under the agreement and/or limit its liability to the amount of insurance coverage provided by its subcontractors. This provision is intended solely to provide Contractor with the ability to utilize a subcontractor who may be otherwise qualified to perform the work or services but may not carry the same insurance limits as required of the Contractor under this agreement given the limited scope of work or

services provided by the subcontractor. Contractor agrees that upon request, all agreements with subcontractors, and others engaged in the project, will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Contractor, the City and Contractor may renegotiate Contractor's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible, or require proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention through confirmation from the underwriter.

Timely notice of claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

Verification of Coverage. Contractor shall furnish the City with a certificate of insurance showing maintenance of the required insurance coverage, as well as endorsements effecting general liability and vehicle coverage. All endorsements are to be received and approved by the City before work commences.

EXHIBIT C

Federal Transit Administration Third-Party Contracting Provisions

1. **FLY AMERICA REQUIREMENTS.** CONTRACTOR agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and subrecipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. CONTRACTOR shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The CONTRACTOR agrees to include the requirements of this section in all subcontracts that may involve international air transportation.
2. **BUY AMERICA REQUIREMENTS.** CONTRACTOR agrees to comply with 49 U.S.C. 5323(j) and 49 C.F.R. Part 661, which provide that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 C.F.R. 661.7, and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation, and microcomputer equipment and software. Separate requirements for rolling stock are set out at 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. 661.11. Rolling stock must be assembled in the United States and have a 60 percent domestic content.
3. **CHARTER BUS REQUIREMENTS.** CONTRACTOR agrees to comply with 49 U.S.C. 5323(d) and 49 CFR Part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions at 49 CFR 604.9. Any charter service provided under one of the exceptions must be "incidental," i.e., it must not interfere with or detract from the provision of mass transportation.
4. **SCHOOL BUS REQUIREMENTS.** Pursuant to 69 U.S.C. 5323(f) and 49 CFR Part 605, recipients and subrecipients of FTA assistance may not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients may not use federally funded equipment, vehicles, or facilities.
5. **ENERGY CONSERVATION REQUIREMENTS.** CONTRACTOR agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

6. **CLEAN WATER REQUIREMENTS.**

    a. CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq . CONTRACTOR agrees to report each violation to CITY and understands and agrees that CITY will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

    b. CONTRACTOR also agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with Federal assistance provided by FTA.

7. **LOBBYING REQUIREMENTS.** CONTRACTOR shall comply with 31 U.S.C. 1352, which provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. CONTRACTORS who apply or bid for an award of $100,000 or more shall file the certification required by 49 CFR Part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

8. **ACCESS TO RECORDS AND REPORTS.** The following access records requirements apply to this Agreement:

    a. In accordance with 49 C. F. R. 18.36(i), CONTRACTOR agrees to provide CITY, the FTA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers and records of CONTRACTOR which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. CONTRACTOR also agrees, pursuant to 49 C. F. R. 633.17 to provide the FTA Administrator or their authorized representatives including any PMO Contractor, access to CONTRACTOR's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

b. CONTRACTOR agrees to maintain all books, records, accounts, and reports required under this contract for a period of not less than three (3) years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case CONTRACTOR agrees to maintain same until CITY, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

9. **FEDERAL CHANGES.** CONTRACTOR shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between the CITY and FTA, as they may be amended or promulgated from time to time during the term of this contract. CONTRACTOR's failure to so comply shall constitute a material breach of this Agreement.

10. **CLEAN AIR REQUIREMENTS.**

    a. CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. CONTRACTOR agrees to report each violation to CITY and understands and agrees that the CITY will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

    b. CONTRACTOR also agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with Federal assistance provided by FTA.

11. **RECYCLED PRODUCTS.** CONTRACTOR agrees to comply with all of the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247. CONTRACTOR agrees to include these requirements in every subcontract.

12. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.** In accordance with 40 USC 3701 et. seq., 29 CFR Part 5, and 49 CFR 18.36; CONTRACTOR hereby certifies compliance with the following provisions related to employment of laborers and mechanics under the Contract Work Hours and Safety Standards Act.

    a. **Overtime Requirements**. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

    b. **Violation; Liability for Unpaid Wages; Liquidated Damages**. In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition,

such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, in the sum of $33 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

c. **Withholding for Unpaid Wages and Liquidated Damages**. CITY shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

d. **Non-Construction Grants.** The contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the recipient shall require the contracting Officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by contractor or subcontractor for inspection, copying, or transcription by authorized representatives of Department of Transportation (DOT) and the Department of Labor and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

e. **Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraphs (a) through (e) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (a) through (e) of this section.

13. **AMERICANS WITH DISABILITIES ACT (ADA) ACCESS REQUIREMENTS.** CONTRACTOR agrees to comply with the requirements of the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. § 12101 et seq.; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794; and USDOT regulations at 49 CFR Parts 27, 37, and 38. CONTRACTOR agrees that, consistent with the objectives of these statutes and regulations, services, programs, vehicles, and facilities provided under this contract will be accessible to and usable by individuals with disabilities. CONTRACTOR further agrees to include these requirements in all subcontracts financed in whole or in part with Federal assistance provided by FTA.

14. **NO GOVERNMENT OBLIGATION TO THIRD PARTIES.**

a. CITY and CONTRACTOR acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to CITY, CONTRACTOR, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

b. CONTRACTOR agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

15. **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS.**

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

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

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

16. **GOVERNMENT-WIDE DEBARMENT AND SUSPENSION.**

a. **Suspension and Debarment.** This contract is a covered transaction for purposes of 49 CFR Part 29. As such, CONTRACTOR is required to verify that none of CONTRACTOR, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945. CONTRACTOR is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

i. The certification in this clause is a material representation of fact relied upon by CITY. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to CITY, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

17. **PRIVACY ACT REQUIREMENTS.** The following requirements apply to CONTRACTOR and its employees that administer any system of records on behalf of the Federal Government under any contract:

    a. CONTRACTOR agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, CONTRACTOR agrees to obtain the express consent of the Federal Government before CONTRACTOR or its employees operate a system of records on behalf of the Federal Government. CONTRACTOR understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

    b. CONTRACTOR also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

18. **CIVIL RIGHTS REQUIREMENTS.**

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

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

        (i) **Race, Color, Creed, National Origin, Sex**. In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq ., (which implement Executive Order No. 11246, "Equal Employment

Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

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

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

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

19. **BREACHES AND DISPUTE RESOLUTION.**

a. **Disputes**. Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of (Recipient)'s [title of employee]. This decision shall be final and conclusive unless within [ten (10)] days from the date of receipt of its copy, CONTRACTOR mails or otherwise furnishes a written appeal to the [title of employee]. In connection with any such appeal, CONTRACTOR shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the [title of employee] shall be binding upon CONTRACTOR and CONTRACTOR shall abide be the decision.

b. **Performance During Dispute**. Unless otherwise directed by CITY, CONTRACTOR shall continue performance under this Contract while matters in dispute are being resolved.

c. **Claims for Damages**. Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of their employees,

agents, or others for whose acts they are legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury of damage.

d. **Remedies.** Unless this Contract provides otherwise, all claims, counterclaims, disputes and other matters in question between CITY and CONTRACTOR arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State in which CITY is located.

e. **Rights and Remedies**. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by CITY OR CONTRACTOR shall constitute a waiver of any right or duty afforded by any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

20. **TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS.** CONTRACTOR agrees to comply with applicable transit employee protective requirements as follows:

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

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

and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Agreement or Cooperative Agreement with the state. The Contractor agrees to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.

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

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

21. **DISADVANTAGED BUSINESS ENTERPRISE (DBE).**

a. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs and CITY's DBE program..

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

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

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

22. **SAFE OPERATION OF MOTOR VEHICLES / DISTRACTED DRIVING.**

a. **Seat Belt Use.** In accordance with the provisions of Executive Order No. 13043, "Increasing Seat Belt Use in the United States," April 16, 1997, 23 U.S.C. § 402 note, CONTRACTOR is required to adopt and promote on-the-job seat belt use policies and

programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles. The terms “company-owned” and company-leased” refer to vehicle owned or lease by CONTRACTOR or by CITY.

b. **Distracted Driving**. In accordance with the provisions of Executive Order No. 13513, “Federal Leadership on Reducing Text Messaging While Driving,” October 1, 2009, 23 U.S.C. § 402 note, and U.S. DOT Order 3902.10, “Text Messaging While Driving,” December 30, 2009; CONTRACTOR is required to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle CONTRACTOR owns, leases, or rents, or a privately-owned vehicle when on official business in connection with or when performing any work for or on behalf of CITY.

23. **DRUG AND ALCOHOL TESTING.** CONTRACTOR agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of California, or CITY, to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. CONTRACTOR agrees further to certify annually its compliance with Parts 653 and 654 and to submit the Management Information System (MIS) reports before MARCH 1 of each year to CITY. To certify compliance the contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register.

24. **INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS.** The preceding provisions include, in part, certain Standard Terms and Conditions required by USDOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by USDOT, as set forth in FTA Circular 4220.1E are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. CONTRACTOR shall not perform any act, fail to perform any act, or refuse to comply with any CITY requests which would cause CITY to be in violation of the FTA terms and conditions.

February 20, 2026

Transit Operation and Maintenance Services

RFP No. Transit-01

SUBMITTED TO
City of San Luis Obispo
Alex Fuchs, Mobility Services Business Manager
990 Palm Street
San Luis Obispo CA, 93401
Afuchs@slocity.org

SUBMITTED BY
MV Transportation, Inc.
2711 N. Haskell Avenue, Suite 1500 LB-2
Dallas, TX 75204
Keith Everage, Vice President
(323) 422-5946
www.mvtransit.com

Driven by People.

Request for Confidentiality

As a privately held company, many aspects of MV's business are considered confidential. The proposal contained herein offers details regarding our proposed operating plan for the City of San Luis Obispo (City) and includes client information, operating procedures, management candidates, and innovative approaches that our Board of Directors considers Confidential and/or Trade Secrets.

For ease of the City's review, MV:

- Indicates those sections of our proposal narrative considered either confidential or a trade secret using footnotes;
- Includes confidential attachments in this proposal response; these are marked "confidential" in the margins of each document and/or form;
- Considers its pricing information confidential and has therefore indicated so in the margin of each price page; and,
- Has submitted its Audited Financial Statements in a separate confidential file.

Table of Contents

Request for Confidentiality ii
Table of Contents iii
Executive Summary iv
1. Submittal Forms 1
2. Experience and Qualifications 2
3. Operational Approach 8
3.1. Start-up and Transition Plan 10
3.2. Management and Operations Plan 16
3.2.a. Scheduling, Dispatching, and Customer Service 22
i. Talent Acquisition and Workforce Retention 23
ii. Quality Control 24
iii. Additional Proposed Technologies 27
4. Maintenance 31
4.1. Facility Maintenance Program 33
4.2. Preventive Maintenance and Inspection Program 35
i. History of Regulatory Findings 39
4.3. Proposed Insurance Program 40
5. Safety and Training 41
5.1. Staff Training Program 41
5.2. Safety Records 50
6. Personnel 52
6.1. Key Personnel 52
6.1.a. Organizational Chart 55
6.2. Wages 57
6.3. Benefits Package 58
6.4. Staffing Plan 59
6.5. Labor Code Compliance 65
7. Reporting 66
7.1. Approach to Reporting Quality Control 67
Appendix 69

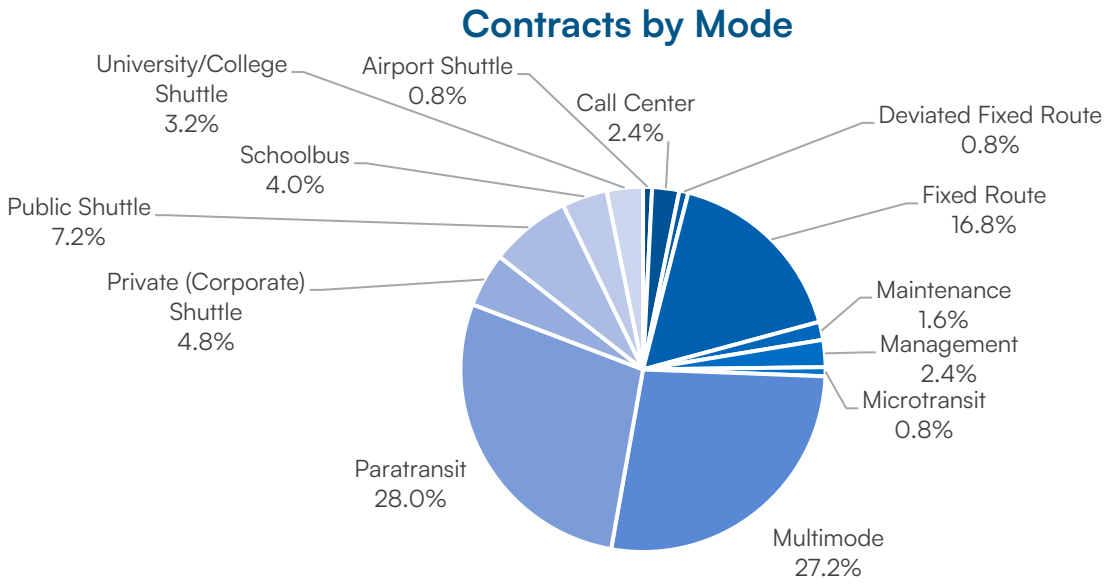
MV Transportation, Inc. is a federal contractor or subcontractor which complies fully with Executive Order 11246, as amended, and the applicable regulations contained in 41 C.F.R. Parts 60-1 through 60-60; 29 U.S.C. Section 793 and the applicable regulations contained in 41 C.F.R. Part 60-741; 38 U.S.C. Section 4212 and the applicable regulations contained in 41 C.F.R. Part 60-250 and/or 60-300; and 29 CFR Part 471, Appendix A. MV is an Equal Employment Opportunity/Affirmative Action Employer.

Executive Summary

The City of San Luis Obispo (the City) is seeking a trusted partner to operate and maintain its fixed route transit operation and maintenance services, SLO Transit. SLO Transit recognizes that high-quality public transportation depends on four core elements:

1. a strong local team to run daily operations,
2. delivering excellent customer service,
3. effective system design and operation, and
4. maintaining on-time performance (OTP).

With 50 years of experience and over 125 active contracts nationwide, nearly **45% of MV Transportation (MV) contracts include fixed route services, either as a stand-alone fixed route or as part of multimodal operations.**



Our extensive experience showcases our ability to meet SLO Transit's unique needs. For the City, MV will:

1. **Build a strong local team** through proven recruitment and retention strategies, supported by dedicated professionals and backed by a strong corporate team.
2. **Deliver exceptional customer service** through comprehensive training programs and customer-focused technology.
3. **Enhance system design and operations** by using proven scheduling, planning, and safety technologies, supported by dedicated professional services.
4. **Increase OTP** with our customized OTP, road supervision, and dispatch plans.

Proven Experience

MV's deep familiarity with California's transit landscape is unmatched. We currently operate **over 30 contracts** surrounding the San Luis Obispo area, including systems comparable to SLO Transit:

- **Union City Transit-** fixed route and ADA paratransit (since 2000)
- **Livermore Amador Valley Transit Authority-** fixed route and rapid bus services (since 2002)
- **City of West Covina-** fixed route and demand-responsive services (since 2014)
- **Santa Clarita Transit-** fixed route, commuter express, dial-a-ride, microtransit, and trolley services (since 2008)

Because we are deeply experienced in California's operational and regulatory environments, we can deliver a seamless, low-risk transition that maintains service continuity from day one.

Our highly experienced regional team will support SLO Transit's local team.

Regional Vice President Lorraine Lopez brings 20 years of transportation experience and will lead the regional support team, partnering with the local team to drive continuous improvement.
Director of Safety Jorge Flores brings 16 years of transportation safety experience and will uphold compliance with all regulatory requirements relating to health, safety, and security.
Director of Maintenance Samuel (Sam) Tolley brings nearly 15 years of transportation maintenance leadership and will support the maintenance manager on the ground to ensure smooth daily services.
Vice President of Customer Success Terence (Terry) Thompson brings over two decades of experience in management and customer care and will support SLO Transit by addressing the unique challenges and opportunities within public transit systems.

1. Building a Strong Local Team

Founded in 1975 by Alex and Feysan Lodde, a husband-and-wife team, MV was built on a mission to provide freedom of mobility by offering access to safe, reliable transportation. Half a century later, this mission continues today through The New MV- a renewed focus on people, performance, and accountability.

Our approach rests on having and continually building on the best team in the transportation business:

- Hiring people who share our values and deep commitment to our passengers and clients
- Investing heavily in development and training so that they unlock their full potential
- Reinforcing a culture prioritizing safety, customer service, and operational excellence so that we treat each passenger like we would our dearest loved ones.

For SLO Transit, we propose the following local management team, fully dedicated to the City's services.

Meet the Local Team
Proposed General Manager Yevette Mc Neese brings 19 years of transportation industry experience and will provide hands-on operational leadership, ensuring safe, compliant, and efficient service delivery for SLO Transit.
Proposed Operations Manager Jeffery Lampton brings nearly 5 years of transit leadership experience and will lead daily operations by driving safe, reliable, and compliant service delivery through collaborative leadership, data-driven decision-making, and strong operational discipline across all service modes.
Proposed Maintenance Manager Casterdale Green brings nearly two decades of fleet maintenance experience and will ensure SLO Transit's fleet is safe, reliable, and fully DOT-compliant.
Proposed Safety and Training Manager Aaron Pike brings over 30 years of experience in transportation operations, safety, and compliance, and will lead safety and training programs and foster a culture of safety, reliability, and customer-focused service.

In addition to our proposed management team, we will also implement our proven recruitment strategy to ensure SLO Transit is supported by a fully staffed team.

Our national recruiting program has evolved over the past five years to adjust to the changing labor market and has proven highly successful. For instance, in response to sharp post-pandemic staffing declines across all five LADOT operations, we implemented a strategy addressing both immediate workforce needs and long-term organizational health.

Recruitment was overhauled with a regional recruiter, like MV will provide for SLO Transit, leading grassroots campaigns, weekly job fairs, and Facebook outreach. As a result, turnover rates dropped significantly across all divisions. Downtown Dash, which was short 20 drivers as recently as January 2025, is now **operating above its staffing goal**. Mid-Cities Central Dash, once the most impacted, has become a model for retention and engagement. MV's recruiting and retention strategies are now being adopted in other regions, and our partnership with LADOT has grown stronger.

Meet Melissa Flohre: SLO Transit's Recruitment Partner

Melissa Flohre brings over 15 years of experience in recruitment and employee relations. She will oversee recruiting, selection, and staffing programs, evaluating strategies to meet staffing objectives for SLO Transit.

Most importantly, retention translates into safer service. With fewer new drivers and more tenured employees behind the wheel, Preventable Accident Frequency Rate (PAFR) rates are declining. For example, LA City Ride saw its July year-over-year PAFR drop from 3.05 in 2023 to 0.00 in 2025. **Our investment in people has directly improved the safety and reliability of LADOT's transportation services, and we are excited to introduce the same results for SLO Transit.**

2. Delivering Exceptional Customer Service

We believe excellent customer service begins with well-trained, engaged employees. For SLO Transit, MV will implement structured training programs that reinforce safety, professionalism, and accountability, including:

The MV Way- an operational manual for general managers that reinforces policies and best practices while fostering positive culture and talent development, prioritizing safety and operational efficiency, ensuring outstanding customer satisfaction, and leveraging AI-powered tools to streamline operations.

Operator Retraining- all MV operators are evaluated at least every six months, and if needed, receive tailored remedial training to address specific issues.

Own the Moment- is a comprehensive safety engagement initiative that emphasizes leadership, accountability, and consistent safe behavior by all employees in every environment.

General Manager Development Academy (GMDA)- This training program develops general managers' leadership, operational, and practical skills, culminating in actionable plans for success across our nationwide operations.

MV EMPLOYEE PERSPECTIVE	William Crespin, General Manager, Glendale division 43

"Driven by people- that means that we're here to serve. The general manager- instead of being at the top of the pyramid, you're at the bottom of the pyramid. You have to want to serve the community, help people, and people who just want to help people just do so great in transit. They go the extra mile."

These training programs are supported by employee wellness initiatives and a focus on work-life balance, creating a positive workplace that translates into better service for riders.
To further enhance the customer experience, MV is embracing advanced technology like Spare AI Voice—a cutting-edge solution that transforms routine interactions into seamless, human-like conversations, ensuring passengers receive timely, accurate, and personalized support.

In 2024, **MV released an employee engagement survey** which resulted in the following top four strengths:

- Employees are proud to work for MV.
- They feel connected to MV because their work has meaning and purpose.
- They feel the perspectives of people from other cultures and backgrounds and are respected and valued.
- They feel they were properly trained and supported in their roles.

3. Enhancing System Design and Operations

Within the past three years, we have been making significant transformations to build The New MV, investing in AI, microtransit, zero and low-emission vehicles, and other trends that have positively impacted our passengers, customers, and employees.

We provide extra support for Connexionz software, operating two California contracts near SLO Transit to promote best practices and offer assistance as needed. In addition, MV proposes the following innovative technology for SLO Transit.

Technology Offerings
Optibus streamlines planning and scheduling for fixed route systems, supports battery electric buses (BEB) and internal combustion engine (ICE) vehicles, and creates multiple planning scenarios in minutes.

Technology Offerings
DriveCam continuously records footage inside the vehicle and on the road to support real-time coaching, incident response, and risk reduction.
AI-Enabled Technology improves candidate quality, retention, and workforce stability by identifying the best long-term new hire fits.

Further supporting SLO Transit's efforts to enhance system design and operations, MV brings a professional services team with decades of experience in innovative transit to support the City as it scales its electric vehicle fleet.

Meet the Professional Services Team			
Stephanie Doughty, vice president of professional services, leads resource optimization and strategic initiatives with 10+ years in technology and paratransit operations.	**Cartra Baker, Senior Solutions Lead**, brings 20 years of experience driving strategic initiatives and operational efficiency through sourcing, procurement, and data analytics.	**Lidia Gonzales, senior IT applications analyst,** specializes in application configuration, system integration, and trip-data analysis to maximize on-demand service efficiency.	**Elizabeth (Liz) Stayner, senior transit planning manager**, offers 10+ years in transit planning, with expertise in management, training, financial oversight, and community outreach.

MV will enhance system design and operation by pairing proven, scalable technology with hands-on regional support- deploying Optibus to drive data-informed planning and scheduling, integrating DriveCam to strengthen a safety-first culture, and embedding our professional services expertise to guide continuous improvement as SLO Transit transitions to an electric fleet. This approach provides SLO Transit with a clear, practical pathway to optimize its fixed-route operations while improving efficiency, reliability, and the rider experience.

4. Increasing OTP

The New MV culture and approach have greatly benefited our clients and passengers. Our operational metrics are now second-to-none; our client satisfaction ratings and net promoter scores are not just outstanding but on par with those of some of the most admired companies in America across any industry.

Soundbite | **Building A Strong Workforce**

We know how to deliver measurable improvements quickly. When MV began operating IndyGo Access, OTP jumped 12% within weeks, reaching 91.9% and restoring rider confidence from day one.

For SLO Transit, MV will implement a structured supervision and dispatch plan designed to maintain OTP:

- **Dedicated Road Supervisors:** MV will assign coverage zones to monitor routes in real time, assist operators, and respond to incidents promptly.
- **Centralized Dispatch Operations:** Dispatchers will actively monitor service delivery through integrated scheduling and AVL software.
- **Technology Integration:** Optibus for efficient scheduling, MV Insight dashboards for performance monitoring, T-EAM for managing maintenance schedules and compliance documentation, DriveCam and Mobileye for ensuring a safety-first culture.

MV Insights- A custom-built operational visualization of our operations tailored to each customer's Key Performance Indicators, to quickly identify underperforming KPIs and receive real-time notifications when issues arise.

Trapeze Enterprise Asset Management (T-EAM)- Supports facility maintenance operations by monitoring scheduled maintenance intervals and ensuring preventive maintenance is completed in accordance with OEM recommendations.

This plan combines real-time oversight and advanced technology to optimize daily operations and deliver consistent, high-quality service for SLO Transit.

MV ADVANTAGE | **MV Case Study: Boosting OTP for LADOT Dash**

MV collaborated with the Los Angeles Department of Transportation (LADOT) to address OTP challenges for the Mid-City DASH bus service. Through a comprehensive, data-driven approach involving technology optimization, operator engagement, and route timing adjustments, they significantly improved service reliability and schedule adherence. OTP increased by 27%, improving schedule adherence on key routes from about 40-50% to 80-90%, nearing the client's goal of 85%. Early arrivals were reduced from 10% to 1.5%, indicating better schedule compliance.

We are a much better company today than we were three years ago when we began the journey to the New MV, and our improvements and growth are accelerating as we continue to build on these successes.

Moving Forward With MV

As proud as we are of the improvements we have made in the last three years, we are even more excited about the future. We believe the acceleration of artificial intelligence, enhanced driving technologies, zero- and low-emissions vehicles, microtransit, and other emerging trends will drive significant changes in the transit industry over the next five years. A strong team is crucial during times of significant change, enabling us to stay focused on client needs and industry shifts so we can effectively support our clients in adapting.

MV is the Right Partner for SLO Transit

MV combines 50 years of proven experience with a forward-thinking approach that embraces innovation and operational excellence. Our ability to deliver outstanding service rests on three pillars:

- **People:** A strong local team supported by regional and national experts, backed by industry-leading recruitment and retention strategies.
- **Technology:** Advanced tools like Optibus, MV Insights, and T-EAM, paired with safety innovations like DriveCam, to optimize operations and enhance reliability.
- **Culture of Excellence:** A relentless commitment to safety, customer service, and continuous improvement, reinforced by structured training programs and data-driven decision-making.

By aligning these strengths with SLO Transit's goals, MV offers a partnership that ensures operational stability today while preparing for the future. The next chapter of SLO Transit is one we will write together, fueled by the same spirit of service and commitment to improving our passengers' lives that has carried MV for five decades. We will deliver a safe, reliable, and innovative transit system that meets the needs of the San Luis Obispo community for decades to come.

Driven by People.

February 20, 2026

Alex Fuchs, Mobility Services Business Manager
The City of San Luis Obispo
990 Palm Street
San Luis Obispo, CA, 93401

Dear Alex,

MV Transportation, Inc. and all subsidiaries, joint ventures, partnerships, and affiliates (or MV) greatly appreciate the opportunity to submit its proposal in response to the City of San Luis Obispo's Request for Proposal Number Transit-01 for Transit Operation and Maintenance Services.

We are proud of our history in passenger transportation, and we offer high-quality service delivered by qualified, professional staff. MV's proposal honors all its Collective Bargaining Agreements and knows the true operating costs in this market. The company is confident that its proposed operating approach offers the best value for the City.

As required, MV's proposed operating plan is contained herein. This plan is built on our promise to our customers, our passengers, and our employees:

We always prioritize the safety and security of our passengers, employees, and communities above all else. We work collaboratively within our workplace, with our business partners, and in our community to improve the quality of life. We strive to pursue new ideas to bring value to our customers.

MV acknowledges receipt of Addendum 1 dated December 2, 2025, and Addendum 2 dated February 6, 2026.

Keith Everage is your primary contact for this procurement and is authorized to make representations for MV Transportation, Inc., to include all its subsidiaries, joint ventures, partnerships, and affiliates (the bidding entity). If awarded the contract, the Contracting Party will be MV Public Transportation, Inc.

You can reach me at (323) 422-5946 or keith.everage@mvtransit.com. Additionally, Joe Escobedo, senior vice president, will serve as your secondary contact; you can contact Joe at (623) 340-3209 or joe.escobedo@mvtransit.com. Please direct all correspondence related to this and all future procurements to MV's bid office located at 750 Mason Street, Suite 105, Vacaville, CA 95688.

Thank you for your consideration; I encourage you to select MV Transportation as your partner for the provision of the SLO Transit. We look forward to working with you throughout this procurement.

Sincerely,

Dorothea DePrisco
Assistant Corporate Secretary

1. Submittal Forms

In response to RFP section G.1 "Submittal Forms," please see the required forms on the following pages of the proposal.

Please see the Cost Proposal Forms submitted separately to BidNet in Excel format as required.

APPENDIX K - Federal Proposal and Contract Certification Forms

The proposing firms is required to complete and submit the following forms.

Form 1. Debarment and Suspension Certification

The Federal Transit Administration (FTA) requires third-party contractors to submit this certificate to the grantee (the CITY). In addition, any subcontractor doing work valued at $25,000 or more is required to submit this certificate to the grantee.

Form 2. Certification Regarding Lobbying Activities

FTA requires that each third-party contractor submit this certification to the grantee (the CITY). Any subcontractor doing work valued at more than $100,000 is also required to submit a certification to the grantee.

Form 3. Disclosure of Lobbying Activities

FTA requires any third-party contractor or subcontractor whose participation exceeds $100,000 and who is involved in lobbying activities must submit this statement to the grantee.

Form 4. Drug-Free Workplace Act Certification

Form 5. Non-Collusion Affidavit

Form 6. Tax Liability Certification

Form 7. Workers' Compensation Certification

FORM 1

DEBARMENT AND SUSPENSION CERTIFICATION FORM

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

(BEFORE COMPLETING THIS CERTIFICATION, READ THE FOLLOWING INSTRUCTIONS WHICH ARE AN INTEGRAL PART OF THE CERTIFICATION)

1. The prospective recipient of Federal assistance funds certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

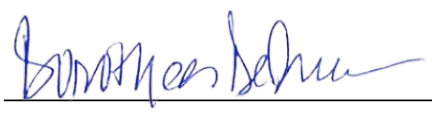
2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The Proposer shall require that the language of this certification be included in the contract documents for all subcontractors and material suppliers at all tiers, and that all subcontractors and material suppliers shall certify and disclose accordingly.

The Proposer certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification. In addition, the Proposer understands and agrees that the provisions of 31 U.S.C. §§ 3801 et al. are applicable to this certification.

Dorothea DePrisco, Assistant Corporate Secretary

Name and Title of Authorized Representative



Signature

2/18/2026

Date

INSTRUCTIONS FOR FORM 1

1. By signing and submitting this proposal, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this class is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department of Labor (DOL) may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom the proposal is submitted if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal" and "voluntarily excluded", as used in this clause, have the meanings set out in Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DOL.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the List of Parties Excluded from Procurement of Non-procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to the other remedies available to the Federal Government, the DOL may pursue available remedies, including suspension and/or debarment.

FORM 2

CERTIFICATION REGARDING LOBBYING ACTIVITIES FORM

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

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

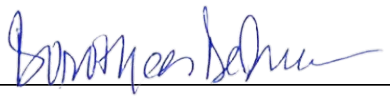
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract,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

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

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

   [Note: Pursuant to 31 U.S.C. A 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure or failure.]

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

Signature of Contractor's Authorized Official 

Name and Title of Contractor's Authorized Official Dorothea DePrisco, Assistant Corporate Secretary

Date 2/18/2026

Not Applicable **FORM 3**

DISCLOSURE OF LOBBYING ACTIVITIES

OMB Control Number: 4040-0013
Expiration Date: 2/28/2025

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Review Public Burden Disclosure Statement

1. * Type of Federal Action:
- ☐ a. contract
- ☒ b. grant
- ☐ c. cooperative agreement
- ☐ d. loan
- ☐ e. loan guarantee
- ☐ f. loan insurance

2. * Status of Federal Action:
- ☐ a. bid/offer/application
- ☒ b. initial award
- ☐ c. post-award

3. * Report Type:
- ☒ a. initial filing
- ☐ b. material change

4. Name and Address of Reporting Entity:

☒ Prime ☐ SubAwardee

** Name*

** Street 1* *Street 2*

** City* *State* *Zip*

Congressional District, if known:

5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:

6. * Federal Department/Agency:

7. * Federal Program Name/Description:

CFDA Number, *if applicable:*

8. Federal Action Number, *if known:*

9. Award Amount, *if known:*

$

10. a. Name and Address of Lobbying Registrant:

Prefix ** First Name* *Middle Name*

** Last Name* *Suffix*

** Street 1* *Street 2*

** City* *State* *Zip*

b. Individual Performing Services (including address if different from No. 10a)

Prefix ** First Name* *Middle Name*

** Last Name* *Suffix*

** Street 1* *Street 2*

** City* *State* *Zip*

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

*** Signature:**

***Name:** *Prefix* ** First Name* *Middle Name*

** Last Name* *Suffix*

Title: **Telephone No.:** **Date:**

Federal Use Only:

STANDARD FORM LLL (REV. 7/1997)
Authorized for Local Reproduction

Federal Agency Form Instructions

Form Identifiers	Information
Agency Owner	Grants.gov
Form Name	Disclosure of Lobbying Activities (SF-LLL)
Form Version Number	1.2
OMB Number	4040-0013
OMB Expiration Date	02/28/2022

Form Field Instructions

Field Number	Field Name	Required or Optional	Information
1.	*Type of Federal Action:	Required	Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action. This field is required.
2.	*Status of Federal Action	Required	Identify the status of the covered Federal action. This field is required.
2-a.	a. Bid/Offer/Application	Check if applicable	Click if the Status of Federal Action is a bid, an offer or an application.
2-b.	b. Initial Award	Check if applicable	Click if the Status of Federal Action is an initial award.
2-c.	c. Post-Award	Check if applicable	Click if the Status of Federal Action is a post-award.
3.0	*Report Type	Required	Identify the appropriate classification of this report.
3-a.	a. Initial filing	Check if applicable	Check if Initial filing.
3-b.	b. Material change	Check if applicable	If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the previously submitted report by this reporting entity for this covered Federal action. This field is required.

Field Number	Field Name	Required or Optional	Information
	Material Change Year	Conditionally Required	If this is a follow up report caused by a material change to the information previously reported, enter the year in which the change occurred.
	Material Change Quarter	Conditionally Required	If this is a follow up report caused by a material change to the information previously reported, enter the quarter in which the change occurred.
	Material Change Date of Last Report	Conditionally Required	Enter the date of the previously submitted report by this reporting entity for this covered Federal action.
4.	Name and Address of Reporting Entity	Required	Provide the information for Name and Address of Reporting Entity.
	Prime	Check if applicable	Click to designate the organization filing the report as the Prime Federal recipient.
	Subawardee	Check if applicable	Click to designate the organization filing the report as the SubAwardee Federal recipient. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
	Tier if known:	Optional	Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier.
	Name	Required	Enter the name of reporting entity. This field is required
	Street 1	Required	Enter Street 1 of the reporting entity. This field is required.
	Street 2	Optional	Enter Street 2 of the reporting entity.
	City	Required	Enter City of the reporting entity This field is required.
	State	Required	Enter the state of the reporting entity. This field is required
	ZIP	Required	Enter the ZIP of the reporting entity. This field is required

Field Number	Field Name	Required or Optional	Information
	Congressional District, if known	Optional	Enter the primary Congressional District of the reporting entity. Enter in the following format: 2 character state abbreviation – 3 characters district number, e.g., CA-005 for California 5th district, CA-012 for California 12th district, NC-103 for North Carolina's 103rd district.
5.	If Reporting Entity in No. 4 is Subaward, Enter Name and Address of Prime	Conditionally Required	If Reporting Entity in No. 4 is Subaward, provide the information for the Name and Address of Prime
	Name	Required	If the organization filing the report in item 4, checks "Subawardee", enter the full name of the prime Federal recipient.
	Street 1	Required	If the organization filing the report in item 4, checks "Subawardee", enter the address of the prime Federal recipient.
	Street 2	Optional	If the organization filing the report in item 4, checks "Subawardee", enter the address of the prime Federal recipient.
	City	Required	If the organization filing the report in item 4, checks "Subawardee", enter the city of the prime Federal recipient.
	State	Required	If the organization filing the report in item 4, checks "Subawardee", select the appropriate state from this pull down menu.
	ZIP	Required	Enter the ZIP of Prime. This field is required

Field Number	Field Name	Required or Optional	Information
	Congressional District, if known	Optional	Enter the Congressional District of Prime. Enter in the following format: 2 character state abbreviation – 3 characters district number, e.g., CA-005 for California 5th district, CA-012 for California 12th district, NC-103 for North Carolina's 103rd district.
6.	Federal Department/Agency	Required	Enter the name of the Federal Department or Agency making the award or loan commitment. This field is required.
7.	CFDA Number:	Required	Enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments. Pre-populated from SF-424 if using Grants.gov.
	CFDA Title:	Required	Enter the Federal program name or description for the covered Federal action. Pre-populated from SF-424 if using Grants.gov.
8.	Federal Action Number	Optional	Enter the most appropriate Federal identifying number available for the Federal action, identified in item 1 (e.g., Request for Proposal (RFP) number, invitation for Bid (IFB) number, grant announcement number, the contract, grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9.	Award Amount	Optional	For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment of the prime entity identified in item 4 or 5.

Field Number	Field Name	Required or Optional	Information
10.a.	Name And Address of Lobbying Registrant	Required	Provide the information for the Name and Address of Lobbying Registrant.
	Prefix	Optional	Enter the prefix (e.g., Mr., Mrs., Miss), if appropriate, for the Lobbying Registrant.
	First Name	Required	Enter the first name of Lobbying Registrant. This field is required.
	Middle Name	Optional	Enter the middle name of Lobbying Registrant.
	Last Name	Required	Enter the last name of Lobbying Registrant. This field is required.
	Suffix	Optional	Enter the suffix (e.g., Jr. Sr., PhD), if appropriate, for the Lobbying Registrant.
	Street 1	Required	Enter the first line of street address for the Lobbying Registrant.
	Street 2	Optional	Enter the second line of street address for the Lobbying Registrant.
	City	Required	Enter the city of the Lobbying Registrant.
	State	Required	Select the appropriate state of the Lobbying Registrant.
	ZIP Code	Required	Enter the Zip Code (or ZIP+4) of the Lobbying Registrant.
10.b.	Individual Performing Services	Required	Provide the information for Individual Performing Services
	Prefix	Optional	Enter the prefix (e.g., Mr., Mrs., Miss), if appropriate, for the Individual Performing Services.
	First Name	Required	Enter the first name of the Individual Performing Services. This field is required.
	Middle Name	Optional	Enter the middle name of the Individual Performing Services.
	Last Name	Required	Enter the last name of the Individual Performing Services. This field is required.

Field Number	Field Name	Required or Optional	Information
	Suffix	Optional	Enter the suffix (e.g., Jr. Sr., PhD), if appropriate, for the Individual Performing Services.
	Street 1	Required	Enter the first line of street address for the Individual Performing Services.
	Street 2	Optional	Enter the second line of street address for the Individual Performing Services.
	City	Required	Enter the city of the Individual Performing Services.
	State	Required	Select the state for the address of the Individual Performing Services from this pull down menu.
	ZIP Code	Required	Enter the Zip Code (or ZIP+4) of the Individual Performing Services.
11.	Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	N/A	N/A
	Signature:	Required	Completed by Grants.gov upon submission.
	Name:	Required	Provide the information for the Name of the Certifying Official.

Field Number	Field Name	Required or Optional	Information
	Prefix	Optional	Enter the prefix (e.g., Mr., Mrs., Miss), if appropriate, for the Certifying Official.
	First Name	Required	Enter the first name of Certifying Official. This field is required.
	Middle Name	Optional	Enter the middle name of the Certifying Official.
	Last Name	Required	Enter the last name of the Certifying Official. This field is required.
	Suffix	Optional	Enter the suffix (e.g., Jr. Sr., PhD), if appropriate, for the Certifying Official.
	Title:	Optional	Enter the title of the Certifying Official.
	Telephone No.:	Optional	Enter the telephone number of the certifying official.
	Date:	Required	Completed by Grants.gov upon submission.

FORM 4

DRUG-FREE WORKPLACE ACT CERTIFICATION FORM

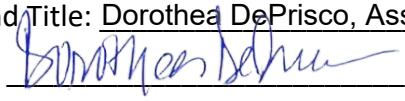
Contractor/Bidder Firm Name: MV Transportation, Inc.

The contractor/bidder firm named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above named will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).
2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355 (a)(1)(B), to inform employees about all the following:
   (a) The dangers of drug abuse in the workplace,
   (b) The person's or organization's policy of maintaining a drug-free workplace,
   (c) Any available counseling, rehabilitation and employee assistance programs, and
   (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by Government Code Section 8355 (a)(1)(C), that every employee who works on the proposed contract:
   (a) Will receive a copy of the company's drug-free policy statement, and
   (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract.

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

Authorized Representative's Name and Title: Dorothea DePrisco, Assistant Corporate Secretary

Authorized Representative Signature: 

Date executed: 2/18/2026

Contractor/Bidder Firm's Mailing Address: 750 Mason St., Ste. 105, Vacaville CA, 95688

Federal I.D. Number: 11-3706367 (MV Public Transportation Inc.)

FORM 5

NON-COLLUSION AFFIDAVIT FORM

(Title 23 United States Code Section 112 and Public Contract Code Section 7106)

State of: California

County of: Solano

Dorothea DePrisco (Name) being first duly sworn, deposes and says that he or she is Assistant Corporate Secretary (Title) of MV Transportation, Inc. (Company Name) the party making the foregoing bid, that such bid is not made in the interest of, or on behalf oh, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that said bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, collusion, or conference, with anyone to fix the bid price of the bidder or any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bud are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price of any breakdown thereof, of the contents thereof, of divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member of agent thereof to effectuate a collusive or sham bid.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 17, 2026, at Vacaville, California

(Date) (City) (State)

Dorothea DePrisco, Dorothea DePrisco, Assistant Corporate Secretary

Printed Name Signature of Authorized Official Title

CALIFORNIA JURAT **GOVERNMENT CODE § 8202**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Solano

Subscribed and sworn to (or affirmed) before me on this 17th day of February, 20____, by

Date *Month* *Year*

(1) Dorothea Adria Depriscco

(and (2) _____),

Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

ANGELICA MARIA TERESA IBARRA
Notary Public - California
Solano County
Commission # 2397683
My Comm. Expires Mar 19, 2026

Place Notary Seal and/or Stamp Above

Signature _____

Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Form 5 Non-Collusion Affadavit Form

Document Date: _____ Number of Pages: 1

Signer(s) Other Than Named Above: _____

©2019 National Notary Association

FORM 6

TAX LIABILITY CERTIFICATION FORM

The Proposer certifies that:

1. It has no unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability;
2. It has not been convicted of a felony criminal violation under any federal law within the preceding 24 months; and
3. It shall require that the language of this certification be included in the award documents for all subcontractors and material suppliers at all tiers, and that all subcontractors and material suppliers shall certify and disclose accordingly.

The Proposer certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification. In addition, the Proposer understands and agrees that the provisions of 31 U.S.C. §§ 3801 et al. are applicable to this certification.

Title of Company/Firm: MV Transportation, Inc.

Name: Dorothea DePrisco

Title: Assistant Corporate Secretary

Signature:

Date: 2/18/2026

FORM 7

WORKERS' COMPENSATION CERTIFICATION FORM

Labor Code Section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

1. By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.
2. By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to employees.
3. For any county, city, city and county, municipal corporation, public Owner, public agency, or any political subdivision of the state, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the state itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the director of ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the state which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of Section 3702.

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

2/18/2026

Signed (Contractor) MV Transportation, Inc. Date

Dorothea DePrisco, Assistant Corporate Secretary

Print Name and Title

REFERENCES

Number of years engaged in providing the services included within the scope of the specifications under the present business name: 36 years.

Describe fully three current contracts in performance by your firm that demonstrate your ability to provide the services included with the scope of the specifications. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1:

Agency Name	City of Santa Clarita
Contact Name	Adrian Aguilar, Transit Manager
Telephone & Email	(661) 295-6305 & aaguilar@santa-clarita.com
Street Address	28250 Constellation Rd
City, State, Zip Code	Valenica, CA, 91355
Description of services provided including contract amount, when provided and project outcome	Since 2008, MV has operated transit services for Santa Clarita Transit, which comprises fixed route, commuter express, station links, Dial-A-Ride, micortransit, and trolley services. Service is delivered with a mixed fleet of BEB, CNG, diesel, and unleaded buses, transit coaches, articulaed buses and vans. For more than two decades, MV has provcided comprehensive transit O&M services for the City. We manage all aspects of service delivery, including operator recruitment and training, dispatch coordiination, and preventive maintenance programs to ensure reliable and efficient service. MV is currently providing service for the City and the annual contract value for this service is $24,300,000.

Reference No. 2:

Agency Name	City of Downey
Contact Name	Michelle Jenney Arias
Telephone & Email	(562) 904-7223 & marias@downeyca.org
Street Address	7810 Quill Drive
City, State, Zip Code	Downey, CA 90242
Description of services provided including contract amount, when provided and project outcome	MV began operating DowneyLINK public fixed route service for the City of Downey in 2002. The city's transit program encompasses the DowneyLink fixed route bus service, with four routes traversing throughout the city, and a Dial-a-Ride shared curb-to-curb services for senior citizens and not able to ride the fixed route service. In 2018, MV extended its fixed route operation into a second decade while expanding the company's responsibility for the Dial-A-Ride program. MV is currently in the second contract term, providing operations, reservations, dispatch, and maintenance services, with a fleet of 17 vehicles, 10 DAR, and 7 fixed route. The annual contract value for this service is $1,700,000.

Reference No. 3:

Agency Name	Livermore Amador Valley Transit Authority
Contact Name	Christy Wegener, Executive Director
Telephone & Email	(925) 605-8442 & cwegener@lavta.org
Street Address	1362 Rutan Ct, Ste. 100
City, State, Zip Code	Livermore, CA 94551
Description of services provided including contract amount, when provided and project outcome	MV began operating fixed route services for this customer in 2002. This service provides bus-tobus and bus-to-rail connections. MV also operates the Tri-Valley Rapid Bus Rapid Transit where we assisted with the design and implementation of this service in 2010. MV's success in the in the operations and management of the LAVTA service is evidenced by receiving the California Transit Agency of the Year in 2018 and 2019. MV is in its third term with the Authrity, to provide operations, dispatch, and mainenance services, utilizing 74 diesel and gas vehicles. The annual contract value for this service is $14,800,000.

Reference No. 4:

Agency Name	City of Union City
Contact Name	Steve Adams, Transit Manager
Telephone & Email	(510) 675-5446 & sadams@unioncity.org
Street Address	34650 7th St
City, State, Zip Code	Union City, CA, 94587
Description of services provided including contract amount, when provided and project outcome	MV began providing fixed route and ADA paratransit services for the City of Union City in 2000, with the addition of microtransit service in 2022. The fixed route service routes coordinate with other major transportation services in the area, including Bay Area Rapid Transit (BART) AC Transit, and the Dumbarton Express, with main transfer points at the Union City BART station and the Union Landing transit center. The paratransit service provides limited service to the City and eligible passengers with disabiltities. The microtransit service operate within city limits of Union City to provide curb-to-curb transporation. MV has been in the third contract term since 2000, operating 26 mixed fleet vehicles of unleaded, CNG, and BEB vehicles.The annual contract value of this service is $30,273,808.

Reference No. 5:

Agency Name	Palos Verdes Penninsula Transit Authority
Contact Name	Martin Gombert, Administrator
Telephone & Email	(310) 544-7108 & transit@pvtransit.net
Street Address	38 Crest Rd W
City, State, Zip Code	Rolling Hills, CA 90274
Description of services provided including contract amount, when provided and project outcome	MV began operating fixed route transit services for the Palos Verdes Peninsula Transit Authority (PVPTA) in 2015. Service operates on nine routes throughout the Peninsula, connecting the Cities of Rancho Palos Verdes, Palos Verdes Estates, Rolling Hills Estates, and Rolling Hills. Service operates in a hilly area, serving schools, libraries, shopping centers, and local government buildings. MV is currently in the first contract term, operating and maintaining a fleet of 23 CNG and propane cutaway vehicles. MV also provides dispatch and monitoring services using real-time AVL systems. The annual contract value of this service is $1,800,000.

STATEMENT OF PAST CONTRACT DISQUALIFICATIONS

The proposer shall state whether it or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or product quality, and if so to explain the circumstances.

- ***Do you have any disqualification as described in the above paragraph to declare?***

  Yes ☐ No ☒

- ***If yes, explain the circumstances.***

Executed on February 18, 2026 at Vacaville, California under penalty of perjury of the laws of the State of California, that the foregoing is true and correct.

Signature of Authorized Proposer Representative
Dorothea DePrisco, Assistant Corporate Secretary

2. Experience and Qualifications

Demonstrated Ability and Relevant Experience

In response to RFP section G.2 "Experience and Qualifications," MV brings 50 years of proven performance and a uniquely deep understanding of what it takes to deliver safe, reliable, customer-focused fixed route transit. Founded in 1975 on the simple and powerful belief that *everyone deserves access to mobility*, MV has spent half a century expanding that founding mission into a nationwide legacy—one built on operational excellence, community partnership, and service to others.

Today, nearly 45% of MV's 125 active contracts include fixed route services, either independently or as part of integrated multimodal systems. This extensive experience directly aligns with SLO Transit's service profile and demonstrates MV's enduring commitment to delivering the same high-quality mobility the company was founded on.

Our California presence is equally rooted in that history of service. Since our earliest days operating in the Bay Area, MV has expanded to **more than 30 contracts statewide**, with multiple systems along the coastal corridor from San Francisco to Los Angeles. This long-standing regional experience ensures we bring:

- Proven best practices already tailored to California transit conditions
- A strong regional labor pipeline
- Ready-to-deploy operational resources
- Local management familiar with state-specific requirements

What began 50 years ago as a husband-and-wife mission to serve vulnerable riders has grown into the largest privately owned transit company in the country—yet our core purpose remains unchanged: deliver safe, reliable, and accessible transportation with world-class care.

Nature and Relevance of Recently Awarded Work

MV's most recent system awards continue to reflect our company's evolution into *The New MV*—a modern, innovation-focused organization built on the same principles of safety, reliability, and service that guided us in 1975, and underscore our relevant experience with systems that mirror the scale, service mix, and operational requirements of SLO Transit.

Some of our recent awards in 2025 include:

- **Augusta—Richmond County:** Fixed route and demand-responsive services, including operation of nine fixed routes and complementary paratransit.
- **St. Lucie County, FL:** Continued operation of fixed route, paratransit, and microtransit services.
- **City of West Covina, CA:** Extension to continue operating fixed route and dial-a-ride programs.
- **San Leandro LINKS, CA:** Continued fixed route shuttle operations.
- **Collier County, FL:** Fixed route and paratransit operations.
- **Valley Regional Transit (VRT):** Fixed route, ADA paratransit, and microtransit services.
- **City of Downey, CA — DowneyLINK:** Continued fixed route and dial-a-ride operations.
- **City of Madera:** Continued operation of fixed-route and demand-response services
- **Fresno:** Continued operations of fixed-route and demand-response paratransit services.

These recent awards are highly relevant to SLO Transit for several reasons:

Reason for Relevance to SLO Transit	Benefit to SLO Transit
1. Demonstrates Current Market Confidence The volume and recency of MV's contract awards indicate that municipalities across the country—and especially in California—continue to entrust MV with their fixed-route, paratransit, and multimodal operations. This current vote of confidence validates MV's capabilities, accountability, and performance culture.	SLO Transit partners with a proven, modern operational readiness, backed by a 50-year track record of reliability, safety, and an exceptional service culture.
2. Experience With Systems Similar in Size and Scope Many of these newly awarded systems operate at fleet sizes, route structures, and service models comparable to SLO Transit, demonstrating MV's ability to deliver right-sized system management.	Immediate access to relevant service planning strategies, scheduling approaches, and operator training already optimized for systems that resemble SLO Transit's service.
3. Continued Trust From Long-Term California Partners Award extensions in **West Covina**, **Downey**, and **San Leandro** show that California agencies continue to renew MV based on strong performance and ongoing service improvements.	• Assurance that MV understands California labor structures, state safety regulations, and regional transportation expectations • Stability—we are capable of delivering long-term, consistent service quality • Local references and nearby operational support that SLO Transit can depend on from day one
4. Proven Multimodal Integration Expertise Our ability to blend fixed route, paratransit, and microtransit services reflects the adaptability and innovation required of modern transit operators. This enhances system efficiency, improves customer mobility options, and maintains high-quality service across diverse user needs.	If SLO Transit expands or adjusts its service portfolio in the future, MV already has the tools, technology, and experience to support seamless transitions.
5. Readiness and Capacity to Mobilize Quickly Our broad portfolio showcases our continued ability to launch and scale operations efficiently—whether taking over an existing system or implementing service enhancements.	MV arrives with a tested mobilization plan, ensuring service continuity and minimizing operational disruptions.

We bring decades of specialized fixed route expertise, an unmatched presence throughout California, and a demonstrated history of successfully operating systems that closely parallel SLO Transit's needs. These recent awards underscore MV's forward momentum—driven by a modernized operating system, investments in artificial intelligence and zero-emission technology, and a company-wide culture transformation—while still grounded in the values that shaped MV's founding 50 years ago. This proven and current experience positions MV to deliver exceptional service to SLO Transit from day one.

MV ADVANTAGE | California Expertise That Delivers for SLO Transit

59 California Contracts

We bring a depth of knowledge in California's landscape that few can rival. With over 50 active contracts across the state, including many surrounding the San Luis Obispo region, we understand the operational, regulatory, and customer-service nuances unique to California systems.

Our extensive footprint includes long-standing partnerships with agencies whose service profiles closely align with SLO Transit, ensuring immediate readiness:

- **Union City Transit-** Operates fixed-route and ADA paratransit service since 2000
- **Livermore Amador Valley Transit Authority-** Manages fixed-route and rapid bus services since 2002
- **City of West Covina-** Operates fixed-route and demand-responsive services since 2014
- **Santa Clarita Transit-** Delivers fixed-route, commuter express, dial-a-ride, microtransit, and trolley services since 2008

Our deep regional presence enables us to deliver reliable, efficient, and customer-focused service for SLO Transit, supported by decades of operational insight from statewide systems that face similar ridership, geographic, and service-design considerations.

Staffing Capacity

A strong workforce has been at the heart of MV since Alex and Feysan Lodde first established the company with a frontline, service-first mindset. That principle is fully embedded in *The New MV*, where hiring, developing, and supporting front-line employees is central to our success.

This people-first philosophy allowed MV to partner with LADOT to overcome one of the most challenging post-pandemic labor shortages in the country. Through targeted recruitment, competitive compensation strategies, and a renewed cultural focus on communication, recognition, and operational excellence, MV rapidly rebuilt staffing levels across all five LADOT divisions.

The outcomes reflect the strength of MV's team-based culture:

- Turnover fell by more than 50% at several locations
- Mid-Cities and Central Dash improved from 80.7% to 21.7%
- Downtown Dash shifted from a 20-operator deficit to exceeding all staffing targets

These results reflect the same foundational commitment that shaped MV's beginnings- treating employees with respect and equipping them with the tools, leadership, and support needed to succeed.

A MESSAGE FROM OUR FOUNDERS

As Alex Lodde noted, "It's truly incredible what we have been able to build over 50 years, and I'm even more excited about all of the opportunities we have in the years ahead." Feysan added, "It makes me so happy to see us focus so intently on investing in our employees to serve our passengers and our clients; we are honoring our heritage while building even stronger for the future."

For SLO Transit, we are pleased to propose the following staffing plan:

Position	Number Proposed	Positions	Number Proposed
General Manager	1FT	Road Supervisor	4FT
Operations Manager	1FT	Dispatcher	3FT
Safety and Training Manager	1FT	Technicians	4FT
Maintenance Manager	1FT	Utility Worker	1FT
Accounting Coordinator	1FT	Fueler	1FT
Vehicle Operator	24FT, 3PT		

Capacity and Workload

Backed by 50 years of continuous growth and supported by the national resources of the largest privately owned transit provider in the U.S., MV has the full capacity to transition, implement, and sustain the SLO Transit project without impact from any current or future commitments.

The MV Way—our new standardized operating system—ensures every division receives robust national support while maintaining strong local accountability. This structure allows MV to scale resources rapidly, maintain service excellence, and meet the distinct needs of each client.

Financial Strength and Stability

Our 50-year legacy, diversified national portfolio, and ongoing investment in technology, training, and innovation demonstrate the financial discipline and stability required to support reliable operations for decades to come.

Our financial position is solid, and the company has the financial resources and wherewithal to meet its financial obligations. For more information regarding the financial viability of MV, please contact Chief Financial Officer Erin Niewinski at (972) 391-4600.

Experience of the Firm

MV's Experience Providing Work Relevant to the Scope of Services

Our fixed route experience complements our paratransit operations, and in many cases, MV provides both types of services. These multimodal contracts enhance our overall experience and capabilities. We operate large, complex fixed routes and commuter services for our customers at the Los Angeles Department of Transportation (LADOT) operations and the Los Angeles County Metropolitan Transportation Authority (LACMTA, or the Metro).

It is not only our high-performing operations that differentiate us, but also our experienced leadership and the investments we make in our people — our customers, our riders, and our employees. These investments pave the way for us to provide meaningful guidance, recommendations, and thought leadership as we engage with the City in key areas of our operation:

Zero-emissions Fleets: MV has built a dedicated zero-emissions team supported by an ecosystem of vendors in the zero-emissions space. This team assists our customers in transitioning to a zero-emissions plan and guides them from bus procurement to equipment setup. Our team is available to expertly recommend solutions for every step of our defined Roadmap to Zero Emissions.

Professional Services: Our professional services team is available to support MV customers in the area of innovation. We offer a range of capabilities, including fixed route planning, microtransit modeling and planning, paratransit runcutting, geographic information system (GIS) analysis, data modeling, and enabling operations with new technologies.

Data Sciences: MV invested in a data sciences team devoted to creating tools and dashboards for our local teams and customers, enabling them to understand key insights generated by operational data quickly. The team is responsible for the ongoing development of MV Insights, our business intelligence tool that promotes data-driven decision-making and continuous monitoring of our operations.

Our maintenance analytics platform includes a predictive parts engine that leverages the data from MV's fleet of more than 6,700 vehicles. This engine assesses the actual lifespan of parts compared to the original equipment manufacturer (OEM) specifications, helping to save time and money while minimizing breakdowns.

Similar Service References

MV brings half a century of experience operating fixed-route, ADA paratransit, commuter, microtransit, and demand-response services for California public transit agencies similar in size and complexity to SLO Transit. We currently operate systems for Santa Clarita Transit, the City of Downey, Livermore Amador Valley Transit Authority, Union City, and the Palos Verdes Peninsula Transit Authority, providing full turnkey operations and maintenance services. Across these contracts, we manage operator recruitment and training, dispatch, preventative maintenance, and the integration of technologies such as CAD/AVL and real-time passenger information systems. Our experience coordinating multimodal services, supporting service expansions, and operating in diverse operating environments demonstrates our ability to deliver safe, reliable, and customer-focused transit services consistent with SLO Transit's Scope of Services.

MV EMPLOYEE PERSPECTIVE | **Marsha Moore, SVP Tiger Team, Corporate**

"Ethics and integrity is something that's been behind this company for a long time, and that's a reason why a lot of us stayed with the company."

Please see the reference form in the appendix section of the proposal for more information about MV's experience operating services similar to SLO Transit.

Contracts Ended Prior to Completion

MV is proud of the longstanding relationships it has formed with the agencies it serves. Neither MV Transportation, Inc., nor its subsidiaries, joint ventures, partnerships, or affiliates has ever defaulted on a contract in our 50 years of service. MV has had contracts terminated for convenience or had a revised expiration date negotiated. Notably, many of these situations were directly caused by the 2020 COVID-19 pandemic, which led to the shutdown of several services. MV has never had a contract terminated due to failure to comply with contract obligations.

Contract	Year	Reason for Termination
Rowan County Transit - Salisbury, North Carolina	2003 to 2020	Client terminated early to bring the service in-house.
Carson Circuit - Carson, California	2016 to 2020	Client chose not to exercise the option years and terminated the contract early.
Monarch Black Hawk, Colorado	2016 to 2020	Client terminated early to bring the service in-house.
Raleigh-Durham Airport Authority, North Carolina	2019 to 2020	Authority terminated the contract as service was impacted due to the COVID-19 pandemic.
Metrolink - Canada	2016 to 2021	Client terminated the contract, as service had been impacted due to the COVID-19 pandemic.
Western Placer Consolidated Transportation Services Agency - California	2013 to 2021	Client terminated the contract due to funding issues.
Northwest Independent School District - Justin, Texas:	2018 to 2021	The District terminated the contract early to bring the service in-house due to state budget cuts.
Chicago Public Schools - Chicago, Illinois:	2020 to 2022	Client terminated the student transportation service. MV continues to provide service for the paratransit & alternate modes of student transportation contract.
Cities of Tulare and Dinuba, California	2009 to 2022	Cities terminated the contract for convenience after a new provider was selected through procurement.
Ford Point, California:	2006 to 2022	The service was suspended due to COVID-19, and the client did not renew.
Placer County, California	2017 to 2023	The County terminated the contract for convenience to take the service in-house.
Raleigh, North Carolina	2012 to 2023	The City terminated the contract early to align the end date with the Wake County contract end date, as they combined the two contracts.
Marin, California	2006 to 2023	The County opted not to renew its contract with MV.
Caltrain - Daly City, California	2016 to 2023	The Crown Colony Homeowners Association discontinued its Caltrain shuttle service.
Capital Metropolitan Transportation Authority - Austin, Texas	2015 to 2024	The Authority decided not to exercise the option to extend its contract with MV to operate the University of Texas at Austin Shuttle.
Queens College-Bus Transportation Shuttle Services - Flushing, New York	2014 to 2024	Queens College decided to terminate the contract early for the bus transportation shuttle services.
Suburban Bus Division of the Regional Transportation Authority - Arlington Heights, Illinois	2014 to 2024	PACE did not terminate the contract early; instead, it allowed the service to expire for routes 662 through 665, 668, and 669.
University of Colorado - Aurora, Colorado	2014 to 2024	MV and the university were unable to negotiate a new agreement for the university shuttle bus service.
Capitola Summer Shuttle - Capitola, California	2009 to 2024	MV was unable to run this seasonal shuttle due to the loss of the main contract for the division.
Gold Coast Transit - Oxnard, California	2008 to 2024	Gold Coast Transit decided to take the operation, maintenance, and management of coordinated paratransit services in-house.
Greater Bridgeport Transit - Bridgeport, Connecticut:	2022 to 2024	Client decided to terminate the GBTA services contract early to facilitate the transition to a new contractor.
Regional Transportation Commission of Southern Nevada - Las Vegas, Nevada	2019 to 2024	The Commission terminated paratransit and senior transportation services by not exercising the last optional years, bringing the services out for bid.

Contract	Year	Reason for Termination
Placer County Dial-A-Ride Services - Auburn, California	2013 to 2024	The County terminated this contract to take the service in-house.
New York City Metropolitan Transit Authority - Long Island City, New York	2020 to 2025	The Authority did not exercise the option years for this agreement, leading to its termination.
San Benito County Express - Hollister, California	2001 to 2025	MV did not win the rebid for this contract, prompting the client to send a termination notice to end the contract before the extension term was due to expire.

Financial Statements

MV is a privately held firm, and as such, its financial statements are confidential and proprietary trade secret information. Accordingly, *MV's confidential audited financial statements for 2023-2024 are enclosed separately in a sealed envelope along with the original proposal.* MV affirms that there are no conditions that may impede our ability to perform under this contract.

Relevant Certifications

MV is not a Disadvantaged Business Enterprise (DBE), and we will not be using DBE subcontractors for this opportunity.

Additional Existing Resources

For SLO Transit, we bring enhanced support through our professional services team, including experts in transit design and planning, transit operations, zero-emission vehicles, and technology. This team will provide regular performance reviews and schedule assessments to ensure continuous involvement and responsiveness. These reviews will evaluate service outcomes, identify areas for enhancement, and implement adjustments proactively to ensure SLO Transit evolves in step with passenger demand.

Meet the Professional Services Team

Stephanie Doughty, VP of Professional Services
Stephanie Doughty brings over 25 years of experience delivering technology-driven and consultative solutions tailored to client needs. She specializes in aligning operational and technology services to drive measurable outcomes and long-term value for SLO Transit.

Eric Peterson, Senior GIS Analyst
Eric has nearly four decades of experience in transit technology, excelling as an expert in transit-oriented spatial analysis. His robust track record includes managing GIS analysis projects, overseeing hardware and software implementations, and effectively collaborating with vendors.

Lidia Gonzalez, Senior IT Applications Analyst
With nearly two decades of experience in the transportation industry, Lidia brings a wealth of experience and demonstrates a comprehensive understanding of evaluating, implementing, and supporting information technology applications. Lidia excels in configuring and customizing applications, ensuring seamless integration with existing systems. Her proficiency extends to conducting thorough system testing, troubleshooting issues, and providing invaluable support and training to users.

Dr. Ya Wang, Senior Transportation Planner
Ya will assist in transit planning, data analysis, visualization, compliance, and quality assurance. Her analyses include reviews of ridership trends, demographics, and socioeconomic data to understand the demand for transit and its impact on transit accessibility.

Elizabeth (Liz) Stayner, Senior Transit Planning Manager
Liz serves as MV's in-house expert in routing, scheduling, and runcutting for our most complex transit operations. She brings deep planning expertise in developing operator deployment schedules precisely

tailored to each client's unique service demands. MV and SLO Transit can rely upon her unique expertise to quickly evaluate potential adjustments or changes SLO Transit would like to make during the contract term.

For example, MV led the deployment of zero-emission fleets at three Los Angeles Department of Transportation (LADOT) sites. We coordinated intensive operator and maintenance training, hands-on bus familiarization, and close coordination with LADOT, EOMs, and utility partners.

Despite challenges like no initial charging infrastructure, steep learning curves, extreme heat impacts on battery range, supply-chain shortages, and the need to maintain strong on-time performance, we implemented adaptive, data-driven solutions. These solutions included real-time SOC monitoring, proactive coach exchanges, a summer readiness program, collaborative infrastructure expansion, and strong maintenance and dispatch support.

Today, ZE operations across the three divisions demonstrate high reliability and resilience. In some locations, more than 80 percent of the fleet is electric, and all staff are trained and confident in ZE operations. The systems, training, and processes now in place have created a stable, scalable framework that supports LADOT's long-term zero-emission goals and positions them for continued growth as the fleet expands.

MV ADVANTAGE | **Experts Behind Every Solution**

Our Professional Services team gives SLO Transit a clear advantage by delivering focused expertise in planning, technology integration, data analytics, and system optimization. Their hands-on support and proven success with tools like Optibus help SLO Transit strengthen service reliability, advance its electric fleet transition, and improve operational efficiency. With practical, scalable solutions- not just recommendations- MV provides SLO Transit with a trusted, experienced partner dedicated to continuous improvement and a future-ready transit system.

MV's Point of Contact for the City

Keith Everage is your primary contact for this procurement and is authorized to make representations for MV Transportation, Inc., to include all its subsidiaries, joint ventures, partnerships, and affiliates (the bidding entity). You can reach Keith at (323) 422-5946 or keith.everage@mvtransit.com. Additionally, Joe Escobedo, senior vice president, will serve as your secondary contact; you can contact Joe at (623) 340-3209 or joe.escobedo@mvtransit.com.

Please direct all correspondence related to this and all future procurements to MV's bid office located at 750 Mason Street, Suite 105, Vacaville, CA 95688.

3. Operational Approach

The MV Way

Transforming a transit system is never the result of one action. It is the outcome of thousands of daily decisions, coordinated effort, and a culture built with intention. **The MV Way was created from that reality—not as a manual or checklist, but as a living operating philosophy refined over more than 50 years of transit operations.** This dynamic management tool serves as a comprehensive playbook, providing general managers with guidance on running a successful division. At its core, the MV Way reflects a simple belief: **operational excellence happens when people are empowered with clarity, support, and the right tools**.

Key elements of The MV Way include:

People

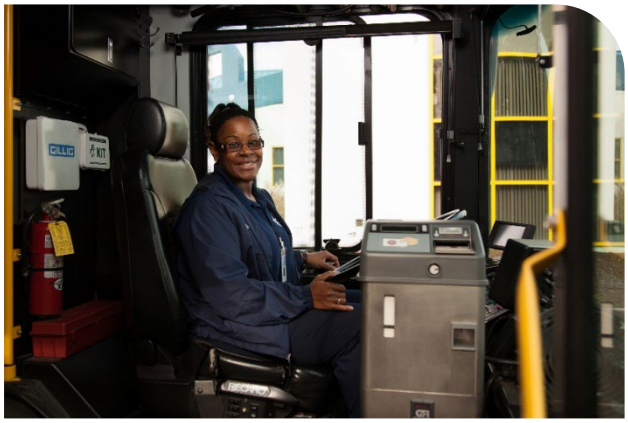
- How to create and maintain a positive culture, attract and retain talent, develop employees, foster harmonious labor relations, and cultivate a high-performance culture.
- The general manager plays a significant role in leading by example and coaching the team to align with the shared values of MV and the City.

Safe, Successful Operations

- The moral obligation and importance of placing safety at the center of everything we do, delivering a safe and reliable experience for our customers, optimizing operations for efficiency and effectiveness, and leading with world-class safety and maintenance practices.
- The general manager is responsible for setting the tone, actively participating in all business areas, making data-driven decisions, and ensuring that expectations are met.

Customer Satisfaction

- As a responsible corporate citizen, we recognize our duty to our communities. Our goal is to provide a safe, reliable ride and ensure an outstanding customer experience, where our passengers genuinely enjoy every interaction with our professional team.
- We seek to meet our customers' expectations every day fully. We aim to help our clients solve their problems by providing innovative ideas and solutions to achieve their goals and objectives.



MV is enhancing this critical information by leveraging checklists and AI-powered applications, such as chatbots, to streamline and automate interactions in a user-friendly manner. We are confident that this beneficial resource will support and maintain excellence in our SLO Transit operations for the City.

How Does The MV Way Help the City?

As a comprehensive approach to delivering exceptional transportation services, The MV Way emphasizes safety, reliability, and operational excellence. The MV Way benefits the City in the following ways:

Enhanced Service Quality	
Personalized Rider Experience ✓ Customer-centric service and compassionate support for riders with mobility challenges.	**Reduced Ride Times** ✓ Optimized trip planning minimizes ride durations and wait times, improving overall rider satisfaction.
Operational Efficiency	
Data-Driven Decisions ✓ Advanced analytics streamlines routes, minimizes deadhead miles, and increases vehicle efficiency, ultimately reducing costs for the City.	**Efficient Resource Allocation** ✓ Ensures that demand aligns with available resources to avoid over- or under-utilization of vehicles.
Safety and Compliance	
Safety-First Culture ✓ Prioritizes the safety of drivers and passengers through continuous training, onboard technology, and real-time monitoring.	**Regulatory Compliance** ✓ Ensures adherence to ADA requirements and local regulations, reducing the risk of compliance-related issues.
Technology Integration	
Seamless Technology Platforms ✓ Integrates with specific fixed route tools like Connexionz to improve scheduling, dispatching, and real-time communication.	**Performance Monitoring** ✓ Provides real-time insights into on-time performance, service reliability, and customer feedback.
Cost Control and Sustainability	
Operational Cost Savings	**Sustainability Focus**

✓ Implements best practices for vehicle maintenance, fuel management, and driver efficiency, reducing overall operational costs.	✓ Supports the transition to low- and zero-emission fleets and other more sustainable transit solutions.
Continuous Improvement	
Ongoing Training and Development ✓ Provides regular training for operators, dispatchers, and customer service teams to improve service quality.	**Proactive Problem-Solving** ✓ Anticipates operational challenges and adjusts processes to ensure consistent, high-quality service.
Client and Community Engagement	
Client-Centric Partnerships ✓ We will work closely with the City to understand your unique needs, offering customized solutions and responsive support.	**Community Focus** ✓ Strengthens community ties by enhancing riders' quality of life, promoting independence, and supporting local mobility.

The MV Way helps general managers drive service improvement and build stronger client relationships. By emphasizing ongoing training and proactive problem-solving, we maintain top service standards and meet the City's requirements efficiently. This approach builds trust, improves operations, and enhances the quality of life for the community.

MV ADVANTAGE | **Our Operational Approach Delivers on SLO Transit's Four Goals**

Strong local Team: We staff operations to the span of service and organize around operator success- pairing active dispatch with road supervision so front-line teams have immediate support in the yard and in the field.

Excellent Customer Service: Our coaching and training model equips operators to "own the moment," while user-friendly tools simplify feedback and resolutions- so riders consistently experience professional, compassionate service.

Effective System Design and Operations: We integrate proven fixed-route technology to optimize schedules, streamline communication, and enable rapid incident response and service interruption coordination. With data at the center, managers make informed adjustments that keep trips reliable.

On-Time Performance: We protect OTP through real-time monitoring, proactive field intervention, and appropriate coverage ratios (dispatcher-to-bus and road supervisor-to-bus) that allow us to manage, recover, and sustain headways throughout the day.

> *At MV, you've got a whole team behind you. If I'm going through some problem, there's another location that's having the same problem or had the same problem, and they give you a blueprint of what to do, and then you just have to modify it so it works at your location." — General Manager William Crespin, Glendale division 43*

Ultimately, our technology-driven processes combined with a well-supported team deliver dependable, customer-focused service designed to meet and surpass your goals.

3.1. Start-up and Transition Plan

In response to RFP section G.3 through 11, "Start-up and Transition Plan," MV recognizes that a solid implementation methodology and robust management approach are essential for a successful service transition. By leveraging our extensive network of experienced support personnel, we prioritize organization, efficiency, and quality service. We

provide the necessary leadership and resources without bureaucracy and micromanagement from corporate headquarters. As a result, we can transition service quickly and seamlessly, without service disruptions.

MV ADVANTAGE | **Transitioning With MV**

Our extensive experience operating more than 30 transit contracts across California—including systems comparable to SLO Transit—enables a seamless, low-risk transition that preserves service continuity from day one. Our deeply experienced regional leadership team partners closely with the local workforce to provide hands-on support in operations, safety, maintenance, and customer engagement throughout the transition period. This combination of local continuity and proven regional expertise ensures stability, regulatory compliance, and continuous improvement for SLO Transit and the community it serves.

MV CASE STUDY: Startup Success for IndyGo Access

IndyGo Access, the paratransit service in Indianapolis, partnered with MV in 2025 to improve its ADA-compliant, reservation-based transit service. This partnership led to significant enhancements in service reliability, ridership growth, and workforce engagement through operational and technological optimizations.

Improved service reliability: On-time performance increased to 91.9 percent in April 2025, marking a 12% year-over-year improvement shortly after MV began operations.

Growing ridership: Ridership rose by 10.2 percent compared to the same month in the previous year, reflecting increased rider confidence in the service.

Stronger workforce engagement: MV exceeded staffing goals early by hiring 82 operators ahead of schedule and boosted employee morale through daily recognition, communication, and incentive programs.

Optimized technology and operations: MV reconfigured the Ecolane scheduling system parameters and implemented comprehensive staff retraining, aligning technology with real-world service conditions to enhance scheduling efficiency and passenger experience

Reputation for Excellence

We are known for our transparency and ability to build positive client relationships from the very start. No other firm possesses the same level of experience in service transitions. We have successfully managed transitions for nearly every type of contracting model, including:

- ✓ Overnight transitions of emergency contracts
- ✓ Transitioning management contracts to turnkey contracts
- ✓ Initiation of new services
- ✓ Phased-in transitions
- ✓ Transitions resulting from the bankruptcy of the incumbent contractor
- ✓ Transition-only contracts to prepare for in-house service management
- ✓ Transitions with accelerated timelines
- ✓ Transitioning turnkey contracts to management contracts
- ✓ Contracts specifically for transition services
- ✓ Transitions from client-managed services

Implementation Methodology

Effective communication and meticulous attention to detail drive our transition approach.

Our transition leadership team will hold biweekly meetings with the City. These meetings will cover the progress of the transition, updates to the task list, potential challenges, and a look ahead at the next two weeks. Additionally, our implementation team will meet daily each morning to review the transition plan, outstanding tasks, current issues, and task lists.

Transition Planning

MV follows a detailed startup schedule that identifies each task, subtask, dependent task, duration/timeline, and staff assignment. *A draft startup schedule is included at the end of this section to demonstrate the tasks required during the*

transition. Our transition team updates this document regularly throughout the transition period; however, no item on the schedule is marked as "complete" without confirmation from the startup manager.

Risk Mitigation During Contract Startup

To ensure a smooth transition, we use a comprehensive, itemized checklist that covers all aspects of the service transition. Based on our experience, the most frequent disruptions occur during transitions of staff, vehicles, and technology; therefore, we focus our efforts on these areas. As we meet with the incumbent provider and the City throughout the transition process, any specific concerns that may arise can be added to the checklist and addressed as needed.

Accountability and oversight are key throughout the contract transition. Our regional team offers on-site support to local staff, meeting daily—and then twice daily—with General Manager Yevette Mc Neese to resolve startup issues quickly. Through clear communication, proven processes, and defined accountability, we aim to deliver a smooth, disruption-free transition for the City, staff, and passengers.

MV EMPLOYEE PERSPECTIVE | **Norma Pinales, Operator, El Paso Division 218**

"MV is one of the best companies to me to work for. It gives you an opportunity to fly. It gives you the opportunity to rise up. There's no such thing as going down with MV- it's only going up. MV Transportation means to me the world. Honestly, it gives me an opportunity to move up, to be a better person. We have a lot of benefits. We get a lot of help from management. It's the best company in the whole world." — Norma Pinales, Operator at Division 218, El Paso.

Transition Leadership

Regional Vice President of Operations Lorraine Lopez will oversee all startup activities and serve as the transition manager for this project. Lorraine will work closely with General Manager Yevette Mc Neese, the local management team, and our corporate support team to direct all transition elements.

General Manager Yevette will assume their role during the transition period, co-leading the startup alongside Lorraine Lopez. Yevette will be on-site throughout the startup and will directly oversee activities in each functional area. She will work directly with her management team to ensure a smooth transition. Yevette will also meet with the City staff throughout the transition and will serve as the local decision-making authority for all transition-related activities.

MV's transition team for the City also comprises the following team leaders:

General Manager Yevette Mc Neese & RVP of Operations Lorraine Lopez
- Team Oversight
- City Liaison and Contract Compliance
- Passenger Relations and Service Quality

Operations Manager Jeffery Lampton & Safety Training Manager Aaron Pike
- Operator Training and Recruiting
- Scheduling and Operator Assignments

Safety & Training Manager Aaron Pike & Director of Safety Jorge Flores
- Security
- Emergency Planning and Assessments

Regional Director of Human Resources Jorge Parra
- Human Resources

Director of Finance Mike Krutak & General Manager Yevette Mc Neese
- Budgeting and Finance

Director of Maintenance Sam Tolley
- Fleet, Equipment, and Facilities

Personnel Plan

Retaining the Existing Team

The ongoing presence of the current (incumbent) workforce promotes consistency, SLO Transit experience, and tenure in service. We aim to retain as many existing employees as possible, provided they meet the minimum qualifications, have a strong employment record, and receive the City's approval. MV will retain these individuals in their current positions and seniority levels.

All employment offers will be contingent upon successfully completing duties with the current provider and pending completion of required pre-employment background checks, drug screens, and other required certifications.

Employee Outreach

To ensure the current workforce remains engaged and well-informed during the transition, we will hold meetings with these employees immediately after contract award. These meetings will be scheduled during off-peak service hours, where a representative will outline the transition process. Additional MV staff will also be present to help current personnel with the application process.

We will also establish a toll-free number for employees who wish to call with questions or concerns about the transition process. By offering multiple communication channels with the MV team, we aim to enhance employees' confidence and trust during this important period.

We recognize that some employees may not qualify for, or choose not to accept, a position with MV. As a result, our transition team will actively recruit new employees to fill any open positions during the transition period.

Vehicle Operator Evaluation and Training

In addition to pre-employment screening, MV conducts on-road evaluations for all existing operators. Each operator receives orientation, customer service training, and refresher training, which serve as condensed versions of MV's full operator training program. This training is essentially an abridged version of MV's operator training program. The transition team will schedule classes during weekends and evenings to accommodate operators' work schedules. During the day, newly hired operators will attend MV's comprehensive operator training program, Operator Excellence Training (OET).

To minimize the transition's impact on the existing workforce, we will request permission to conduct in-service operator evaluations. We will schedule these evaluations during off-duty hours if the incumbent contractor does not accommodate this request.

MV will also request access to each employee's training file. While this information is legally available to each employee, it is more efficient to work directly with the outgoing service provider to obtain these files. If the current contractor does not accommodate this request, we will advise employees to obtain copies of their training files.

Equipment and Facilities

Fleet Transition

MV has extensive experience in fleet transitions and understands the process's provisions. We will schedule fleet acceptance inspections in collaboration with the City and the outgoing service operator. These inspections will take place prior to the fleet transition, allowing ample time to complete any necessary corrective maintenance.

MV's Director of Maintenance, Samuel Tolley, will oversee the fleet inspection and transition. He will facilitate communication between MV, the City, and the outgoing operator regarding the fleet's condition, serving as MV's maintenance representative to the City.

MV will include a sample copy of its Vehicle Acceptance Agreement Standards upon request.

Parts Inventory

Upon award of the contract, MV will initiate the parts ordering process. We will also work with City staff and the incumbent contractor to understand the history of any issues with parts ordering, if applicable.

We will also work with the incumbent contractor to determine the feasibility and interest in selling either the entire existing parts inventory or a portion of it as part of the transition.

We have an extensive network of parts suppliers and will work closely with them throughout the transition of maintenance functions. Many of these suppliers currently serve the incumbent service provider, further promoting a smooth transition.

MV SOUNDBITE | **Transitioning With MV**

During the CATS microtransit startup, MV provided daily updates to the agency, transitioning to weekly and monthly reporting as the service stabilized, ensuring transparency and continuous improvement.

Facilities Transition

Facility preparation is a critical task that requires professional and efficient management. Our team will conduct acceptance inspections before transitioning all the City-provided equipment. Early in the transition period, we will work closely with the City to inventory and assess all City-owned non-vehicle assets to be turned over by the incumbent contractor. This process is the first step for ensuring that the equipment and facilities are transitioned in good working order. We will also ensure that baseline entries are set up in the Trapeze system, T-EAM, as soon as access is granted.

The night before the facility transition and early in the morning of the new contract's start, we will conduct complete dry runs to determine where and how operations, administrative, and maintenance staff will begin the first day of service under MV.

Throughout the transition period, we hope that most non-management personnel will have successfully transitioned to MV, ensuring an experienced, prepared team ready on day one. All new employees will receive training and be prepared for service. Additionally, most of the transition team will be on duty the night of June 30, 2026, to ensure everything is in place for the start of service.

As employees arrive at the facility at the end of their last shift with the incumbent contractor, additional MV personnel will be on-site to answer any questions about the following day. This team will provide all necessary shift and operational information to the employees.

All computer/network, phone, and internet services will be fully functional and ready for use. Our IT team will handle all telephone assignments and assist with any last-minute IT issues. MV staff will be available to answer questions and respond to concerns immediately.

Working With the Community

The transition period is an excellent opportunity to establish positive relations with passengers and gain insights into their perspectives on service quality.

MV will create a Mass Transportation Committee (MTC) to foster regular and consistent communication. This committee comprises passengers, the City staff, MV staff, community members, and advocacy groups. Together, this committee will proactively address and manage transition issues and challenges.

General Manager Yevette Mc Neese will support this committee and promote clear, open, and honest communication regarding the progress of the transition.

MV ADVANTAGE | **A Community-First Approach to Public Transportation**

We are deeply committed to being an active, trusted partner in the communities we serve, advancing equity, inclusion, and local well-being beyond transit operations. We regularly volunteer our time and resources to support local needs- whether through food and toy drives, coat collections for women and children in crisis, or partnerships that create meaningful employment opportunities for adults with autism. These efforts reflect our belief that public transit providers play a vital role in strengthening the social fabric of the communities they serve. In partnership with the City, MV will bring this same community-first mindset to SLO Transit by fostering strong local relationships, supporting inclusive initiatives, and ensuring transit services contribute positively to the quality of life for all residents.

Food and toy drive in Barrie, Canada

Coat drive in Louisville, Kentucky

Partnering with Non-Pareil to provide jobs for adults with autism in Plano, Texas.

3.2. Management and Operations Plan

MV SOUNDBITE | **Collaborative Solutions to Enhance the Rider Experience**

We know how to solve operational challenges through partnerships. MV worked side-by-side with IndyGo to reconfigure scheduling parameters and adjust routes, improving efficiency and the passenger experience through targeted, data-driven changes.

Operational Technologies Considered in this Offer

MV's operating plan enables technologies that support service delivery optimization, both digitizing manual processes and leveraging state-of-the-art vehicle tracking systems.

Connexionz CAD/AVL System: MV has direct, hands-on experience with the provided Connexionz software in fixed-route transit environments similar in scale and complexity to SLO Transit, like our divisions in Hanford and Santa Clarita. Our teams leverage Connexionz data to proactively manage service, respond to disruptions, and communicate accurate information to riders and staff.

OptiBus is the scheduling platform MV uses for route scheduling, vehicle blocking, run cutting, and rostering. Optibus is the industry's leading scheduling platform, automating processes that would otherwise take hours to accomplish and enabling users to generate various scenarios in minutes. Our firm was an extremely early adopter of the Optibus platform; in 2017, MV entered into an enterprise agreement with Optibus and reinvested our firm in planning management.

MV has maximized the use of this technology by providing valuable feedback to its developers for enhanced functionality. This level of innovative collaboration is a hallmark of MV. Today, Senior Transit Planning Manager Liz Stayner and MV are well-known for their proficiency in Optibus, and Liz is often asked to represent Optibus during panel discussions and presentations.

Read about how MV and LADOT use Optibus to optimize service

Watch Liz Stayner talk about her use of Optibus

Read about MV and Optibus's collaborative partnership

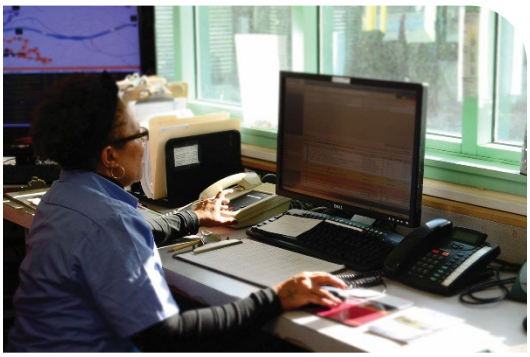
The MV Driver App is a proprietary app available exclusively to MV operators. This tool enables operators to conduct routine activities that would otherwise require a paper process (dispatch check-in, vacation requests, DMV checks, shift swaps, vacation requests, payroll review, unusual incident reports, bulletin distribution) on their own time and at their convenience. This eliminates unnecessary interactions, paperwork, and manual approvals.

Start of Service Day

Dispatchers actively manage operator report-to-work times. When an operator has not arrived by their assigned time, the dispatcher will coordinate with an extraboard operator to assume that shift. They adjust operator and bus assignments directly in Connexionz as needed to ensure timely pullout and accurate assignments.

Operators check in and hand their driver's license and medical card to the dispatcher. Dispatch visually validates these credentials. With credentials verified, the dispatcher provides the operator with their vehicle assignments and any necessary notifications or detours.

The dispatcher performs fit-for-duty reviews of operators as they check in. They evaluate the operator's demeanor, attire, and professional appearance. The operator then departs the dispatch area and reports to their assigned vehicle in the yard.



Pre-Trip Inspection

When the operator arrives at their assigned vehicle, they perform pre-trip inspections. During this inspection, the operator moves around the vehicle to visually inspect and, at times, test the various components and subcomponents. This inspection addresses critical safety items.

The operator performs this inspection using a paper checklist. This checklist displays each inspection item, and the operator documents the condition of each item.

If the operator detects a safety issue that requires a technician's assistance, they will notify the in-yard technician (if available) or the dispatcher to coordinate with the technician. The technician will immediately determine whether the vehicle should be pulled from service; if so, the dispatcher will assign the operator a backup vehicle. Otherwise, the technician will repair the issue in the yard before the operator pulls out.

Pull out

This dispatcher monitors operator pull-outs on Connexionz and closely observes operator log-ons to ensure all operators are logged in correctly. The supervisor stationed in the yard actively monitors pull-out in person to confirm that all buses depart on time.

Road Supervision

Road supervisors report to the facility at the start of the service day and check in with the dispatchers. They collect their car keys, then drive to their designated service zone in an MV-provided road supervisor vehicle.

At least one road supervisor is in the yard during peak pullouts. They observe operators who perform their pre-trip inspections, respond to any questions, and help coordinate support in the event of a vehicle exchange. While dispatch monitors pull out and on-time performance from Connexionz, road supervisors monitor this in person, rallying the operators to pull out on time.

Each road supervisor has a schedule of ride checks to perform throughout the day, and they frequently visit the transit center(s). Throughout the day, they are dispatched to locations along the route to support operators. This can involve responding to road calls, de-escalating passenger disruptions, posting detour signs, or conducting accident investigations. They may also be called to resolve any farebox issues. Road supervisors are also responsible for facilitating our Drug and Alcohol program, including conducting reasonable suspicion checks and coordinating any necessary post-accident testing from the field.

Given the diversity of work they perform, road supervisors are highly responsive, detail-oriented, and customer-focused.

Operator Relief

MV's run cut may consider in-field reliefs. Operators starting their shifts use one of MV's relief cars to drive themselves to the relief location at the layover point. Our run cuts may aim to group as many operators as possible to transport multiple relief operators in a single car.

When the operator ends their shift and arrives at the layover point, the relief operator begins their shift by performing a mid-trip inspection and resuming the route. The operator ending their shift in the field may drive the relief car back to the yard. Dispatch monitors the timing of the relief.

Pull In

When operators arrive at the last stop on their route, they park the bus and conduct a walk-through, checking every seat for sleeping passengers. If a passenger is onboard, the operator gently wakes them and notifies them that they must exit the bus.

Once the bus is confirmed to be empty, the operator returns to the operating yard, where they perform a post-trip inspection, remove all trash, and tidy up their vehicle. They return any paperwork to the dispatcher working the window, who checks the operator out for the day.

DISRUPTION MANAGEMENT

Situation	Response
The vehicle has experienced a mechanical failure, and the operator cannot safely operate the bus.	The vehicle operator pulls over to a safe and secure location and radios dispatch to report the issue. The dispatcher asks basic troubleshooting questions. If the issue is not resolved, the dispatcher notifies the on-duty maintenance technician to contact the operator. Meanwhile, the dispatcher contacts a road supervisor and sends them to the scene. The technician may decide to replace the bus while talking to the operator. Otherwise, they may ask the road supervisor to perform basic troubleshooting (i.e., check for leaks, test brake pressure, etc.). If the issue remains unresolved, the road supervisor coordinates with the technician to determine whether a replacement bus is needed, whether it is safe to drive the vehicle back to the yard, whether the technician should repair it in the field, or if a tow is required. The road supervisor facilitates the transfer of passengers to the next stop or to a replacement bus. The road supervisor stays with the vehicle as needed until a technician or a tow arrives.
The onboard farebox is jammed or malfunctioning and cannot collect fares.	Road supervisors are trained in minor farebox maintenance, such as unjamming bills. When a farebox malfunctions, the operator notifies dispatch, and dispatch sends a road supervisor to the nearest layover point, where they attempt to clear the jam. If the road supervisor cannot clear the jam, they coordinate with dispatch to send a replacement bus to recover the route, and the original operator returns the bus to the yard for repair. The bus with the non-operational farebox will operate in bypass mode for the remainder of the route until the replacement bus arrives.
The operator is running late on their route and is in danger of missing a trip.	On-time performance (OTP) is a shared responsibility. If an operator is running late on a trip, they must notify dispatch within five minutes. Similarly, dispatchers contact operators as they identify late-running routes. The dispatcher attempts to assist the operator by alerting them that their layover will be shortened. If the operator cannot recover the route at the layover point, the dispatcher may dispatch a ready bus/protection coach to the route with an extraboard operator. The dispatcher coordinates with the road supervisor to notify them of the additional bus on the road.
The operator was involved in an accident where injuries were sustained, body damage incurred, or other vehicle damage occurred.	When the operator notifies dispatch that they have been involved in an accident resulting in injury or vehicle damage, the dispatcher immediately notifies emergency services. The dispatcher sends the road supervisor to the scene of the incident. General Manager Yevette Mc Neese and Safety Training Manager Aaron Pike are notified immediately; they notify the City and determine if they need to report to the scene. The operator performs emergency management on board the vehicle, assesses any injured passengers, and awaits emergency response as needed. Dispatch sends a ready bus to the scene to recover the route. Upon arrival, the road supervisor takes control of the scene and helps coordinate the transfer of passengers. They also coordinate with dispatch to transport the operator for post-accident drug testing. Once all passengers are cleared from the bus, the road supervisor conducts an accident investigation, documenting all findings, including passenger comments and photos, using digital forms that are immediately uploaded to our systems for processing.

Situation	Response
	Depending on the severity of the accident, the road supervisor will coordinate with maintenance to arrange for a tow. If the vehicle can be safely operated, the road supervisor will return the vehicle to the yard for repairs. All road supervisors are trained in accident investigation, emergency management, and de-escalation.
There is a disruptive passenger who poses a threat to the safety and security of the operator or passengers.	When a disruptive passenger poses a threat to the safety and security of the operator or passengers, the operator immediately notifies dispatch, using code words as appropriate. Dispatch will first alert law enforcement if the passenger has a weapon, is using physical force, spits, or verbally threatens physical harm. They then notify a road supervisor to report to the scene and notify the City's safety/security team. Both road supervisors and operators are trained in de-escalation techniques. If necessary, MV may dispatch a protection bus to cover any late service.
There is a dispute between the operator and a passenger that requires conflict mediation.	If a dispute arises between an operator and a passenger that requires conflict mediation, operators are first trained to activate the DriveCam unit to capture footage of the events preceding and during the situation. The operator is trained in de-escalation techniques; however, if the situation requires conflict mediation, they will notify dispatch and request the support of a road supervisor. The dispatcher then notifies the road supervisor, who meets the operator in the field. Upon arrival, the road supervisor will attempt to mediate the situation and reach a favorable resolution. Road supervisors enforce the City policies and, as necessary, have the authority to ask a passenger to deboard the bus. Road supervisors are responsible for completing all necessary incident reporting. If needed, MV may dispatch a protection bus to cover any late service.

Emergency Management and Natural Disaster Response

When operating in the San Luis Obispo service area, the City's contractor must be prepared for severe weather events, including flash floods, earthquakes, and freezing rain. As your service provider and partner, we recognize our crucial role in evacuations, emergency response, and relief efforts. We adhere to a strict no-strand policy, meaning that when service is halted due to severe weather conditions, we continue operating until the last rider is safely returned to their destination.

Preparedness

Preparedness is essential for minimizing injuries and/or damage during natural disasters or severe weather events. During the transition period, MV will work with the City to confirm emergency preparedness procedures, which may include the following:

- ✓ Confirmation of emergency locations, including alternate command centers and shelters;
- ✓ Establishment of a chain of command and communication protocols;
- ✓ Weather severity thresholds and acceptable levels of service at each threshold

MV operators are trained in emergency management and communications, as well as safe vehicle operation during severe weather events. They are also equipped with knowledge on what steps to take if they are on the road during a flash flood warning.

Continuity of Service

During severe weather or disasters, MV will promptly coordinate with the City on whether to suspend or continue services. If operations proceed, MV and the City will monitor conditions and communicate regularly, relying on dispatchers, management, forecasts, and local news. Road supervisors will assess conditions throughout the day. Operators must report visibility and road issues to dispatch. MV management decides if service continues or stops and informs the City. If suspended, dispatchers instruct operators to finish routes, return to the facility, or take passengers to an emergency location.

Emergency Evacuations

MV's policy is to ensure essential functions continue during any emergency, whether caused by human, technological, or natural events. For immediate threats, such as terrorist attacks, MV will quickly assess impacts and take necessary actions. With advance warnings—like hurricanes or hazardous material accidents—orderly alerts and evacuations can be issued.

If emergencies happen outside work hours and the office is inaccessible, staff will follow the provided instructions, including relocation notices, aided by a communication tree for notifying all employees and city personnel. During office hours, unanticipated incidents trigger the continuity of operations plan (COOP), preceded by building evacuation procedures.

MV's COOP provides a framework for uninterrupted operations, detailing a concept of operations, specifying essential functions, and describing three phases: Activation and Relocation, Alternate Facility Operations, and Reconstitution.

MV ADVANTAGE | **Service Continuity During Emergency Events**

In early 2024, severe weather in Santa Paula, California, triggered a large mudslide that blocked State Route 150, a critical access point to major routes in the region. This disruption left residents unable to reach essential services, work, and schools without adding over an hour of travel time via alternate routes.

MV quickly mobilized to create a shuttle service tailored specifically for Santa Paula. We worked with local authorities to plan an efficient route, set up accessible pick-up zones, and schedule runs at times that would best serve the community.

The launch of the altered shuttle service resulted in three dedicated routes, with two morning trips and one afternoon trip, running Monday to Friday. MV maintained flexibility, connecting residents and college students to vital locations, including grocery stores, medical appointments, workplaces, and postal offices, alleviating the impact of the blocked route.

Over 1,000 rides were provided during the four-month period, allowing residents to maintain their routines and access essential services during a challenging time. As Route 150 cleanup efforts advanced, we continued to operate the service until demand subsided, exemplifying our commitment to supporting communities during emergencies.

Emergency Response Plans

MV has specific plans and programs designed to mitigate risk and provide a safe, healthy workplace. Each of these plans is available upon request:

- ✓ **System Management System (SMS):** MV's SMS integrates our Safety Management Policy, Safety Risk Management, Safety Assurance, and Safety Promotion into our daily activities. This plan outlines systematic procedures, practices, and policies for managing risks and hazards in these four areas and serves as the base guidelines for workplace safety and incident response. MV's Public Transportation Agency Safety Plan (PTASP) outlines each location's safety performance targets and target coordination and includes a hazard/risk report template.
- ✓ **System Safety Program Plan (SSPP):** To provide a superior level of safety and minimize any risk, MV's SSPP is maintained by the standards of the American Public Transportation Association (APTA) and the Federal Transit Administration (FTA).
- ✓ **System Security and Emergency Preparedness Plan (SSEPP):** This set of comprehensive security goals, objectives, and strategies maximizes the security of MV's passengers, employees, and property. This plan is a blueprint for all security procedures.
- ✓ **Continuity of Operations Plan (COOP):** This plan template provides MV's operations with a base for developing continuous operations during an emergency. The COOP, which sets forth a concept of

operations, identifies essential functions, and outlines three potential phases of operation: 1) Activation and Relocation, 2) Alternate Facility Operations, and 3) Reconstitution.

- ✓ **Emergency Action Plan:** The EAP helps employees and management make quality decisions during times of crisis and comply with the Occupational Safety and Health Administration's (OSHA) Standard for Emergency Action Plans, 29 CFR 1910.38.
- ✓ **Bloodborne Pathogen Exposure Control Plan:** MV's Bloodborne Pathogen Exposure plan provides the guidance and training needed to protect employees against exposure to bloodborne pathogens. This plan complies with OSHA Bloodborne Pathogen Standard, 29 CFR 1910.1030, to eliminate or minimize employee occupational exposure to blood, certain other body fluids, or other potentially infectious materials.

Additional health and safety plans include:

- » Fire Prevention Plan
- » Hearing Conservation Program
- » Hazardous Communication Plan
- » Illness Prevention Plan
- » Heat Illness Prevention Plan
- » Lock-Out Tag-Out Control of Hazardous Energy Program

MV ADVANTAGE | Addressing OTP Challenges with Head-On Solutions

To address SLO Transit's goal of increasing OTP, part of MV's operations approach includes a customized road supervision and dispatch plan focused on real-time visibility, data-driven decision-making, and operator engagement.

Morning pull-outs will be actively supervised to ensure service starts on time, while ongoing analysis of route blocking and runcuts will help identify and resolve recurring delays.

We are committed to continuously monitoring our performance trends using Connexionz, complemented by valuable insights gathered from our management team and field supervisors. This proactive approach will help us conduct thorough field line saturation checks and assess operating conditions effectively. Our road supervisors will also keep a close eye on On-Time Performance (OTP) in real time through Connexionz, enabling swift action whenever we see a dip in performance. Plus, we'll introduce additional oversight through mystery rider evaluations, offering an unbiased perspective on our service reliability. Together, these efforts will ensure we consistently deliver top-notch service.

To reinforce accountability and awareness, MV will implement an OTP incentive and recognition program for operators who meet OTP goals, paired with clear feedback channels to capture and address OTP challenges on lower-performing routes. Together, these strategies create a proactive, transparent approach to improving reliability and maintaining consistent OTP.

Our incentive program will include raffling gift cards and other prizes to the top OTP and most improved OTP performers for a one-month period.

SEE IT

- Increase Visability in the Field
- Morning pull-out presence and yard oversight
- Road supervisor coverage zones with rapid response

FIX IT

- Use data to remove causes of delay
- regular Connexionz trend reviews (line saturation/hotspots)
- Blocking plus runcut analysis to improve schedule performance

SUSTAIN IT

- Reinforce and sustain OTP gains
- Mystery rider checks plus feedback channels for low performers
- operator awareness, recognition, and incentives

3.2.a. Scheduling, Dispatching, and Customer Service

Dynamic Scheduling

In response to RFP section G.3 through 13, MV has experience with the newer reservation, scheduling, and dispatch systems, such as Connexionz. **MV has Connexionz experience at two locations in California that can be used to support and reinforce best practices when needed**. The newer platforms enable automated scheduling by matching trip assignments, optimizing routes based on vehicle and operator allocation, geographic designations, and customer-specific needs. This allows MV's schedulers to focus their efforts on more strategic management and oversight. During the transition, MV will analyze historical trip data, perform a system runcut, and present refined templates to the City that accurately reflect the planned volume for each day of the week (and holidays) for review and approval. We update our templates seasonally and adjust our parameter settings to account for changes in speed.

Connexionz dynamically schedules routes without requiring manual batch runs or schedule refinements. While the automated system handles a majority of scheduling tasks, schedulers can manually adjust trip assignments as needed, send rides to vendors, fleets, or vehicles, and make necessary tweaks to ensure optimal service performance. We train all our dispatchers in manual trip movement in the event of an emergency (e.g., when we need to close a route due to a breakdown and reroute future trips).

The night before service, the scheduler will anchor the routes to minimize deadhead for the next service day and then run the automated scheduling feature in Connexionz. This produces refined schedules for the following day. MV has an automated line that operators call the night before to confirm their start times.

Runcutting

With each service change determined by the City, MV will perform a runcut to optimize operator staffing and align operator schedules with the span of service. MV performs all runcutting in-house, under the leadership of our dedicated planning and runcutting team, led by Liz Stayner, our senior transit planning manager. Liz and her team utilize the Optibus scheduling platform to optimize resource allocation, taking into account regulatory requirements for meal and rest periods, as well as work rules outlined in the collective bargaining agreement, while ensuring compliance with all applicable state wage and hour laws.

Operations and Dispatch

Dispatchers are assigned to continually monitor the service on the Connexionz using the available dispatch screens. Dispatchers monitor trips for adherence to schedule, passenger loads, any off-route movements, and known traffic delays.

When a trip is running late, depending on the situation, the dispatcher may advise the operator that an extraboard will be inserted or that their layover time may be reduced to make their next trip depart on time. Regardless of the dispatcher's action, close communication between the dispatcher and operator is essential. Dispatchers are our operators' first line of support throughout the service day; their interactions are marked by professionalism, expediency, and clarity. They are trained to fully document all incidents and issue public bulletins using Connexionz as required.

Customer Service Hours and Staffing

From September to June, during the academic year, customer service support will be maintained from 6 a.m. to 11 p.m. Monday through

Enhancing System Design and Operations

MV supports SLO Transit's goal to enhance system design and operations through proven technology and expert regional support. As an early adopter of Optibus, MV leverages this powerful planning and scheduling platform to model service scenarios, optimize staffing, and support mixed vehicle fleets. Led by Senior Transit Planning Manager Liz Stayner, MV will help SLO Transit efficiently scale service and plan for a successful transition to an electric fleet.

See section 2 for more information about our professional services team, and section 3.iii for more information about Optibus and how it can help SLO Transit.

Friday and 8:15 a.m. to 8:10 p.m. on Saturday and Sunday. From July through August, customer service support will be maintained from 6 a.m. to 8 p.m. Monday through Friday and 8:15 a.m. to 8:10 p.m. on Saturday and Sunday, ensuring riders have consistent access to information, trip assistance, and service support.

Please see MV's proposed staffing levels in section 2 of this proposal.

Customer Service Approach

A successful customer service program is built on consistent service. MV supports this initiative through clear, ongoing communication and delivers customer service with professionalism, empathy, and expertise. We reinforce this commitment by carefully addressing feedback and conducting frequent quality assessments.

The SLO Riders Guide outlines the service policies that form passenger expectations for our services. To consistently meet these daily expectations, it is essential to adhere to the City service guidelines. Any inconsistency in service delivery can harm customer service.

Transparent, professional communication is essential, particularly when service delivery changes are necessary. By effectively managing passenger expectations, MV ensures quality customer service in response to delays, detours, road calls, or other service disruptions.

To achieve this, MV's SLO Transit employees receive comprehensive training in service delivery. Each MV employee receives training in the City's policies, procedures, and system orientation. To supplement this training, we provide dedicated customer service training to all employees. All vehicle operators and office staff are required to complete four hours of MV's Platinum Connection Customer Service training program.

Quality assurance audits, secret rider programs, complaint analyses, and passenger feedback sessions also offer opportunities to evaluate MV's processes against the City's standards. These reviews help identify where our customer service programs are effective and where new initiatives may be necessary. By conducting these quality checks, we ensure that customer service techniques remain fresh and compelling.

i. Talent Acquisition and Workforce Retention

Extraboard Operator and Standby Shifts

MV staff for sufficient extraboard operators to cover runs that are open due to vacations, leaves of absence, and other absences. We closely monitor daily call-off patterns to predict the number of absences due to illnesses, lateness, jury duty, bereavement, and other unanticipated reasons. The size of our extraboard and the number of available operators are adjusted based on estimates of absences, considering the day of the week and time of day. To ensure proper coverage, we typically maintain an extraboard size of approximately 20%.

We regularly evaluate the number of standby shifts needed for the upcoming days. If the number of standby shifts exceeds the available unscheduled extraboard operators, we will post available day off opportunities for operators eager to receive extra work assignments. Day-off operator coverage is planned 48 and 72 hours in advance or as specified in the collective bargaining agreement.

MV is vigilant in ensuring standby shifts are scheduled to cover open work or respond to service interruptions. We closely monitor each operator's hours of service to avoid exceeding permitted work hours, ensuring a well-rested and safe workforce.

Recruitment at MV

MV uses a technology-driven active recruiting and retention strategy designed to attract, select, and retain high-quality talent. Job openings are advertised through Appcast using data from iCIMS, while Phenom People's AI-powered career site and chatbots guide candidates through application and screening. Hiring managers review applicants for required qualifications, with operator candidates evaluated using personality assessments and AI-based tenure prediction tools. Selected candidates complete interviews and required screenings before moving into onboarding, orientation, and training.

MV ADVANTAGE	MV CASE STUDY: Recruiting and Retention at LADOT

In response to a severe post-pandemic driver shortage across its LADOT operations, MV implemented a comprehensive, culture-driven retention strategy focused on competitive wages, modernized recruitment, data-driven retention, and proactive employee engagement. MV partnered with LADOT to secure multiple wage increases, overhauled recruiting with regional outreach and signing bonuses, and introduced AI-enabled tools to predict and prevent turnover. MV invested heavily in workplace culture through structured check-ins, recognition programs, safety engagement, and visible leadership presence. These efforts dramatically reduced turnover, stabilized staffing, improved OTP, and lowered preventable accident rates.

THE RESULTS

Mid-Cities Central Dash- Turnover dropped from 80.7% in 2020 to 21.7% in 2025.	**Downtown Dash-** Turnover dropped from 55.9% in 2022 to 22.9% in 2025.	**LADOT Commuter-** Turnover dropped from 41.7% in 2022 to 25.1% in 2025.	**Los Angeles South-** Turnover dropped from 39.4% in 2022 to 9.2% in 2025.	**LA City Ride-** Turnover dropped from 23.6% in 2020 to 6.7% in 2025

Our broader recruiting and retention strategy emphasizes **"Always Be Recruiting,"** strong digital and paid advertising, competitive wages, regional recruiter support, and deep community partnerships. Advanced data and learning models help identify both strong hires and current employees at risk of turnover, enabling managers to engage proactively. Retention is reinforced through a strong safety-focused culture, competitive compensation and benefits, career development opportunities, and data-driven insights from exit interviews and dashboards, allowing MV to sustain a stable, high-quality workforce.

Please see section 6.4 of this proposal for more information about MV's recruitment and retention strategy.

Ensuring Operator Availability

SLO Transit can be confident that MV will consistently have qualified operators available as needed through a proven, multi-layered staffing and retention approach. We proactively maintain an extraboard of approximately 20 percent to cover planned and unplanned absences, supported by daily analysis of call-off trends to predict coverage needs by day and time accurately. Standby shifts are strategically scheduled, and when additional coverage is required, we activate pre-planned day-off opportunities- identified 48 to 72 hours in advance in accordance with labor agreements- while closely monitoring hours of service to ensure a safe, well-rested workforce.

> *"I love the rewarding feeling that I get being able to get people to where they need to go on time—safe. There's nothing better than that. For that, I'm grateful. I'm grateful to MV that I have this job. I'm going to retire here. That's how much I like it." — Tom Lancaster, Fixed Route Operator, Glendale division 43*

Our "Always be Recruiting" strategy uses AI hiring tools, digital ads, regional recruiters, and strong compensation to keep a steady pool of qualified operators. This is supported by a retention model proven at LADOT, where turnover dropped, staffing stabilized, OTP improved, and safety got better. These recruiting and retention efforts guarantee SLO Transit has dependable operator availability.

ii. Quality Control

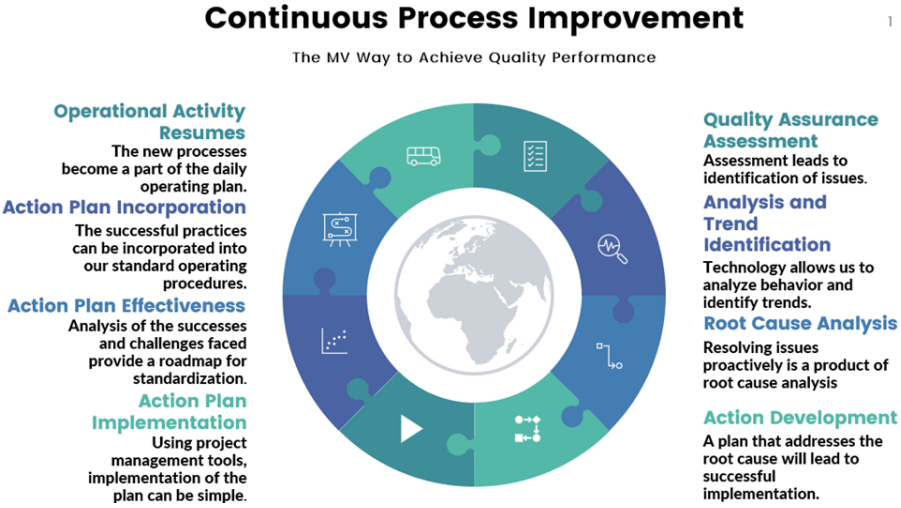
Our company's organizational structure offers continuous oversight and leadership in support of our local team. This support structure confirms that we deliver daily safe, professional, and efficient service.

Throughout our organization, we provide our customers with a cross-functional quality assurance (QA) program that promotes excellence throughout the operation. Our team may adjust these reviews over the contract term to accommodate specific service needs and requests, drawing on our experience in similar services.

Auditor	Inspection	Frequency	Description
Regional Vice President	*Performance Metrics*	Semi-monthly	Regional Vice President Lorraine Lopez has access to MV's performance metrics dashboards and reviews performance with General Manager Yevette McNeece on periodic calls to ensure adherence to MV and the City standards.
Regional Vice President	*Customer Satisfaction*	Monthly	Regional Vice President Lorraine Lopez regularly meets (in person or via telephone) with the City staff to gauge satisfaction with MV's operations. These discussions offer an excellent opportunity to discuss current challenges, successes, and areas requiring improvement.
Regional Vice President	*Audit Scheduling and Review*	As needed	Regional Vice President Lorraine Lopez works with the regional team to establish an audit schedule. They review each audit upon completion and work with the regional team to create and complete an action plan when needed.
Director of Safety	*Safety Audits*	Annual	The safety audit is a full-day inspection of the operating facility. Director of Safety Jorge Flores ensures all safety elements are in place and functioning as intended. They audit the location for compliance with MV and the City's safety policies, rules, regulations, standards, codes, procedures, and requirements. They also review all employee training files for completeness and compliance. Finally, they review all safety-related programs, issues, and reporting, and provide recommendations for improvement.
Director of Maintenance	*Facility Audits*	Annual	Facility audits, led by Director of Maintenance Samuel Tolley, include an inspection of the operating facility and audits of facility systems and sub-systems. Locations also undergo annual fire inspections and insurance underwriter inspections.
Director of Maintenance	*Shop Audit*	Semi-Annual	This audit includes a review of the facility, environmental compliance, tools and equipment, office administration, records, maintenance, safety, and training. If needed, Director of Maintenance Samuel Tolley develops an action plan to resolve any issues identified.
Director of Finance	*Monthly Financial Statement Review Call*	Monthly	Director of Finance Mike Krutak and Senior Vice President Lorraine Lopez review the income statements and general ledger during the month-end close. This process confirms MV's books are accurate and align with budget forecasts.
Maintenance Manager	*Preventive Maintenance Inspection "Rerack"*	10% of all PMs per Month	These inspections assess the quality and completeness of preventive maintenance inspections. To ensure completeness, Maintenance Manager Casterdale Green completely re-inspects 10% of the fleet, undergoing a preventive maintenance inspection.
Safety and Training Manager	*Safety Inspections*	Monthly	Safety and Training Manager Aaron Pike conducts monthly safety inspections of the facility to identify, document, and correct deficiencies. All findings are reported to the Regional Director of Safety, Jorge Flores, who follows up on all items during the semi-annual audits.

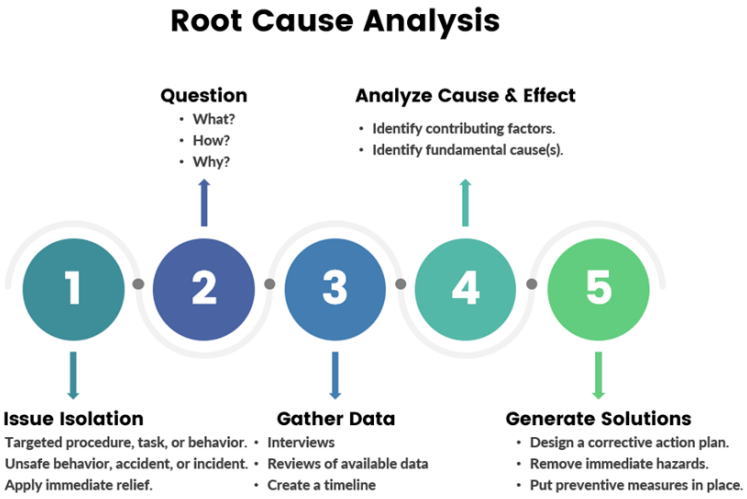
Continuous Process Improvement

The design of our continuous process improvement plan intentionally focuses on identifying issues before they become problems. Transparency is essential in this design, and our approach to reviewing our business practices plan is predicated on ongoing communication and data sharing with the City's staff.



Problem-Solving Approach

MV recognizes that transit operations face varied challenges, including accidents and unsafe behaviors. While immediate responses are sometimes needed, addressing root causes is often more effective. A root cause analysis starts by isolating the problem and identifying contributing factors, such as weather, traffic, speed, or distracted driving. Immediate actions may resolve some issues, but rarely prevent recurrence. Along with quick responses to limit impact, MV uses root cause analysis to tackle underlying problems through a multi-step process detailed below, proactively.



Documentation and Development of Processes

Our MV Insights dashboard tool is a key component of the MV Way, enabling us to analyze data and identify trends. Our operations team can consistently digitally document processes by centralizing our performance data from multiple sources using Connexionz and maintenance information systems on an integrated platform. We can quickly review past action plans and their effectiveness, and use the dashboards to determine when and where to adjust policies or procedures for improved performance. When revising policies and procedures, we employ best practices in change management that account for passenger impact, testing, solicitation of feedback, and review.

Monthly and Quarterly Business Reviews

Monthly and Quarterly Business Reviews are essential components of successful operations, fostering transparency, collaboration, and continuous improvement. These structured interactions provide a platform for reviewing performance metrics, addressing challenges, and aligning strategic objectives between MV and the City.

The MV local management team will regularly meet with the City to ensure that we continue to meet or exceed operational and performance standards.

Each month, Yevette Mc Neese will meet with City staff for a Monthly Business Review, where we assess the previous month's performance against the standard KPIs and compare it with prior months to determine whether we have made improvements in each performance area. These monthly business reviews include updates on staffing levels, planned division events, and the incentives we have in place.

MV will also schedule a **Quarterly Business Review (QBR)** to adjust our service strategy to best serve SLO Transit passengers. During these meetings, we translate our goals for the upcoming quarter into specific 90-, 180-, and 270-day objectives.

The QBR provides a comprehensive overview of SLO Transit services, focusing on major functional areas rather than individual components. This approach allows us to gather the City's feedback and insights from the passengers.

Topics for discussion may include:

- ✓ Service challenges and opportunities for improvement
- ✓ Upcoming service changes and routing recommendations
- ✓ New products or features
- ✓ Roadblocks or obstacles to success
- ✓ Stated goals for the next 90, 180, and 270 days

iii. Additional Proposed Technologies

Our technology strategy for SLO Transit is designed to support safe, reliable, and efficient service today while positioning the system to adapt to the evolving demands of a modern transit environment. Our proposed suite of technologies is intentionally integrated—linking safety, planning, operations, maintenance, and workforce management—to provide the City with actionable insights, operational resilience, and measurable performance improvements.

> *"The technology and software [at MV] helps me do my job every day. It allows me to track and trend areas where we are seeing issues that we want to address before they become concerns." — Corey Siu, Safety and Training Manager, Chicago division 134*

DriveCam SF400 Event Recorder

MV is pleased to propose the DriveCam SF400 event recorder for the City's fleet in the new term. DriveCam is a unique event recorder that continuously records footage inside the vehicle and on the road and saves footage clips when triggered.

The SF400 unit has a dual wide-angle lens, eliminating blind spots in video clips and enhancing the views captured. It also includes four high-lumen infrared lights, integrated microphones, and continuous video recording for up to 100 hours. The SF400 units deliver the same reliable event recording as the current DriveCam units in place today (interior and exterior recording, cellular connectivity, manual trigger button); however, these units bring valuable new features to our operation.

On-demand lookback: The SF400 saves up to 100 hours of footage that we can access on demand. This data allows us to investigate complaints quickly and easily. With the base package, we have access to the lookback feature for five minutes per unit per month; however, we can expand this at an additional cost.

MV+AI Technology: Delivering machine vision and artificial intelligence, the SF400 delivers improved safety features both in the vehicle and on the road. The units can detect when operators use handheld devices and alert those not wearing a seatbelt, as well as those smoking, eating, or drinking in the vehicle. The unit also detects rolling through stop signs, close following distance, critical distance, speeding, pedestrian/bicyclists, and lane departures on the road. These alerts are configurable to support our specific objectives and goals.

Fleet Tracking: All SF400 units include Lytx's GPS Fleet Tracking functionality, which provides insight into vehicle position and idling times using Google Maps, Traffic, and Street Views. This technology will support our quality assurance supervisors' ability to identify operators for road evaluations and vehicles that require in-field support. This optional feature can be made available at an additional cost.

Optibus Optimization Technology

MV is proposing to use Optibus for SLO Transit. This SaaS platform offers several complex modules that streamline planning and scheduling for large fixed-route systems. It unites Artificial Intelligence with optimization algorithms to deliver efficiency, reduce congestion, and contain costs.

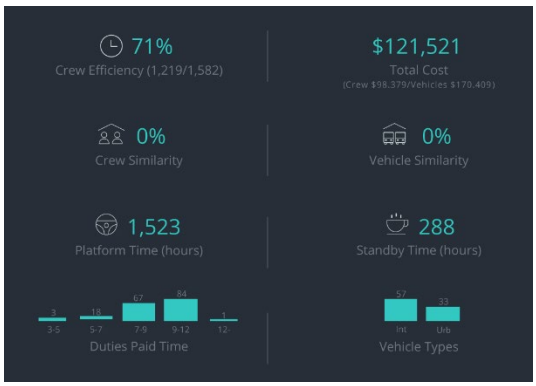
Optibus enables MV to create multiple planning scenarios in minutes, compared to the hours required by other planning platforms. The system allows users to configure not only work rules and rest period requirements, but also the ranges and discharge rates of any battery electric buses (BEB) in place. Optibus is ideal for customers looking to integrate BEBs into their service, as the EV module enables users to plan scenarios that mix BEBs and internal combustion engine (ICE) vehicles.

How AI Supports SLO Transit

AI driven safety analytics from DriveCam help reduce collisions and complaints by identifying risky driving behaviors and supporting timely coaching and corrective action. At the same level, Optibus uses AI-based optimization to help SLO Transit improve service reliability, plan efficient schedules, integrate battery electric buses, and control operating costs through data-driven decision-making.

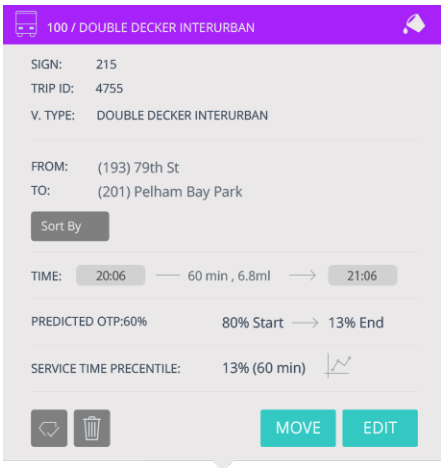
Optibus enables our team to quickly identify where we can achieve staffing, operational, and cost efficiencies, as well as the optimal number of vehicles to deliver service. This system supports the shift bid process and informs potential route or blocking redesign. MV will use Optibus to determine the most efficient route schedules based on the input data.

Elizabeth (Liz) Stayner, MV's Corporate Sr. Transit Planning Manager, is an in-house expert for these systems. Liz has extensive experience with Optibus across all of MV's fixed-route locations. She will support our team by creating efficient and realistic runcuts that meet this service's unique requirements.



For the City, MV will bring the following Optibus Modules:

- ✓ **Planning:** The systems' planning module leverages maps, satellite data, and street-level images to visualize routes, allowing planners to visualize routes easily. Moreover, users can import GTFS data or build routes from the ground up, building multiple scenarios in minutes. Finally, the system's tools communicate the business impact of route changes as we make changes.
- ✓ **Scheduling:** Optibus's speed in optimizing crews and vehicles is a hallmark of its design. Users can build multiple scenarios in minutes while accounting for rules and limitations, and schedule vehicles and operators simultaneously.
- ✓ **Rostering**: The system's rostering function can account for all work rules and supports route familiarity and day-off patterns. It helps control overtime, adheres to guaranteed time, and balances assigned hours. Users can create roster groups, each with specific preferences.
- ✓ **Optibus for Electric Vehicles (EV):** Optibus unites its rostering solution with EV scheduling functionality. This module lets users plan vehicle schedules based on infrastructure available, ensuring range is maximized, and proper charging events and discharge rates are factored in.



MV Insights — Data-Driven Fixed Route Operations

Built on Microsoft's Power BI data analytics tool, the MV Insights Platform captures and visualizes key operational KPIs across all aspects of the organization, including operations, maintenance, and safety, as well as staffing and retention. We recently enhanced MV Insights to provide "early warning" capabilities that signal when key metrics are trending in the wrong direction.

MV Insights provides our leadership — from general manager to our CEO — visibility into critical and actionable data and visualizes our performance against prior year numbers. General managers frequently review these dashboards with their regional/senior vice president and director of human resources, to ensure we are continually meeting or exceeding KPI goals.

Our local management team can then use this data to mitigate risks through:

- → Employee coaching and retraining
- → Posting signage about dangerous intersections
- → Targeted safety meeting
- → Selecting safety blitz themes and more.

The operational visibility provided by the MV Insights platform across the organization has enabled better decision-making and actions through proactive, timely responses to trends.

MV Insight's Turnover Dashboard *shows us up-to-date statistics of our turnover year over year, and compared to*

Figure x: Operations KPI Dashboard*—Many factors, working together, contribute to service excellence. Each one has to be analyzed individually and as a group to fully understand not only how they deliver success but also how service degradation and interruptions occur and contribute to poor service KPIs. The operations dashboard shows individual trends against desired goals to achieve excellence.*

Operational Excellence is a culture built into our organization. When adhered to, all aspects of delivering the operation come together to deliver the most important goal of providing an excellent customer experience by transporting the customer safely and on time to their destination.

People/Operator Insights

A great customer experience depends on a well-trained, reliable operator, a dependable vehicle, and a team of experts ensuring safe, punctual service from pick-up to destination. Successfully attracting, hiring, training, and retaining operators is complex and demands creativity and close attention. MV has focused on reducing operator

attrition, which is often highest within the first 90 days of employment. To combat this, MV created an automated system that offers ongoing feedback and one-on-one communication with the operator during the first 30 days of onboarding and training.

Operator Onboarding Communications Solution Features:

- → Periodic text messages are sent to the new hire, providing key information and instructions to access timely communications
- → Custom-designed web pages providing information about the company, their new role, and tips to ensure a positive onboarding experience
- → Satisfaction surveys are sent to onboarding operators to identify and resolve issues quickly. Survey results are automatically sent to operations management for quick resolution

MV uses many other insights to deliver effective people management, such as:

- → Employee satisfaction survey analysis
- → Turnover analysis
- → Wage analysis
- → Coaching and Training Effectiveness
- → Retention analysis
- → Candidate sourcing effectiveness

Effective people management is both an art and a science. MV works hard to strike the right balance between managing operator performance, key results, and relationships through individual coaching and mentoring.

About our Maintenance Management Information System

Trapeze Enterprise Asset Management, or T-EAM, is the maintenance management information system (MMIS) used in the majority of MV's shops. We offer this system at no additional cost, providing our customers with direct access to this system and its reporting.

We have a long-standing partnership with Trapeze, and we have found that their system is ideal for managing even the most complex bus fleets. T-EAM serves as our electronic vehicle file and has the functionality to process a wide range of data:

- ✓ Service requests (to document pending service items)
- ✓ Work order requests
- ✓ Parts inventories
- ✓ Warranty repairs
- ✓ Fleet defects
- ✓ Asset documentation
- ✓ Reporting (both standardized and ad hoc)

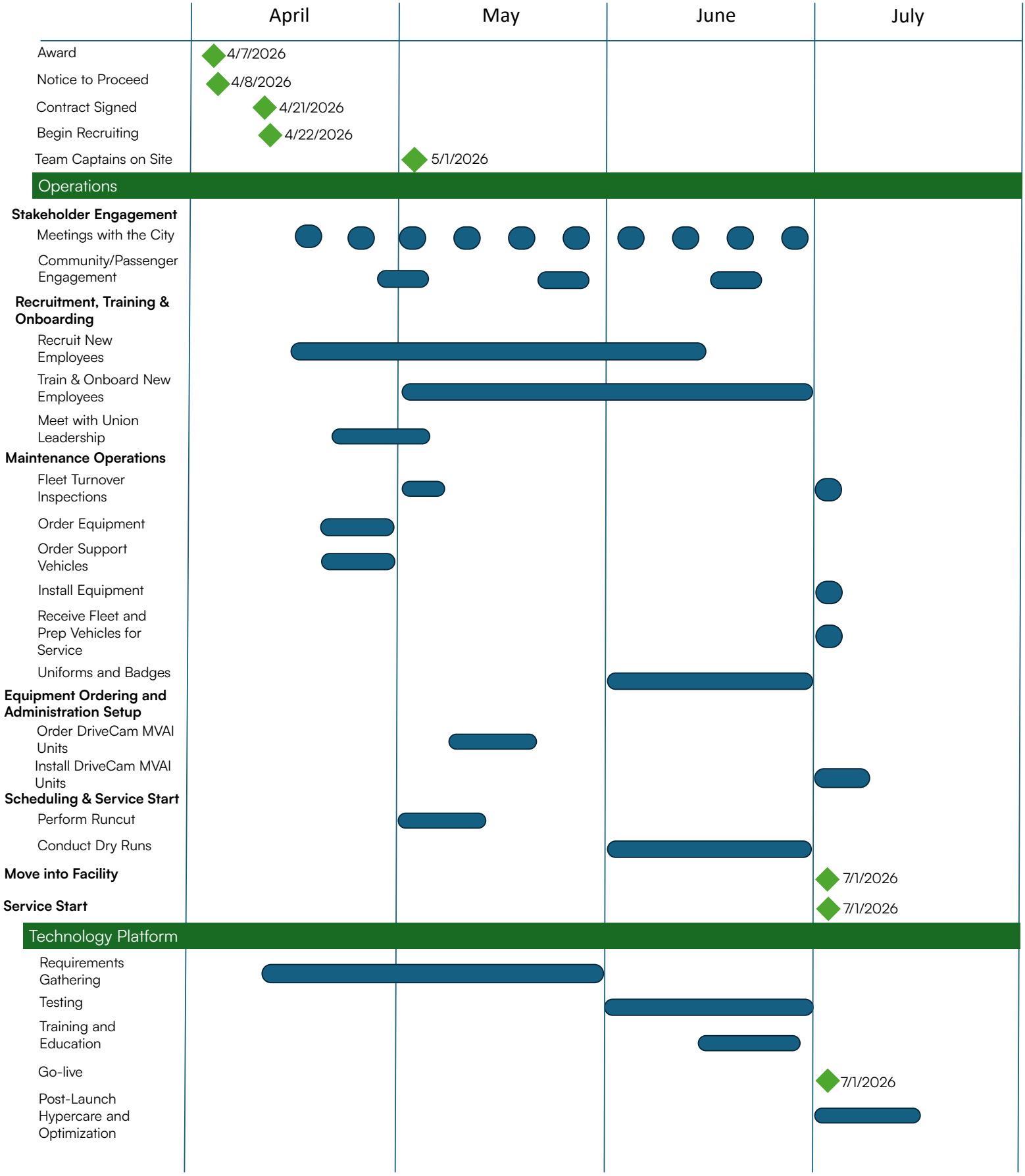
We also use T-EAM to measure:

- ✓ Technician productivity
- ✓ Repair costs (cost per mile)
- ✓ Mean distance between road failures
- ✓ On-time preventive maintenance
- ✓ Scheduled versus unscheduled maintenance
- ✓ Fuel usage by unit

MV uses T-EAM's mobile products to enable real-time data entry directly into the system from the shop floor. As part of MV's digital shop initiative, all technicians are trained to use ruggedized tablets for inspections and to properly document their work. The electronic inspection forms include embedded instructions for the technician and offer voice-to-text capabilities for ease of use.

WHAT DO YOU GET FROM TRAPEZE-EAM AND MV?

- Direct access to all of your digitized maintenance records
- Ability to run reports on your assets
- Streamlined, digital vehicle files for accurate work history
- NTD asset reporting at your fingertips
- Accurate parts inventories
- Ease and speed in the warranty recovery process


April
May
June
July
Award
4/7/2026
Notice to Proceed
4/8/2026
Contract Signed
4/21/2026
Begin Recruiting
4/22/2026
Team Captains on Site
5/1/2026
Operations
Stakeholder Engagement
Meetings with the City
Community/Passenger Engagement
Recruitment, Training & Onboarding
Recruit New Employees
Train & Onboard New Employees
Meet with Union Leadership
Maintenance Operations
Fleet Turnover Inspections
Order Equipment
Order Support Vehicles
Install Equipment
Receive Fleet and Prep Vehicles for Service
Uniforms and Badges
Equipment Ordering and Administration Setup
Order DriveCam MVAI Units
Install DriveCam MVAI Units
Scheduling & Service Start
Perform Runcut
Conduct Dry Runs
Move into Facility
7/1/2026
Service Start
7/1/2026
Technology Platform
Requirements Gathering
Testing
Training and Education
Go-live
7/1/2026
Post-Launch Hypercare and Optimization

4. Maintenance

Our World-Class Maintenance Program

Rider safety, comfort, and an exceptional overall experience drive our fleet maintenance plan. We strive to maintain all passenger vehicles in like-new condition, with careful attention to preventive maintenance (PM) practices that reduce the frequency of unscheduled maintenance and ensure the safe and reliable operation of every SLO Transit vehicle.

> *"There's probably about 15 vehicles that get worked on just in the morning shift. We have such a large fleet and everybody's roles here are just as important- from the managers down to the supervisors to the clerks, the technicians, the servicers, the fuelers." — Diego Penaloza, Electronics Technician, Santa Clarita division 150*

WHAT IS WORLD-CLASS MAINTENANCE AT MV?

At MV, our world-class maintenance is committed to fundamental practices: Investing in employee and leadership development, catching defects before road service, collaborating with OEMs, and inspiring every shop member to provide freedom of mobility for our passengers.

MV's maintenance experience spans four decades and encompasses the management and maintenance of more than 7,000 passenger vehicles nationwide, supported by more than 90 maintenance shops. Our operating agreements empower us to maintain fleets of all sizes under this program — from sedans to 60-foot electric articulated transit buses. Our world-class approach to fleet health is driven by the following initiatives designed to execute our vision. We want each of the City's vehicles pulling out of the yard to be safe, clean, expertly maintained in like-new condition, and fully prepared for service.

World-Class Maintenance Support for Your Operation

Our Maintenance Manager, Casterdale Green, will oversee all local maintenance activities to ensure operational excellence. This includes scheduling work and repairs, managing the Preventive Maintenance Inspection (PMI) timeline, conducting quality control inspection reports, identifying trends in maintenance needs, performing root cause analyses, and facilitating technician training. Throughout these tasks, Casterdale will prioritize the overarching health and safety of the City's SLO Transit fleet, supported by our world-class maintenance program.

Casterdale will receive ongoing support from our Maintenance Director, Samuel Tolley, a regional expert who oversees MV's maintenance program and supports employees in their assigned maintenance shops.

Samuel Tolley has 15 years of experience in fleet maintenance oversight, will hold weekly check-ins with the local team via videoconference, continually monitor shop performance, serve as an escalation point for any local challenges, and provide ongoing resources to our team. He will continually assess the quality of the maintenance program to ensure it maintains its world-class status, review the customer service qualities of our technicians, and evaluate the impact of the maintenance program on the rider experience.

Samuel Tolley will be on-site during the transition and, at a minimum, quarterly to meet with General Manager Yevette Neece, Maintenance Manager Casterdale Green, and our local maintenance team.

Alongside local and regional support, the City will also benefit from ongoing assistance from MV's extended maintenance function. The following individuals will contribute to this contract as necessary to ensure we deliver world-class service and support the City in achieving its future fleet and maintenance goals.

Support Personnel	How They Support Our Local Shops	Years of Experience
James Schultzman, Chief Maintenance Officer	Drives MV's fleet and facilities maintenance program across all maintenance shops	25 years
Humberto Marazzi, National Director of Workforce Development	Designs, maintains, and administers all technician training plans by vehicle type; administers regional training	36 years
Donald Penny, Director of Facilities	Identifies and selects facilities based on proximity to service area, building appropriateness, amenities, and zoning; negotiates and executes lease agreements for MV locations; manages leasehold improvements.	17 years
KC Champa, Maintenance Recruiting Manager	100% dedicated to recruiting efforts for MV's maintenance shops.	3 years
Loren Moore, Maintenance Database Administrator	Manages, maintains, and administers the T-EAM technology platform, MV's MMIS.	45 years
Andres De Los Rios, Director of ZE Engineering	Works with MV customers to provide technical analysis, such as battery degradation, technology, and operational elements of zero-emissions.	20 years
Jennifer Partlow, Director of ZE Strategy	Works with MV customers on the design and advancement of the strategy, daily project management, and client and ecosystem interfacing.	14 years
Rachel Shelton, Maintenance Data Analyst	Serves as the administrator for the MV Insights maintenance platform. Develops all company-wide reports, dashboards, predictive analytics, and early warning notifications.	3 years

Zero Emission Experience

In today's rapidly evolving transit landscape, the shift to zero emissions (ZE) is far from uniform. MV's ZE program is built on an agnostic foundation. We recognize that each agency faces distinct challenges. Drawing on experience gained from operating hundreds of electric vehicles across the nation, MV has become a trusted guide through this transition, offering tailored solutions grounded in technical expertise and collaboration.

MV ADVANTAGE | **Delivering A Smooth Zero Emission Fleet Transition**

In 2022, MV was awarded contracts for ongoing transit operation and maintenance services on behalf of Antelope Valley Transit Authority (AVTA). Within two months, MV successfully and efficiently transitioned the service to ZE by the start of the contract. We provide public transportation in the cities of Lancaster and Palmdale, and in the unincorporated areas of the Antelope Valley, approximately 70 miles northeast of Los Angeles. **Notably, AVTA has the largest all-electric fleet in the country, which MV transitioned within 60 days.**

4.1. Facility Maintenance Program

MV recognizes its responsibility for facility maintenance at 29 Prado Road, San Luis Obispo, California 93401 for this contract. This section outlines our approach to facility maintenance. A sample plan is available upon request. During the transition period, we will work with the City to update our sample plan to meet all contractual obligations and address safety, repair, and cleanliness standards set forth by the City and MV.

Organization and Responsibility

MV will employ a full-time maintenance manager to oversee all assigned aspects of facility systems and equipment maintenance. Our technician team will receive training on performing facility and equipment inspections and repairs as needed.

System of Periodic Inspections

A strong, effectively managed facility preventive maintenance (PM) program is essential for maintaining system health and ensuring fleet availability. Additionally, a well-organized program enables our customers to accurately forecast capital funding needs as their systems, subsystems, and equipment approach the end of their life cycles. In collaboration with our customers, we proactively make informed decisions on whether to rehabilitate or replace equipment before costly failures occur.

At MV, we adhere to original equipment manufacturer (OEM) recommendations regarding PM intervals and activities. Our commitment to excellence is supported by the Trapeze Enterprise Asset Management (T-EAM) maintenance software, which enables us to monitor scheduled maintenance intervals for all facility systems effectively. Upon award, our maintenance team will work with the City to establish a work asset management system to identify and verify all equipment and facility components under our care.

Our staffing plan considers the provision of four dedicated technicians, who will report directly to the Maintenance Manager. These employees are responsible for ongoing PM and repair of all mechanical facility equipment and systems.

The facility PM program's inspectors will ensure that facility systems, subsystems, and equipment are inspected and adjusted to maximize performance in accordance with OEM standards.

Preventive Maintenance Program

Our team conducts routine preventive maintenance, inspections, and repairs on all facility equipment, ensuring peak performance and reliability. We will develop PM schedules based on OEM-recommended intervals and industry best practices. Inspections are conducted weekly, monthly, quarterly, semiannually, and annually, depending on the equipment and systems. Casterdale Green identifies equipment due for servicing each week, ensuring service completion within a 3-day window or within 10 percent of the scheduled time for timely and effective maintenance.

During inspections, our skilled technicians use facility and OEM manuals as primary references. If any issues arise that cannot be resolved during the PM service, a work order will be generated, and the maintenance manager will assign the repair. Completed work orders are documented in the T-EAM maintenance software, and SLO Transit is updated on any ongoing work, such as if an outside vendor has required parts on backorder.

MV's maintenance manager will audit our facility maintenance program to ensure optimal performance across systems, subsystems, and equipment.

Other Required Inspections

In addition to the PM inspections, MV uses the following company-wide facility maintenance programs at its locations:

Monthly Safety Inspections
Our Safety and Training Manager conducts monthly facility safety inspections. They report all findings to the regional director of safety, who follows up on all items during the semi-annual audits.

Annual Facility Audits
Each location is subject to an annual, comprehensive audit by members of MV's maintenance team. Members of the operations team may also support this inspection. Standard inspection forms and photographs document the condition of all major facility components, including foundations, substructures, superstructures, exterior closures, roofing, doors, walls, floors, conveyors, plumbing, electrical, and safety systems. These audits are used to prepare condition profiles that assist in planning and programming all repair and rehabilitation projects into annual budget plans.

Fire Safety Inspections
Each location receives an unannounced fire inspection. We base these inspections on compliance with all local fire and life safety codes. We document the inspection and follow up on any areas of identified weakness. These inspections happen at least once a year.

Insurance Inspections
MV's insurance provider regularly schedules inspections for each division. The inspectors conduct the inspections and provide written reports documenting their findings and recommendations. This process confirms compliance with local, contractual, and company specifications regarding the proper maintenance of insurance required for the division's operation, equipment, and facilities.

In addition to the above inspections, MV staff conduct daily walk-throughs at each operating facility, focusing on safety to ensure reliable, high-quality operations for our employees, customers, and passengers at every MV location.

Reporting Forms, Schedules, and Procedures

Timely and accurate reporting of deficiencies is essential in maintaining a safe and reliable facility. We identify the necessary repairs during the following activities:

- → PM inspections
- → Work requisitions
- → Facility routine walk-throughs
- → Monthly safety inspections
- → Consultant/client inspections
- → Secondary contractor maintenance

Completing Repairs

When a team member identifies a repair, they complete a work order record in T-EAM. The maintenance manager assigns a technician to the repair based on priority or arranges for a qualified subcontractor if a trade specialist is required. The maintenance manager inspects all subcontracted repairs upon completion.

MV will require a full facility inspection before assuming responsibility for facility maintenance. During this inspection, MV's team and the City staff will identify outstanding repairs that must be made before the facility transition.

Categorization of Maintenance Activities

MV's facility maintenance plan categorizes maintenance activities into three types:

- → Buildings and Grounds: Non-mechanical attachments to the facility, such as grounds, concrete, grates, and lots.
- → Building Systems: Mechanical, electrical, electromechanical, hydraulic, and pneumatic systems permanently attached to the building or property.
- → Facility Equipment: All electrical, mechanical, electro-mechanical, pneumatic, hydraulic, tools, and other items *not permanently attached* to the building or grounds.

Warranty Management

The maintenance manager oversees all warranty recoveries for facility equipment and systems. MV uses T-EAM software to track warranty work and related financial recoveries, making reimbursement a key part of our maintenance plan. When a defect is found within the warranty period, MV's maintenance manager promptly informs the City of actions to enforce the warranty and updates them on the equipment's status throughout the repair process. MV quickly notifies City staff of any disputes with manufacturers or suppliers about warranty coverage and works with relevant parties to resolve issues efficiently.

4.2. Preventive Maintenance and Inspection Program

Preventive Maintenance Inspections

Preventive care is the cornerstone of our world-class maintenance program. By proactively addressing known issues and maintaining vehicle systems at their optimum level, we can reduce in-service failures, ensuring a safe, reliable trip for every rider.

Preventive maintenance inspections (PMIs) are scheduled inspections that occur during the service day. The night before service, Maintenance Manager Casterdale Green coordinates with the on-duty dispatcher to ensure all service fleet needs are met. They rotate vehicles into service to accommodate inspection due dates and to regulate fleet mileage.

Technicians use ruggedized tablet computers to enter inspection results directly into T-EAM from the inspection screen, including notes for the technician that describe the action on the checklist. Technicians can easily access MV's standard operating procedures from the T-EAM home screen, along with OEM manuals, bulletins, and schematics. Technicians can input comments on the inspection screen using the tablet's voice-to-text feature. Technicians whose first language is not English can receive training on using Google Translate to enter their comments.

PMIs occur at 5,000-mile intervals, as per the sample summary tables below. Please note that detailed PM schedules specific to the City's exact fleet composition will be based on OEM recommendations and created during the transition period.

Gasoline or Diesel PMI Items	A	B	C	D
Mileage	**5K**	**10K**	**15K**	**30K**
Vehicle interior and exterior (lights, safety equipment, etc.)	✓	✓	✓	
Brake testing	✓	✓	✓	
Door and/or lift/ramp operation/cycling	✓	✓	✓	
Road test (engine, transmission, brakes, steering)	✓	✓	✓	
Undercarriage (shocks, brake lines, filters, air lines, drive shaft, etc.)	✓	✓	✓	
Engine compartment (fluid and leak inspection)	✓	✓	✓	
Clean/check battery and cables	✓	✓	✓	
Steam clean/pressure-wash engine	✓	✓	✓	
Mobility device lift inspection and service	✓	✓	✓	
Climate control systems inspection	✓	✓	✓	
Lubrication, oil, and filter change (unless vehicle manufacturer recommends a different interval)	✓	✓	✓	
Air filter change		✓	✓	
Fuel filter change (if applicable)		✓	✓	
HVAC (leaks, filters, temperature checks, function inspections)			✓	

Electric Fleet PMI Items	PIT	A	B	C	AC
Mileage	**3K**	**6K**	**18K**	**36K**	**ANNUAL**
Visual inspections of electronic control air suspension (ECAS), brakes, tires, and drive components for leaks	✓	✓			
Visual inspection of fire suppression systems	✓	✓			
Visual inspection of charge ports for wear	✓	✓			
Inspection of door operation to include testing sensitive edges	✓	✓			
Inspection of emergency exits	✓	✓			
Inspection of the ADA ramp and securements	✓	✓			
Inspection of voice annunciation and operator PA operation	✓	✓			
AC inspection - filter clean or replacement	✓	✓			
Clean all surfaces on wheels and mudflaps		✓	✓	✓	
Clean radiator with compressed air - regulated to less than 29.7 PSI		✓	✓	✓	
Clean rear compartment with compressed air - regulated to less than 29.7 PSI		✓	✓	✓	
Clean rear axle housing and cantilever surfaces		✓	✓	✓	
ECAS - Test and verify all sensors, secure, and measure for proper heights		✓	✓	✓	
Road test vehicle, ensuring there are no abnormal noises from motors, excessive vibrations, or unusual noises related to suspension		✓	✓	✓	
No unusual odors from motors, such as burning or electrical smells		✓	✓	✓	
Pressure test drive system, cooling system		✓	✓	✓	
Inspect kingpins			✓	✓	
Wheel-off brake inspections			✓	✓	
AC - clean evaporators and condensers of any dust and foreign material			✓	✓	
Test and inspect the fire suppression system			✓	✓	
Major chassis inspection, lubrication				✓	
Wheel end system maintenance				✓	
Torque suspension fasteners and thrust rods				✓	
Change wheel drive axle oil (GL 5 - 75W90)				✓	

Electric Fleet PMI Items	PIT	A	B	C	AC
Change wheel motor oil (ATF 3309)				✓	
Clean fins on the heat exchanger					✓
Evaporator and condenser motor, clean fans, replace bearings as necessary					✓
Replace the receiver dryer					✓
Compressor					✓
Inspect mounting					✓
Electrical connections					✓
Seals for waterproofing in good conditions					✓
Frequency converter Inspect fans					✓
Inspect all connections and terminals					✓

Please see MV's PMI inspection and service forms following this section.

What Else Happens During a Preventive Maintenance Inspection?

As part of our PM program, all mechanical, electrical, fluid, air, and hydraulic systems are maintained for safety and proper function. Activities are summarized in the tables above, with additional procedures outlined below:

Mobility Lifts and Ramps: MV vehicles require fully operational lifts and ramps before entering service. Daily pre-trip inspections, periodic maintenance inspections (PMIs), and annual checks ensure functionality. Defective units are replaced immediately, and technicians address wear and adjust alignment as needed.

Kneeling Systems: Vehicles must have safe, working kneeling systems. Operators test these during pre- and post-trip inspections, and PMIs include checking ride height, leaks, worn components, and overall operation.

HVAC System: Technicians inspect HVAC systems year-round for leaks, check brushes and fan motors, change filters, and operate systems weekly to prevent refrigerant issues. Seasonal HVAC checks supplement regular inspections.

Electric Drive System (Fuel Cell/BEB): Drive mounts and high-voltage cables are inspected, and gearbox fluids are changed per OEM recommendations.

Emission Testing and Compliance: Annual and semi-annual for certain vehicles, emission inspections comply with CARB standards. Reports are managed as required, including administration of the city's smog check program.

Oil Analysis: Oil samples are collected during PMIs and analyzed by Titan Labs, with reports posted online within 24 hours and attached to vehicle records.

Onboard Technology Maintenance: Trained technicians inspect, diagnose, and repair or replace onboard electronic systems like destination signs, passenger counters, and GPS/AVL systems.

DriveCam System: Devices are checked during PMIs; defective units are swapped out and repaired with manufacturer support.

Surveillance Cameras: Technicians check power, housing, lenses, seals, microphone wiring, and camera angles during inspections.

Farebox Maintenance: Fareboxes are cleaned and inspected during PMIs, with additional weekly, quarterly, semi-annual, and annual maintenance. MV maintains necessary spare parts and expendables for timely repairs.

Reinspecting the PM Inspection for Quality

At a minimum, 10% of all PMIs undergo re-rack inspections, which are complete re-inspections of the vehicle to verify that the PMI was performed thoroughly, reflecting MV's commitment to world-class maintenance.

Maintenance Manager Casterdale Green conducts re-rack inspections, comparing the findings to the original PMI to identify any missed items, unclear documentation, failure to process work orders, or other deviations. They provide

follow-up training, coaching, and feedback to the technician who performed the original inspection, thereby contributing to our ongoing quality-improvement approach.

All PM records are reviewed by the Maintenance Manager, Casterdale Green, for completeness, clarity, and detail.

Repairs

MV is unique in our approach to performing as much in-house maintenance as possible. We limit our work with outside vendors to major body repair, engine, and transmission rebuilds (MV's team will perform the replacement). This approach ensures prompt attention is given to the fleet, that the work performed on the fleet is world-class, and that we are not beholden to a third-party shop's repair timelines.

Pre-Trip Maintenance Repairs

When an operator detects a defect, the information is sent to the technician. The defect record flags safety items so the technician knows how to address them and generates a service request for repair.

If a safety defect cannot be immediately repaired, the vehicle is pulled from service and scheduled for repair, typically on the same day. If the defect is not a safety item, it is scheduled for repair when the vehicle returns from service or during the next PM inspection.

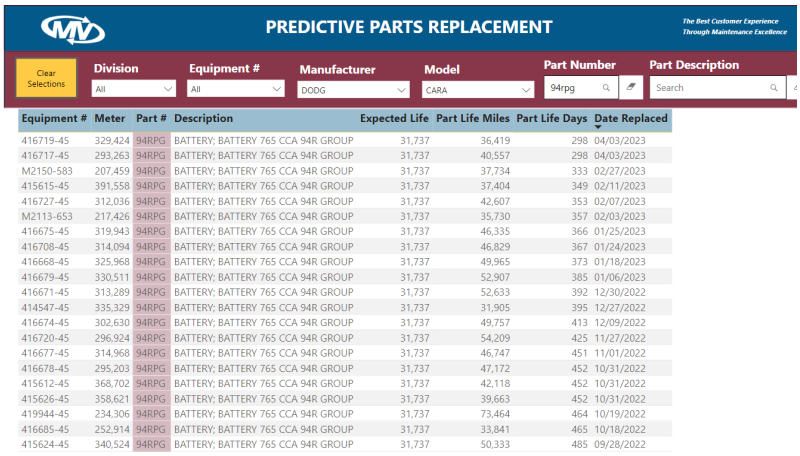
Preventive Maintenance Repairs

Technicians inspecting vehicle systems can spot necessary repairs, which T-EAM systems log as service requests with their notes. Technicians may perform repairs during inspection. PMI results and related service requests are checked for completeness and accuracy.

Scheduled Component Repairs and MV's Parts Replacement Engine

We schedule planned component replacement based on our Parts Replacement Engine, which uses machine learning to predict the actual component life history (versus stated life).

This engine recommends parts for inspection and/or replacement based on an average part life calculated by analyzing part performance across thousands of vehicles in the company. This approach to planned component replacement minimizes road calls and ensures the ongoing health of a world-class fleet. When possible, we plan the replacement or rebuilding of a vehicle component based on a periodic schedule.



Equipment #	Meter	Part #	Description	Expected Life	Part Life Miles	Part Life Days	Date Replaced
416719-45	329,424	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	36,419	298	04/03/2023
416717-45	293,263	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	40,557	298	04/03/2023
M2150-583	207,459	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	37,734	333	02/27/2023
415615-45	391,558	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	37,404	349	02/11/2023
416727-45	312,036	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	42,607	353	02/07/2023
M2113-653	217,426	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	35,730	357	02/03/2023
416675-45	319,943	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	46,335	366	01/25/2023
416708-45	314,094	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	46,829	367	01/24/2023
416668-45	325,968	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	49,965	373	01/18/2023
416679-45	330,511	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	52,907	385	01/06/2023
416671-45	313,289	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	52,633	392	12/30/2022
414547-45	335,329	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	31,905	395	12/27/2022
416674-45	302,630	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	49,757	413	12/09/2022
416720-45	296,924	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	54,209	425	11/27/2022
416677-45	314,968	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	46,747	451	11/01/2022
416678-45	295,203	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	47,172	452	10/31/2022
415612-45	368,702	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	42,118	452	10/31/2022
415626-45	358,621	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	39,663	452	10/31/2022
419944-45	234,306	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	73,464	464	10/19/2022
416685-45	252,914	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	33,841	465	10/18/2022
415624-45	340,524	94RPG	BATTERY; BATTERY 765 CCA 94R GROUP	31,737	50,333	485	09/28/2022

Major Repairs

Most often, for major repairs, MV purchases rebuilt engines and rebuilt transmissions, and handles the removal of the old and replacement of the new unit. Our preference to perform as much of the work in-house as possible supports expedited repair timelines.

Body Repair

A vehicle that is free of any body damage, no matter how minor, positively impacts the service brand. MV expedites body repair, including graffiti removal, as we continually strive to improve the rider's experience on the bus.

MV employs technicians who are qualified to perform minor body work (repairing dings and scratches). For major body work resulting from an accident, we collaborate with local body repair shops and secure priority status for repairs.

Vehicles are examined for body damage at the following points of the service day:

- **Pre-trip inspections:** Operators notify the maintenance team of any minor body damage by marking it on their pre-trip inspection. If there is graffiti on the vehicle, the vehicle is pulled from service.
- **Gate inspections:** The on-duty supervisor in the yard visually inspects the vehicles as they pull out of the yard.
- **Road evaluations:** Road supervisors inspect the interior and exterior body damage and cleanliness, and report the findings to maintenance.
- **Post-trip inspections:** Operators notify the maintenance team of any minor body damage or graffiti by marking it on their pre-trip inspection. If there is graffiti on the vehicle, it is pulled from the service line and repaired.
- **Cleaning processes:** The vehicle service workers visually inspect the vehicle for any graffiti or body damage. If graffiti is present, the service worker will remove it; if assistance is required from a technician, or if minor body damage is discovered, the vehicle service worker reports the issue to the on-duty technician.
- **PM processes:** Technicians inspect the vehicles for any body damage or graffiti and repair the unit during that process.

Tire Repairs

MV requires that every location conduct a weekly yard inspection where the inspector checks tread depth, damage, and tire pressure. Additionally, our vehicle service workers check tires when the vehicle is in the fueling line, and operators perform these checks during the pre-trip inspection. At any time during these inspections, the inspector identifies a tire with a tread depth less than 4/32 (front) and 2/32 (rear). If the tire is damaged or has less than 15% of the recommended air pressure, the vehicle is pulled, and the tire is scheduled for inspection or replacement.

Warranty Repairs

MV administers warranties, including documenting, filing, and processing claims as part of our maintenance program practices. We manage the timely repair of warrantied components and process all recovery fees in T-EAM.

Today, MV is authorized to perform warranty repair for Ford, New Flyer/MCI/Alexander Dennis/Arboc, Gillig, and Braun. Under these agreements, MV performs warranty repairs to the vehicle body, doors, electrical systems, seating, and flooring, and submits the claims for reimbursement directly to the manufacturer. Our status as a warranty repair shop significantly expedites repairs and ensures maximum vehicle availability on service days.

FASTER RECOVERY WITH MV

As an authorized warranty repair shop for Ford, New Flyer, MCI, Alexander Dennis, Arboc, Gillig, and Braun, MV can expedite the repair and recovery process by controlling the repair timeline.

i. History of Regulatory Findings

MV operates more transit services in the State of California than any other company and is responsible for more than 50 operating locations subject to California Highway Patrol (CHP) terminal inspections. Over the past three years, MV has been subject to hundreds of these inspections and numerous Federal Transportation Administration (FTA) Triennial Audits. We have maintained an outstanding record with the CHP in achieving satisfactory ratings. However, we have had to make some procedural corrections as a result of CHP findings. Over the past three years, MV has received four unsatisfactory ratings from CHP inspections; all issues have been rectified, and MV now has satisfactory ratings with the CHP in these locations.

	Division	Inspection Date	Inspection Result	Terminal	Comments
24	Petaluma, CA	10/28/2025	Satisfactory	B Terminal	Re-Inspection no violations
24	Petaluma, CA	7/18/2025	Unsatisfactory	B Terminal	Driver records
267	Burlingame, CA	11/15/2023	Satisfactory	B Terminal	Re-Inspection no violations

	Division	Inspection Date	Inspection Result	Terminal	Comments
267	Burlingame, CA	7/21/2023	Unsatisfactory	B Terminal	Driver records
86	Monterey-Salinas, CA	11/9/2023	Satisfactory	B Terminal	Re-Inspection no violations
86	Monterey-Salinas, CA	7/12-13/2023, 7/27/2023	Unsatisfactory	B Terminal	Driver records
11	Fairfield, CA	5/10-11/2023	Satisfactory	B Terminal	Re-Inspection no violations
11	Fairfield, CA	1/27/2023	Unsatisfactory	B Terminal	Driver records

Remedial measures: MV has reviewed internal controls to prevent, limit, and detect issues with driver records in the future.

Regulatory Enforcement and Compliance Record

MV has not been cited, fined, or ordered to stop operations in the past five years by any regulatory agency for improper maintenance, CHP inspection failure, or for accidents caused by improper maintenance.

4.3. Proposed Insurance Program

In response to RFP section G.4 through 21, "Proposed Insurance Program (Response to RFP Exhibit B)," MV will provide the insurance program below that fully meets or exceeds all requirements set forth in Exhibit B- Insurance Requirements of the City of San Luis Obispo RFP. The required $10,000,000 per-occurrence limits for Commercial General Liability and Automobile Liability are satisfied through a combination of primary and excess coverage layers.

Line	Carrier	AM Best Rating	Deductible CONFIDENTIAL	Notes CONFIDENTIAL
Auto Primary $5m	Ace Property & Casualty Insurance Co.	A+	[redacted]	[redacted]
CGL Primary $5m	Ace Property & Casualty Insurance Co.	A+	[redacted]	[redacted]
Auto/CGL Excess Buffer $10m x $5m	Allianz Global	A++	[redacted]	[redacted]
Lead Umbrella $10m x $15m	Ace Property & Casualty Insurance Co.	A+	[redacted]	[redacted]
Umbrella Excess $5m x $25m	Ark Bermuda & First Specialty	A+	[redacted]	[redacted]
Umbrella Excess $20m x $25m	Lloyds, Lex London, Sompo/Endurance	A+	[redacted]	[redacted]
Property	Lexington Insurance Co.	A	[redacted]	[redacted]
Environmental/Pollution	Beazley Excess & Surplus Insurance Co.	A+	[redacted]	[redacted]
Crime	Beazley Excess & Surplus Insurance Co.	A+	[redacted]	[redacted]
Workers' Compensation	Ace Property & Casualty Insurance Co.	A+	[redacted]	[redacted]

MV has procured this insurance program and is able to provide evidence of these coverages through Broker-issued Certificates of Insurance.

Preventive Maintenance Inspection and Service Checklist

Circle Service Type: **A B C D**

Date:_____ Vehicle #:_____ Mileage in: _____ Mileage out: _____

P	F	Item Inspected
		A) Vehicle drive in inspection (5 miles)
		1) Driver carpet
		2) Driver seat condition and operation
		3) Drivers door operation and condition
		4) Drivers seat belt operation and condition
		5) Engine starting and ignition system
		6) Instrument panel gauges & warning lights
		7) Instrument panel lighting & condition
		8) Horn operation
		9) Steering wheel tight, no excessive play
		10) Windshield wipers
		11) Windshield washer
		12) Sun visor condition and operation
		13) Parking brake operation & condition
		14) Parking and service brake pedal pads
		15) Passenger door operation
		16) No vibrations, pulsations or noises
		B) Walk around inspection
		1) Body damage (list on separate sheet)
		2) Headlights, high & low beam operation
		3) Parking lights operation & condition
		4) Marker lights operation & condition
		5) Directional signals operation & condition
		6) Hazard lights operation & condition
		7) Clearance lights operation and condition
		8) Brake lights operation & condition
		9) License plate lamp operation & condition
		10) License plates and tags
		11) Backup lights and alarms
		12) Reflectors and reflective bumper tape
		13) Exterior decals and signage
		14) Bumpers secure / in good condition
		15) Exterior mirrors secure / in good condition
		16) Exterior clean
		C) Interior inspection
		1) Passenger door and steps condition
		2) Handrails and stanchions condition
		3) Interior and modesty panels condition
		4) Flooring condition
		5) Interior lighting operation and condition
		6) Windows operation and condition
		7) Emergency Exits operation & condition
		8) Accessory operation & condition(radio,GPS)
		9) Passenger seats operation & condition
		10) Passenger seat belts operation & condition
		11) First aid & body fluid kits complete
		12) Triangle reflectors complete/good condition
		13) Stop request operation & condition
		14) Valid registration, insurance & accident pack
		15) Fire extinguisher in good condition & signed
		16) Interior decals and signage (incl. electrical)
		17) DVI's reviewed, addressed and signed off
		18) Interior clean
		D) HVAC system inspection
		1) Front blower condition and operation

P	F	Item Inspected
		2) Rear blower condition and operation
		3) Defroster operation
		4) Temp gets to 20 deg. F below ambient temp.
		5) Evaporator intake air filter condition
		6) Front heater condition and operation
		7) Rear heater condition and operation
		8) A/C compressors and condenser fans
		E) Under hood inspection
		1) Batteries & charging sys. (load alt B,C,D serv)
		Batt 1 volts: load volts: load amps:
		Batt 2 volts: load volts: load amps:
		Batt 3 volts: load volts: load amps:
		(battery min. loaded volts 9.6v, 1/2 CCA for 15 sec)
		Alt. 1 min volt: max volt: max amp:
		Alt. 2 min volt: max volt: max amp:
		(reference factory service manual for alternator spec)
		2) Wire and hose routing and connections
		3) Cooling system, hoses, water pump condition
		5) Accessory drive belts condition
		6) Pulleys and tensioned operation & condition
		7) Brake master cylinder and power booster
		8) Fan and fan clutch operation and condition
		9) Engine oil fluid level and condition
		10) Transmission oil level and condition
		11) Power steering fluid level and condition
		12) Brake fluid level and condition
		F) Vehicle rack inspection
		1) Steering gear box mount, condition & leaks
		2) Steering shaft U joints
		3) Steering shaft bearings
		4) Steering linkages
		5) I beam or control arm movements and rivets
		6) Radius arm condition and bushings condition
		7) Stabilizer bar condition and bushings condition
		8) Ball joints or kingpins
		9) Front spring condition and mounting
		10) Front shock absorber operation & condition
		11) Trans oil cooler & lines routing and leaks
		12) Engine oil cooler & lines routing and leaks
		13) Heater and A/C hose routing and leaks
		14) No engine oil leaks and fluid condition
		15) Engine mounts, brackets and bolts
		16) Transmission mounts, brackets and bolts
		17) No transmission oil leaks and fluid condition
		18) Drive shaft condition
		19) Universal joints and carrier bearings condition
		20) No rear differential leaks
		21) Rear differential condition and mounting
		22) Frame and cross members
		23) Rear shock absorbers
		24) Rear springs condition and mounting
		25) No fuel leaks
		26) Fuel tank condition and mounting
		27) No exhaust leaks
		28) Exhaust system condition and mounting

Preventive Maintenance Inspection and Service Checklist

Circle Service Type: **A B C D**

Date:_____ Vehicle #:_____ Mileage in: _____ Mileage out: _____

P	F	Item Inspected
		30) Front brake condition and mounting
		31) Front brake lining condition & measurement
		Pads R/F: /32" L/F: /32"
		32) Rear brake condition and mounting
		33) Rear brake lining condition & measurement
		Pads R/R: /32" L/R: /32"
		Shoes R/R: /32" L/R: /32"
		34) Tire and wheel condition and measurements
		R/F: /32" L/F: /32"
		R/RI: /32" L/RI: /32"
		R/RO: /32" L/RO: /32"
		35) Lug nuts condition
		Air pressure adjustment FR. RR.
		Wheel torque specs used: ft. lbs.
		G) Lift inspection
		1) Lift operation (fully stowed to fully deployed)
		2) Lift control pendant condition and operation
		3) Lift restraint belt condition and operation
		4) Outer roll stop condition and operation
		5) Inner roll stop condition and operation
		6) Platform adjustments, condition and mounting
		7) Standee arm condition and operation
		8) Proper signage and decals
		9) Manual backup pump condition and operation
		10) Lift manual pump handle
		11) Hydraulic pump condition and operation
		12) Hydraulic lines and cylinders condition
		13) Hydraulic fluid level and condition
		14) Base plate and arms welds & pivot points
		15) Lift springs and pins condition and operation
		16) Lift safety switches and adjustments
		17) Hose and wire routing and connections
		18) Rollers and pivot point condition & operation
		19) Lift to vehicle mounting bolts and brackets
		20) Lift doors condition and operation
		21) Lift door lights condition and operation
		22) Lift interlock operation and condition
		(lift door open, e-brake down not able to shift)
		(e-brake off lift door closed no lift power)
		23) W/C tie downs condition and operation
		24) Tie down container secure and clean
		25) Tie down floor mounting brackets secure
		26) W/C shoulder belt condition and operation
		27) Lift clean and no sharp edges
		28) Lift shields secure and in good shape
		29) Lift moves steady without drifting, jerking, or unusual speeds
		30) No unusual lift noises
		Lube all lift pivot points, barriers, rollers, linkages and bearings cleaning off all excess lube
		Check, torque or adjust lift base mounting bolts

ServType	Service Performed	Techs Initials
A,B,C,D	Change oil and filter	
A,B,C,D	Lube chassis and suspension	
A,B,C,D	Lube drive shafts and universal joints	
A,B,C,D	Lube doors and hood, locks and hinges	
A,B,C,D	Adjust service and parking brakes	
A,B,C,D	Drain water from separator	
A,B,C,D	Rotate tires(as necessary, caps on rear)	
B,C,D	Change air filter	
B,C,D	Change fuel filter	
B,C,D	Clean or change PCV valve	
B,C,D	Clean or change crank case filter	
B,C,D	Install new wiper blades	
C,D	Change transmission fluid and filter	
C,D	Service front wheel bearings	
C,D	Drain water from fuel tank	
D	Replace accessory drive belts	
D	Service and flush cooling system	
D	Install new spark plugs & wires	
D	Install new dist. cap & rotor	
D	Change differential fluid	
D	Check Exhaust and EGR system	
D	Check and service fuel & evap. System	
D	Evac and recharge A/C (add 1 oz. of oil)	
A,B,C,D	Post service test drive (5 miles)	
Initial or "N/A" each service performed per PM type		

All items have been inspected and the above indications are true and correct. All safety related defects have been repaired and this vehicle is safe for operational use. All non-safety related defects not repaired are diagnosed and scheduled for repair with all parts needed pulled from stock or ordered. Brake pad linings must be measured from the backing plate. Brake shoe linings must be measured from the rivets.

Technicians Signature Date

Supervisor Signature Date

Notes:

Initial each item if it passes inspection and mark each failed item with an "X". Any failed item must be written on a PM Defect sheet and signed off as repaired. Inspections must be completed before services are done with all necessary repairs finished after services are complete. All safety related items must be repaired prior to placing the vehicle in service.

5. Safety and Training

MV ADVANTAGE | **Delivering Exceptional Customer Service**

To help SLO Transit achieve exceptional customer service, MV has developed comprehensive role-specific training programs that foster professionalism, empathy, and accountability at all levels. Programs like The MV Way and Operator Excellence Training (OET) clearly define expected conduct while promoting customer-focused decision-making, ADA compliance, and respectful interactions with passengers. Administrative staff—including customer service reps, dispatchers, and clerical workers—receive around 34 hours of focused instruction on service standards, emergency procedures, employee relations, ADA and sensitivity training, and effective communication. Through classroom lessons, scenario discussions, and hands-on mentoring, employees learn to handle service disruptions, customer concerns, and sensitive situations confidently, maintaining a calm, courteous, and solution-oriented approach.

We cultivate a customer service culture via ongoing development and leadership training, such as Operator Retraining, Own the Moment, and the General Manager Development Academy (GMDA). The Own the Moment program encourages personal accountability and links safety, professionalism, and customer trust, empowering employees to lead through their daily actions. GMDA enhances service delivery by training managers to embody MV's values, coach teams effectively, and implement action plans that lead to measurable improvements. These programs ensure that customer service excellence is an ongoing effort—supported by regular evaluation, refresher courses, and leadership involvement—creating a positive, dependable, and welcoming experience for SLO Transit riders.

5.1. Staff Training Program

About MV's Training Initiative

We firmly believe that delivering exceptional training is essential to achieving safety excellence. In 2024, MV made a significant investment in our training program, prioritizing top-tier talent and cutting-edge technology to ensure the highest standards of safety and effectiveness.

MV's Operator Excellence Training Program (OET)

Between 2020 and 2021, MV evaluated various commercially available professional operator training programs to find one that would meet our rigorous standards. Faced with limited options that could meet our stringent requirements, MV opted to invest $1 million in the creation and implementation of an innovative operator training program called Operator Excellence Training (OET).

OET is MV's proprietary operator training program, designed to include comprehensive training materials alongside industry best practices. This training is where our safety culture starts, ensuring that our trainees remain engaged, alert, and fully immersed in safety knowledge. OET has been successfully integrated and rolled out across MV's locations nationwide, establishing a benchmark standard in operator training excellence.

At MV, we are committed to fostering a culture that upholds our core principles: safety, passenger well-being, and consistent service excellence. The implementation of OET marks a substantial advancement as we integrate a more holistic strategy into our safety and training management systems, further strengthening our commitment to superior safety performance.

ONGOING GUIDANCE

OET receives ongoing guidance from:

- USDOT, FTA, OSHA
- Transportation Safety Institute (TSI)
- National Transit Institute (NTI)
- National Highway Traffic Safety Administration (NHTSA)
- American Public Transportation Association (APTA)
- Department of Homeland Security (DHS)

COMPLIANCE

OET adheres to the Federal Motor Carrier Safety Administration's (FMCSA's) entry-level driver trainer (ELDT) requirements.

This compliance ensures OET meets the necessary qualifications to equip new operators with the essential skills and knowledge required for safe and effective operation of vehicles.

OET DELIVERY

The OET video library is built on a streaming platform that enables trainees to access content at their convenience.

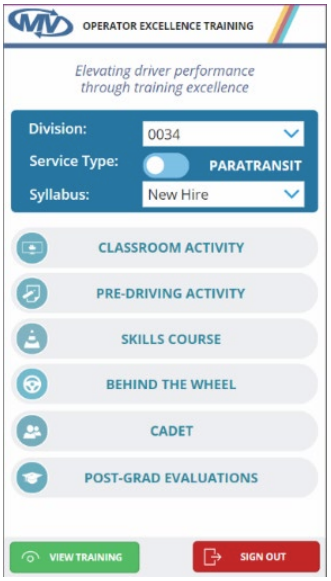
Trainees have the ability to pause, resume, and navigate the videos at their own pace, ensuring a personalized learning experience. The OET video library is accessible online from all MV locations.

Real-Time Tracking of Training Progress

To elevate our standards of training excellence through accessible and cutting-edge technology, we launched the **OET app**. This digital platform has transformed our training curriculum by enabling comprehensive data analysis of our safety training program.

The OET app allows managers and trainers to monitor operators' training progress and evaluations as they are completed in real-time. It also automates and streamlines reporting for audit reviews and assessments of training program effectiveness. For example, the OET app can be used to analyze:

- ✓ Program graduate rates
- ✓ Drop rates and associated reasons
- ✓ Operator performance in relation to critical training standards
- ✓ Timeliness of post-graduate evaluations



This investment supports ongoing training, providing regular refresher courses and opportunities for continued professional development.

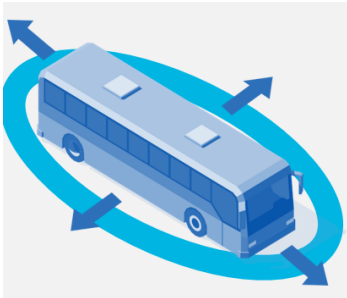
Program Design, Approach to Learning, and Guiding Principles

OET is a dynamic, interactive, and learner-centered program designed for adult learning. The training aims to impact trainees in three key areas:

- → Affective: Encouraging a positive mindset and attitude;
- → Cognitive: Expanding trainees' knowledge and understanding;
- → Behavior: Enhancing the trainee's practical skills and competencies.

OET is the building block of MV's safety culture, and it recognizes the critical role of mindset. Throughout the program, we emphasize our shared vision of **Safety: Everybody, Everywhere, Everytime**, ensuring that everybody actively demonstrates safe behavior everywhere and at every time of the day. Daily safety messages help reinforce our safety and service culture, promoting key elements of OET that pertain to safe driving, employee well-being, and exceptional customer care.

At the heart of OET is the **Safety 360 Defensive Driving Principle**. Throughout the training program, trainees gain a deep understanding of the importance of Safety 360° — a holistic approach to safety that promotes complete awareness by operators maintaining a 360° field of vision and a 360° safety cushion of space around the vehicle.



360° of Proper Visibility

- Look 15 seconds ahead.
- Check mirrors every 5-8 seconds.
- Change point of focus every 2 seconds.
- Rock-n-Roll looking left, right, left.

360° Cushion of Space

- Minimum 4 seconds following distance.
- Space on all 6 sides of the vehicle.
- Avoid driving in bunches.
- 4-foot curbside clearance.
- 10-foot space when stopped behind another vehicle.
- 3-second pause at a fresh green light.

Additionally, we incorporate a four-hour module that focuses on customer service for passenger transportation. This training integrates traditional **customer service techniques, such as effective communication, problem resolution, and active listening, with sensitivity training**. Our dual approach equips our operators with

the skills to provide an exceptional experience for all passengers. By refining these competencies, we aim to cultivate a welcoming and inclusive environment that aligns with MV's commitment to excellence in service.

OET comprises five training settings with accompanying materials designed to progressively move the trainee from behind the desk to behind the wheel:

FIXED ROUTE TRAINING HOURS

CLASSROOM	28.60
PRE-DRIVING SKILLS	4.50
BTW HOURS	31.50
SKILLS COURSE	*6.00*
BASIC DRIVING SKILLS	*25.50*
OBSERVATION HOURS	36.00
CADET DRIVING HOURS	16.00
SEXUAL HARASSMENT/WORKPLACE VIOLENCE	2.45
CDL TRAINING	10.67
FINAL DRIVING EVALUATION	1.00
TOTAL TIME	**130.72**

We have developed training curricula for four operator levels; however, since OET is a modular program, we can easily customize the content for each trainee type or create additional trainee types as needed.

New Hire with a CDL:	New Hire without a CDL:	Incumbent:	Like Service:
The trainee has a CDL but lacks experience as a professional passenger transport driver.	The trainee has not previously worked as a professional operator for a passenger transportation service and does not have a CDL.	The operator is currently employed by the outgoing contractor and is being onboarded with MV as part of the service transition.	The operator is licensed and has experience as a passenger transportation operator, but has not worked for this service or MV.

Developing the Professional Operator

MV's OET training is comprehensive and covers a wide range of topics essential to professional vehicle operation and public transportation service. In addition to safe driving skills, defensive driving techniques, and on-road operation of public transit vehicles, our training includes the following educational components that are fundamental to becoming a professional operator.

Customer Service

Customer service training is delivered through a four-hour training class called **Platinum Connection Customer Service** (PCCS). PCCS encourages trainees to treat others as they would like to be treated, emphasizing the importance of making customer-centric and solution-oriented decisions while taking personal responsibility. The training also highlights the acronym **ACE (Attitude, Choice, and Empathy)**, encouraging trainees to "ACE the customer experience."

PCCS also covers strategies for interacting with difficult passengers, de-escalation techniques, and effective communication strategies to help mitigate conflict.

Passenger Sensitivity

In addition to educating trainees on ADA law and common disabilities, all operators receive training in passenger sensitivity as a standard practice. **Passenger sensitivity training** incorporates techniques such as assisting passengers who use mobility aids, speaking to passengers at eye level, properly securing passengers in mobility devices, asking permission before handling mobility devices, and accompanying passengers to the curb of their drop-off location. These training sessions frequently feature insights from community members and disability advocates, who share experiences from real-life scenarios. Trainees are also required to participate in exercises such as boarding a bus while using a wheelchair or while blindfolded, enabling them to better understand the experience from the perspective of individuals with disabilities. Ongoing refresher training in passenger sensitivity is also provided.

Security Awareness

The role of the professional operator requires heightened awareness and vigilance in response to public security threats. MV trains our operators in **emergency management and response protocols** for bus safety incidents, such as vehicle evacuations and fires, and in methods for identifying security risks within the community. Training covers procedures for responding to active shooter situations, recognizing and reporting suspicious packages, addressing threats of violence, and detecting indicators of human trafficking. Operators are instructed in the proper use of codewords for communication with dispatch and in effective collaboration when interacting with emergency personnel and law enforcement.

Eight Areas of Classroom Training

Classroom training consists of eight topics, each divided into modules that include videos, classroom discussions, questions and answers, and quizzes. Each module is designed to be easily consumable while reinforcing the principles taught throughout the training.

Pre-Driving Skills — Classroom Onboard the Vehicle

Before allowing trainees to operate service vehicles, we ensure they are well-oriented to the vehicle. During this part of the training, each trainee sits in the operator's seat and familiarizes themselves with the bus controls and the onboard technology. They adjust their mirrors, gain a clear understanding of the size and space of the vehicle, and practice vital skills from Section 4: Safe Operations of classroom training. All trainees receive instruction on properly deploying the mobility device lift or ramp and have the opportunity to handle and fully understand the securements for the mobility device.

This thorough, hands-on preparation empowers our trainees to confidently operate vehicles in the safest and most effective manner.

Eight areas of classroom training

26 Defensive Driving and Performance Skills of BTW Training

Behind-the-wheel (BTW) training begins with a coned skills course and ends with the mastery of 26 specific defensive driving and performance skills.

→ **Closed Skills Course (6 hours):** MV sets up a skills course in the yard using traffic cones to outline the areas where trainees practice vehicle maneuvering. A trainer is on board with each trainee, observing their driving and providing feedback as the trainee navigates the course. Trainees practice braking, turning, and managing curves.

→ **Basic Driving Skills (25.50/15.50 hours):** The trainee operates the vehicle on the road with a trainer aboard, providing guidance. They practice commentary driving by sharing the road with other vehicles, cyclists, and pedestrians. The trainee operates the bus controls, practices making stops, and navigates the route using the onboard mobile data terminal (MDT).

Before graduating from BTW training and moving on to cadet training, trainees must demonstrate proficiency in the following areas:

1. Pre-trip Inspections
2. Seat Adjustment
3. Mirror Adjustment
4. Lights, Signals, and Horns
5. Use of Accelerator
6. Use of Brakes and Anticipated Stops
7. Straight Forward Driving
8. Straight Backing
9. Narrow Streets and Low Clearances
10. Following Distance
11. Adverse Weather Conditions
12. Decreased Visibility
13. Lane Changing Procedures
14. Passing Procedures
15. Merging Procedures
16. Right Turns
17. Left Turns
18. Navigating Intersections
19. Pedestrian and Bicyclist Awareness
20. Crossing Railroad Tracks
21. Service Stops
22. Lift and Ramp Operations
23. Mobility Device Securement
24. ADA Announcements
25. Commentary Driving
26. Post-trip Inspections

Observation Training

During observation training, trainees are in the vehicle during BTW or cadet training to observe another trainee driving. They listen and observe as the instructor guides the operator-in-training. Trainees may also observe the instructor operating the vehicle. With a 2:1 training ratio, each trainee receives focused training with the instructor, enhancing the training experience and creating a more engaging and enjoyable experience for the trainees.

In-Service Training (Cadet Training)

Once trainees complete classroom and behind-the-wheel tests, they enter in-service (cadet) training on live routes under a certified trainer's supervision. During this phase, trainees operate the bus, interact with passengers, collect fares, assist with mobility devices, and communicate with dispatch. Trainers monitor performance, assess safety and customer service, and provide immediate feedback for improvement.

Monitoring Training Program Effectiveness

We assess new operators' performance at 45 and 75 days after graduation and use questionnaires for feedback. Regular audits cover all training phases, documentation, and trainer evaluations. Staff meetings focus on trends and standards reviews, helping us improve training strategies and ensure high-quality results for our operators and organization.

BENEFITS OF OET TO THE CITY

- The City will have the most up-to-date operator training program available today, distributed on the most modern platform available.
- This proven operator training has been deployed at more than 100 public transportation contracts nationally.
- SLO TRANSIT operators will be consistently trained to rigorous standards of safety, professionalism, sensitivity, and customer service — promoting the City's brand as a safe, people-focused service.

Incumbent Training

Incumbent training begins after the onboarding process is complete:

- Classroom for all staff
- Evaluations were conducted on all driving staff
- Road supervisor training
- Management training by department
- Trainers identified and certified
- Follow-up 45/75 day evaluations

Subject	Hours
Incumbent classroom topics	9.98 hrs.
Welcome to MV	30 min.
1.2 Drug and Alcohol	147 min.
1.4 Katherine McClary Story	20 min.
Employee Handbook	20 min.
2.1 Hazard Communications	15 min.
4.1 Vehicle Familiarization	15 min.
4.5.5 Signaling and Passing/Merging	15 min.
5.1 Intro to Defensive Driving	15 min.
5.2 Vision	15 min.
5.3 Vehicle size and Clearance	10 min.
5.4 Managing your space	10 min.

Subject	Hours
5.5.1 Following distance	10 min.
5.5.2 Adverse weather	15 min.
5.6 Communicating and signaling	10 min.
5.7 Distracted driving	15 min.
5.8 Backing	10 min.
5.9 Right turns and left turns	15 min.
5.10 Intersections	15 min.
5.11 Pedestrian and Bicyclist Awareness	12 min.
5.12 Traffic signals and signs	10 min.
5.13 Speed management	10 min.
5.14 Special driving conditions	10 min.
5.15 Railroad crossing	10 min.
5.16 Seatbelts	5 min.
5.17 Preventable collisions	10 min.
5.18 Summary of defensive driving	10 min.
7.1.1 Intro to ADA	15 min.
7.4.1 ADA sensitivity	15 min.
7.4.2 How may I assist you?	15 min.
7.5 Professional conduct with customers	5 min.
7.6.1 Intro to ramp/lift operations and securement	10 min.
7.6.2 Lift operations	15 min.
7.6.3 Securement process	30 min.
8.6 Accident procedures and reporting	15 min.
Behind-the-wheel evaluation (employees who drive company vehicles)	1 hr.
45-day evaluation	1 hr.
75-day evaluation	1 hr.

Ongoing Training

MV operators receive 12 hours of required annual retraining through safety meetings. Our corporate safety team develops the curriculum and resources, while Safety and Training Manager Aaron Pike adapts content to highlight current trends in safety and customer service. These meetings also recognize achievements, share program updates, and celebrate top performers. Additional training is provided throughout an operator's career, reflecting MV's dedication to ongoing safety and professional growth.

Retraining	When it is provided	Length	Description
Return to Work	Required when an operator returns from "inactive" status (from a period of 30 days or more)	8 hours	A 6-hour classroom review and 2-hour BTW road check focused on safety standards, defensive driving skills, and vehicle familiarity.
Post-Accident / For Cause	Required for any operator who has received a "preventable" rating for an accident/incident. Must be scheduled and conducted as soon as reasonably possible.	Varies based on the operator's ability to perform appropriate tasks to standard.	Focuses on correcting driving deficiencies and standards that contributed to the accident or incident. Operators must perform all required tasks to standard before resuming driving duties. Retraining due to customer complaints is conducted through PCCS.
Biennial	At least every 2 years	4 hours	Every other year, operators are required to complete refresher training on safety standards and defensive driving skills.
Seasonal Refreshers	Annually, in the fall before the beginning of the winter season	2 hours	Includes refresher topics relevant to the region, including imminent weather, environmental, and traffic conditions.

Ongoing Evaluations and Supplemental Retraining

MV operators are evaluated at least every six months by a qualified instructor or supervisor, who reviews in-service assessments, licenses, and medical certificates. Operators not meeting standards must complete targeted remedial

training if they display unsafe behavior, violate policies, act unprofessionally, receive valid complaints, or are involved in preventable incidents. This training is tailored to the issue and follows a retraining matrix for effectiveness.

OET's Overall Impact on Operators, Passengers, and Clients

MV's OET program upholds top safety and performance standards for clients through thorough onboarding, regular refresher courses, and ongoing evaluations. This comprehensive training ensures operators maintain critical skills, comply with safety protocols, and reduce risks—ultimately enhancing passenger experiences. Our focus on quality training and proactive assessment guarantees reliable, secure transportation, providing clients peace of mind with skilled professionals.

Maintenance Training

Candidates hired to MV's shop are required to have the maintenance experience necessary to perform their duties. Once hired, the maintenance training instructor will provide orientation and on-the-job training in MV and SLO policies, procedures, and requirements.

In addition to the initial orientation, all technician training includes safety training, fall protection, environmental compliance, and facility maintenance.

IDP training ranges in subjects and advancement and includes the following topics, including training on battery electric vehicle maintenance:

- Basic Repair Skills/Preventive Maintenance
- First Aid, CPR, AED Training
- Lock-Out/Tag-Out for each vehicle type
- Vehicle Orientation
- Basic Electrical Training
- Brake Systems/Interlock
- Wheelchair Lift/Ramp Inspection and Repair
- Fuel Safety and Inspection
- Suspension and Steering
- Engine Service, Tune-up, and Troubleshooting (basic and advanced training)
- Transmission Diagnostics and Service (basic and advanced training)
- HVAC Systems (basic and advanced training)
- CNG Training/High-Pressure Vessel Tank Inspection Systems
- Low-Voltage Electrical Systems (specialty technicians only)
- Air Systems/Brakes/Interlock
- Fire Suppression
- Doors
- Destination Signs
- Forklifts
- Fall Protection
- 608/609 Refrigerant Handling Cert.
- Multiplex
- Electric Drive System
- Electric Drive System (specialty technicians only)
- High-Voltage Systems Safety
- Filter Replacements
- Training in Electronic Controls (troubleshooting and repair of high-voltage propulsion system)
- ARC Flash Safety and PPE
- Charging Systems
- Vendor Training
- ASE Training/Maintenance Best Practices
- Contract Compliance
- Santa Ana College Training

Ongoing Maintenance Training

Ford Motor Company Training

MV provides its clients access to Ford Factory training via the Standardized Training and Resource System (STARS), covering dozens of courses in 10 specialties. Trainees receive progressive instruction tailored to their experience and skills, including new model maintenance and diagnostics. The program offers unlimited online and classroom training, focusing on vehicle systems, repair methods, and procedures through a partnership with Ford.

ASE Certification Incentive Program

ASE Certification Incentive Program

MV understands that an essential step in employee retention begins with providing technicians with the tools needed to pursue professional advancement. Through our ASE Certification Incentive Program, we pay our employees an additional $0.15 per hour for each ASE certification they receive. Furthermore, we offer a one-time $250 recognition bonus to acknowledge their commitment to this program. We strongly encourage our technicians to pursue ASE Master Certification, one of the highest levels technicians can achieve, by increasing the incentive to $0.20 per hour per certification.

To eliminate barriers that could prevent our technicians from achieving their professional goals, MV covers the registration and testing fees for our maintenance employees seeking ASE certifications. We also encouraged our technicians to renew and maintain their certifications, as those who allow their certifications to lapse will lose their incentive bonuses.

ASE Certification Blue Seal Program

At MV, we are dedicated to continuously enhancing our maintenance programming and practices by empowering our technicians to achieve even greater professional excellence, as recognized by the prestigious **Blue Seal of Excellence**. Only the most elite in our industry can hold this award, signifying that at least 75% of technicians within an operation are capable of performing ASE-level diagnoses and repairs, and that each area of service is covered by at least one ASE-certified technician.

ASE Blue Seal of Excellence RECOGNIZED BUSINESS

EMPLOYEE SPOTLIGHT

JOSHUA FERNANDEZ: DOL-CERTIFIED APPRENTICESHIP IN ACTION

Joshua's story demonstrates what MV's maintenance culture looks like at its best: a talented employee given a clear path to grow, meaningful mentorship that turns questions into knowledge, and a supportive team that makes the work both rigorous and rewarding. This human-centered approach shows how MV invests in people to deliver safe, dependable operations—one apprentice, one technician, one vehicle at a time.

When Joshua Fernandez walked into MV's Santa Clarita shop as a facility technician, he carried more than a toolkit—he carried a legacy. His father has been with MV for 26 years, and Joshua wanted to follow in those footsteps. That personal motivation, paired with MV's U.S. Department of Labor (DOL)-certified Maintenance Apprentice Program, set the stage for a standout journey: Joshua became the first graduate of MV's one-year Penn Foster Diesel Technician Program, a component of the DOL-certified apprenticeship that blends self-paced coursework with hands-on shop instruction. This DOL certification is a mark of excellence, ensuring that every graduate is equipped with skills that meet and exceed national standards.

From the beginning, Joshua approached the craft with curiosity and discipline. "I learned how to read diagrams and understand the equipment before taking it apart," he says—a mindset that has shaped his day-to-day as a C-Technician. For Joshua, every vehicle system is a story waiting to be understood, and every repair is an opportunity to earn a rider's trust. "What we do is important. Families rely on us to provide safe transportation." Mentorship has been the backbone of Joshua's growth. Jose Ochoa, a respected foreman in Santa Clarita, guided him throughout the DOL-certified program with steady, practical counsel. Jose fostered an environment where learning is constant, and confidence comes from understanding, not shortcuts. That dynamic—clear expectations, accountability, and support—helped Joshua turn lessons into performance.

Team culture matters to Joshua as much as technical mastery. "There's a strong support system here. We celebrate by sharing meals, stories, and encouraging each other." The Santa Clarita team's inclusive spirit hasn't just welcomed him—it's accelerated his growth and strengthened the shop's service to the community.

Joshua's impact is evident in his thoughtful preparation, clear communication, and effective execution. Ask him to sum up the journey in one word, and he chooses "valuable." Ask him where he's headed, and he doesn't hesitate: "Getting to the top. I want to become an asset to the company." That ambition is anchored in the habits he's built: preparation, learning, and care for the riders behind every bus number.

Road Supervisor Training

Road supervisors are the operators' direct line of support in the field. They are stationed in the service area strategically to minimize their response time when dispatched. Throughout their day, they conduct operator evaluations, provide ongoing coaching to operators, respond to riders' questions or complaints, investigate incidents or accidents, and assist during road calls. They are actively engaged with the operator workforce, and when hiring road supervisors, we look at our strongest-performing operators who are interested in advancing their careers.

We require all road supervisors to complete MV's initial operator training, either upon hiring or previously working as an operator. In addition to this training, road supervisors undergo an additional four hours of job-specific training. MV developed this training in partnership with AvatarFleet, and it is in use across MV's national operations. The program comprises six courses designed to improve coaching ability, promote safety awareness, reduce the frequency of incidents, and improve the overall rider experience.

In addition to the four-hour Avatar Course, road supervisors also complete a two-hour reasonable suspicion training course along with training to become certified as a behind-the-wheel trainer (20 hours).

Dispatcher Training

Dispatchers are responsible for the proactive management of service delivery, which includes monitoring on-time performance and route efficiency. They monitor service on the road, assist operators as needed, and coordinate response to any disruptions on the day of service.

Training for dispatchers lasts up to 80 hours and begins with an orientation to MV and SLO Transit, as well as an overview of the services we provide. We review the employee handbook and policies to ensure they are thoroughly explained to the trainee. We review the job purpose, the job description, and provide service area training to familiarize trainees with the operating area.

Once trainees are acquainted with the service, SLO Transit, MV, and the service area, we begin regulatory and MV-standard training in drug and alcohol procedures, reasonable suspicion, sensitivity and ADA training, four hours of customer service training, accident training, emergency procedures, and harassment training.

Rounding this out is the hands-on training using the equipment in the dispatch office. Trainees learn proper radio procedures, the ten code system, and phone etiquette training. They also spend significant time learning the Connexionz platform, how to use the dispatch screens, how to use the AVL map, and system features and functions. They learn how to log operator assignments, monitor pull-out, log incidents, validate operator positions, confirm no shows, open and close runs, create detours, insert breaks, and dispatch an extraboard using this system. During these sessions, dispatchers learn the difference between dispatching for fixed routes and dispatching for paratransit.

The training culminates with up to two days of on-the-job training under the supervision of a senior dispatcher or supervisor, who provides constructive feedback and guidance to the trainee as they acclimate to their new role.

Customer Service Training

Our administrative staff, including customer service representatives and clerical assistants, will receive approximately 34 hours of comprehensive training designed to ensure consistency, professionalism, and regulatory compliance. This training introduces MV and SLO Transit services and covers service guidelines, regulations, employee expectations, policies, service hours, and key contacts. It includes instruction on sexual harassment, using real-world scenarios to reinforce appropriate workplace conduct, as well as administrative tasks such as paperwork, human resources processes, and labor relations.

Staff are trained in emergency procedures, including safety protocols, incident response, communication strategies, and handling situations such as illness, severe weather, and service breakdowns.

Additional modules address employee relations and wellness, highlighting positive workplace practices and the Employee Assistance Program, ADA and sensitivity training with an emphasis on courtesy and inclusive service delivery, Trapeze EAM fleet management and dispatch operations, and proper use of MV's payroll system for

accurate timekeeping and reporting. Training concludes with observation and supervised job performance, during which new team members shadow experienced staff and practice their duties under supervision to ensure readiness and confidence in their roles.

MV General Manager Development Academy

MV's General Manager Development Academy is the industry's most robust manager development platform. Spanning **six weeks of intensive training** (with both onsite leadership training and remote learning) tailored to MV operations and best practices, this program prepares our leaders for success nationwide.

Our General Manager Development Academy (GMDA) unites general managers nationwide for knowledge sharing, leadership enhancement, and skill-building. This six-week program combines classroom and virtual sessions with team activities on topics like finance, safety, HR, IT, customer service, business development, and maintenance. Practical leadership skills such as time management, confident presentations, task prioritization, delegation, and collaborative problem-solving are emphasized.

At graduation, managers present action plans outlining their focus areas to a panel for feedback, ensuring they're ready to apply what they've learned for lasting impact.

> *"MV created a GM Academy that was designed for all the managers to get together and kind of go through the process of learning the MV Way. I was part of the Alpha Group which was a great experience and it helped me understand myself as well as my team around me, where their fault, where their strengths are, and that's all it is- knowing who's strong at what, who's weak at what, so we could shore up each other's deficiencies and improve the team overall." — William Crespin, General Manager, Glendale division 43.*

Own The Moment

OWN the Moment is a safety engagement program launched in July 2025 by MV to foster a culture of continuous safety improvement by involving every employee in reducing operational risks. It promotes a leadership mindset focused on safety as a daily choice and shared responsibility.

Safety as a momentary choice: Safety depends on countless daily decisions in which individuals must act with care, awareness, and accountability to enhance it.

Everyone leads safety: All employees, regardless of role, influence safety culture through their real-time actions and examples, making safety a universal commitment.

Safety everywhere and always: The safety-first mindset applies in all locations and situations, including workplaces, vehicles, routes, homes, and communities, emphasizing consistent safe behavior without exceptions.

Recognition drives momentum: Divisions with outstanding safety performance are rewarded quarterly and annually to motivate teamwork and reinforce MV's commitment, with awards including trophies and bonuses used for employee benefits, thereby encouraging ongoing safety excellence.

5.2. Safety Records

MV is proud of its outstanding safety record. Although the company operates in some of the nation's most challenging urban environments, it has maintained an exceptional safety record. MV operates transit contracts across the United States with 102 divisions located in 22 states and in Canada. In response to RFP section G.5 through 23, our safety performance remains strong and consistent across varying operating conditions and environments, service models, and similar geographic settings. **Overall company statistics (first table) and fixed-route-only statistics (second table)** for preventable accidents meeting National Transit Database (NTD) DOT thresholds over the past five years are shown in the table below.

Year	Mileage	Preventable Incident rate per 100,000 miles driven (NTD DOT Thresholds)
2021	224,591,209	0.030
2022	226,739,749	0.048
2023	231,457,731	0.057
2024	203,088,541	0.059
2025	173,944,515	0.048

For purposes of this proposal, MV reports preventable rates per 100,000 miles, consistent with NTD and DOT evaluation thresholds. The rates below represent MV's overall accident performance across fixed-route operations.

Year	Mileage	Preventable Incident rate per 100,000 miles driven (NTD DOT Thresholds)
2021	224,591,209	0.008
2022	226,739,749	0.007
2023	231,457,731	0.021
2024	203,021,884	0.026
2025	173,944,515	0.037

In response to RFP section G.5 through 24 "Safety Record for Comparable Transit Contracts," please see the safety record (accident rate) of five of MV's current public transportation contracts that compare in size and complexity to the services being proposed under the City's agreement, below.

Current Transportation Contract	Year	Mileage	Preventable Incident rate per 100,000 miles driven (NTD DOT Thresholds)
City of Downey/Paramount	2021	946,186	0.00
	2022	992,767	0.00
	2023	1,012,932	0.20
	2024	1,042,272	0.00
	2025	1,121,956	0.00
City of Union City	2021	659,434	0.00
	2022	684,049	0.00
	2023	807,173	0.00
	2024	831,860	0.24
	2025	839,500	0.00
Livermore Amador Valley Transit Authority	2021	1,470,313	0.07
	2022	1,702,004	0.00
	2023	2,046,532	0.10
	2024	2,087,627	0.00
	2025	2,049,513	0.05
City of Santa Clarita	2021	3,275,722	0.00
	2022	3,910,926	0.00
	2023	3,342,389	0.00
	2024	3,669,594	0.00
	2025	3,973,730	0.03
Palos Verdes Peninsula Transit Authority	2021	271,130	0.00
	2022	342,596	0.00
	2023	368,955	0.00
	2024	356,994	0.00
	2025	369,687	0.00

6. Personnel

Please see MV's key personnel resumes following this section.

6.1. Key Personnel

MV ADVANTAGE | **Building a Strong Local Team**

MV will address SLO Transit's goal of building a strong local team by pairing dedicated, on-site leadership with the depth and stability of our regional support network.

From day one, SLO Transit will be led by experienced General Manager Yevette Mc Neese, who brings over 19 years of transit leadership experience across various transit types. Her management style emphasizes mentoring leaders, supporting frontline employees, and fostering transparent partnerships with agency stakeholders. Her hands-on leadership ensures SLO Transit will benefit from steady, customer-centered service.

Supporting Yevette is a dedicated management team responsible for translating strategy into consistent daily performance. Operations Manager Jeffery Lampton will oversee service delivery with a disciplined, data-driven approach that prioritizes OTP, compliance, and responsive customer service.

Safety and Training Manager Aaron Pike will ensure SLO Transit's workforce is well-trained, confident, and fully aligned with state and federal safety requirements. Aaron's experience in accident prevention and operator development will directly support SLO Transit's goal of developing a strong local team by ensuring its workforce is well-trained and confident.

> *"If anyone is wanting to work for MV, they're looking for a challenge, they want to be successful--MV provides the means for them to achieve that. If you're looking to move up, they have programs in place to help you round out your skills." Terry Fuller, Dispatcher- Okaloosa Division 586*

Together, this local team will be supported by MV's proven recruitment and retention framework and a strong regional support structure. We will ensure SLO Transit is fully staffed with dedicated professionals through targeted recruiting, competitive compensation strategies, and employee engagement initiatives that prioritize recognition, communication, and career development as described in section 6.4 of this proposal. This approach reduces turnover, builds institutional knowledge, and strengthens safety performance by retaining experienced operators and supervisors. **For SLO Transit, the result is a stable, motivated workforce delivering safer, more reliable service—supported by leaders who are present, accountable, and deeply committed to the community they serve.**

Yevette Mc Neese, General Manager

Yevette Mc Neese is MV's proposed general manager for SLO Transit's operations. Yevette brings over 19 years of transit leadership experience, overseeing complex fixed-route, paratransit, microtransit, and on-demand services for large agencies.

As general manager for SLO Transit, Yevette will bring a collaborative management approach, mentoring local leadership and frontline teams while fostering a culture of accountability, safety, and continuous improvement focused on reliable, customer-centered service.

Currently serving as the general manager of operations for another contractor, she directs all daily operations, administration functions, and information systems. She manages location projects and develops processes that ensure compliance with local, state, and federal regulations. She establishes safety goals for accidents and injury prevention, and analyzes data to comply with NTD reporting requirements.

Serving as general manager for Tri Delta Transit from 2018 to 2023, and before that, the general manager for First Transit from 2012 to 2018, Yevette has demonstrated a proven ability to improve service quality, safety performance, and operational efficiency while building strong, transparent partnerships. She has successfully managed multimodal operations, negotiated contract renewals, and led measurable safety improvements, including a 75 percent reduction in preventable accidents and a 95 percent reduction in work-related injuries.

Jeffery Lampton, Operations Manager

Jeffery Lampton is MV's proposed operations manager for SLO Transit's operations. He brings nearly five years of progressive transit leadership experience, with a strong focus on operational performance, safety, and regulatory compliance.

As the operations manager for SLO Transit, Jeffery will bring a collaborative leadership style, data-driven approach, and strong operational discipline.

Currently serving as special projects manager and interim general manager with MV, he provides senior-level oversight of fixed-route, paratransit, and shuttle services, supporting reliable service delivery while meeting client, contractual, and company performance expectations. His background combines field-based operational insight with executive-level decision-making, positioning him well to support SLO Transit's daily operations.

From 2023 to 2025, Jeffrey served as operations manager with another contractor, where he achieved measurable results, including a 10 percent improvement in on-time performance within his first month and a significant reduction in customer complaints and excessively late trips.

Casterdale Green, Maintenance Manager

Casterdale Green is MV's proposed maintenance manager for SLO Transit's operations. He brings nearly two decades of experience in fleet transportation maintenance, with a strong track record of leading technicians, maintaining DOT-compliant fleets, and delivering cost-effective, reliable operations.

For SLO Transit, Casterdale will ensure its fleet is safe, reliable, and fully DOT compliant by leading preventative and corrective maintenance programs, managing technicians and inventory, and delivering maintenance operations that support uninterrupted service.

Currently serving as maintenance manager for Durham School Services, Casterdale is responsible for overseeing multiple maintenance locations across a major metropolitan area, managing manpower, controlling inventory, and ensuring fleet readiness in compliance with state, federal, and company requirements. His hands-on technical expertise, combined with disciplined cost control and accountability, has resulted in well-maintained fleets and high-performing teams known for stepping up during critical operational periods.

Throughout his career, Casterdale has held increasingly responsible leadership roles with FedEx Freight, Republic Services, Family Dollar Trucking, and JB Hunt, where he managed preventive and corrective maintenance programs, scheduled and planned repairs using industry standards, supervised teams of up to 20 technicians, and coordinated vendor and parts operations. His experience also includes establishing efficient invoicing processes and strengthening vendor relationships to reduce costs while improving service quality.

Aaron Pike, Safety and Training Manager

Aaron Pike is MV's proposed safety and training manager for SLO Transit's operations. Aaron brings over 30 years of experience in public transportation operations, safety, and compliance.

For SLO Transit, Aaron offers deep institutional knowledge of state and federal safety requirements and a proven ability to build effective training programs that support safe, reliable, and customer-focused transit service.

Currently serving as the operations manager for Classic Charter, Aaron oversees daily operations, including driver development, compliance with state and government agencies, and coordination across dispatch, maintenance, and administrative functions. His responsibilities include ensuring regulatory compliance, managing logistics and fleet utilization, and supporting operational efficiency through scheduling, warehousing, and shuttle bus fulfillment.

Previously, Aaron served as the operations/ safety manager for Laidlaw Transit Services, where he oversaw daily safety operations. He maintained company and state/federal compliance and led comprehensive operator training and development programs. His experience includes accident prevention, safety process implementation, customer complaint resolution, employee performance management, as well as mentoring high performers and supporting trainees.

Regional and Corporate Support

Lorraine Lopez, Regional Vice President of Operations

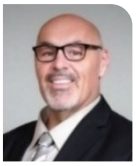
Lorraine Lopez is a transportation professional with more than 20 years of experience in the industry. Since 2023, she has served as the regional vice president of operations at MV. Lorraine has a strong background in operations management, including 16 years of overseeing public transit contracts for private-sector contracting firms.

Lorraine supervises MV contracts in the Southern California region. She guides general managers in achieving continual operational improvement and ensuring client satisfaction. Her key areas of focus include prioritizing our corporate safety standards and exceeding client expectations for service delivery.

Terry Thompson, Vice President, Customer Success

Terry Thompson is a vice president of customer success for MV. Terry's experience in management, operations, finance, safety, and customer care spans 20 years. He is well-equipped to support SLO Transit by leveraging his comprehensive skill set to address the unique challenges and opportunities within public transit systems. Terry engages extensively with MV's Customer Success team and MV's clients to cultivate opportunities for public transit that align with passenger demands, ensuring a seamless and efficient transit experience for all.

Jorge Flores, Director of Safety



Joining MV in 2025, as director of safety for the southwest region, Jorge has been instrumental in ensuring compliance with all regulatory requirements related to health, safety, and security. Jorge schedules and conducts safety audits and inspections, and provides safety-related support to our local team. His commitment to safety is evident through his regular on-site visits, where he attends monthly safety meetings, meets with local teams, inspects or audits safety programs, and collaborates with Safety and Training Manager Aaron Pike in the deployment of MV's newest safety initiatives.

Sam Tolley, Director of Maintenance

With 14 years of experience in public transit fleet maintenance, Sam will support the City in achieving its maintenance and operational goals, ensuring a reliable, safe, and efficient transit system for San Luis Obispo. As the director of maintenance, Sam is entrusted with overseeing challenging and high-profile operations and tasked with ensuring the successful start-up of services. He will work with the local team to ensure maintenance operations remain efficient, innovative, and focused on delivering safety and reliability.

Jorge Parra, Director of Human Resources

Jorge has more than two decades of diverse experience in human resources and operations management, with exceptional leadership and expertise in aligning HR strategies with organizational goals. He encourages a cohesive work environment by providing and implementing labor strategies and regulations, and administering fair corrective procedures as required.

As an advisor to the local leadership team on the City's behalf, Jorge's operational background will provide a unique perspective on effectively managing collaboration between our human resources and local management teams.

Heidi Heath, Director of Labor Relations

With 30 years of hands-on experience in public transportation, Heidi Heath will serve as the City's director of labor relations.

As the labor relations director for these operations, Heidi will counsel managers and MV leadership on union and labor matters. Her role is crucial in resolving grievances and advising on disciplinary protocols, ensuring operations run smoothly and fairly. The City can rely on Heidi's extensive knowledge to proactively work with Teamsters Local 986 to establish positive relations.

Mike Krukat, Director of Finance

Mike Krutak is a seasoned financial executive with a background in leading finance and administration functions across various domains. He has over two decades of experience and expertise in financial planning, analysis, budgeting, and leadership.

For this contract, Mike will serve as MV's transition lead in all areas of finance and accounting. He will work with the transition team to develop on-site procedures for this contract and coordinate centralized financial functions for the County's operation. Mike will also work closely with the local team to provide actionable recommendations for operations improvement.

Elizabeth Chavez, Regional Account Manager

Elizabeth is an experienced transit finance professional with over a decade of experience in accounting and financial management for public transportation operations.

Currently serving as regional accounting manager with MV, she leads financial operations across multiple service regions, overseeing multimillion-dollar budgets, month-end close, reconciliations, and financial reporting while ensuring compliance with GAAP and internal controls. Her background includes managing budgeting and forecasting, client billing, payroll, DBE reporting, and audit readiness for multiple transit contracts.

Keith Everage, VP Business Development

Keith offers over 17 years of experience in the transportation industry. He promotes teamwork among his team and ensures MV's dedication to serving passengers in the best way possible.

With his extensive experience and dedication to improving transit services, Keith is poised to support SLO Transit in achieving its operational and service goals, ensuring a positive and efficient experience for all passengers.

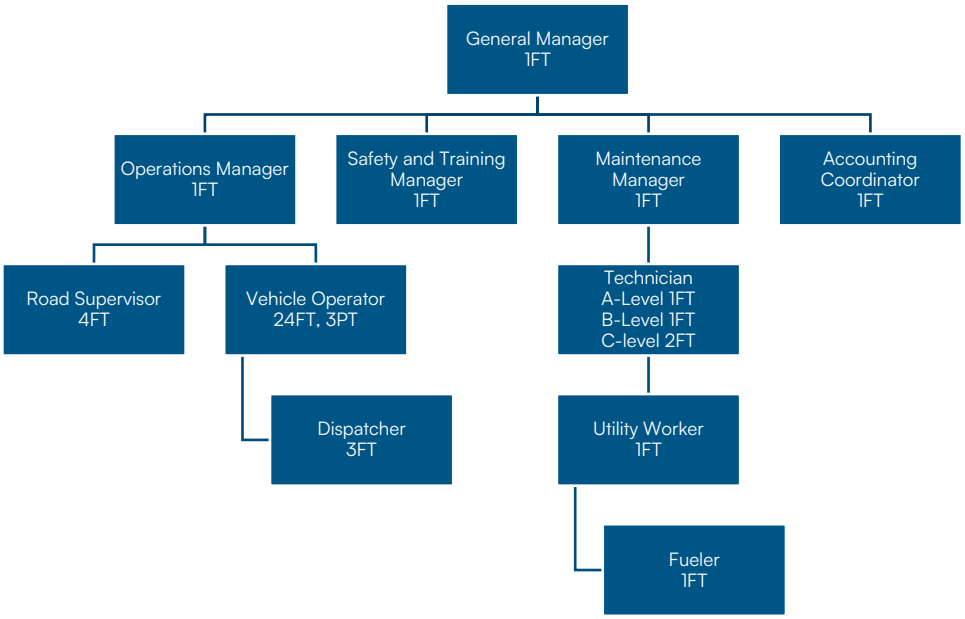
MV EMPLOYEE PERSPECTIVE | **Corey Siu, Safety and Training Manager, PACE Chicago Division 135**

"All of the executives at MV are accessible. They are invested in your success. We have an army behind us."

6.1.a. Organizational Chart

Our proposed operation for SLO Transit is organized around clearly defined roles that work together to deliver safe, reliable, and customer- focused service. Vehicle operators provide professional, ADA-compliant service and coordinate with dispatch using onboard technology, while dispatchers oversee daily operations, manage operator assignments, monitor service in real time, and coordinate with maintenance and road supervisors. Road supervisors provide field oversight, respond to incidents, conduct operator evaluations, and support service recovery, while fleet readiness is maintained by vehicle service workers and a tiered maintenance team. Customer service representatives

manage passenger feedback, investigate complaints, and analyze data to support continuous service improvement, creating an integrated management approach focused on safety, accountability, and high-quality service delivery.



Job Descriptions

Operator

Vehicle operators serve as the primary link to passengers, representing the City with professionalism and a strong safety focus. Their main duty is to transport customers safely and on time while following regulations and policies. Operators answer customer questions respectfully, provide route and stop information, and assist with boarding and mobility device securement when requested. They are trained in ADA compliance, passenger empathy, system routes, onboard technology, and dispatch communication. Operators work with dispatch on schedules, equipment issues, accidents, and other events.

Dispatcher

The dispatcher oversees all on-road operations from daily pullout to return, coordinating with operators to monitor status, resolve delays, and manage disruptions. Duties include operator check-in/out, report times, vehicle assignments, bulletin distribution, ensuring timely departures, and answering customer questions. Dispatchers are trained in reasonable suspicion and assess operator fitness for duty, assigning extraboard staff as needed. They coordinate with maintenance for vehicle exchanges, maintenance pulls, and handle inspection or defect forms. The dispatcher monitors routes for schedule adherence and service delivery using radio and GPS, collaborating with operators and supervisors to respond effectively to accidents and emergencies. They also manage complaint intakes, investigations, and the response process. They analyze customer feedback data to assess the system's performance and recommend corrective action to the management team.

Road Supervisor

The road supervisor oversees vehicle safety and service quality, evaluates operators for safe driving and customer care, and provides system information to passengers as needed. They respond promptly to incidents, conduct investigations, and determine the preventability of incidents. Based on field observations, they recommend coaching or retraining. The supervisor enforces City policies respectfully and is strategically positioned to ensure a quick response throughout the service area.

Utility Worker

The utility worker ensures the City fleet is cleaned and fueled to the specifications outlined in the RFP. This position works primarily at night in an assembly-line fashion, preparing the fleet for the next day. The utility worker completes minor graffiti removal and maintains seat upholstery repair. They perform preliminary vehicle inspections, check various fluids, including the oil, water, and fuel levels, and inspect the hoses, belts, batteries, and equipment.

MV EMPLOYEE PERSPECTIVE	Dezire Patterson, Electronics Technician , San Antonio Division 583

"MV really invests in us. They pay for certifications. All you have to do is study for them and pass them. And I just passed my Brakes ASE, so I've got that on my resume."

A-Level Technician

The A-level technician is the highest-level line technician. Under general supervision, the A-level technician performs the most challenging repair tasks and supervises subordinates. This person conducts all needed repairs and adjusts vehicle systems. The A-level technician is responsible for teaching, diagnosing, inspecting, and changing or repairing defective components and sub-components.

B-Level Technician

The B-level technician performs a variety of preventive maintenance and minor repairs. This position performs general maintenance, troubleshooting, diagnosis, and repairs to various vehicle systems. These systems include engine and emissions, drive trains, brakes, climate control, electrical and specialty electrical systems, electronic systems, accessibility equipment, transmissions, and steering and suspension. The B-level technician also completes work orders and preventive maintenance forms.

C-Level Technician

The C-level technician performs minor repairs under the direction of A-level or B-level technicians. Their duties include oil changes, tire changes, fluid replacement, minor body repair, and all other minor repairs as necessary.

Fueler

The fueler is responsible for ensuring all vehicles are completely fueled and ready for service at various times of day. They track and monitor fuel intake and ensure fuel logs are maintained accurately and updated with the type of fuel. They also ensure the fuel island is maintained and kept clean, and any spills are immediately contained and reported to the appropriate personnel.

6.2. Wages

MV will immediately recognize the Teamster Local 986 as the bargaining unit representing the SLO Transit operators, road supervisors, and dispatchers. MV collaborates with the union to negotiate the existing labor agreement, which remains through 2030. MV has an excellent relationship with the Teamsters and works with its local unions.

Please note that MV retains all rights to set the initial terms and conditions of employment, which may include the decision not to participate in existing health benefit plans or pension plans if we determine it is not economically feasible or otherwise in the best interest of MV. Additionally, MV is not encumbered by the current plan or any newly negotiated agreement that may contain economic terms or other items not considered in MV's submitted pricing.

MV is pleased to offer the following compensation package to its team.

Operator Wage Scale

[redacted]

Non-Operator Wage Scale

[redacted]

6.3. Benefits Package

MV's proposal considers all personal time off (PTO) (i.e., vacation, sick time, etc.) to be paid by the incumbent contractor at the termination of their contract. MV will not be responsible for this cost.

Benefits

All full-time employees (those with 35 or more scheduled hours per week) are eligible to participate in the following benefits programs.

Benefit	Bargained	Non-Bargained
[redacted]		

Benefit	Bargained	Non-Bargained
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	
[redacted]	[redacted]	
[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]

6.4. Staffing Plan

MV is pleased to present the following staffing plan for SLO Transit.

Position	No. of employees		Position	No. of employees	
	Full time	Part time		Full time	Part time
General Manager	1		Vehicle Operator	24	3
Operations Manager	1		Utility Worker	1	
Maintenance Manager	1		A-Level Technician	1	
Safety And Training Manager	1		B-Level Technician	1	
Accounting Coordinator	1		C-Level Technician	2	
Dispatcher	3		Fueler	1	
Road Supervisor	4				

Application, Qualifications, and Hiring Process

MV Transportation, Inc. has an Equal Opportunity Employment (EEO) policy and will not discriminate against any employee or applicant because of age, race, religion, color, sex, disability, national origin, or any other characteristic protected by the law.

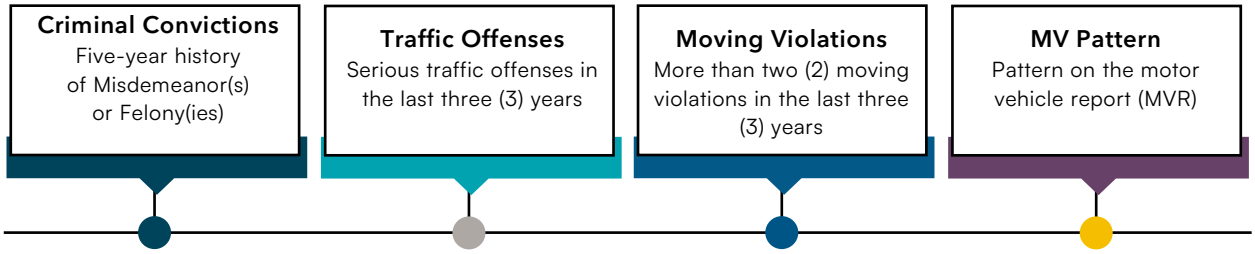
MV posts all career opportunities, from vehicle operators to management staff, on our website (*careers.mvtransit.com*), which is powered by CareerBuilder, LLC.

An applicant begins the employment process by completing an online application. Our team reviews the application to determine if the applicant meets the qualifications. Applicants meeting the minimum requirements attend an interview with the hiring lead, who assesses their customer service skills and fit for the job. Upon successful completion of their interview, the applicant's qualifications process begins.

The hiring lead will contact the applicant and request that they review and sign the required release documents, including an application for employment, background check disclosure and authorization release, FTA or FMCSA DOT disclosure and authorization, and an I-9 Express Online I-9 verification.

MVR and Background Check Review

Once the applicant completes the necessary disclosures, our corporate qualifications department assesses the applicant. This team orders all motor vehicle records (MVRs) and background checks to determine if any of the following items are present:



Our team reviews criminal convictions and motor vehicle reports and assesses based on the Equal Employment Opportunity Commission (EEOC) guidelines, along with the following eligibility factors:

Our qualifications team initiates an individual assessment if these reports reveal adverse information. The applicant receives a pre-adverse letter and a copy of their background reports; the applicant can contest the report within seven business days.

If the applicant provides appropriate documentation clearing the issues cited, our qualifications team notifies the local hiring lead that the applicant is qualified. Otherwise, the qualifications department issues a disqualified notification to the hiring leader, who will, in turn, notify the applicant.

Pre-employment Testing

MV requires every covered employee who performs a safety-sensitive function as described in the FTA regulations Part 655 and the FMCSA regulations Part 382 to submit to a pre-employment drug and alcohol test. Additionally, applicants may be required to pass a DOT or non-DOT physical examination (depending on the position). Refusal to submit to these requirements serves as an automatic disqualification from employment.

We manage all testing and physical appointments through eScreen, Inc. A medical review officer (MRO) reviews exams and test results to ensure compliance with DOT requirements. This review is based on the medical standards set forth by FMCSA (49 CRF 391.41) and medical guidelines.

MV ADVANTAGE **Building a Strong Local Team Through Proven Recruitment and Retention**

One of SLO Transit's goals is to build and sustain a strong local workforce, and MV is uniquely positioned to deliver through our comprehensive recruitment and retention plan. Our approach begins with an inclusive, transparent hiring process grounded in our Equal Opportunity Employment policy and supported by industry-leading recruiting technology.

> *"I'm very thankful for this job. It's very motivating because I'm breaking stereotypes. Most women think they can't be in a shop, but we can do the same thing that men can do- any day, every day. As a woman, it's a healthy environment and a safe one because I always feel like I'm one of them. Very equal here. Everybody treats everybody the same way." -Dezire Patterson, Electronics Technician, San Antonio division 583*

We "never stop recruiting," maintaining a consistent pipeline for local candidates through digital advertising, community partnerships, job fairs, and dedicated regional recruiters who work side-by-side with the local management team. By combining broad market visibility with hands-on engagement, we can ensure SLO Transit attracts qualified candidates who reflect and understand the community they serve.

What sets MV apart is our data-driven focus on long-term retention, not just filling positions. MV uses advanced assessment tools and predictive models to identify candidates who are not only qualified but most likely to succeed and stay. Personality assessments, AI-driven tenure prediction, and structured interviews help match candidates to the demands of the role, resulting in significantly reduced turnover.

Ongoing engagement analytics allow managers to proactively address turnover risks, while clear pathways for growth—from operator to trainer or supervisor—reinforce MV's commitment to building lasting careers locally. This integrated strategy ensures SLO Transit has a stable, high-performing team invested in long-term success.

Recruitment at MV

Our recruiting process begins when we create and post a job opening on Appcast, a platform that leverages programmatic software to ensure broad visibility and attract qualified candidates. Appcast leverages data from our talent management platform, ICIMS, to determine the most advantageous advertising options and automatically places those ads.

MV uses Phenom People's Contact Management System and Career site (MV Careers) to guide our recruiting process once the job has been posted. The system's AI algorithms drive chatbots on our site, identifying and targeting potential candidates across multiple platforms to connect our team with top talent within the industry. Phenom streamlines the applications and interview process, reducing barriers to entry and encouraging more candidates to apply.

Once the hiring manager receives applications, they are reviewed to identify individuals who meet the job's essential qualifications. For operator positions, personality assessments and AI-driven tenure prediction tools are used to evaluate the applicant's long-term fit within the organization and the likelihood of retention.

Selected candidates are then interviewed, either by phone or in person, to assess their experience, communication skills, reliability, and cultural fit. Additional interviews with other key managers may follow, along with background checks, motor vehicle records (MVRs), drug testing, and verification of the candidate's qualifications.

Once a candidate is selected, the onboarding process begins, including orientation and training to ensure they are fully prepared for their role within MV.

Our Recruiting Strategy

MV's national recruiting program has evolved over the past five years to adjust to the changing labor market since the COVID-19 pandemic. It has proven to be highly successful since that time. Our approach unites key actions designed to attract and retain top talent within the industry:

- **Always Be Recruiting:** MV is steadfast in our continued recruiting efforts. Our motto is "never stop recruiting" to ensure a steady flow of candidates in our recruitment pipeline at all times.

- **Digital Presence:** MV has a robust digital recruiting strategy that leverages market-leading recruiting platforms, social media, and industry-focused recruiting sites to advertise and promote jobs at MV.

- **Advertising Investment:** We use paid advertising on social media and recruiting sites, as well as radio advertising within the communities we serve, to get the word out that MV is hiring. We leverage a tool called AppCast that consumes data from our Talent Management System, ICIMS, and makes intelligent choices about where to digitally recruit.

- **Competitive Wages** MV establishes benchmarks when setting wage rates, based on an extensive wage analysis for similar jobs in the local area. For the City, we will recognize wages from the Collective Bargaining Agreement released in the City's second addendum.

- **Regional Support:** Every MV location has a regional recruiter who is assigned specifically to the local region to assist our general managers in their recruiting efforts. Regional recruiters are on site during the transition and visit the location throughout the term of the contract. They participate in job fairs, place all advertising, and continually coordinate with the local team to ensure we are always recruiting.

- **Partnering the Community:** MV's on-the-ground recruiting plan factors into our strong local presence within the community. We collaborate with local agencies to support job placement and work with local non-profits that offer job preparation services. These non-profits also advertise and promote our job openings to their clients. We will attend local job fairs and work with career centers at local colleges, as we strive to recruit from the local communities we serve.

- **High Engagement with Applicants:** MV's regional recruiters and local team stay actively engaged with interested applicants throughout the recruiting and hiring process. By being available to answer questions, provide information about the job, and assist the applicant throughout the process, we ensure that our focus on employee engagement begins at the time of recruitment.

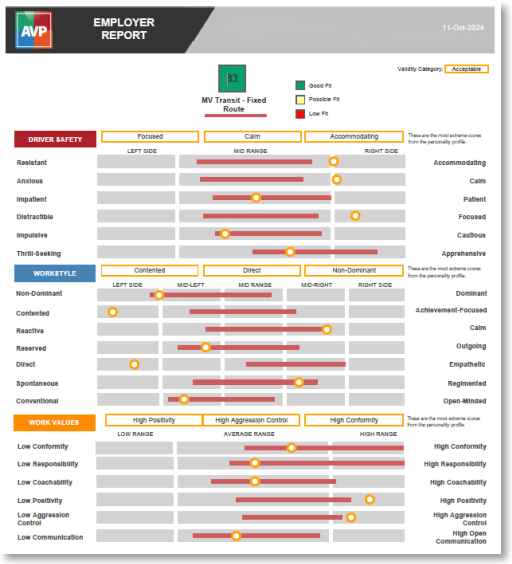
Assessing the Right Candidates

This past year, MV piloted and rolled out personality assessments by the software company TalentClick. This unique digital personality assessment tells us whether a candidate has the right temperament, behaviors, work style, and values for a fixed-route bus operator job. This easy online questionnaire asks the candidate questions designed to reveal key individual traits. Based on our pilot scoring, and as of April 2025, we have seen a 64% year-over-year improvement in operator turnover using this assessment.

This test is a highly tailored assessment designed to match the traits required for a vehicle operator role.

Each candidate's assessment results are measured against pre-determined ranges, based on our top-performing fixed route operators. Using this assessment, we can identify candidates whose personalities and values align with MV's safety, performance, and tenure expectations. The TalentClick system generates interview questions and offers coaching plans based on the applicant's scoring.

We are confident that this will help us screen for immediate hires and address long-term turnover by selecting only those operators who meet all safety requirements and are more likely to stay.



Employee Retention Learning Model

Within our recruiting initiatives, we use data-driven solutions to ensure we not only attract the right talent but also keep them. We use generative learning to predict the likelihood that a candidate will stay using our Operator Prediction Model. This model ingests all data from the candidate's application (work history, address, employment gaps, and wages) and generates an assessment score that predicts long-term employee retention, providing key information for hiring decisions.

Engagement Learning Model

MV's HR team partnered with our Data Sciences team to develop a tool that identifies actual operators who are predicted to be at risk of turnover, providing key risk scores to our management team so that they can take immediate action using generative learning.

Our engagement tool examines factors that predict turnover, including an employee's commute time, safety score, compensation, hours worked, periods when they're not earning, and the frequency of absences. Our general managers have a division dashboard that shows their employees' turnover risk, ranked from most likely to leave to least.

Our managers review these dashboards daily and work closely with employees who are at high risk of leaving to identify areas for improvement in their work experience. This engagement model, along with our highly effective employee retention program, has an 85% success rate company-wide.

MV ADVANTAGE | **Leading the Way in Turnover Reduction and Safer Roads**

MV has achieved a dramatic reduction in turnover, setting a new standard for safety and reliability in the transit industry. In just one year, **turnover dropped from nearly 60% in 2024 to 39.3% in 2025**—a 34%+ improvement in turnover rate and well below national averages. Ninety-day turnover, a key success measure, fell from **23.6% in 2024 to 15.2% in 2025**, reflecting better hiring and onboarding practices. And voluntary turnover decreased from **35.8% in 2024 to 24.9% in 2025**, underscoring the power of MV's engagement and retention strategies. This success is the result of a holistic, people-first strategy: advanced AI-powered hiring tools, proactive employee engagement, actionable feedback loops, competitive compensation, and robust safety recognition programs.
The impact goes beyond retention. By keeping experienced drivers behind the wheel, **MV operates 9% safer than the transit industry average**, as measured by Lytx collision data over 15 months. Fewer collisions mean safer roads and greater peace of mind for clients and communities. MV's approach proves that investing in people delivers measurable results—driving down turnover, elevating safety, and redefining what's possible in public transit.

Employee Retention

MV shares the City's goal of retaining a high-quality workforce. We take a unique approach to mitigating turnover, with a few key actions.

First, we ensure our employee culture is second to none, and we work to create an enviable workplace for all. Focused safety messaging, ongoing operator coaching, high engagement of our leadership team, and a series of employee-focused and safety events, hosted lunches, dynamic safety meetings, recognition programs, and contests all create an environment that our employees want to be a part of.

Compensation is also critically important. We have performed an extensive wage analysis to understand where we needed to be in terms of operators and wages. This and our competitive benefits package make MV a great place to start a long-term career.

To that end, we make opportunities for growth and development available to our team, and we identify high-performing individuals locally who are ready to take the next step in their jobs. For example, experienced operators often choose to move on to road supervision, while others become certified as behind-the-wheel trainers. Ongoing mentorship and formalized training through MV's multiple development programs make MV a desirable place with ample opportunities.

When people do leave, we have an extremely thorough exit interview process where we capture key data about why. We apply deep analytics to this, and our broader set of hiring data (turnover metrics, engagement survey results), and create proprietary dashboards with actionable data that reveal why and when people were leaving their jobs. Working as an early-warning system, this platform allows us to track the dynamic changes week over week as we put into place mitigation strategies.

A TENURED TEAM IS A SAFER TEAM

MV's data-driven approach to a solutions-based operation extends to our retention efforts. We employ a rigorous exit interview process, and the feedback we receive from these sessions is documented and analyzed against turnover metrics and engagement survey results. Based on what we learn from this process, we develop action plans focused on retention — because a tenured team is a safer team.

Our corporate and regional HR teams also partner with our local general manager to create personalized action plans focused on employee retention — based on what the data is telling us. This plan includes weekly calls to discuss any shortages, providing new interview tools to help managers find the right candidate, and refocusing our local team on employee engagement. This CEO-driven initiative included intensive training and education for our local team. Our exit interview process collects detailed data on why employees leave. We analyze this alongside hiring, turnover, and engagement metrics, producing dashboards that identify trends and provide actionable insights for retention. The platform monitors weekly changes as we implement mitigation strategies.

HR teams collaborate with local managers to develop tailored plans aimed at retention, guided by the data. Actions include weekly calls to address shortages, updated interview tools, and a renewed focus on employee engagement through leadership training and education.

Productive Union Relations

Ensuring a stable workforce relies heavily on maintaining a harmonious and productive relationship with union leadership. Although the local team takes the lead on decisions related to employee and union relations, they are supported by dedicated labor negotiators and professionals from MV's regional and corporate support structures.

MV's Director of Labor Relations, Heidi Heath, has successfully negotiated several collective bargaining agreements (CBAs) and will oversee negotiations for MV in San Luis Obispo, allowing the local team to concentrate on positive employee relations while sidestepping some of the more challenging discussions regarding unions.

Due to MV's size and national presence, we have made significant investments in labor resources. MV works with more than 100 local unions across the country and employs a team of labor directors who ensure amicable relations. We have negotiated numerous union contracts and are well-versed in all FTA and Section 13(c) regulations.

MV will recognize the wage rates identified in the Collective Bargaining Agreement released in the City's Second Addendum. Recognition of these wage provisions supports continuity of employment, workforce stability, and employee retention during transition and ongoing operations. Other than wage recognition, MV has no other relevant provisions to list.

6.5. Labor Code Compliance

Retaining existing employees: MV Transportation declares that it will retain the prior contractor or subcontractor employees for not less than 90 days. MV shall retain employees employed by prior contractors or subcontractors, except for reasonable and substantiated cause. That cause is limited to the particular employee's performance or conduct while working under the prior contract or the employee's failure of any controlled substances and alcohol test, physical examination, criminal background check required by law as a condition of employment, or other standard hiring qualification lawfully required by MV.

MV Transportation declares that it will retain the employees of its SLO Transit location for not less than 90 days. MV will retain those employed under this contract as the current operator of these services, except for reasonable and substantiated cause. That cause is limited to the particular employee's performance or conduct while working under the prior contract or the employee's failure of any controlled substances and alcohol test, physical examination, criminal background check required by law as a condition of employment, or other standard hiring qualification lawfully required by MV.

Yevette Mc Neese

General Manager

Yevette Mc Neese is MV's proposed general manager for San Luis Obispo's SLO Transit services.

Summary of Qualifications

- → **Availability: 100% dedicated to SLO Transit**
- → 18 years of experience in paratranist, fixed route, on-demand, microtranist, shuttle, and MedVan services
- → Proficient in Connexionz, Trapeze, Transitminer, and Trans Trac software
- → Improvements to client and company transparent communication
- → Reduced preventible accidents by 75%
- → Reduced work-related injuries by 95%

Professional Affiliations

- Received the Gold Lean Status Award
- Received the Regional safety Award for most-improved location and superior improvement in overall safety

EXPERIENCE

General Manager of Operations — Transdev (San Francisco, CA)
2023 to Present

» Manages location projects and oversees procurement of assets, ensuring compliance with local, state, and federal laws

» Develops local SMS DOT plan and establishes safety and training goals for accident and injury prevention

» Analyzes data to comply with NTD reporting requirements

» Responsible for daily operations, including administrative functions and information systems

General Manager — Transdev (Antioch, CA)
2018 to 2023

» Developed schedules to optimize staffing and ensure schedules met contractual, union, and customer service requirements

» Developed an action plan to improve operational safety and efficiency

» Ensured transparent communications with the City to satisfy all client, corporate, union, and contractual requirements

» Analyzed data using Trapeze, Trans Trac, Transitminer, and Connexionz software to comply with NTD reporting

General Manager — First Transit (Houston, TX)
2012 to 2018

» Reduced preventable accidents by 75% and work-related injuries by 95%

» Oversaw maintenance, facilities, grounds, and a fleet of 100 vehicles

» Responsible for daily operations, and fostered a culture of transparent communication with the client

General Manager — First Transit (Houston, TX)
2007 to 2012

Jeffery Lampton

Operations Manager

Jeffery Lampton is MV's proposed operations manager for San Luis Obispo's SLO Transit services.

Summary of Qualifications

- → **Availability: 100% dedicated to SLO Transit**
- → 4 years of experience in paratranist, fixed route, and microtranist services
- → Proficient in Trapeze, SpareLabs, Swiftly, RideCo, and Passio
- → Improvements to late trips from 527 to under 100
- → Improved OTP by 10%
- → 30% reduction in complaints

Education and Training

Kent State University (Kent, Ohio)

» Bachelor of Arts in Criminal Justice

General Manager Development Academy (Dallas, TX)

» Planned attendance

EXPERIENCE

Special Projects/Interim General Manager — MV Transportation, Inc. (Corpus Christi, TX)
2025 to Present

» Ensures DOT/FTA/FMSCA compliance for all personnel

» Provides leadership for daily operation, safety, maintenance coordination, and administrative functions

» Serves as the primary point of contact for client interactions during interim assignments

» Leads special projects focused on recruiting/hiring, safety improvement, operational efficiency, compliance audits, and performance turnaround initiatives

» Leads decision-making related to service delivery, OTP, workforce deployment, and incident response

Operations Manager — Transdev (San Bernardino, CA)
2023 to 2025

» Directed daily transit operations and oversaw safety, service reliability, and regulatory compliance

» Managed drivers, frontline supervisors, and operational staff

» Saw OTP improve by 10% and a 30% reduction in customer complaints

» Reduced late trips from 527 to under 100 within one month

» Ensured staff had the tools necessary to fulfill contract compliance

Road Supervisor— MV Transportation, Inc. (Phoenix, AZ)
2021 to 2023

» Supervised 150 drivers to ensure safe, compliant, and reliable service delivery

» Conducted accident investigations, employee coaching, and corrective action

» Cross-trained in window and radio dispatching and reservations

» Responsible for division recruitment and hiring

Casterdale Green

Maintenance Manager

Casterdale Green is MV's proposed maintenance manager for San Luis Obispo's SLO Transit services.

Summary of Qualifications

- → **Availability: 100% dedicated to SLO Transit**
- → 18 years of experience in vehicle maintenance
- → Effective leadership managing a team of professional and dedicated technicians

Certifications and Licenses

- » HVAC
- » CDL B- commercial driver license
- » Air Brake Endorsement
- » Passenger endorsement
- » CPR certification
- » ASE A8 engine performance certification
- » ASE A7 heating and air conditioning certification
- » ASE certification
- » OSHA 30
- » Non-CDL class C
- » School bus endorsement
- » EPA 609 certification
- » HVAC certification
- » CDL
- » DOT physical certification
- » CDL A

EXPERIENCE

Maintenance Manager — Durham School Services (Arlington, TN)
2014 to Present

- » Manages fleets to ensure DOT, company, and state requirements
- » Provides hands-on maintenance, technical repair, and training
- » Responsible for inventory and fleet management
- » Coaches technicians, and provides retraining as needed
- » Oversees maintenance operations for multiple locations, ensuring accountability and adequate fleet management

Fleet Maintenance Manager — FedEx Freight (East Moline, IL)
2020 to 2021

- » Used industry standards to meet business goals and objectives
- » Led a team including a maintenance supervisor, parts clerk, and 12 technicians
- » Responsible for addressing preventative and major repairs

Fleet Maintenance Supervisor — Republic Services (Bettendorf, IA)
2016 to 2020

- » Oversaw maintenance coordination of equipment
- » Responsible for addressing preventative and major repairs
- » Scheduled and planned vehicle maintenance using industry standards to meet business goals and objectives

Transportation Maintenance Supervisor — Family Dollar Trucking (West Memphis, AR)
2014

Foreman/Supervisor — JB Hunt (Memphis, TN)
2012 to 2014

Lead Senior Tractor Mechanic — Schneider National (West Memphis, AR)
2007 to 2012

Aaron Pike

Safety and Training Manager

Aaron Pike is MV's proposed safety and training manager for San Luis Obispo's SLO Transit services.

Summary of Qualifications

- → **Availability: 100% dedicated to SLO Transit**
- → 30 years of experience in paratranist, fixed-route, and charter services
- → Comercial license with SPAB certification with CHP
- → Implemented driver incentive programs to encourage strong safety performance

Professional Affiliations

- Class B/ Air Brake, Customer Relations
- D.M.V Training
- Driver Mentor training
- T.S.I and field experience

EXPERIENCE

Operations Manager — Classic Charter (Visalia, CA)
2005 to Present

» Manages over 50 drivers while ensuring smooth daily charter services

» Responsible for scheduling driver development and re-training as needed

» Communicates with different departments to ensure smooth operations

» Responds to customer complaints to ensure passenger satisfaction and the quick resolution of any issues

» Retains a commercial license with SPAB certification and CHP to assist with driving routes as needed

» Creates itineraries for large bus moves and shuttle orders

» Handles logistics for large bus moves and large bus shuttle orders

Operations/Safety Manager — Laidlaw Transit Service (Martinez, CA)
1995 to 2005

» Oversaw daily safety operations

» Maintained company, state, and federal compliance with safety regulations

» Responsible for training and developing new drivers to ensure they understand all aspects of their job and all safety requirements

» Handled customer complaints to ensure timely resolution and maintain excellent customer satisfaction

» Handled any driver issues to ensure quick resolution and continued smooth, daily service

» Implemented new staff training processes and incentive programs

» Supported driver career advancement by coaching and managing trainees

7. Reporting

Operational reporting provides service statistics necessary to gauge service quality, ensure contractual compliance, acquire transit funding, and complete all National Transit Database (NTD) reporting.

In response to RFP section G.7, MV meets FTA/NTD reporting requirements and provides these reports to clients who receive federal funding, who must submit them. MV uses the accepted FTA sampling methodology and has systems to collect and report this information pursuant to the National Transit Database Reporting Manual guidelines.

A large portion of the service data is collected and reported using Connexionz. In contrast, others are collected using MV's Accounting and HR ERP and other third-party data collection systems.

As required, MV will track the following items to ensure it is meeting the standards outlined by the City and the Company:

- Service delivery and operations performance;
- Operational reports, such as passenger activity, revenue, and customer feedback;
- Safety, incidents, and compliance;
- Fleet, vehicle status, and maintenance;
- Financial, administrative, and management reporting; and
- Ridership trends by type and route.

It is also important to update the team on its performance; MV continuously updates and shares performance results during location safety meetings.

Please see the sample Connexionz reporting templates following this section.

Accounting and HR Software

MV uses Infor's Financial and Human Capital Management systems at our corporate office and operating locations. The Infor Human Capital Management system includes features such as benefits administration, payroll management, HR administration, leave of absence management, a built-in business process framework, and native business analytics tools and reports. Infor software is fully integrated and web-enabled.

MV began transitioning to Workday, a modern cloud-based ERP system, in June 2025, and this process will continue through 2026. Given the complexity of this enterprise transition, we are using a phased approach to mitigate risk and orchestrate change effectively. This transition streamlines operations for our customers, enhances workforce management, and improves decision-making.

Workday offers automation, integration, and user-friendly finance, while also enhancing HR tasks and overall business operations. By centralizing functions, automating workflows, and providing real-time insights, Workday increases efficiency in our daily operations and improves employee experiences, ultimately driving growth. The Workday platform is scalable, secure, and offers an intuitive design to provide agile business solutions.

The software's scalability enables MV's growth without capacity constraints. Additionally, its role-specific permissions and security features allow our management to selectively determine which processes and controls to centralize.

MV will maintain accounting records on an accrual basis following Generally Accepted Accounting Principles (GAAP).

MV believes in proper data backup and off-site storage of data backups in the case of a fire or other catastrophic event. MV's IT team will set up the local computer network to ensure proper connectivity, security levels, password protection, and local technical support. MV will work with the City IT staff as needed.

7.1. Approach to Reporting Quality Control

MV supplies NTD data to its clients and assists in compiling these reports. While the Federal Transit Administration (FTA) prohibits private contractors from directly reporting data to the NTD Database on behalf of FTA-funded transit agencies, MV's local operations teams assist in collecting and summarizing all required data.

MV follows the trip sampling methodology and forms, as outlined in the NTD Reporting Manual, including FTA Circular 2710-1A. Compliance with FTA uniform accounting standards and NTD reporting systems is key to MV's U.S. federally funded operations.

MV will fully cooperate with the City to collect and report all FTA ridership, operating, safety, and financial information. The information collected and summarized for the City's NTD reports will be maintained as required.

The general manager will be responsible for meeting the City's NTD sampling, collection, verification, and reporting requirements. This individual will be supported by the MV corporate staff described in section 6.1 Key Personnel and will avail herself of the City's guidance, FTA seminars on NTD reporting, and other support available from the FTA website.

The safety training manager will collect sample trip data, with support from the operations managers and service supervisors. This information is compiled for the following NTD modules: basic, financial, and service. MV's vehicle operators will be required to collect sample data only occasionally, and only on routes with the lowest ridership.

Dispatchers will distribute and collect required vehicle operator surveys; vehicle operators will complete and submit any required operator surveys. The maintenance manager will supply data for the Asset Module (fleet and facility data). Finally, the operations manager will assist the general manager with collecting required operational and ridership data.

Accident and Incident Procedures

Please see the sample accident/incident forms following this section.

Achieving an operation marked by world-class safety requires employees to prioritize safety as the most important aspect of their jobs and to consistently promote safe behavior. It is equally important to be prepared if the unexpected happens and an accident or incident occurs. MV operators are thoroughly trained in MV's procedures to promptly and accurately report all accidents and incidents.

All incidents must be immediately reported from the scene. In the event of a severe incident, the safety and training manager will immediately contact Director of Safety Jorge Flores, who will then notify our Rapid Response Investigations Expert, AJ Holl, at (361) 960-5008.

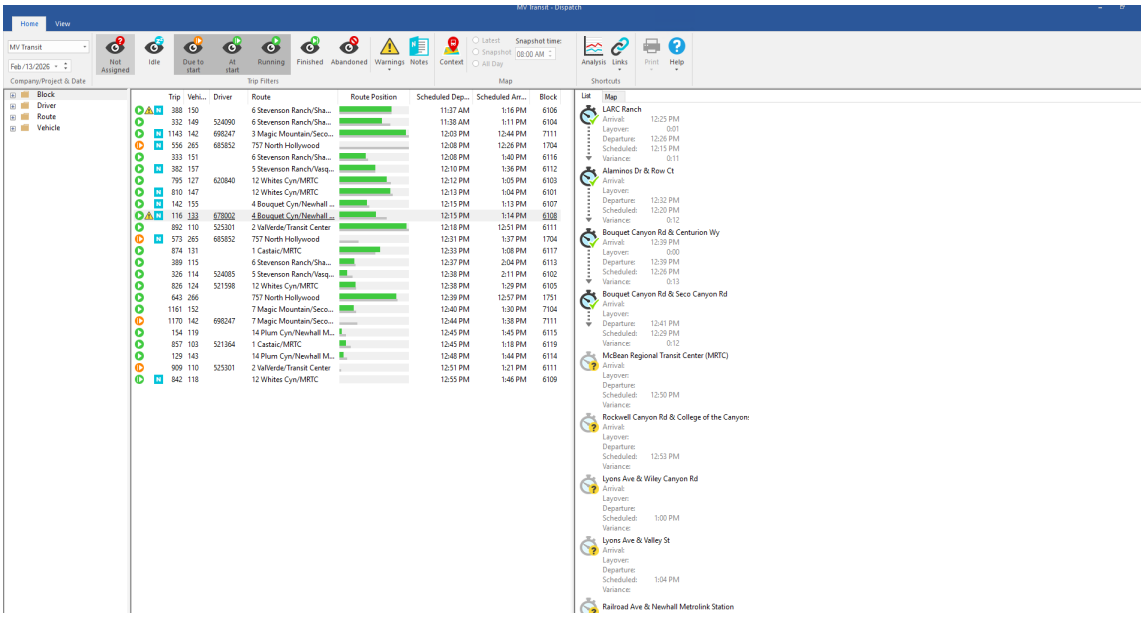
All MV operators are trained in emergency response. In the event of an accident, they contact dispatch as soon as they can safely do so. Dispatch will then send a road supervisor to the scene, who is an expert in emergency response and accident investigation.

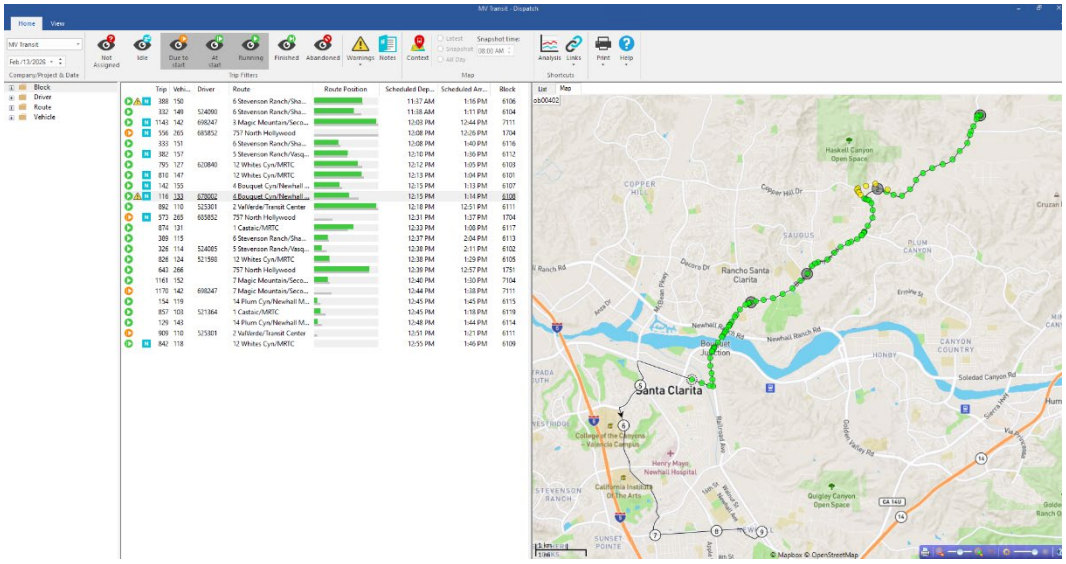
Our staff is required to adhere to the following crucial steps as part of MV's accident response and investigation procedures:

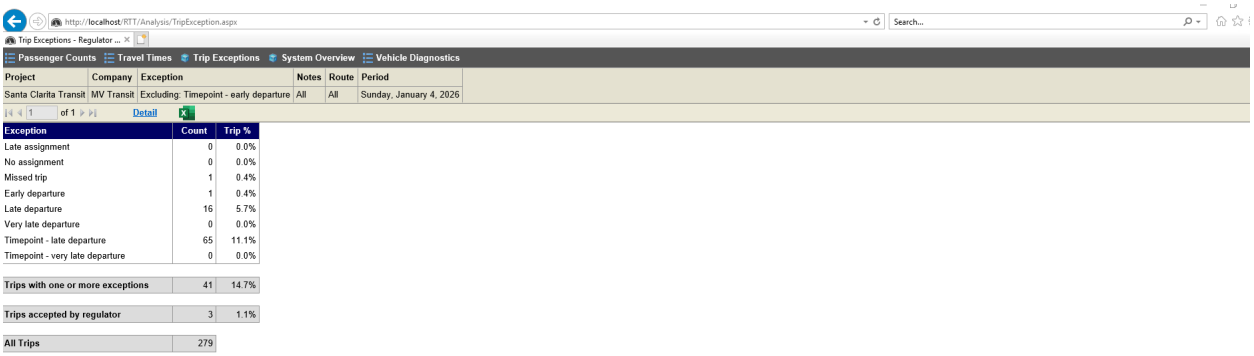
Accident Investigation Steps

1		Emergency Response	For serious accidents, we involve law enforcement/emergency medical response to ensure injured parties are attended to, and we will obtain the contact details of the response team.
2		Identify Witnesses	Identify eyewitnesses, including passengers and other involved parties (other vehicle driver and/or passengers, pedestrians), and respectfully request their contact information.
3		Document Injuries	Record any observed injuries. Note if there are no visible injuries.

4		Photograph Incident Scene	Capture long-view images of all vehicles involved, close-up shots of specific damage, license plates, and photograph the positions of vehicles at their final rest if possible.
5		Obtain Surveillance Footage	Attempt to locate traffic, surveillance, and doorbell cameras that may have captured the accident. If successful, note available details and try to obtain a video copy from the business owner/homeowner.
6		Drug & Alcohol Testing	Ensure drug and alcohol testing of the operator following company protocols.
7		Seek Outside Counsel	Engage outside investigations counsel for fatal or critical accidents via the safety director.
8		Complete Documentation	Finalize all documentation with the operator, including operator interviews, preventability determination sheets, and obtain video of the event.
9		Upload & File	Upload supporting accident documents to Azure and complete the accident folder using MV's accident folder checklist.







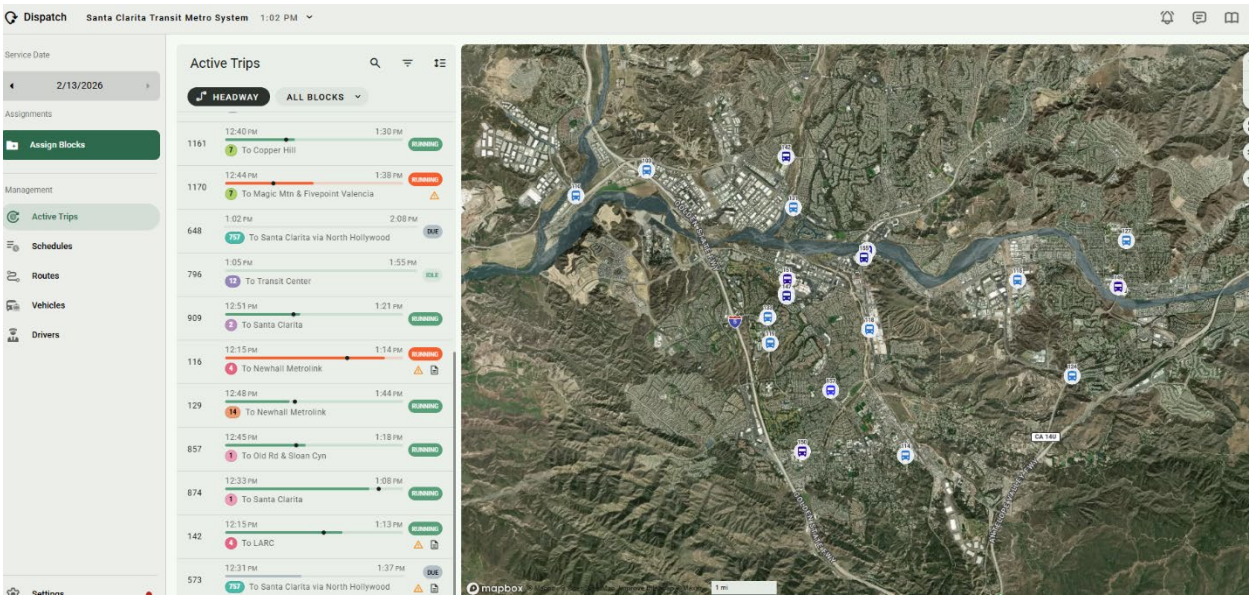
Trip Exceptions - Regulator ...

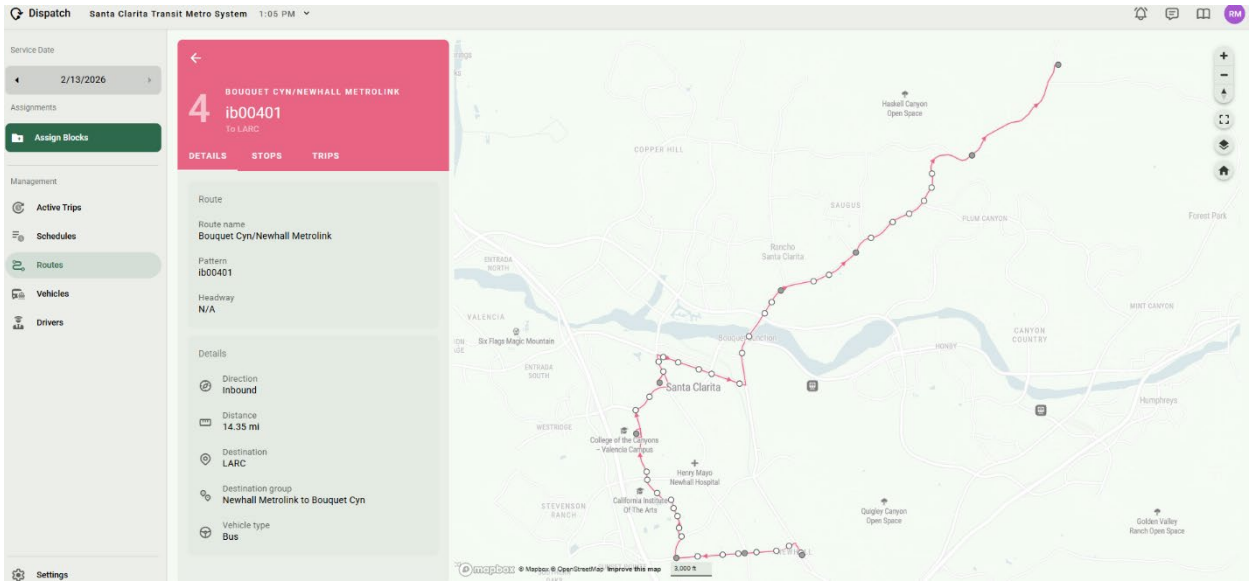
Passenger Counts | Travel Times | Trip Exceptions | System Overview | Vehicle Diagnostics

Project	Company	Exception	Notes	Route	Period
Santa Clarita Transit	MV Transit	Excluding: Timepoint - early departure	All	All	Sunday, January 4, 2026

1 of 1 Detail

Exception	Count	Trip %
Late assignment	0	0.0%
No assignment	0	0.0%
Missed trip	1	0.4%
Early departure	1	0.4%
Late departure	16	5.7%
Very late departure	0	0.0%
Timepoint - late departure	65	11.1%
Timepoint - very late departure	0	0.0%
Trips with one or more exceptions	41	14.7%
Trips accepted by regulator	3	1.1%
All Trips	279	


Dispatch
Santa Clarita Transit Metro System 1:02 PM
Service Date
2/13/2026
Assignments
Assign Blocks
Management
Active Trips
Schedules
Routes
Vehicles
Drivers
Settings
Active Trips
HEADWAY
ALL BLOCKS
1161 12:40 PM 1:30 PM To Copper Hill RUNNING
1170 12:44 PM 1:38 PM To Magic Mtn & Fivepoint Valencia RUNNING
648 1:02 PM 2:08 PM To Santa Clarita via North Hollywood DUE
796 1:05 PM 1:55 PM To Transit Center IDLE
909 12:51 PM 1:21 PM To Santa Clarita RUNNING
116 12:15 PM 1:14 PM To Newhall Metrolink RUNNING
129 12:48 PM 1:44 PM To Newhall Metrolink RUNNING
857 12:45 PM 1:18 PM To Old Rd & Sloan Cyn RUNNING
874 12:33 PM 1:08 PM To Santa Clarita RUNNING
142 12:15 PM 1:13 PM To LARC RUNNING
573 12:31 PM 1:37 PM To Santa Clarita via North Hollywood DUE
mapbox


Dispatch
Santa Clarita Transit Metro System 1:05 PM
RM
Service Date
2/13/2026
Assignments
Assign Blocks
Management
Active Trips
Schedules
Routes
Vehicles
Drivers
Settings
4
BOUQUET CYN/NEWHALL METROLINK
ib00401
To LARC
DETAILS
STOPS
TRIPS
Route
Route name
Bouquet Cyn/Newhall Metrolink
Pattern
ib00401
Headway
N/A
Details
Direction
Inbound
Distance
14.35 mi
Destination
LARC
Destination group
Newhall Metrolink to Bouquet Cyn
Vehicle type
Bus
Santa Clarita
Haskell Canyon Open Space
Quigley Canyon Open Space
Golden Valley Ranch Open Space
mapbox

Accident Checklist

	YES	NO	Pending		
24 Hour Hotline Called/Ref#_____	☐	☐	☐	X	Incident Web Page
Drug/Alcohol Form/Paperwork/BAT, COC/Copies	☐	☐	☐		
Police Report#_____	☐	☐	☐		
Police Report Due by_____	☐	☐	☐		
Courtesy Cards/Witness Cards	☐	☐	☐		
Pictures (scene Pictures not just damage)	☐	☐	☐		
Accident Form/Manual	☐	☐	☐		
Accident Form/E-Form	☐	☐	☐		
Operator Statement/Signed/Dated	☐	☐	☐		
Accident E-Form Signed/Dated	☐	☐	☐		
Body Damage Estimate Minor/Moderate/Major	☐	☐	☐		

Notify Jacob Ortiz (661) 513-8205 Date:_____ Time:_____ Email Sent Y/N

Ruben Mendoza (818) 749-9824 Date:_____ Time:_____ Email Sent Y/N

Lead Road Supervisor/ 2nd Supervisor on Scene:_____

_____

Claim Status Notes:

_____

_____

_____

_____

_____

_____

_____

_____

_____

MV Transportation
Santa Clarita Division 150

28250 Constellation Rd. Valencia, CA 91355

FTA Post-Accident Drug and Alcohol Testing Decision Making Form

The Federal Transit Administration (FTA) drug and alcohol testing regulation (49 CFR Part 655) requires that safety-sensitive employees involved in a public transportation vehicle accident (as defined at 655.4 & 655.44) submit to tests for alcohol misuse and prohibited drug use as soon as possible following the accident. Part 655 also requires the testing of any other safety-sensitive employee whose performance could have contributed to the accident, as determined by the employer at the scene using the best information available at the time of the decision.

Accident Information:

Date of Accident:_____ Time of Accident: _____AM/PM

Employee Name: _____ Employee ID/SSN: _____

Decision Questions:

- **Was there a fatality?**

  _____ YES **(FTA drug and alcohol tests are REQUIRED)** _____ NO

- **If there was NO fatality, answer the following questions:**

  1. Has any individual suffered a bodily injury and immediately received medical treatment away from the scene of the accident? _____YES _____ NO

  2. Was there any disabling damage to **any** vehicle involved in the accident, requiring the vehicle to be towed away from the scene? _____YES _____ NO

If you marked NO to questions 1 and 2 DO NOT CONDUCT A DOT TEST

If you answered yes to any of these TWO questions, can you completely discount the performance of the operator of the public transportation vehicle as a contributing factor to the accident?

_____ NO **(FTA drug and alcohol tests are REQUIRED)**

_____ YES, **Explain**: _____

_____

(If you answered YES, FTA drug and alcohol tests are PROHIBITED)

- **Other than the operator, could the performance of any other safety-sensitive employee have contributed to the accident, using the best information available?**

_____ NO

_____ YES, **Explain**: _____

_____

(If YES, make arrangements to immediately post-accident test that employee)

Did You Decide to Perform a Drug or Alcohol Test?

_____YES, under DOT (Complete page 2 of this form) _____NO (No further action required)

Time of Decision to Conduct a DOT/FTA Post-Accident Test: _____AM/PM

Testing Information:

Collection Site Location:_____ Time Arrived: _____AM/PM

1. Was the **alcohol** test performed within **2** hours of the time of the accident?

   _____YES

   _____NO, **Explain:** _____

   _____

2. Was the **alcohol** test performed within **8** hours of the time of the accident?

   _____YES

   _____NO, **Explain:** _____

   _____

   If the alcohol test is not conducted within <u>8 hours</u> cease all efforts to administer the test.

3. Was the **drug** test performed within **32** hours of the time of the accident?

   _____YES

   _____NO, **Explain:** _____

   _____

   If the drug test is not conducted within <u>32 hours</u> cease all efforts to administer the test.

MV Transportation Policy: When conducting a post injury/post-accident test (If allowable within your state) under company policy and not DOT authority, you must explain to the employee that the drug and alcohol test are being done under MV transportation authority and must be done on NON-DOT drug and alcohol testing chain of custody forms.

I am conducting this test under **MV Transportation Authority(NON-DOT) _____**

The above documentation was provided by:

Supervisor Name:_____ Phone No: 661-295-6328

Signature: _____ Date: _____

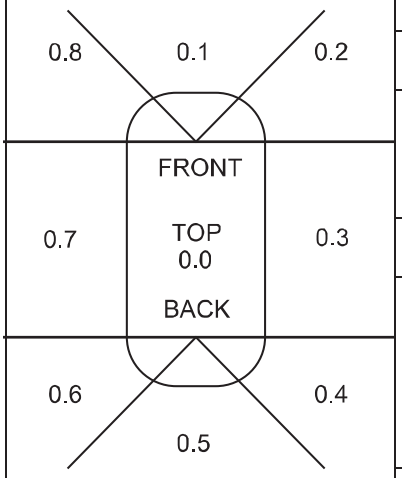
After completing this form please fax to compliance dept. at 972-391-4727 ONLY if a test was conducted.
If no test was conducted do not fax.

Keep 1 copy in drug file and 1 copy in accident folder at all times

MV Transportation, Inc. VEHICULAR ACCIDENT REPORT

COMPLETE ALL BOXES; IF UNKNOWN, PUT "UNK"; IF NOT APPLICABLE, PUT "NA"

IMPACT AREA, CIRCLE ONE CODE



❑ 0.9 MULTIPLE AREAS/OVERTURN/BOTTOM

ACCIDENT TYPE

- ❑ 1.1 OVERTURN
- ❑ 1.2 BUS OFF ROAD
- ❑ 1.3 SIDESWIPE
- ❑ 1.4FIXED OBJECT
- ❑ 1.5 INTERSECTION
- ❑ 1.6 REAR END
- ❑ 1.7 FRONT END
- ❑ 1.8 Slip/Fall _____ OTHER

INVOLVING

- ❑ 2.3 PEDESTRIAN
- ❑ 2.4 BICYCLIST
- ❑ 2.5. ANIMAL
- ❑ 2.6 PARKED VEHICLE
- ❑ 2.7 MV YARD OR PROPERTY
- ❑ 2.8 WHEELCHAIR SECUREMENT
- ❑ 2.9 Passenger _____ OTHER

MOVEMENT

✓ VEHICLE

BUS #2 #3

- ❑ ❑ ❑ 3.1 STRAIGHT AHEAD – PASSING
- ❑ ❑ ❑ 3.2 STRAIGHT AHEAD – BEING PASSED
- ❑ ❑ ❑ 3.3 STRAIGHT AHEAD – NOT PASSING OR BEING PASSED
- ❑ ❑ ❑ 3.4 MERGING / LANE CHANGE
- ❑ ❑ ❑ 3.5 TURNING LEFT
- ❑ ❑ ❑ 3.6 TURNING RIGHT
- ❑ ❑ ❑ 3.7 BACKING
- ❑ ❑ ❑ 3.8 STOPPED IN TRAFFIC
- ❑ ❑ ❑ 3.9 STOPPED AT RR CROSSING
- ❑ ❑ ❑ 3.10 WEAVING
- ❑ ❑ ❑ 3.11 SKIDDING
- ❑ ❑ ❑ 3.12 WRONG SIDE
- ❑ ❑ ❑ 3.13 MV VEHICLE PARKED
- ❑ ❑ ❑ 3.14 _____ OTHER

PEDESTRIAN / BICYLIST

- ❑ 4.1 WALKING/RIDING WITH TRAFFIC
- ❑ 4.2 WALKING/RIDING AGAINST TRAFFIC
- ❑ 4.3 COMING FROM BEHIND PARKED VEH.
- ❑ 4.4 CROSSING AT INTERSECTION
- ❑ 4.5 CROSSING NOT AT INTERSECTION
- ❑ 4.6 ALIGHTING FROM A VEHICLE
- ❑ 4. 7 _____ OTHER

PASSENGER INJURY / FALL

- ❑ 5.1 BOARDING VEHICLE
- ❑ 5.2 ALIGHTING FROM VEHICLE
- ❑ 5.3 CAUGHT IN DOORS
- ❑ 5.4 SEATED
- ❑ 5.5 IN MOTION IN VEHICLE
- ❑ 5.6 _____ OTHER

DATE	OF ACCIDENT (MO. DAY YR.)	TIME	BUS. NUMBER	MODEL
PLACE	NEAREST CITY OR TOWN		STATE OR PROV.	California
	ON (STREET OR HIGHWAY)	❑ AT ❑NEAR	(STREET, HIGHWAY OR OTHER LANDMARK)	
TRIP OR ROUTE	TRIP NO. OR ROUTE NO.	ENROUTE FROM	ENROUTE TO	

BUS DRIVER	NAME	DATE HIRED	DOB	AGE	EMPLOYEE NO.	DIVISION NAME

❑ FULL TIME

❑ PART TIME

DRIVING EXPERIENCE (BY TYPE OF VEH.)	6.1 MO. ALL TYPES OF VEH.	6.2 MO. COMM'L. VEHICLES	6.3 MO. BUSES	SINCE LAST 8 CONSEC. HOURS OFF DUTY	7.1 HRS. ON DUTY (INCL. DRIVING)	7.2 HRS. ACTUALLY DRIVEN

ESTIMATED HOURS OF "ON DUTY" TIME, SINCE LAST PERIOD OF 8 CONSECUTIVE HOURS OFF DUTY

8.1 ❑ 1 HR. 8.2 ❑ 2 HRS. 8.3 ❑ 3 HRS. 8.4 ❑ 4 HRS. 8.5 ❑ 5 HRS. 8.6 ❑ 6 HRS. 8.7 ❑ 7 HRS. 8.8 ❑ 8 HRS. 8.9 ❑ 9 HRS. 8.10 ❑ 10 HRS. 8.11 ❑ 11-12 HRS.

DAMAGE TO MV BUS/VEH.	DESCRIBE DAMAGE: None	WAS VEHICLE TOWED? NO

VEH. 2

DRIVER'S NAME: N/A	PHONE ( )	AGE (EST.)	❑ MALE ❑ FEMALE
DRIVER'S ADDRESS (STREET & NO., CITY, STATE OR PROV.)		OPER. LIC. NO.	STATE OR PROV.
OWNER'S NAME	PHONE ( )	VEH. YEAR, MAKE & MODEL	
OWNER'S ADDRESS (STREET & NO., CITY, STATE OR PROV.)		VEH. LIC. NO.	STATE OR PROV.
DESCRIBE DAMAGE			WAS VEHICLE TOWED?
INSURANCE POLICY		POLICY NUMBER	

VEH. 3

DRIVER'S NAME	PHONE ( )	AGE (EST.)	❑ MALE ❑ FEMALE
DRIVER'S ADDRESS (STREET & NO., CITY, STATE OR PROV.)		OPER. LIC. NO.	STATE OR PROV.
OWNER'S NAME	PHONE ( )	VEH. YEAR, MAKE & MODEL	
OWNER'S ADDRESS (STREET & NO., CITY, STATE OR PROV.)		VEH. LIC. NO.	STATE OR PROV.
DESCRIBE DAMAGE			WAS VEHICLE TOWED?
INSURANCE POLICY		POLICY NUMBER	

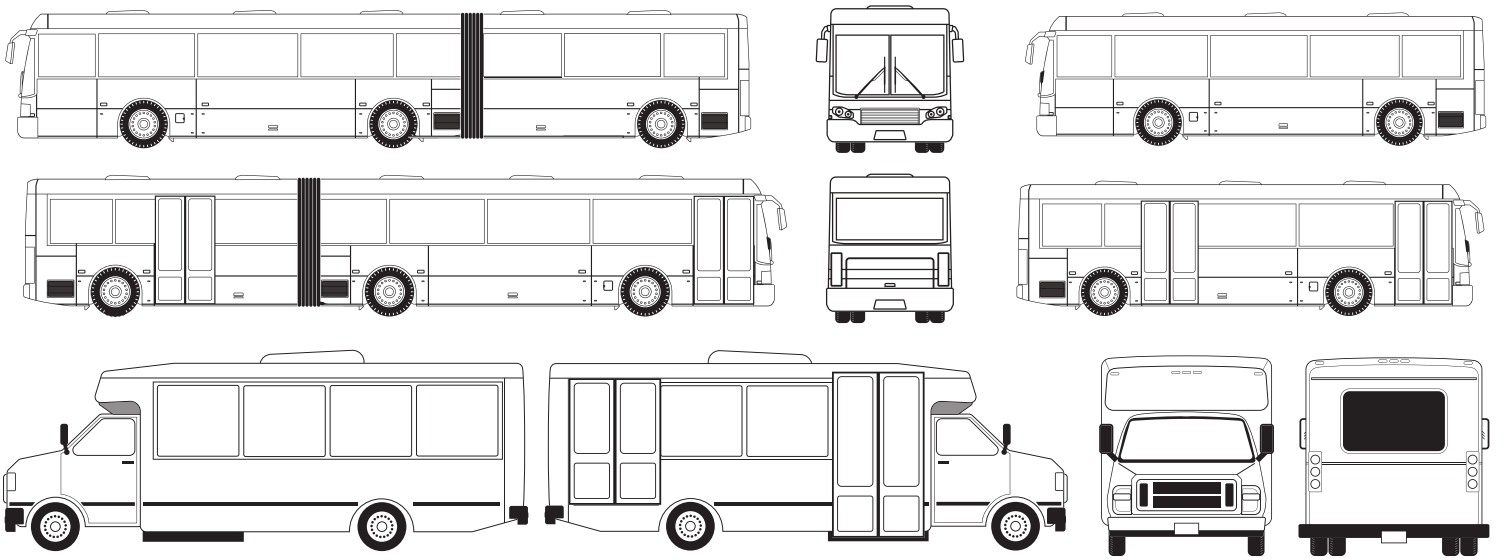
OTHER PROPERTY	DESCRIBE DAMAGE

PERSONS IN ACCIDENT	BUS / MV VEHICLE	VEH. 2	VEH. 3	SPEED		BUS / MV VEHICLE	VEH. 2	VEH. 3
NO. OF PERSONS (INCL. DRIVER)					POSTED SPEED LIMIT	MPH	MPH	MPH
NO. OF PERSONS COMPLAINING OF INJURY					ESTIMATED SPEED WHEN DANGER NOTICED	MPH	MPH	MPH
PERSONS TRANSPORTED TO HOSPITAL					ESTIMATED SPEED AT IMPACT			
NUMBER PERSONS ADMITTED TO HOSPITAL						MPH	MPH	MPH

POLICE INVESTIGATE? ❑ YES ❑ NO	IF SO, NAME OF OFFICER WITH BADGE #	REPORT NO.
	IF SO, NAME OF DEPARTMENT OR PATROL & LOCATION	
TICKETS ISSUED? ❑ MV DRIVER ❑ OTHER DRIVER ❑ NONE	IF SO, CHARGE	

INCIDENT REPORTED TO MV RISK MGMT HOTLINE	❑ YES ❑ NO	REFERENCE NUMBER
ANYONE TRANSPORTED TO HOSPITAL? ❑ YES ❑ NO	HOSPITAL NAME	CITY & STATE

MARK "X" WHERE DAMAGE OR CONTACT OCCURRED

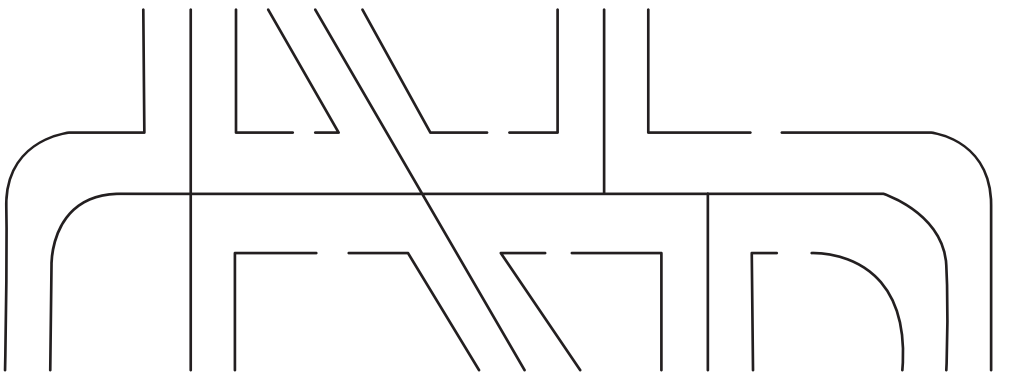


INSTRUCTIONS

1. Choose sections of diagram that will show outline of roadway at place of accident.
2. Use solid line to show path
   of vehicle BEFORE accident: → BUS
   dotted line AFTER accident: ..... → BUS
3. Number each vehicle and show direction of travel by arrow: → BUS 2 ←
4. Show PEDESTRIAN by: .....○
5. Show RAILROAD by: ..... ++++++
6. Show TRAFFIC LIGHT by: ..... ⊡
7. Show STOP SIGN by: ..... ◇
8. Indicate distance and direction from point of impact to nearest bridge, culvert or other landmarks.
9. Indicate names of streets or route numbers of roadways.

Complete the following diagram showing direction & position of vehicles or property involved, designating clearly point of contact.

Indicate points of compass N.E.S.W.



TRAFFIC LANES		ROADWAY		SIGNALS	PAVING	WEATHER	LIGHT
NO. OF LANES	9.1 ❑ LANES MARKED	10.1 ❑ STRAIGHT	10.7 ❑ DRY	11.1 ❑ STOP SIGN	12.1 ❑ CEMENT	13.1 ❑ CLEAR	15.1 ❑ DAYLIGHT
	9.2 ❑ LANES UNMARKED	10.2 ❑ CURVE	10.8 ❑ WET	11.2 ❑ TRAFFIC LIGHT	12.2 ❑ BRICK	13.2 ❑ RAIN	15.2 ❑ DARK
WIDTH OF EACH FT.	9.3 ❑ NO ROAD DEFECTS	10.3 ❑ DOWN GRADE	10.9 ❑ MUDDY	11.3 ❑ POLICEMAN	12.3 ❑ ASPHALT	13.3 ❑ SNOW	15.3 ❑ DUSK
	9.4 ❑ HOLES, RUTS, ETC.	10.4 ❑ UP GRADE	10.10 ❑ SNOWY	11.4 ❑ WARNING SIGNAL	12.4 ❑ GRAVEL	13.4 ❑ SLEET	15.4 ❑ DAWN
❑ DIVIDED	9.5 ❑ LOOSE MATERIAL	10.5 ❑ LEVEL	10.11 ❑ ICY	11.5 ❑ R.R. GATES	12.5 ❑ _____ (OTHER)	13.5 ❑ FOG	IF DARK, WAS HIGHWAY LIGHTED?
❑_____ (OTHER)	9.6 ❑ _____ (OTHER)	10.6 ❑ HILL CREST		11.6 ❑ YIELD SIGN		13.6 ❑_____ (OTHER)	15.5 ❑ YES ❑ NO
		FLAGS, FLARES, FUSES, ETC. DISPLAYED 10.12_____		11.7 ❑ _____ (OTHER)	LOCATION		15.6 ❑_____ (OTHER)
				11.8 ❑ NOT WORKING	14.1 ☒ CITY & SUBURBAN 14.2 ❑ RURAL	14.3 ☒ INTERSECTION 14.4 ❑ NON-INTERSECT. 14.5 ❑ MV PROPERTY	

DRIVER: DESCRIBE ACCIDENT FULLY (CONTINUE ON PAGE THREE IF NECESSARY.)

DESCRIPTION OF ACCIDENT (CONTINUED)

SAFETY MANAGER OR GM SIGNATURE (Ensure report is complete before forwarding)	DRIVER'S SIGNATURE AND EMPLOYEE NUMBER	DATE OF REPORT

SUPERVISOR'S OBSERVATIONS / COMMENTS / FINDINGS:

Road Supervisor Name: Signature: Date:

WITNESSES – Critical PERSONS OTHER THAN OCCUPANTS OF VEHICLES INVOLVED: LIST PASSERBY, OTHER MOTORISTS OR PERSONS AT SCENE OF ACCIDENT – WHETHER EYE WITNESSES OR NOT.

NAME	AGE	HOME PHONE	BUSINESS PHONE	ADDRESS (STREET & NO., CITY & STATE OR PROV.)

OCCUPANTS OF BUS DO NOT REPEAT NAMES OF THOSE SHOWN ABOVE.

NAME	AGE	HOME PHONE	BUSINESS PHONE	ADDRESS (STREET & NO., CITY & STATE OR PROV.)

Appendix

Please find the following documents in the appendix on the following pages:

- Items for Discussion
- Certificate of Insurance
- Staff Schedule

Exceptions

MV respectfully requests discussion of the following recommendations at the appropriate time during the procurement process.

RFP/Contract Section	Stated Language	Proposed Language	Explanation
Price Adjustment	N/A	Include provision that provides for price adjustments if Contractor's costs increase or revenues decrease as a result of (i) changes to the scope of work/service hours requested by the City, (ii) changes in laws, rules, regulations, etc. applicable to the services to be provided by Contractor, and/or (iii) wage increases necessary for Contractor to be able to recruit and retain qualified employees as a result of an increase in the minimum wage in the City or surrounding jurisdictions; and (iv) costs incurred in response to a federal, state, or local state of emergency (including the COVID-19 pandemic or similar national emergency), including providing personal protective equipment, supplies, staffing, and additional services (including additional health and safety services or requirements). If the parties are unable to agree on a rate adjustment, then either party may terminate the contract upon 120 days written notice to the other party.	Contractor needs price protection for changes requested by the City or matters that were not contemplated at the time of Contractor's proposal.
Vehicle Acceptance Standards	N/A	Include Contractor's vehicle acceptance standards as the applicable standard against which all vehicles will be inspected. Include Contractor's vehicle acceptance agreement as an exhibit to the Agreement.	Upon delivery of the vehicles to Contractor, the vehicles must be in the same condition as the condition that Contractor is required to maintain. Include that the City will be responsible for the cost of major repairs needed during the first 180 days after Contractor begins service under the Agreement.
Facility Condition / Environmental	N/A	Include provision to make it clear that Contractor is not responsible for any facility repairs or environmental issues or releases of hazardous materials existing on or prior to the Contractor's occupancy of the City's facilities, or caused by any party other than Contractor.	Contractor should not be responsible for existing issues or issues caused by other parties.

Exceptions

RFP/Contract Section	Stated Language	Proposed Language	Explanation
Requirement to Meet All Provisions.	By virtue of its proposal submittal, the bidder acknowledges agreement with and acceptance of all provisions of the RFP specifications	Notwithstanding Contractor's delivery of a proposal, Contractor reserves the right to reject a contract award if Contractor and the City are unable to negotiate a satisfactory resolution to Contractor's submitted exceptions.	Contractor's proposal and acceptance of an award are subject to and conditioned upon the City's acceptance of Contractor's exceptions.
Proterra Vehicle Parts	N/A	Include provision to allow contractor to reengage client if contractor experiences issues with Proterra replacement parts.	The industry has experienced a parts issue with Proterra as it relates to availability and timing.
Start Up Costs	N/A	Include provision to all contractor to remove start up costs from the total costs in Year 1.	Currently start-up is part of fixed costs in Year 1.
Fleet Replacement Schedule	N/A	Include provision to allow contractor to reengage client if replacement fleet does not arrive according to schedule.	We followed the replacement schedule presented in the RFP documents.
Price Pages	N/A	Please acknowledge that price pages have a double count for maintenance expenses.	Price pages C95 "Operating Maintenance Expense" reflect the maintenance costs as well as C97 under monthly fee (fixed costs).
Termination Without Cause	The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Contractor at least thirty (30) days prior written notice.	Revise to provide for at least 60 days' notice of termination and payment of Contractor's reasonable close-out costs.	Contractor will have contract termination costs as well as employment termination obligations required by law (WARN ACT, etc.).
Labor Matters	N/A	Contractor shall have the ability to determine which employees it will hire and will have the right to set the terms and conditions of employment for its employees.	Contractor must have the ability to negotiate the terms and conditions of employment and shall not be bound by the terms of any of the City's 13(c) Agreements or of any CBA between the employees and the prior contractor.

CERTIFICATE OF LIABILITY INSURANCE

5/1/2026

DATE (MM/DD/YYYY): 12/16/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies, LLC DBA Lockton Insurance Brokers, LLC in CA CA license #0F15767 444 W. 47th St., Ste. 900 Kansas City MO 64112-1906 (816) 960-9000 kcasu@lockton.com	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED 1537056 MV TRANSPORTATION, INC, AND SUBSIDIARIES 2711 N. HASKELL, SUITE 1500 DALLAS TX 75204	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** ACE American Insurance Company — 22667 **INSURER B :** Allianz Global Corporate & Specialty SE **INSURER C :** Indemnity Insurance Co of North America — 43575 **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 22780299 **REVISION NUMBER:** XXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:	Y	N	HDO G48961162	5/1/2025	5/1/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 5,000,000 $ 100,000 $ XXXXXXX $ 5,000,000 $ 5,000,000 $ 5,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY [ ] SCHEDULED AUTOS HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY	Y	N	ISA H10818461	5/1/2025	5/1/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 5,000,000 $ XXXXXXX $ XXXXXXX $ XXXXXXX $ XXXXXXX
B	[ ] UMBRELLA LIAB [X] OCCUR X EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $	Y	N	B0713NAMCA2501709	5/1/2025	5/1/2028	EACH OCCURRENCE AGGREGATE $	$ 10,000,000 $ XXXXXXX $ XXXXXXX
A A C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WCU C72631791 (CA,OH,WA) WLR C72631833 (AZ/MA) WLR C72631870 (AOS)	5/1/2025 5/1/2025 5/1/2025	5/1/2026 5/1/2026 5/1/2026	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

FOR RFP FIXED ROUTE PUBLIC TRANSIT OPERATION AND MAINTENANCE SERVICES. THE CITY AND ITS OFFICERS, OFFICIALS, EMPLOYEES, AGENTS AND VOLUNTEERS ARE THE ADDITIONAL INSURED ON GENERAL LIABILITY, AUTO LIABILITY AND EXCESS COVERAGE IF REQUIRED BY WRITTEN CONTRACT AND SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICIES. A WAIVER OF SUBROGATION APPLIES TO WORKERS COMPENSATION IF REQUIRED BY WRITTEN CONTRACT AND WHERE ALLOWED BY LAW. FOR CANCELLATION DUE TO ANY REASON OTHER THAN NON PAYMENT OF PREMIUM A 30 DAY NOTICE (10 DAY FOR NON PAYMENT) WILL BE SENT TO THE CERT HOLDER. COVERAGE IS ONLY EFFECTIVE WITH A WRITTEN, SIGNED CONTRACT WITH THE INSURED.

CERTIFICATE HOLDER

22780299
THE CITY OF SAN LUIS OBISPO
990 PALM STREET
SAN LUIS OBISPO CA 93401

CANCELLATION See Attachments

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Joseph M Agnello

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POLICY NUMBER: HDO G48961162 Endorsement Number: 5

COMMERCIAL GENERAL LIABILITY
CG 20 10 1219

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Any Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss.	All locations where you are performing ongoing operations for such additional insured pursuant to any such written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II — Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III — Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we

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will pay on behalf of the additional insured is the amount of insurance:

1. **Required by the contract or agreement; or**
2. **Available under the applicable limits of insurance;**

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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ADDITIONAL INSURED - DESIGNATED PERSONS OR ORGANIZATIONS

Named Insured MV Transportation, Inc.			
Policy Symbol ISA	Policy Number H10818461	Policy Period 5/01/2025 TO 05/01/2026	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM AUTO
DEALERS COVERAGE FORM MOTOR
CARRIER COVERAGE FORM EXCESS
BUSINESS AUTO COVERAGE FORM

Additional Insured(s): Any person or organization whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss.

A. For a covered "auto," Who Is Insured is amended to include as an "insured," the persons or organizations named in this endorsement. However, these persons or organizations are an "insured" only for "bodily injury" or "property damage" resulting from acts or omissions of:

1. You.
2. Any of your "employees" or agents.
3. Any person operating a covered "auto" with permission from you, any of your "employees" or agents.

B. The persons or organizations named in this endorsement are not liable for payment of your premium.

_____
Authorized Representative

Workers' Compensation and Employers' Liability Policy

Named Insured	Endorsement Number
MV TRANSPORTATION, INC. 2711 N. HASKELL AVE SUITE 1500 DALLAS TX 75204	Policy Number Symbol: WLR Number: C72631833
Policy Period 05-01-2025 **TO** 05-01-2026	Effective Date of Endorsement 05-01-2025
Issued By (Name of Insurance Company) ACE AMERICAN INSURANCE COMPANY	

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparati changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION AGAINST WHOM YOU HAVE AGREED TO WAIVE YOUR RIGHT OF RECOVERY IN A WRITTEN CONTRACT, PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE DATE OF LOSS.

For the states of CA, UT, TX, refer to state specific endorsements.

This endorsement is not applicable in KY, **NH, and NJ.**

The endorsement does not apply to policies in Missouri where the employer is in the construction group of code classifications. According to Section 287.150(6) of the Missouri statutes, a contractual provision purporting to waive subrogation rights against public policy and void where one party to the contract is an employer in the construction group of code classifications.

For Kansas, use of this endorsement is limited by the Kansas Fairness in Private Construction Contract Act(K.S.A.. 16-1801 through 16-1807 and any amendments thereto) and the Kansas Fairness in Public Construction Contract Act(K.S.A 16-1901 through 16-1908 and any amendments thereto). According to the Acts a provision in a contract for private or public construction purporting to waive subrogation rights for losses or claims covered or paid by liability or workers compensation insurance shall be against public policy and shall be void and unenforceable except that, subject to the Acts, a contract may require waiver of subrogation for losses or claims paid by a consolidated or wrap-up insurance program.

Authorized Agent

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Workers' Compensation and Employers' Liability Policy

Named Insured MV TRANSPORTATION, INC. 2711 N. HASKELL AVE SUITE 1500 DALLAS TX 75204	Endorsement Number Policy Number Symbol: WLR Number: C72631870
Policy Period 05-01-2025 **TO** 05-01-2026	Effective Date of Endorsement 05-01-2025
Issued By (Name of Insurance Company) INDEMNITY INS. CO. OF NORTH AMERICA	

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy. Th attached and is effective on the date issued unless otherwise stated.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION AGAINST WHOM YOU HAVE AGREED TO WAIVE YOUR RIGHT OF RECOVERY IN A WRITTEN CONTRACT, PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE DATE OF LOSS.

For the states of CA, UT, TX, refer to state specific endorsements.

This endorsement is not applicable in KY, NH, and NJ.

The endorsement does not apply to policies in Missouri where the employer is in the construction group of code classifications. According to Section 287.150(6) of the Missouri statutes, a contractual provision purporting to waive subrogation rights against public policy and void where one party to the contract is an employer in the construction group of code classifications.

For Kansas, use of this endorsement is limited by the Kansas Fairness in Private Construction Contract Act(K.S.A.. 16-1801 through 16-1807 and any amendments thereto) and the Kansas Fairness in Public Construction Contract Act(K.S.A 16-1901 through 16-1908 and any amendments thereto). According to the Acts a provision in a contract for private or public construction purporting to waive subrogation rights for losses or claims covered or paid by liability or workers compensation insurance shall be against public policy and shall be void and unenforceable except that, subject to the Acts, a contract may require waiver of subrogation for losses or claims paid by a consolidated or wrap-up insurance program.

Authorized Agent

WC 00 03 13 (11/05)

Workers' Compensation and Employers' Liability Policy

Named Insured MV TRANSPORTATION, INC. 2711 N. HASKELL AVE SUITE 1500 DALLAS TX 75204	Endorsement Number Policy Number Symbol: WLR Number: C72631870
Policy Period 11-01-2025 **TO** 05-01-2026	Effective Date of Endorsement 05-01-2025
Issued By (Name of Insurance Company) INDEMNITY INS. CO. OF NORTH AMERICA	

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy. Th attached and is effective on the date issued unless otherwise stated.

UTAH WAIVER OF SUBROGATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Utah is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from u s.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the schedule. Our waiver of rights does not release your employees' rights against third parties and does not release our authority as trustee of claims against third parties.

Schedule

ANY PERSON OR ORGANIZATION AGAINST WHOM YOU HAVE AGREED TO WAIVE YOUR RIGHT OF RECOVERY IN A WRITTEN CONTRACT, PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE DATE OF LOSS.

Authorized Representative

WC 43 03 05 (10/00)

G. Omnibus Reconciliation Act - Government Access Clause

We will make available this policy and all documents needed to confirm the premium paid by you if the Secretary of Health and Human Services or the Comptroller General of the United States find that the policy is a contractor described in Section 1861 of the Social Security Act, 42 U.S.C. Section 1395, or any amendment to it, and they or you ask for our documents.

If the Secretary of Health and Human Services or the Comptroller General asks for access to our documents, we will immediately notify you and make these documents available to you, unless prohibited by law.

The right to access will be determined by the above statute, or any amendment to it, or any rules or regulations established under it.

H. Other Insurance

If the Insured carries other valid insurance, reinsurance or indemnity with any other insurer covering a loss covered by this policy (other than insurance that is purchased to apply in excess of the sum of Your Retention and the Limit of Indemnity hereunder), we shall not be liable for a greater proportion of such loss than the applicable Limit of Indemnity of all valid and collectible insurance, reinsurance or indemnity against such loss.

If the Insured carries other insurance with us covering a loss within the limit covered by this policy, the insured must elect which policy shall apply and we shall be liable under the policy so elected and shall not be liable under any other policy.

I. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount, shall be apportioned as follows:

1. if there is insurance coverage in excess of Our Limit of Indemnity, that insurer shall first be reimbursed to the extent of its actual payment;
2. we shall then be reimbursed to the extent of our actual payment and then we will pay the balance, if any, to you.

The expenses of all proceedings necessary to the recovery of any such amount shall be apportioned between you and us in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on our initiative, the expenses thereof shall be borne by us.

In the event of any payment under this policy for a Loss for which you have waived the right of recovery in a written contract entered into prior to the Loss, we hereby agree to also waive our right of recovery but only with respect to such Loss.

J. Sole Representative

The insured first named in Item **1** of the Information Page will act on behalf of all insureds to give or receive notice of cancellation, accept indemnity, receive return premium or request changes in this policy.

K. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

L. Unintentional Errors and Omissions

Your failure or omission to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy provided such failure or omission is not intentional and you did not know about such hazards prior to the commencement of the policy period.

Days and Hours of Service:

SLO TRANSIT service hours vary depending on the time of year, with extended operating hours when Cal Poly is in session (September to June).

- Fixed Route (mid-September – mid-June)
  - Mon– Fri: 6am– 7pm
  - Sat–Sun: 8:15am–8:50pm
- Fixed Route (July and August)
  - Mon– Fri: 6am– 6pm
  - Sat–Sun: 8:15am–8:50pm
- Holidays

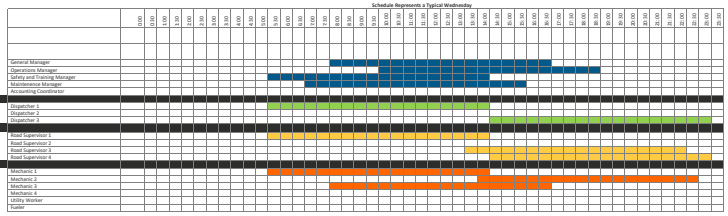
Update Cream colored boxes only

If employee is off, type OFF in the start time

Wednesday Drives the Functional Schedule

	Sunday				Monday				Tuesday				Wednesday				Thursday				Friday				Saturday					
	No Split Shift				No Split Shift				No Split Shift				No Split Shift				No Split Shift				No Split Shift				No Split Shift					
	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Start	End	Shift 1 Length (Hours)	Total Shift Hours	Weekly Total Hours	Position #
General Manager	OFF	OFF		0.0	8:00 AM	5:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	OFF	OFF		0.0	45.00	1
Operations Manager	OFF	OFF		0.0	5:30 AM	2:30 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	OFF	OFF		0.0	45.00	1
Safety and Training Manager	OFF	OFF		0.0	OFF	OFF		0.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:00 AM	2:00 PM	9.0	9.0	45.00	1
Maintenance Manager	7:00 AM	4:00 PM	9.0	9.0	7:00 AM	4:00 PM	9.0	9.0	7:00 AM	4:00 PM	9.0	9.0	7:00 AM	4:00 PM	9.0	9.0	7:00 AM	4:00 PM	9.0	9.0	OFF	OFF		0.0	OFF	OFF		0.0	45.00	1
Accounting Coordinator	OFF	OFF		0.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	10:00 AM	7:00 PM	9.0	9.0	OFF	OFF		0.0	45.00	1
Dispatcher 1	7:30 AM	4:30 PM	9.0	9.0	1:30 AM	2:30 PM	9.0	9.0	1:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	OFF	OFF		0.0	OFF	OFF		0.0	45.00	2
Dispatcher 2	12:30 PM	9:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	OFF	OFF		0.0	OFF	OFF		0.0	10:00 AM	7:00 PM	9.0	9.0	7:30 AM	4:30 PM	9.0	9.0	45.00	2
Dispatcher 3	OFF	OFF		0.0	OFF	OFF		0.0	11:30 AM	8:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	12:30 PM	8:30 PM	9.0	9.0	45.00	2
Road Supervisor 1	7:30 AM	4:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	OFF	OFF		0.0	OFF	OFF		0.0	45.00	4
Road Supervisor 2	12:30 PM	9:30 PM	9.0	9.0	12:30 PM	10:30 PM	9.0	9.0	1:30 PM	10:30 PM	9.0	9.0	OFF	OFF		0.0	OFF	OFF		0.0	5:30 AM	2:30 PM	9.0	9.0	7:00 AM	4:30 PM	9.0	9.0	45.00	4
Road Supervisor 3	OFF	OFF		0.0	2:30 PM	11:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	1:30 PM	10:30 PM	9.0	9.0	1:30 PM	10:30 PM	9.0	9.0	OFF	OFF		0.0	OFF	OFF		0.0	45.00	4
Road Supervisor 4	OFF	OFF		0.0	OFF	OFF		0.0	OFF	OFF		0.0	2:30 PM	11:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	2:30 PM	11:30 PM	9.0	9.0	12:30 PM	8:30 PM	9.0	9.0	36.00	4
Mechanic 1	OFF	OFF		0.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	5:30 AM	2:30 PM	9.0	9.0	OFF	OFF		0.0	45.00	6
Mechanic 2	OFF	OFF		0.0	2:00 PM	11:00 PM	9.0	9.0	2:00 PM	11:00 PM	9.0	9.0	2:00 PM	11:00 PM	9.0	9.0	2:00 PM	11:00 PM	9.0	9.0	2:00 PM	11:00 PM	9.0	9.0	OFF	OFF		0.0	45.00	6
Mechanic 3	7:00 AM	4:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	8:00 AM	5:00 PM	9.0	9.0	OFF	OFF	0.0	0.0	OFF	OFF		0.0	7:00 AM	4:00 PM	9.0	9.0	54.00	6
Mechanic 4	12:00 PM	9:00 PM	9.0	9.0	1:00 PM	12:00 AM	9.0	9.0	2:00 PM	11:00 PM	9.0	9.0	4:00 PM	12:00 AM	9.0	9.0	OFF	OFF	0.0	0.0	OFF	OFF		0.0	12:00 PM	9:00 PM	9.0	9.0	54.00	6
Utility Worker	OFF	OFF		0.0	9:00 AM	6:00 PM	9.0	9.0	6:00 AM	3:00 PM	9.0	9.0	6:00 AM	3:00 PM	9.0	9.0	6:00 AM	3:00 PM	9.0	9.0	6:00 AM	3:00 PM	9.0	9.0	OFF	OFF		0.0	45.00	6
Fueler	OFF	OFF		0.0	4:00 PM	1:00 AM	9.0	9.0	4:00 PM	1:00 AM	9.0	9.0	9:00 PM	6:00 AM	9.0	9.0	4:00 PM	1:00 AM	9.0	9.0	4:00 PM	1:00 AM	9.0	9.0	OFF	OFF		0.0	45.00	6
	End of schedule				End of schedule				End of schedule				End of schedule				End of schedule				End of schedule				End of schedule					

Schedule Represents a Typical Wednesday



Functional Schedule

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
General Manager	OFF	08:00 - 17:00	08:00 - 17:00	08:00 - 17:00	08:00 - 17:00	08:00 - 17:00	OFF
Operations Manager	OFF	05:30 - 14:30	10:00 - 19:00	10:00 - 19:00	10:00 - 19:00	10:00 - 19:00	OFF
Safety and Training Manager	OFF	OFF	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	05:00 - 14:00
Maintenence Manager	07:00 - 16:00	07:00 - 16:00	07:00 - 16:00	07:00 - 16:00	07:00 - 16:00	OFF	OFF
Accounting Coordinator	OFF	10:00 - 19:00	10:00 - 19:00	10:00 - 19:00	10:00 - 19:00	10:00 - 19:00	OFF
Dispatcher 1	07:30 - 16:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	OFF	OFF
Dispatcher 2	12:30 - 21:30	14:30 - 23:30	14:30 - 23:30	OFF	OFF	05:00 - 14:00	07:30 - 16:30
Dispatcher 3	OFF	OFF	11:30 - 20:30	14:30 - 23:30	14:30 - 23:30	14:30 - 23:30	12:30 - 21:30
Road Supervisor 1	07:30 - 16:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	OFF	OFF
Road Supervisor 2	12:30 - 21:30	13:30 - 22:30	13:30 - 22:30	OFF	OFF	05:30 - 14:30	07:30 - 16:30
Road Supervisor 3	OFF	14:30 - 23:30	14:30 - 23:30	13:30 - 22:30	13:30 - 22:30	13:30 - 22:30	OFF
Road Supervisor 4	OFF	OFF	OFF	14:30 - 23:30	14:30 - 23:30	14:30 - 23:30	12:30 - 21:30
Mechanic 1	OFF	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	05:30 - 14:30	OFF
Mechanic 2	OFF	14:00 - 23:00	14:00 - 23:00	14:00 - 23:00	14:00 - 23:00	14:00 - 23:00	OFF
Mechanic 3	07:00 - 16:00	08:00 - 17:00	08:00 - 17:00	08:00 - 17:00	OFF	OFF	07:00 - 16:00
Mechanic 4	12:00 - 21:00	15:00 - 00:00	15:00 - 00:00	15:00 - 00:00	OFF	OFF	12:00 - 21:00
Utility Worker	OFF	09:00 - 18:00	06:00 - 15:00	06:00 - 15:00	06:00 - 15:00	06:00 - 15:00	OFF
Fueler	OFF	16:00 - 01:00	16:00 - 01:00	16:00 - 01:00	16:00 - 01:00	16:00 - 01:00	OFF
	End of schedule - 00:00	End of schedule - 00:00	End of schedule - 00:00	End of schedule - 00:00	End of schedule - 00:00	End of schedule - 00:00	End of schedule - 00:00

RAYMOND WHITMER
Secretary-Treasurer

TIM VERA
President

TEAMSTERS LOCAL UNION NO. 986

AFFILIATED WITH THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS
General Teamsters, Airline, Aerospace, and Allied Employees, Warehousemen, Drivers, Construction, Rock and Sand

March 11, 2026

To Whom it May Concern:

My name is Cliff Reynolds, Business Coordinator at Teamsters Local Union No. 986. Our Local currently represents bus drivers, road supervisors, and dispatchers in Southern California.

The Teamsters and I have successfully worked with MV Transportation's labor and HR team on issues affecting our members within our jurisdiction. We value safety and service, and trust MV shares these priorities. Teamsters Local Union No. 986 fully supports MV Transportation in the San Luis Obispo Fixed Route Service procurement process should they be recommended by the City.

We look forward to working with the MV Team again.

Sincerely,

Cliff Reynolds
Business Coordinator
Teamsters Local Union No. 986

Cc: FILE

Department: Human Resources
Cost Center: 3001
For Agenda of: 3/17/2025
Placement: Public Hearing
Estimated Time: 15 Minutes

FROM: Nickole Domini, Human Resources Director
Prepared By: Jeff Andrews, Human Resources Manager

SUBJECT: OVERVIEW OF VACANCIES AND RECRUITMENT AND RETENTION EFFORTS FOR CALENDAR YEAR 2025

RECOMMENDATION

Conduct a public hearing regarding and receive and file the City of San Luis Obispo Workforce Vacancies, Recruitment, and Retention Trends presentation.

POLICY CONTEXT

Information in this report complies with Section 3502.3 of the Government Code (GC 3502.3) which became effective January 1, 2025, as set forth via Assembly Bill 2561. GC 3502.3 requires public agencies to present the status of their vacancies and recruitment and retention efforts during a public hearing before their governing board at least once per fiscal year prior to the adoption of a final budget for the fiscal year.

DISCUSSION

Background

Staff presented the status of vacancies and recruitment and retention efforts in March 2025 during the first year of GC 3502.3 requirements. At that time, the City Council adopted a Resolution to approve policies and procedures to comply with this law.

City of San Luis Obispo Bargaining Groups
There are six (6) bargaining groups (four represented and two unrepresented) at the City consisting of 488[1] authorized regular full- and part-time positions (485.5 full-time equivalent[2] (FTE)).

[1] This number does not include the Council – one (1) Mayor and four (4) City Council Member positions.
[2] A position is a job role that exists whether filled or vacant; FTE measures hours worked rather than the number of employees, allowing part-time hours to be aggregated into the equivalent of full-time positions for budgeting, forecasting, and staffing purposes.

Table 1: Count of Regular Full- and Part-Time[3] Positions by Bargaining Group as of December 31, 2025

City of San Luis Obispo Bargaining Group	Position Count
City Employees' Association	218
International Association of Firefighters, Local 3523	53
Police Officers' Association	73
Police Staff Officers' Association	17
Unrepresented Confidential Group	13
Unrepresented Management Group	114

Vacancies, Recruitment, Retention

Vacancies

Position vacancies occur when newly budgeted positions are approved, when internal movement occurs such as a promotion or transfer, or when an employee leaves the organization. When vacancies occur, it is a high priority for the Human Resources Department and the City's hiring managers to fill the positions to ensure continuity of services, maintain operational efficiency, minimize the need for overtime, and minimize disruptions to departmental functions. Timely recruitment and hiring efforts help the City sustain its workforce, meet community needs, and uphold service standards while also providing opportunities for internal growth and external talent acquisition.

Throughout the 2025 calendar year (CY), the City's average vacancy rate across all bargaining units was 7.6%, compared to 6.6% in CY 2024. The vacancy rate is calculated monthly as the quantity of vacant positions divided by the quantity of positions. While the vacancy rate increased by one percent in CY 2025, this is likely due to the activation of the Fiscal Health Contingency Plan (FHCP) in April 2025, which also included a hiring chill and set the requirement for City Manager approval to fill vacant positions that were critically needed to support operations.

Table 2: Vacancy Rate by Bargaining Group

City of San Luis Obispo Bargaining Group	CY 2024	CY 2025
City Employees' Association	7.0%	9.6%
International Association of Firefighters, Local 3523	11.3%	9.4%
Police Officers' Association	2.8%	2.7%
Police Staff Officers' Association	5.9%	0.0%
Unrepresented Confidential Group	7.7%	7.7%
Unrepresented Management Group	9.7%	7.0%

Recruitment and Retention Efforts

[3] There are five (5) City positions budgeted at 50% part-time.

Pursuant to the Council adopted Compensation Philosophy, it is the policy of the City of San Luis Obispo to recruit and retain well-qualified employees who exemplify the City's organizational values.

To assist with recruitment and retention efforts, the City Council adopted a Recruitment, Referral, and Retention Incentive Program (RRR Program) (Attachment A), which establishes guidelines and procedures for the eligibility, approval, and processing of recruitment, hiring, referral, and retention incentives for employees. Additionally, the City's Employee Opportunity Program (EOP) was developed to enhance employment opportunities for current City employees who desire to transfer or promote to another position. Internal promotions are a key performance indicator for the Human Resources Department, with a goal of filling 40% of vacant positions via EOP. In CY 2025, 43% of vacant positions were filled via EOP, the same percentage as CY 2024.

The table below summarizes average monthly recruitment activity, median time-to-hire for regular part- and full-time vacancies, and total positions filled for the two most recent calendar years in which this data has been tracked.

Recruitment Metrics	CY 2024	CY 2025
Average Monthly Active Recruitments	39	23
Median Time to Hire (Days)	71	58
Total Positions Filled	107	76

While the City maintains an overall low vacancy rate, hiring for certain regular positions, such as civil engineers, planners, utility billing, and firefighter paramedics, remains a challenge. The high cost-of-living in the San Luis Obispo area and the City's geographical distance from a major metropolitan center limit the applicant pool. Additionally, some applicants have declined job offers because the salary for the position is not competitive or comparable with those offered by other organizations.

For CY 2025, the City's retention rate was 91%, reflecting a strong ability to retain employees. The retention rate is calculated as the quantity of original employees remaining at the end of the year, divided by the quantity of employees at the beginning of the year. The average tenure for City employees is 7.7 years, demonstrating some stability within the workforce.

Filing vacancies and recruiting top talent are critical to delivering core services to the community and carrying out Council's priorities but retaining that talent is equally essential for sustaining long-term success and minimizing future vacancies. While the City has a 91% retention rate, employees with less than five (5) years of tenure with the City are leaving more frequently. In CY 2025, 76% of all City resignations stemmed from employees with less than five (5) years of City service (up from 70% in 2024). Exit interviews from these employees and national trends indicate that employees are increasingly prioritizing flexibility, remote work, increased salary, and other evolving workplace values.

To support employee retention and reduce burnout, the City continues to prioritize physical and mental well-being through flexible work arrangements, including 9/80 schedules and hybrid-telework options for certain positions. Employee engagement is further sustained through a culture of recognition and transparent communication. Beyond formal recognition committees and regular performance feedback from management, the City maintains open lines of communication through bimonthly City Manager briefings and anonymous Employee Engagement Surveys. The most recent survey, launched in January 2026, will help to provide critical data to ensure the City continues to invest in its workforce effectively, fostering trust and empowering employees to serve the community.

Previous Council or Advisory Body Action

City Council adopted a Resolution on March 4, 2025, to approve the policies and procedures to comply with GC 3502.3.

Public Engagement

All City bargaining units were notified that they are entitled to make a presentation at this hearing pursuant to GC 3502.3. In accordance with the noticing requirements for public hearings, a legal ad was published in The New Times 10 days prior to the public hearing. The public will have an opportunity to provide public comment in writing prior to the meeting or as public comment during the meeting.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes
Budget Year: 2025-26
Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other:				
Total	**$0**	**$0**	**$0**	**$0**

There are no financial impacts directly associated with this item.

ALTERNATIVES

Council could direct staff to present the status of vacancies and recruitment and retention efforts during a public hearing more than once per fiscal year. The law only requires such reporting on an annual basis before a budget is adopted. Providing updates more frequently may not allow for collection of sufficient data to present accurate and appropriately representative reporting.

Council Agenda Report

Department: Utilities
Cost Center: 6102
For Agenda of: 4/21/2026
Placement: Business
Estimated Time: 45m

FROM: Aaron Floyd, Public Works & Utilities Director
Prepared By: Chris Lehman, Deputy Director - Wastewater

SUBJECT: INTRODUCE AN ORDINANCE AMENDING TITLE 13 OF THE MUNICIPAL CODE REGARDING PRIVATE SEWER LATERAL INSPECTIONS, REPLACEMENTS, AND DISSOLUTION OF THE MANDATORY WASTEWATER FLOW OFFSET PROGRAM (CODE-0169-2026) AND APPROVE A RESOLUTION GRANTING DIRECTOR DISCRETIO

RECOMMENDATION

1. Introduce a Draft Ordinance entitled “An Ordinance of the City Council of the City of San Luis Obispo, California, Amending Section 13.08.395 (Private Sewer Laterals/Systems) and Section 13.08.396 (Wastewater Flow Offset) of the City of San Luis Obispo Municipal Code.”
2. Adopt a Draft Resolution entitled “A Resolution of the City Council of the City of San Luis Obispo, California, Authorizing the Discretion of the Public Works and Utilities Director to Waive Wastewater Flow Offset Program Requirements and Resolution and Determination of Satisfaction of Conditions of Approval Related to Wastewater Flow Offsets.”
3. Find the actions exempt from the California Environmental Quality Act (CEQA).

REPORT IN BRIEF

This report carries forward analysis and updated staff recommendations from the August 19, 2025, City Council Study Session discussion (Item 8a). That study session included an update on the City's Private Sewer Lateral and Wastewater Offset Programs and potential recommended changes. The Study Session Discussion Item #1*, “Should the Wastewater Flow (Private Sewer Lateral) Offset Program Continue?,”* has been carried forward to this public hearing with staff’s recommendation to 1) dissolve the currently mandated wastewater flow offset program and 2) modify existing citywide Sewer Lateral Program “Inspection Upon Sale” regulations to require replacement or repair of failed and poor-rated private sewer laterals within six months of time of sale of the property. As described in this report, staff’s recommendation represents a change from the existing approach and is result of many factors including: adoption and implementation of the 2025 Wastewater Collection System Infrastructure Renewal Strategy, advancements in wastewater flow data collection, modeling, and analysis, further evaluation of the effectiveness of the private sewer lateral and wastewater flow offset programs, potential

opportunities to address and remedy the sources of wet weather infiltration and inflow by focusing on the replacement of failed and poor private sewer laterals identified by the Inspection Upon Sale Program, and continued public outreach. Staff also continue to implement capital projects to improve capacity within the public sewer system and conduct outreach regarding available private sewer lateral rebate programs. As described further in this report, the proposed changes will provide a greater beneficial impact on municipal sewer system capacity and public health and safety than the current Programs, while reducing logistical and monetary burdens on the community and housing development, and City staff administrative workload.

Summary of Staff Recommendations:

1. Modification of the Citywide Sewer Lateral Inspection Program to include repair or replacement of poor or failed condition laterals as determined through the Inspection Upon Sale process.
2. Dissolution of mandatory Wastewater Flow (Private Sewer Lateral) Offset Program requirements.
3. Continued discretionary review and determination of conditional wastewater flow offsets for specified entitlements based on modeling and analysis.
4. Public Works and Utilities Director discretion to waive pending offset improvements for entitled projects and building permits in process.

POLICY CONTEXT

The primary goals of the Wastewater Flow Offset (Private Sewer Lateral) and Inspection Upon Sale Programs continue to be the reduction of inflow and infiltration from private sewer laterals and the associated potential for sewer spills and impacts to public health, safety, and general welfare, while accommodating housing development and furthering the Major City Goal of Housing and Neighborhood Livability-Healthy, Safe, and Affordable.

California River Watch Settlement Agreement

On July 7, 2016, the City entered into a settlement agreement with California River Watch regarding alleged Clean Water Act violations. The settlement agreement included a "sunset" date of July 7, 2023, which meant, in part, that California River Watch agreed not to sue the City for the period between July 7, 2016, and July 7, 2023 (refer to further discussion in the Background section of this Council Agenda Report). The settlement agreement required the City to consider two Supplemental Environmental Programs intended to secure significant benefits to the local environment. The following programs are excerpted from that agreement:

> *Lateral Inspection and Repair Program: Within one (1) year from the Effective Date of this Agreement, the City staff shall recommend to the City Council an ordinance establishing program for the inspection, repair, and/or replacement of private*

sewer laterals. The program proposed will use the following events as a basis or trigger" for inspection, repair, and/or replacement:

> *1. Transfer of ownership of the property if no inspection or replacement of the sewer lateral occurred within twenty (20) years prior to the transfer;*
> *2. If two (2) or more sanitary sewer overflows are caused by the same private sewer lateral within the immediate past two (2) years; or*
> *3. Where the application for a building permit indicated the expected addition of flow through the private lateral (e.g. addition of bathrooms, bedrooms, addition living space).*

Voluntary Private Lateral Replacement Rebate Program: The City staff shall recommend a Voluntary Private Lateral Replacement Rebate Program. For three (3) years from establishment, the Program will provide, on a first come, first served basis, one thousand ($ 1,000) dollars toward the total replacement costs of a residential private lateral, not to exceed a total of fifty thousand ($ 50,000) dollars annually.

The settlement agreement with California River Watch did not mandate that the City adopt either of these programs, but it did mandate that the City Council consider an ordinance to establish such programs. Council provided direction to staff at study sessions on October 4, 2016, and April 4, 2017. This lawsuit settlement has subsequently sunset (expired).

Current Policy Regarding Private Sewer Lateral Inspection Upon Sale Regulations. The City Council received presentations and provided direction to staff regarding wastewater system capacity constraints at study sessions on October 4, 2016, and April 4, 2017. On May 16, 2017, Council considered and did not approve a proposed private sewer lateral ordinance that would have required mandatory repair or replacement of defective laterals prior to a change of ownership in real property. Following the 2017 study sessions, and after deliberation and further study, the City adopted Sewer Lateral Inspection and Offset Program requirements (August 20, 2019), and the Private Sewer Lateral Rebate program (August 20, 2019), which are currently in place today as part of the City's Municipal Code.[1, 2, 3] Minor amendments to the Code were subsequently adopted by the City Council on May 7, 2024. The current inspection upon sale requirements do not require the repair or replacement of defective laterals.

DISCUSSION

Background

Private sewer laterals are the portion of the sewer lines that connect from a residence or commercial structure up to and including the point of connection with the publicly owned sewer main. The City estimates that there are **13,421** private sewer laterals citywide,

[1] Municipal Code Subsection 13.08.395(C)(1)(h) Inspection of Existing Private Sewer Laterals
[2] Municipal Code Subsection 13.08.395(I) Rebate Programs
[3] Municipal Code Section 13.08.396 Wastewater flow offset

including **3,052** within the updated capacity-constrained areas (Figure 1).[4] An interactive map showing the boundaries of the capacity-constrained areas and the known and unknown condition of private sewer laterals within the City is available to the public at www.slocity.org/laterals. Notably, *this is a significant reduction* from the **7,000** private sewer laterals located in the prior capacity-constrained areas. Capacity-constrained areas are portions of the City's municipal wastewater collection (sewer) system that lack or have limited capacity to serve existing and future development during wet weather conditions.

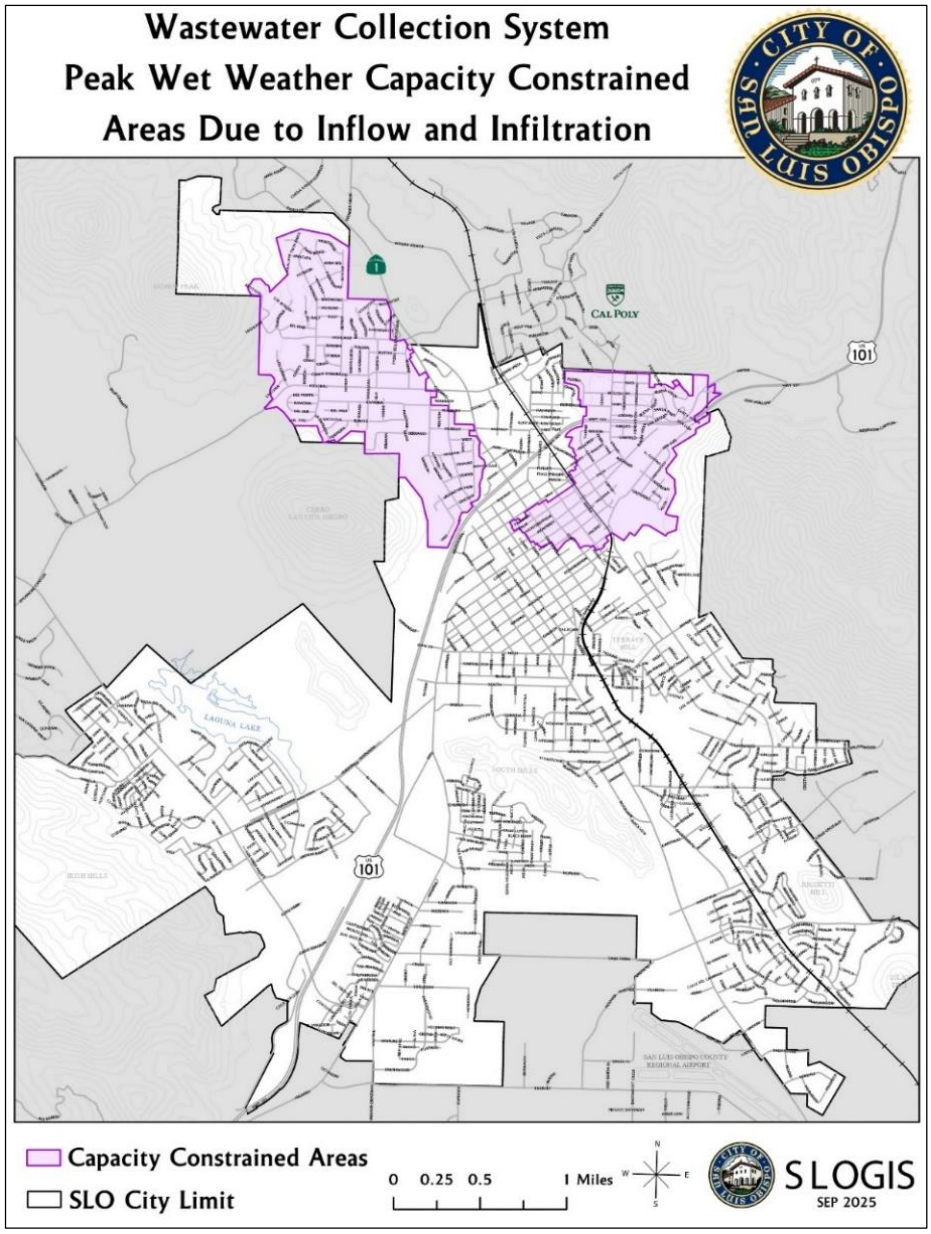


Figure 1: Sewer Capacity-Constrained Area Map

[4] The City Council adopted a General Plan Amendment to the Water and Wastewater Element on December 2, 2025, which included an updated Wastewater Flow Capacity-Constrained Area Map.

Where private sewer laterals in poor or failed condition connect to the City sewer, groundwater flows into the sewer, and these areas of the collection system experience "surcharging," a condition where the sewer pipe is so full that the wastewater flow starts backing up in the pipe and sometimes exits through toilets or access locations in the public streets. This is especially prevalent in capacity-constrained areas, which can lead to sewer spills.

Figure 2, below, represents the annual number of sewer spills since 2021, and shows that there has been a reduction in sewage spills originating from City infrastructure. The data also show that there are still spills originating from private infrastructure, indicating that a private sewer lateral replacement program is still important.

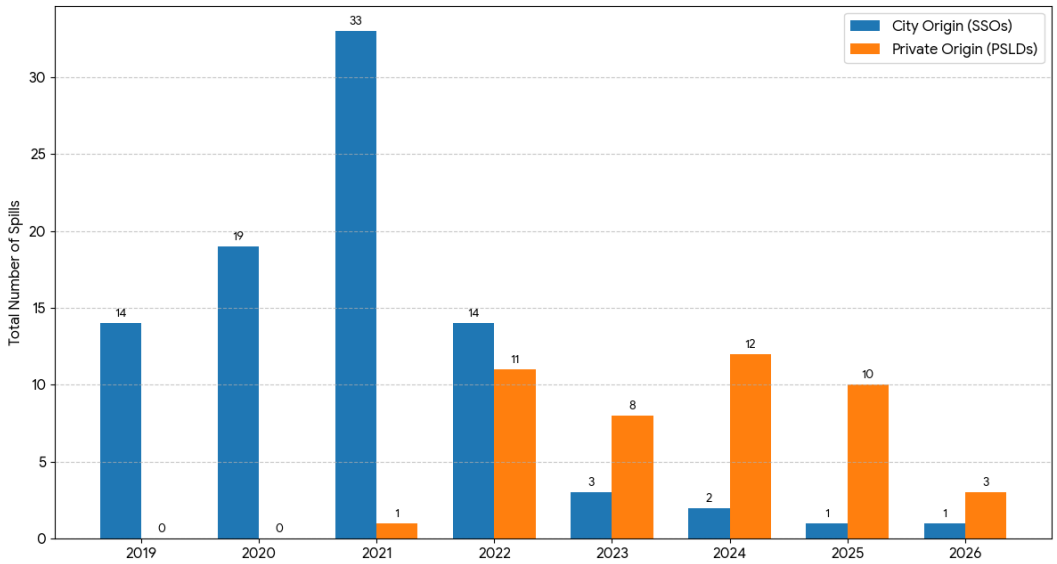


Figure 2: Sewer Spills as of March 2026 (Private Sewer Spill Reporting Requirements Began in 2021)

Private Sewer Lateral and Wastewater Offset Programs

There are two Municipal Code Sections and associated Programs that are proposed for amendment. While the requirements, process, and regulations for implementation of these Programs are identified in different sections of the Municipal Code, they share a similar purpose: to reduce inflow and infiltration from private sewer laterals, reduce the potential for sewer spills and associated impacts to public health, safety, and general welfare, and improve and maintain capacity with the municipal sewer system while accommodating development. A general and simplified summary of these programs and associated Code sections is provided in Table 1, below.

Table 1. Current Program, Municipal Code Section, and General Applicability

Program	Municipal Code Section	Where Required	General Summary
Sewer Lateral Inspection, Repair, and Replacement Program	13.08.395 Private Sewer Laterals/Systems	Citywide	As further specified in the Code, **and applicable Citywide,** requires a property owner to submit an inspection video of their private sewer lateral for review by the City. The existing Code identifies the actions triggering an inspection, including but not limited to a **property sale within the City**. An inspection is not required if: a. The private sewer lateral has been replaced within the past 20 years. b. An inspection has been submitted to the City within the past 5 years. c. The private sewer lateral is located in a common interest development and is privately maintained. As further specified in the Code, if the sewer lateral is in poor or failed condition, the lateral must be repaired or replaced under all circumstances triggering an inspection **except a property sale.**
Wastewater Flow Offset Program	13.08.396 Wastewater Flow Offset	Within Wastewater Collection System Capacity-Constrained Areas	As further specified in the Code, currently requires property owner or developer proposing new development or intensification of the existing use or development **within capacity-constrained areas** to offset the project's wastewater flow by replacing a poor or failed-condition sewer lateral(s) or completing an in-lieu capital improvement within the capacity-constrained area. Current regulations **mandate** an offset requirement for new development and intensification of an existing use.

Inspection of and Replacement of Existing Private Sewer Laterals

The City Council adopted a Municipal Code amendment on August 20, 2019, that requires, with some exceptions[5], the inspection of private sewer laterals connected to the City's sewer system, at the property owner's sole expense, when certain events occur, such as sewer spills, transfer of property ownership, and certain building permit conditions[6] (refer to Table 1 on the following page). Following an inspection required by the transfer of property ownership, the inspection results must be provided to the City and disclosed to the purchaser of the property, but repair/replacement of poor or failed laterals is currently not triggered by sale alone.

These inspections have produced a dataset critical to the success of the overarching private sewer lateral programs, which aim to correct private infrastructure deficiencies with a data-driven approach that is focused on the highest areas of risk. From 2019 to present, there have been **1,146** inspections completed through the Inspection Upon Sale Program. As outlined in Table 1 above, given that laterals newer than 20 years are not subject to mandatory inspection requirements, this dataset is focused on the oldest lateral inventory in the community. Of those **1,146** laterals inspected through the program, **341** (30%) were determined to be in poor or failed condition but were not required to be repaired or replaced because the current Municipal Code regulations do not require replacement of a poor or failed condition lateral based on property sale alone.

Figure 3: Private Sewer Lateral Root Intrusion

The current repair or replacement regulations, which are not presently applied to the Inspection Upon Sale Program, require repair or replacement of private sewer laterals, that do not comply with the condition requirements identified in the Municipal Code[7] (refer to Table 2, below). As described in the existing regulations, conditions warranting full replacement rather than a point repair include a private sewage spill, findings of infiltration and intrusion, or a lateral with defects having not met the required pipe material requirements as identified in the City's Standard Specifications and Engineering Standards. The current regulations require the improvements to be implemented within 180 days.

[5] Municipal Code Subsection 13.08.395(C)(2) Exceptions for inspection requirements of existing private sewer laterals.
[6] Municipal Code Subsection 13.08.395(C)(1) Inspection of Private Sewer Laterals.
[7] Municipal Code Subsection 13.08.395(B) Ownership, Maintenance, and Repair

Table 2. Current Sewer Lateral Inspection, Repair, and Replacement Program

Citywide Program and Code Section	When an Inspection is Required	Events Triggering Repair or Replacement Requirement	Conditions Warranting Repair or Replacement	Conditions Warranting Full Replacement
Sewer Lateral Inspection, Repair, and Replacement Program 13.08.395 Private Sewer Laterals/Systems	a. Issuance of a Notice of Violation due to a private sewage spill b. Building permit c. Change of use d. New water meter or increase in the size of the existing water meter e. Subdivision of the property f. Evident inflow and infiltration affecting the sewer system **g. Property sale**	**Inspection** shows poor or failed condition lateral **and the following**: a. Issuance of a Notice of Violation due to a private sewage spill b. Building permit c. Change of use d. New water meter or increase in the size of the existing water meter e. Subdivision of the property f. Evident inflow and infiltration affecting the sewer system	**Based on the inspection**, repair or replacement is required if the private sewer lateral **is not in compliance with the following**: a. Private sewer laterals shall be free of displaced joints, breaks, offsets, structural defects, damage, open joints, missing portions of pipe, root intrusion, cracks, leaks, sediment deposits, bellies in the pipe or any other similar conditions, defects or obstructions likely to cause or contribute to blockage of the private sewer lateral or the public sewer.	a. Sanitary sewer overflow b. Findings of infiltration and intrusion c. Defects that do not meet the required pipe material requirements as defined in the City's Standard Specifications and Engineering Standards.

Citywide Program and Code Section	When an Inspection is Required	Events Triggering Repair or Replacement Requirement	Conditions Warranting Repair or Replacement	Conditions Warranting Full Replacement
			b. Private sewer laterals shall be equipped with cleanouts. c. Private sewer laterals shall not be constructed, either in whole or in part, of "Orangeburg pipe." d. It is unlawful to connect a private sewer lateral to storm drains, roof drains, yard drains, surface or subsurface drainage, groundwater, or other non-sewage pipes or drains.	

Proposed Amendment to the Municipal Code Inspection Upon Sale Requirements

Staff recommend a Municipal Code amendment that would require repair or replacement of poor or failed condition laterals as determined through the Inspection Upon Sale Program (refer to Table 3 below). This amendment will result in a greater number of lateral replacements compared to the current Program and is anticipated to result in a reduction of inflow and infiltration affecting the Citywide municipal sewer system, a reduction of sewer spills Citywide, an increase in Citywide sewer system capacity during wet weather, and a reduction in the capacity-constrained area boundaries.

The recommended effective date for this requirement is **January 1, 2027**, to allow for additional outreach and education to key stakeholders and the broader community. Staff are *not* proposing retroactive replacement requirements for laterals that have already been inspected and condition-rated through this program.[8]

Table 3. Existing and Proposed Triggers for Sewer Lateral Inspections and Repair/Replacement

Trigger	Current Ordinance (Citywide)		Proposed Ordinance (Citywide)	
	Inspection Required	Replace/Repair (failed/poor condition)	Inspection Required	Replace/Repair (failed/poor condition)
Property Sale	X		X	X
Sewer Spill (Notice of Violation)	X	X	X	X
Building Permit (specified scope)	X	X	X	X
Change of Use (specified scope)	X	X	X	X
New Water Meter or Increase in the Water Meter Size	X	X	X	X
Subdivision	X	X	X	X
Evident inflow/infiltration	X	X	X	X

[8] From 2019-present, 341 laterals have been conditioned as poor or failed and have not been replaced.

Replacement requirements, administered through a staff-issued Notice to Correct, would allow 180 days for replacement (from the time of notification from the City), which is consistent with existing requirements. The replacement duration may be extended at the discretion of the Public Works and Utilities Director, given that good faith efforts have been made to complete the work and there are extenuating circumstances that result in replacement not being feasible by the assigned deadline (see Figure 4).

Existing rebates would remain available to help offset the cost of the work for community members, including the following:

- **Private Sewer Lateral Inspection Rebate (up to $350):**
  - Applies to all property types within capacity-constrained areas
  - Inspection completed on or after December 2, 2025

- **Private Sewer Lateral Replacement Rebate (up to $4,000):**
  - Citywide: single-family residences
  - Capacity-constrained area only: multi-family and commercial properties
  - Full replacements, only, completed on or after December 2, 2025

Staff continue to monitor and evaluate these existing rebate programs to ensure availability of sufficient funding. In the event application and funding trends demonstrate that the rebate programs could be expanded, staff may return to City Council for Rebate Program modifications. Staff continue to provide additional outreach to the community regarding these rebate opportunities.

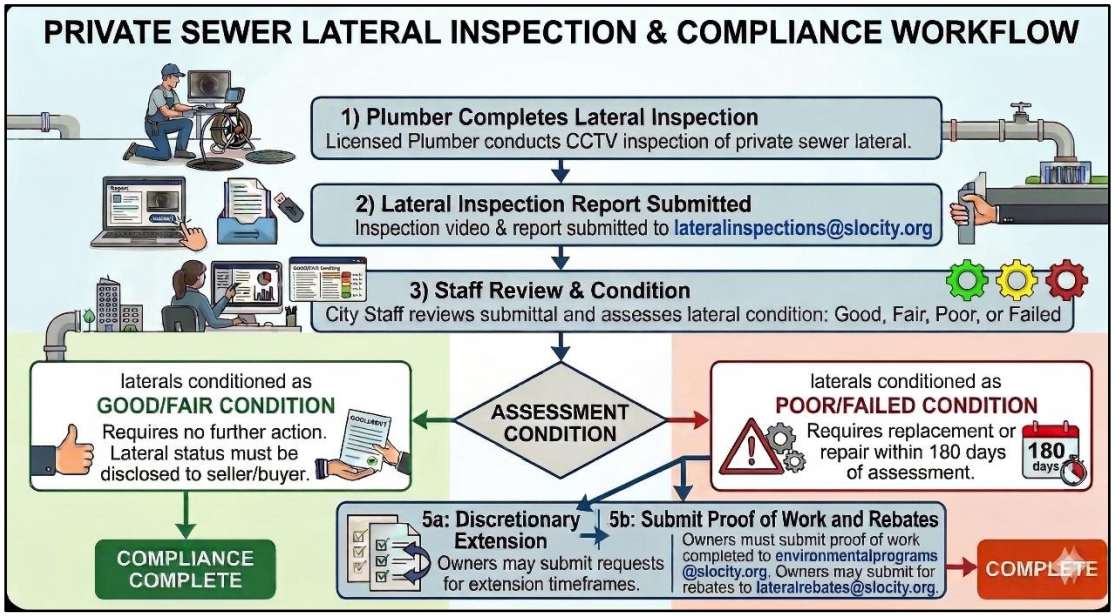


Figure 4: Inspection Upon Sale Workflow

Private sewer laterals not replaced within 180 days (or within the timeframe authorized by a Director extension) will result in an Administrative Citation and Notice of Violation, [9]

[9] Municipal Code Section 13.08.470 Authority of director, Notice of Violation.

and the City may withhold a building permit for repair, construction, or alternation associated with the property or require a financial surety. [10]

It is important to note that the prior staff recommendations brought forward to Council between 2017 and 2019 would have required that this work be completed prior to close of escrow. This previously recommended requirement was determined through outreach with realtors to be infeasible given the condensed timeframe associated with many real estate transactions. Ultimately, Council at that time elected to proceed with the current Wastewater Flow (Sewer Lateral) Offset and Inspection Programs to achieve desired community outcomes rather than imposing a replacement upon sale requirement.

Staff's current proposed recommendation addresses concerns expressed in 2017-2019 regarding the timing of any necessary replacements by allowing the lateral replacement to occur after the close of escrow, with opportunities for a discretionary extension. Additionally, delaying the implementation date for the proposed changes to January 1, 2027, and continuing educational support and outreach by staff will help to minimize impacts to the property sale process.

Wastewater Flow Offset Program

The existing Wastewater Flow Offset Program requires proposed intensified or new development projects located in capacity-constrained areas to "offset" the additional new flow in these areas by repairing existing failing private infrastructure before the new infrastructure is occupied. Municipal Code Section 13.08.396(A) states that:

> *"The city experiences surcharging in the wastewater collection system and sanitary sewer overflows during wet weather events due to inflow and infiltration. The purpose of these regulations is to establish a methodology whereby new or intensified development in capacity constrained areas as established by the city council could offset new wastewater flow to mitigate capacity constraints in the existing wastewater collection system to accommodate the project's additional demand."*

From 2019 to present, **114** private sewer laterals have been replaced as a requirement of the current Wastewater Flow Offset Program.

Proposed Amendment to the Municipal Code Wastewater Flow Offset Requirements

Following the August 19, 2025 City Council Study Session and adoption and implementation of the 2025 Wastewater Collection System Infrastructure Renewal Strategy, staff have conducted additional evaluations of the Wastewater Flow Offset Program. Based on the improved City wastewater flow model, advancements in wastewater flow data collection and analysis, and the proposed Municipal Code amendment summarized above related to the Inspection Upon Sale Program, staff's

[10] Municipal Code Section 1.24.200 Prohibition against issuance of permits.

recommendation is to dissolve the existing mandatory wastewater flow offset requirements provided in Section 13.08.396 (Attachment A, Draft Ordinance).

Improvements in capacity-constrained areas will continue as a result of both City and private sewer improvements through 1) the City's capital improvement plan, 2) voluntary replacement of private sewer laterals, encouraged through rebates and education, 3) mandatory replacement of private sewer laterals following sewer spills, 4) mandatory replacement of private poor/failed sewer laterals conditioned through tenant improvements or intensification projects, 5) if Council approves staff's current recommendation, mandatory replacement of private sewer laterals conditioned as poor/failed through the Inspection Upon Sale process, and 6) conditioned offsets based on discretionary review of entitlements and wastewater flow modeling for the protection of public health and safety.

Upon Council authorization, the Public Works and Utilities Director would be allowed discretion to waive pending offset improvements for existing entitled projects, building permits under review, and issued building permits if the offset is required by the current version of Municipal Code 13.08.396 only and not required for the protection of public health and safety (Attachment B, Draft Resolution). This requirement would be waived for: actions subject to ministerial permits only (e.g., accessory dwelling unit, single-family residence, remodel of existing structure), Minor Development entitlements, and Moderate and Major Development entitlements where the Wastewater Collections Infrastructure Renewal Strategy and associated wastewater flow model demonstrate that there would be no adverse effect on public health and safety. Prior offsets (already completed) would qualify for rebate awards under the currently adopted rebate program conditions and requirements.

Anticipated Beneficial Effects within Capacity-Constrained Areas and Citywide

From 2019 to present, **114** private sewer laterals have been replaced as a requirement of the current Wastewater Flow Offset Program. This is significantly less than the **341** private sewer laterals that were conditioned as poor/failed (but not replaced) through the Inspection Upon Sale Program during the same time period. During that same time period, **518** private sewer lateral rebates have been issued, primarily associated with voluntary replacement (Figure 5).

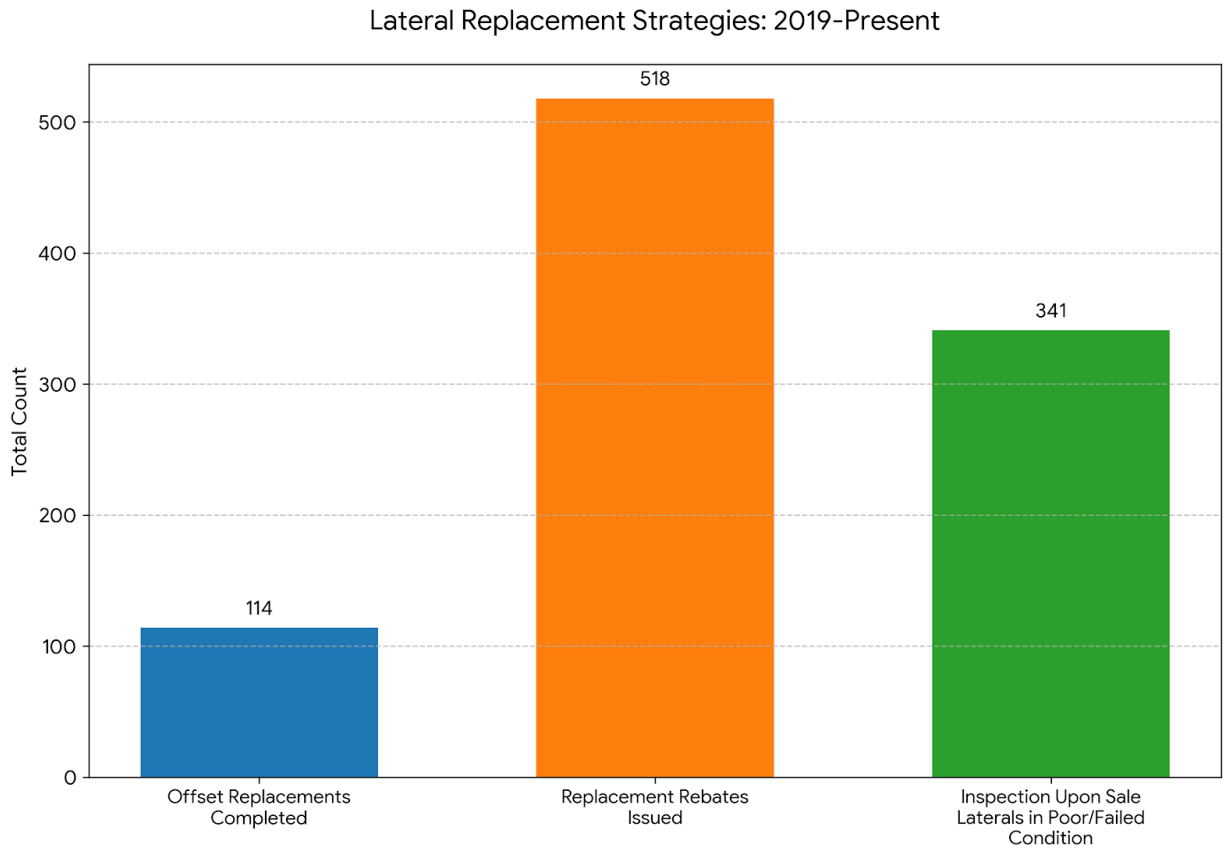


Figure 5: Private Sewer Lateral Replacement Strategy Comparison

Since 2019, 1,146 property sales required a private sewer lateral inspection, and 30% of these laterals were determined to be in poor or failed condition. Looking at this data, it is anticipated that this trend will continue, and staff anticipates the proposed combined changes to the Municipal Code and Sewer Lateral Inspection and Wastewater Flow Offset Programs, and continuance of the existing rebate programs, will result in a greater number of lateral replacements, a reduction of inflow and infiltration, and a reduction of sewer spills. Replacement of these laterals will ultimately contribute to the reduction of capacity-constrained areas of the sewer system.

These changes would result in other benefits related to City resources and challenges experienced by the community. Implementation of the Wastewater Flow Offset Program requires a significant amount of staff resources to administer compared to the gain of the 114 lateral replacements since 2019. In addition, based on continued outreach and community feedback, staff are aware of the burden on the community, property owners, and developers to locate a poor or failed condition lateral and conduct private negotiations with another property owner to satisfy the offset requirement. The Offset Program has been particularly challenging for property owners who are developing a detached Accessory Dwelling Unit or expanding an existing single-family residence to increase housing availability within the City.

From 2019 to 2025, the Wastewater Flow Offset Program, implementation of development agreements and conditioned improvements, and citywide initiatives aimed

to reduce inflow and infiltration contributed to the reduction of capacity-constrained areas from approximately 2,100 acres to 1,100 acres, which is reflected in the revised map adopted on December 2, 2025. The updated 2025 capacity-constrained area map will continue to inform development projects in areas that have limited wastewater capacity, allow for analysis of a development's impact, and require mitigation of impacts through the discretionary and environmental review of an entitlement application. The proposed amendments to the Wastewater Offset and Private Sewer Lateral Programs will continue the pace of or accelerate the replacement of private sewer laterals and will provide additional condition assessments for the 33% of the privately owned laterals in capacity constrained areas that are currently unknown; see Figure 6.

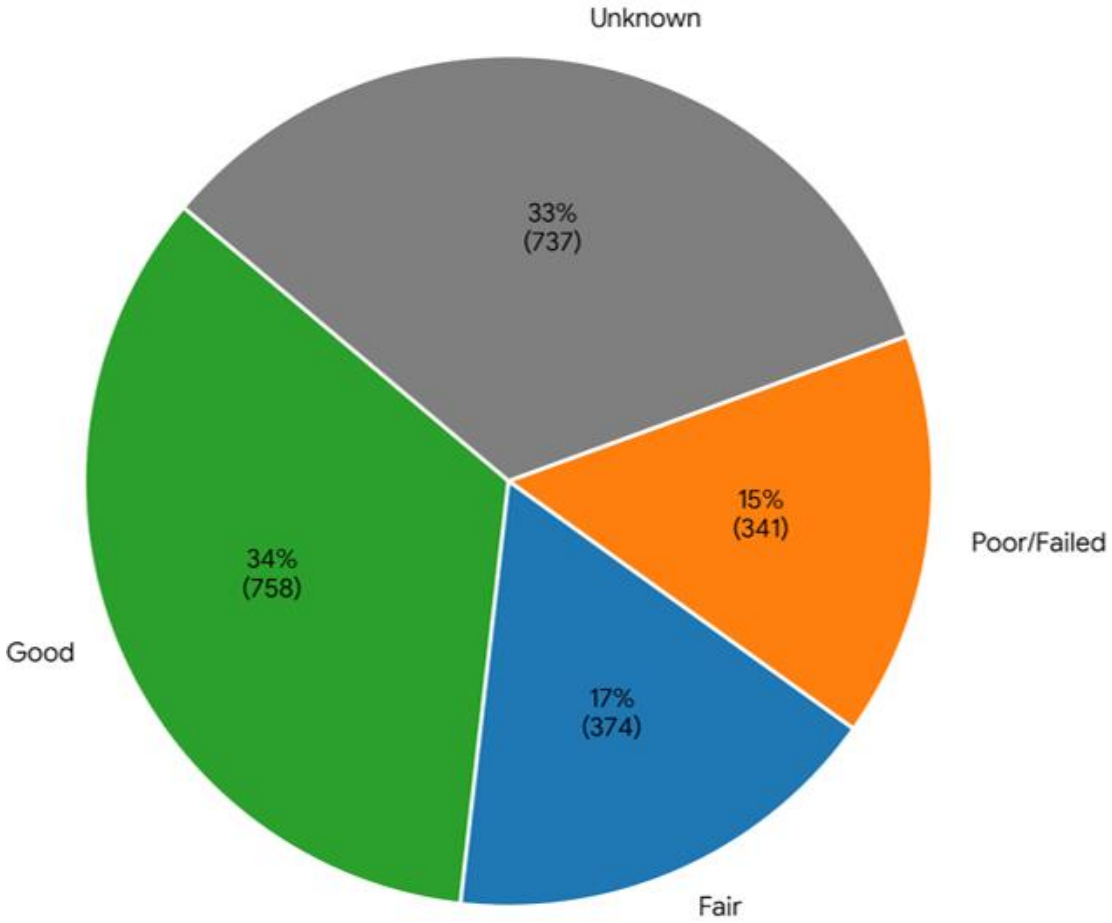


Figure 6: Current Private Sewer Lateral Conditions in Capacity-Constrained Areas

Continued Discretionary Review of Development and Use Entitlements

Staff will continue to conduct review of discretionary development projects, subdivisions, and use permits to determine the project's impact to the City's sewer system. In addition to a project's compliance with the City's Engineering Standards, flow offset requirements and on and offsite sewer improvements for discretionary projects and associated entitlements would be determined by an engineer's utility design narrative, assessment of existing affected infrastructure, and wastewater flow modeling and impact analysis conducted during the discretionary review process for specified entitlements. If these reviews indicate that a project would negatively impact the City's wastewater infrastructure, private sewer lateral offsets and other improvements to the wastewater system may be required as a means to mitigate those negative impacts.

The resulting offset requirement and/or infrastructure improvement would be adopted via conditions of approval and/or mitigation measures. This process would also allow for consideration of existing approved "wastewater offset credits" obtained by a developer under the existing ordinance and program. The process would follow the regular review, evaluation, and approvals for discretionary entitlement applications. Conditions of approval would be required *when reasonable and necessary to protect the public health, safety, and general welfare and ensure compliance with all appliable City regulations and policies.* The City's authority for conditioned approvals is established in existing City Municipal Code regulations, including Title 17 (Zoning Regulations), Article 6 (Permit Procedures). The conditions of approval would be implemented and verified during the building permit phase.

The overwhelming majority of development projects would not be subject to any future offset requirements under the recommended changes. Ministerial and Minor Development Review Projects (as defined in the City's Zoning Ordinance, Municipal Code Section 17.106.030) would not be subject to a wastewater flow offset requirement. For example, a single-family residence, the addition of an accessory dwelling unit (ADU), the remodel of an existing single-family residence, a 10-unit multi-family residential or mixed-use project, and commercial tenant improvement projects would not require capacity offsets based on the wastewater flow from these small projects. Projects that only require a building permit and do not require a discretionary entitlement would also not be subject to future offset requirements.

Based on the range of wastewater flow generated by future projects subject to discretionary review, the following entitlement categories would be subject to engineering analysis and flow modeling, and depending upon project and location-specific analysis, may be subject to a conditioned discretionary offset requirement based on the analysis:

1. **Citywide:** Major[11] Development Review Projects, such as a 50-unit housing project, subdivisions that would result in a 50-unit housing development (as one example), and amendments to the City's General Plan and/or a property's zoning designation.

2. **Within a Capacity-Constrained Area:** Moderate[12] Development Review Projects such as an 11-unit multi-family housing development or a subdivision that would result in an 11-unit residential project (as one example).

The results of the engineering analysis and flow modeling will determine the conditioned proportional offset, which may include but not be limited to public or private sewer improvements, such as upsizing a sewer main, and/or replacing private sewer laterals offsite. The City will continue to maintain the database and map showing the location of poor and failed-condition laterals, such that this information could be used by a developer to help satisfy the offset condition of approval.

Previous Council or Advisory Body Action

On August 19, 2025, staff presented 1) the results of the 2025 Wastewater Collection System Infrastructure Renewal Strategy, including an updated capacity-constrained areas map, 2) recommendation for expanded rebate eligibility for private sewer lateral replacements and a new private sewer lateral inspection rebate, and 3) options to modify of dissolve the existing Wastewater Flow Offset Program. Council directed staff to 1) proceed to the Planning Commission and return to Council in December 2025 with an updated capacity-constrained sewer map for inclusion in an amendment to the Water and Wastewater Element of the General Plan, 2) return to Council with final recommendations for updates to private sewer lateral rebates, and 3) return to Council in 2026, following additional outreach and analysis, with updated recommendations regarding modifications to the Wastewater Flow Offset Program.

On December 2, 2025, Council 1) adopted the new sewer capacity-constrained area map as part of a General Plan amendment to the Water and Wastewater Element, and 2) adopted updates to private sewer lateral rebates including extending eligibility for private sewer lateral replacement rebates to multi-family and commercial properties located in capacity-constrained areas (retaining existing eligibility for single-family homes citywide) and creation of a new private sewer lateral inspection rebate.

[11] Major Review Projects include multi and single-unit developments 50 units or more, and non-residential/mixed-use development more than 10,000 square feet in size, significant additions in the Downtown Commercial zone, and any project where an environmental impact report is required.
[12] Moderate Review Projects include multi and single-unit developments between 11-49 units and non-residential/mixed-use development 2,500 to 10,000 square feet in size, or a significant enlargement or modification.

Public Engagement

Since the December 2, 2025 Council Study Session, staff have met with various community stakeholders and key partners to generate discussion and feedback, which has been evaluated to determine alignment and to produce the recommendations in this report. In summary:

- January 8, 2026: staff met with several stakeholders in the development community.
- January 15, 2026: staff gave a presentation on proposed changes to approximately 20 San Luis Obispo Coastal Association of Realtors members at the San Luis Obispo Compass office.
- February 5, 2026: staff presented at the Developer's Roundtable.
- March 12, 2026: staff gave a presentation to the San Luis Obispo Chamber Legislative Action Committee.
- March 23, 2026: Following the March 12 Chamber meeting, staff met again with several interested developers.
- March 27, 2027: staff met again with representatives from the San Luis Obispo Coastal Association of Realtors at the Compass office.

Both the realtor and developer communities have provided meaningful feedback and participated in collaborative discussions to refine the City's approach. Stakeholder comments and concerns are summarized in Table 4 below, along with staff's corresponding responses and approaches, as incorporated into the action recommendations (as applicable).

Table 4. Stakeholder Outreach Summary

Stakeholder Group	Comments and Concerns	Staff Response
Realtor	Hardship funding source beyond $4,000 rebate for those who qualify.	Staff have not yet identified a Proposition 218-compliant funding source and administrative structure to implement this.
Realtor	Limited contractor availability to perform work.	Staff believe there are sufficient qualified contractors to complete work, and will conduct additional outreach to other qualified firms not currently performing replacements.
Realtor	Owner confusion between plumber and City assessment of lateral.	Staff are in the final stages of evaluating an online portal that would allow direct access to videos and comments. This would result in standardized review and serve as an additional tool for private bid procurement for replacement work.
Realtor	May not be able to complete work in 180 days.	Director discretion to extend deadline with demonstration of good faith effort.

Stakeholder Group	Comments and Concerns	Staff Response
Realtor	Education is needed.	Staff will coordinate an expanded roadshow to brokerage offices. Ordinance change proposed to be effective January 1, 2027 to allow for additional outreach and education.
Realtor	Consider mandated replacement of all existing poor/failed laterals rather than requiring replacement through Inspection Upon Sale Program.	Staff do not recommend this as replacement through property transfer allows for easier access to funding source for the replacement (i.e. included in home purchase financing).
Realtor	Potential delay to escrow closing.	Buyer and seller may negotiate replacement through terms of sale, similar to other contingency items.
Realtor	Can staff limit mandatory repair or replacement of poor/failed condition laterals conditioned through the Inspection Upon Sale process to only laterals located in capacity-constrained areas?	Staff's current recommendation to require mandatory repair or replacement applies to all laterals conditioned as poor/failed *City-wide*, which is consistent with all other replacement triggers (e.g. development and enforcement following sewer spills). These faulty laterals introduce groundwater and stormwater into the system during wet-weather flows and become obstructed during dry-weather flows (root intrusion), both of which lead to sewer spills.
Developer	What happens to current project requirements?	Project requirements may be waived upon Council's approval of staff's recommendations.
Developer	What happens with existing "credits" for offsets already completed?	Credits are available to use to offset future mitigation requirements and are subject to existing rebate eligibility.
Developer	If the Wastewater Flow Offset Program is dissolved, what is the project threshold for future mitigation or condition of approval requirements?	1) All Major Development Review projects, subdivisions that would result in a major development-sized project, and amendments to the City's General Plan and/or a property's zoning designation. 2) Moderate Development Review projects and subdivisions that would result in a moderate development-sized project within a capacity-constrained area.

CONCURRENCE

The Community Development Department concurs with the proposed Municipal Code amendment. Developers have noted that the current sewer lateral program is a barrier to the development of housing, and the proposed changes could help facilitate housing development and achievement of Major City and General Plan Housing Element goals and policies. The proposed amendments also allow the continuing discretionary review and conditioned approvals for specified entitlements in order to ensure public health, safety and wellness. The City Attorney's Office has reviewed the draft Municipal Code amendment and has approved to form.

ENVIRONMENTAL REVIEW

The proposed Municipal Code amendment and associated Council-authorized discretion to the Public Works and Utilities Director is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15307 (Actions by Regulatory Agencies for Protection of Natural Resources) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment) because the proposed modifications are anticipated to result in a significantly greater number of replacements of private sewer laterals in failed or poor condition (both within capacity-constrained areas and citywide), which will result in a reduction in inflow and infiltration from groundwater and stormwater affecting the City's wastewater collection system, a reduction in wet weather sewer spills within capacity-constrained areas, and a reduction in private sewer lateral spills citywide.

In addition, currently, property sales require inspection of the private sewer lateral, only. If that lateral is in poor or failed condition, there is no current requirement to replace the lateral (unless other actions trigger the requirement, such as intensification through a permitting process). These failed or poor-conditioned laterals contribute to inflow and infiltration and have the potential to result in a sewage spill. Requiring replacement of private sewer laterals in failed or poor condition as a requirement of a property sale would avoid the potential for resulting private lateral sewage spills, which would have a beneficial effect on the environment. As evident in the data,[13] these modifications to the program, including elimination of the mandatory offset requirements for projects currently meeting the definition of "intensification", would have an overall beneficial impact on the environment. Furthermore, the Municipal Code amendment does not eliminate the requirement for discretionary review for specified entitlements, review for consistency with General Plan policies regarding wastewater collection system capacity, and CEQA compliance, which requires consideration of a project's impact on water quality and a determination that the project can be adequately served by all required utilities and public services.

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13 From August 2019 to March 2026, **114** private sewer laterals have been replaced as a requirement of the Wastewater Flow Offset Program. This is significantly less than the **341** private sewer laterals that were conditioned as poor/failed (but not replaced) through the Inspection Upon Sale Program during the same time period (Source: City of San Luis Obispo, 2026).

The physical construction of private sewer lateral replacements resulting from the Municipal Code amendment would be exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities), and 15303 (New Construction or Conversion of Small Structures) as the new lateral would have substantially the same purpose as the lateral to be replaced, and would involve negligible or no expansion of the existing use.

FISCAL IMPACT

Budgeted: NA Budget Year: 2025-26
Funding Identified: NA

Fiscal Analysis:

While there are no fiscal impacts directly associated with this item, the Utilities Branch will continue to administer private sewer lateral rebates through the currently adopted programs or until appropriated funds are exhausted each fiscal year.

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	$0	$0	$0	$0
State				
Federal				
Fees				
Other:				
Total	**$0**	**$0**	**$0**	**$0**

Summary of Staff Recommendations:

1. Modification of the Citywide Sewer Lateral Inspection Program to include repair or replacement of poor or failed condition laterals as determined through the Inspection Upon Sale process.
2. Dissolution of mandatory Wastewater Flow (Private Sewer Lateral) Offset Program requirements.
3. Continued discretionary review and determination of conditional wastewater flow offsets for specified entitlements based on modeling and analysis.
4. Public Works and Utilities Director discretion to waive pending offset improvements for entitled projects and building permits in process.

ALTERNATIVES

1. ***Council may direct staff not to amend Title 13 of the City's Municipal Code.*** This alternative would retain existing wastewater flow offset requirements for intensification projects and would not require mandatory repair or replacement of private sewer laterals determined to be in poor or failed condition through the inspection upon sale process. Impacts of this alternative include 1) retaining existing requirements for new development and intensification projects in the city, which increase costs associated with new development and housing, and 2) existing poor or failed laterals would not be replaced after ownership transfer, resulting in increased risk to the property owner, environment, and the city's sewer conveyance system.

2. ***Council may direct staff to proceed with partial amendments to Title 13 of the City's municipal code, retaining the wastewater flow offset program and only amending 13.08.395 to require mandatory replacement or repair of poor or failed condition laterals following inspection upon sale reports.*** Under this scenario, the number of private sewer lateral replacements would increase, and development projects would continue to be subjected to the offset program mandates.

3. ***Council may direct staff to proceed with partial amendments to Title 13 of the City's municipal code and only amend 13.08.396 to dissolve the mandatory wastewater flow offset program requirements for intensification projects.*** This action would not achieve the overall beneficial effect resulting from the replacement of poor or failed private sewer laterals following a condition assessment under the Inspection Upon Sale program, without a specified timeframe for lateral replacement. Since 2019, 341 sewer laterals have been determined to be in poor or failed condition during property sales, but these inspection reports did not require sewer lateral replacement after ownership transfer. Results include increased burden on ratepayers from inflow and infiltration (increased costs to convey and treat rainwater), emergency response following sewer spills, and risks to property owners, the public, and the environment associated with sewer spills.

ATTACHMENTS

A - Draft Ordinance entitled "An Ordinance of the City Council of the City of San Luis Obispo, California, Amending Section 13.08.395 (Private Sewer Laterals/Systems) and Section 13.08.396 (Wastewater Flow Offset) of the City of San Luis Obispo Municipal Code."

B - Draft Resolution entitled "A Resolution of the City Council of the City of San Luis Obispo, California, Authorizing the Discretion of the Public Works and Utilities Director to Waive Wastewater Flow Offset Program Requirements and Resolution and Determination of Satisfaction of Conditions of Approval Related to Wastewater Flow Offsets."

ORDINANCE NO. _____ (2026 SERIES)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AMENDING TITLE 13, CHAPTER 13.08, SECTION 13.08.395 (PRIVATE SEWER LATERALS/SYSTEMS) AND SECTION 13.08.396 (WASTEWATER FLOW OFFSET) OF THE SAN LUIS OBISPO MUNICIPAL CODE

WHEREAS, the City's General Plan supports development and redevelopment of sites that will accommodate the community's future growth in areas with capacity constraints in the wastewater collection system; and

WHEREAS, General Plan Water and Wastewater Element Policies state that the City's wastewater collection system shall support population and related service demands consistent with the General Plan (Policy B 2.2.2), and the City shall collect and convey all wastewater under safe and sanitary conditions to the Water Resource Recovery Facility (Goad B 4.1); and

WHEREAS, the City must provide capacity assurance consistent with its adopted Sewer System Management Plan and Statewide General Waste Discharge Requirements; and

WHEREAS, the City of San Luis Obispo has completed the 2025 Wastewater Collections System Infrastructure Renewal Strategy, which includes an updated wastewater flow model and data analysis; and

WHEREAS, private sewer laterals in failed and poor condition contribute significant inflow and infiltration contributing to capacity constraints, surcharging, and overflows in the wastewater collection system during peak wet weather events; and

WHEREAS, private sewer laterals in failed and poor condition are at high risk for backups and overflow due to roots and debris that enter the system, which poses a significant risk to the property owner, tenants, public and environment; and

WHEREAS, in combination with the implementation of capital sewer projects, the replacement of failed and poor-condition private sewer laterals will improve capacity in the municipal collection system during peak wet weather events and reduce potential for sewer surcharging and overflows.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of San Luis Obispo that:

SECTION 1. Environmental Review. The proposed Municipal Code amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15307 (Actions by Regulatory Agencies for Protection of Natural Resources) and 15308 (Actions by Regulatory Agencies for the Protection of the

Environment) because the proposed modifications are anticipated to result in a significantly greater number of replacements of private sewer laterals in failed or poor condition (both within capacity-constrained areas and citywide), which will result in a reduction in inflow and infiltration from groundwater and stormwater affecting the City's wastewater collection system, and a reduction in wet weather sewer spills within capacity-constrained areas. The physical construction of private sewer lateral replacements resulting from the Municipal Code amendment would be exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities), and 15303 (New Construction or Conversion of Small Structures) as the new lateral would have substantially the same purpose as the lateral to be replaced, and would involve negligible or no expansion of the existing use.

SECTION 2. Municipal Code Section 13.08.395 of the San Luis Obispo Municipal Code and Ordinance Number 1734 (2024 Series) is hereby amended to read as follows and superseded to the extent inconsistent herewith:

13.08.395 Private sewer laterals/systems.

A. *Purpose.* Inflow and infiltration (I/I) is a serious problem for the city in that during wet weather events, a significant amount of water is introduced into the city's wastewater collection system from breaches in the public and private sewer pipeline system. Studies have shown that private sewer laterals are a significant source of I/I for the city. The city has determined that it is in the interest of the public's health, safety, and welfare to address I/I contributed by private sewer laterals and, as such, it is a city priority to require the inspection of private sewer laterals.

B. *Ownership, Maintenance, and Repair.*

1. The entire lateral, from the building connection up to and including the "wye" connection or other tie-in to the city-owned sewer main, shall fall within the owner's responsibility for installation, maintenance, repair, and replacement.

2. Each property owner shall be responsible for maintenance and repair of their private sewer lateral in compliance with this section in a safe and sanitary condition, including:

a. Private sewer laterals shall be free of displaced joints, breaks, offsets, structural defects, damage, open joints, missing portions of pipe, root intrusion, cracks, leaks, sediment deposits, bellies in the pipe or any other similar conditions, defects or obstructions likely to cause or contribute to blockage of the private sewer lateral or the public sewer.

b. Private sewer laterals shall be equipped with cleanouts.

c. Private sewer laterals shall not be constructed, either in whole or in part, of "Orangeburg pipe."

d. As described in Section 13.08.030(A), it is unlawful for any individual to connect the following to a private sewer lateral: storm drains, roof drains, yard drains, surface or subsurface drainage, groundwater, or other non-sewage pipes or drains.

3. If a property owner fails to maintain the abovementioned wastewater facilities in a safe and sanitary condition, the director may order and require termination of water service to the parcel and all structures connected to the sewer outlet subject to these conditions. The water service shall not be reinstated until the maintenance or installation of appropriate wastewater disposal facilities has been approved by the director.

4. Before granting any permit authorizing construction of a private sewer lateral or private sewer main serving multiple properties, the city shall require a private easement setting forth responsibilities for each parcel served (including responsibility for maintenance, inspection, and improvement of the shared sewer lateral).

C. *Inspection of Existing Private Sewer Laterals.*

1. Except as set forth in subsection (C)(2) of this section, after January 1, 2020, all private sewer laterals connected to the city's sewer system shall be inspected per subsection F of this section at the property owner's sole expense, when any of the following events occur:

   a. Whenever the city has issued a notice of violation following a sanitary sewer overflow event from a property's private sewer lateral.
   b. Upon submittal of a building permit for the addition of a bedroom, bathroom, or kitchen in a residential structure or the addition of nonresidential space or an additional plumbing fixture unit in nonresidential structures.
   c. A change of the use of the structure from: (i) residential to nonresidential use; (ii) to a nonresidential use that will result in a higher flow than the previous nonresidential use; or (iii) to a nonresidential use where the structure served has been vacant or unoccupied for more than three years.
   d. Increase in size of the domestic water meter serving the property or adding a new domestic water meter.
   e. Whenever property located in the city and containing one or more structures which are served by a private sewer lateral or laterals is subdivided. The inspection shall occur prior to recordation of the final map.
   f. Within thirty days of notification by the city that "smoke testing" or closed-circuit television (CCTV) sewer main inspection indicates the presence of inflow or infiltration from private property that impacts the operation of the public wastewater collection system.
   g. Upon any change in ownership of real property within the city, which shall be implemented as follows:

      i. "Change in ownership" shall have the meaning set forth in California Revenue and Taxation Code Sections 60 and 61. A change in ownership

shall not include those transactions as set forth in California Revenue and Taxation Code Section 62.

ii. Before close of escrow for any change in ownership of real property within the city, the seller(s) of such property shall disclose to the buyer(s) the results of the private sewer lateral inspection as set forth in subsection F of this section.

h. For events identified in subsections (C)(1)(a) through (C)(1)(g) of this section, repair or replacement shall be made pursuant to subsection G of this section.

i. For events identified in subsection (C)(1)(g), repair or replacement requirements pursuant to subsection G of this section shall not be effective until January 1, 2027.

D. *Private Sewer Laterals Within Common Interest Developments.*

1. For purposes of this section, the term “common interest development” shall include any community apartment project, condominium project, planned development, or stock cooperative.

2. Private sewer laterals located within a common interest development shall be inspected pursuant to the requirements of subsection F of this section as follows:

a. Whenever the city has issued a notice of violation following a sanitary sewer overflow event from a common interest development’s private sewer lateral.

b. Increase in size of the water meter serving the common interest development.

3. *Exceptions.* An inspection required pursuant to subsection (D)(1) of this section shall not be required in the following circumstances:

a. *Prior Replacement of Lateral.* If the private sewer lateral serving the common interest development in its entirety was installed or replaced within the twenty years prior to the date the inspection would otherwise be required.

b. *Prior Inspection or Repair of a Lateral.* If the private sewer lateral serving the common interest development in its entirety was inspected in accordance with the inspection requirements of subsection F of this section within the five years prior to the date the inspection would otherwise be required.

E. *Inspection of Shared Private Sewer Laterals.* Each property owner served by a shared private sewer lateral shall be responsible for compliance with subsection B of this section and shall be subject to the inspection requirements identified in subsection C of this section. For purposes of this subsection E, a “shared private sewer lateral” shall mean laterals serving more than one property that are not part of a common interest development.

F. *Inspection Requirements.*

1. Property owners must submit documentation of the sewer lateral inspection to the city prior to the close of escrow. Testing may be accomplished by either a water exfiltration test, an air test, or closed-circuit video recording observation. Installation of cleanouts and removal of existing P-traps may be necessary to accomplish the video inspection. If a closed-circuit video recording observation is selected as the method of inspection, then the video shall meet the following requirements:

a. Shall be in digital format.
b. Shall be in color (black and white or otherwise unclear video will not be accepted).
c. Shall show the address of the lateral.
d. Shall show the date the video was taken.
e. Shall inspect the entire lateral from the house connection to the city-owned sewer main.
f. Shall have a running foot or time marker clearly visible on the screen.
g. Where joints are present, shall briefly stop the camera at each to clearly indicate their integrity.
h. Shall have the telephone number for the point of contact for the company providing the inspection.
i. A map shall be provided with the video inspection to clearly show the lateral location including the cleanout or access point at the house connection used to insert the camera into the lateral and the wye connection to the city-owned sewer main.

2. The lateral inspection and lateral inspection report shall be prepared and signed by a contractor, plumber, or a person experienced in lateral inspections who shall declare that the report is true and correct. At a minimum, the inspection report shall include the information in Exhibit A:

EXHIBIT A: PRIVATE SEWER LATERAL INSPECTION REPORT	
Property Address (or Addresses):_____	
Inspection Date:_____	Inspection Method:_____
Company Name/Point of Contact:_____	
Phone Number/Email Address:_____	

EXHIBIT A: PRIVATE SEWER LATERAL INSPECTION REPORT	
Lateral Length (in feet):_____	Lateral Material:_____
Installation date (if known):_____	Lateral Age:_____
Describe deficiencies (if any):_____	
Plumber/Contractor Signature:_____	
License # of Plumber/Contractor:_____	
Property Owner Signature:_____	
Property Owner interest in participating in city Wastewater Flow Offset Program: *	**YES NO**
** If Property Owner indicates "Yes", city would include address on eligibility list for Wastewater Flow Offset Mitigation requirement.*	

3. A contractor, plumber, or a person experienced in lateral inspections who prepares a false lateral inspection report shall be subject to punishment under Article XII of this chapter in addition to any other legal remedies or punishment provided by law.

4. *Verification.* The city reserves the right to verify the sewer lateral inspection results prior to being accepted.

G. *Sewer Lateral Repair or Replacement Requirements.* Upon receipt of the private sewer lateral inspection report pursuant to this chapter, the city shall review the private sewer lateral inspection and lateral inspection report to verify the plumber/contractor findings and provide the owner with a determination on whether the lateral meets the criteria described in subsection B of this section. If the private sewer lateral is not in compliance with subsection B of this section, then it shall be repaired or replaced to conform to such standards within one hundred eighty days of the city's determination. If an inspection of a noncompliant lateral was conditioned due to a sanitary sewer

overflow or from findings of infiltration and intrusion, or a lateral with defects having not met the required pipe material requirements, it must be completely replaced rather than repaired. No person shall repair or replace a sewer lateral without first obtaining a permit from the city.

H. *Punishment for Violation of This Chapter.* Violations of this article shall be punishable pursuant to the remedies identified in Article XII of this chapter. It is considered a violation for any property owner to have a sewer lateral system that does not comply with subsection B of this section, unless the repair or replacement of such system is being pursued in good faith. The city may withhold building permits or other discretionary approvals for a property with a private sewer lateral that is determined to be not in compliance with subsection B of this section until the private sewer lateral is brought into compliance with city standards. Final building approval will be conditioned upon repair or replacement of any noncompliant lateral systems to the satisfaction of the director.

I. *Rebate Programs.* The city may establish by resolution one or more programs to assist owners with the replacement of private sewer laterals.

J. *Fees.* The city council may from time to time establish, by resolution, fees for issuing permits, reviewing inspection reports and other activities of the city performed pursuant to this chapter.

SECTION 3 Municipal Code Section 13.08.396 of the San Luis Obispo Municipal Code and Ordinance Number 1734 (2024 Series) is hereby amended to read as follows and superseded to the extent inconsistent herewith:

13.08.396 Wastewater flow offset.

A. Discretionary Review. As contemplated and consistent with the City's Wastewater Collection System Infrastructure Renewal Strategy, current and as may be amended, the City reserves the right to conduct discretionary review of development, subdivision, and land use entitlements that contribute wastewater flow to the municipal wastewater collection system. Nothing in this Municipal Code Chapter shall prohibit the City from imposing conditions of approval for wastewater flow capacity offsets deemed proportional, reasonable, and necessary to protect the public health, safety, and general welfare and ensure compliance with this Chapter and all applicable City regulations and policies.

1. Major development review entitlements and General Plan and Zoning Amendments citywide and Moderate development review projects within wastewater system capacity constrained areas shall be subject to engineering analysis, such as wastewater flow estimates and wastewater flow modeling provided by the applicant with the entitlement application to determine available sewer system capacity and the project's effect on the municipal wastewater collection system. Subdivision and use permit entitlements resulting in the range

of development as identified in the Major and Moderate Development review tiers shall be subject to this requirement.

2. The results of the engineering analysis and flow modeling shall determine associated conditions of approval, which may include but not be limited to public or private sewer improvements, such as upsizing sewer mains, and/or replacing private sewer laterals to offset capacity deficiencies.

SECTION 4. A summary of this ordinance, together with the names of Council members voting for and against, shall be published at least five (5) days prior to its final passage, in The New Times, a newspaper published and circulated in this City. This ordinance shall go into effect at the expiration of thirty (30) days after its final passage.

INTRODUCED on the ____ day of ____, 2026, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on the ____ day of ____, 2026, on the following vote:

AYES:
NOES:
ABSENT:

_____
Mayor Erica A. Stewart

ATTEST:

_____
Teresa Purrington
City Clerk

APPROVED AS TO FORM:

_____
J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

_____
Teresa Purrington
City Clerk

O _____

EXHIBIT A
SECTIONS 13.08.395 AND 13.08.396
LEGISLATIVE DRAFT

13.08.395 Private sewer laterals/systems.

A. *Purpose.* Inflow and infiltration (I/I) is a serious problem for the city in that during wet weather events, a significant amount of water is introduced into the city's wastewater collection system from breaches in the public and private sewer pipeline system. Studies have shown that private sewer laterals are a significant source of I/I for the city. The city has determined that it is in the interest of the public's health, safety, and welfare to address I/I contributed by private sewer laterals and, as such, it is a city priority to require the inspection of private sewer laterals.

B. *Ownership, Maintenance, and Repair.*

1. The entire lateral, from the building connection up to and including the "wye" connection or other tie-in to the city-owned sewer main, shall fall within the owner's responsibility for installation, maintenance, repair, and replacement.

2. Each property owner shall be responsible for maintenance and repair of their private sewer lateral in compliance with this section in a safe and sanitary condition, including:

a. Private sewer laterals shall be free of displaced joints, breaks, offsets, structural defects, damage, open joints, missing portions of pipe, root intrusion, cracks, leaks, sediment deposits, bellies in the pipe or any other similar conditions, defects or obstructions likely to cause or contribute to blockage of the private sewer lateral or the public sewer.

b. Private sewer laterals shall be equipped with cleanouts.

c. Private sewer laterals shall not be constructed, either in whole or in part, of "Orangeburg pipe."

d. As described in Section 13.08.030(A), it is unlawful for any individual to connect the following to a private sewer lateral: storm drains, roof drains, yard drains, surface or subsurface drainage, groundwater, or other non-sewage pipes or drains.

3. If a property owner fails to maintain the abovementioned wastewater facilities in a safe and sanitary condition, the director may order and require termination of water service to the parcel and all structures connected to the sewer outlet subject to these conditions. The water service shall not be reinstated until the maintenance or installation of appropriate wastewater disposal facilities has been approved by the director.

4. Before granting any permit authorizing construction of a private sewer lateral or private sewer main serving multiple properties, the city shall require a private easement setting

forth responsibilities for each parcel served (including responsibility for maintenance, inspection, and improvement of the shared sewer lateral).

C. *Inspection of Existing Private Sewer Laterals.*

1. Except as set forth in subsection (C)(2) of this section, after January 1, 2020, all private sewer laterals connected to the city's sewer system shall be inspected per subsection F of this section at the property owner's sole expense, when any of the following events occur:

a. Whenever the city has issued a notice of violation following a sanitary sewer overflow event from a property's private sewer lateral.

b. Upon submittal of a building permit for the addition of a bedroom, bathroom, or kitchen in a residential structure or the addition of nonresidential space or an additional plumbing fixture unit in nonresidential structures.

c. A change of the use of the structure from: (i) residential to nonresidential use; (ii) to a nonresidential use that will result in a higher flow than the previous nonresidential use; or (iii) to a nonresidential use where the structure served has been vacant or unoccupied for more than three years.

d. Increase in size of the domestic water meter serving the property or adding a new domestic water meter.

e. Whenever property located in the city and containing one or more structures which are served by a private sewer lateral or laterals is subdivided. The inspection shall occur prior to recordation of the final map.

f. Within thirty days of notification by the city that "smoke testing" or closed-circuit television (CCTV) sewer main inspection indicates the presence of inflow or infiltration from private property that impacts the operation of the public wastewater collection system.

g. Upon any change in ownership of real property within the city, which shall be implemented as follows:

i. "Change in ownership" shall have the meaning set forth in California Revenue and Taxation Code Sections 60 and 61. A change in ownership shall not include those transactions as set forth in California Revenue and Taxation Code Section 62.

ii. Before close of escrow for any change in ownership of real property within the city, the seller(s) of such property shall disclose to the buyer(s) the results of the private sewer lateral inspection as set forth in subsection F of this section.

h. For events identified in subsections (C)(1)(a) through ~~(C)(1)(f)~~ **(C)(1)(g)** of this section, repair or replacement shall be made pursuant to subsection G of this section.

i. **For events identified in subsection (C)(1)(g), repair or replacement requirements pursuant to subsection G of this section shall not be effective until January 1, 2027.**

2. *Exceptions.* An inspection required pursuant to subsection (C)(1) of this section shall not be required in the following circumstances:

a. *New Construction or Prior Replacement of Lateral.* If the owner(s) (or the owner's predecessor-in-interest) has originally installed or has replaced the private sewer lateral within the twenty years prior to the date the inspection would otherwise be required.

b. *Prior Inspection of a Lateral.* If the owner(s) (or the owner's predecessor-in-interest) has completed an inspection of the sewer lateral in accordance with the inspection requirements of subsection F of this section within the past five years.

c. The private sewer lateral is located within a common interest development system that is not owned and operated by the city, which is regulated under subsection D of this section and serves more than two separate units or properties within the common interest development.

The owner shall bear the burden of proving that the inspection requirements of subsection (C)(1) of this section do not apply. The owner shall provide proof of any prior replacement, inspection or repair of a private sewer lateral in the form of a validly issued permit or other documentation that ensures such prior replacement, repair or inspection of a private sewer lateral occurred pursuant to the exceptions above. The form and content of the document or proof must be deemed sufficient by the city's utilities director.

D. *Private Sewer Laterals Within Common Interest Developments.*

1. For purposes of this section, the term "common interest development" shall include any community apartment project, condominium project, planned development, or stock cooperative.

2. Private sewer laterals located within a common interest development shall be inspected pursuant to the requirements of subsection F of this section as follows:

a. Whenever the city has issued a notice of violation following a sanitary sewer overflow event from a common interest development's private sewer lateral.

b. Increase in size of the water meter serving the common interest development.

3. *Exceptions.* An inspection required pursuant to subsection (D)(1) of this section shall not be required in the following circumstances:

a. *Prior Replacement of Lateral.* If the private sewer lateral serving the common interest development in its entirety was installed or replaced within the twenty years prior to the date the inspection would otherwise be required.

b. *Prior Inspection or Repair of a Lateral.* If the private sewer lateral serving the common interest development in its entirety was inspected in accordance with the inspection requirements of subsection F of this section within the five years prior to the date the inspection would otherwise be required.

E. *Inspection of Shared Private Sewer Laterals.* Each property owner served by a shared private sewer lateral shall be responsible for compliance with subsection B of this section and shall be subject to the inspection requirements identified in subsection C of this section. For purposes of this subsection E, a "shared private sewer lateral" shall mean laterals serving more than one property that are not part of a common interest development.

F. *Inspection Requirements.*

1. Property owners must submit documentation of the sewer lateral inspection to the city prior to the close of escrow. Testing may be accomplished by either a water exfiltration test, an air test, or closed-circuit video recording observation. Installation of cleanouts and removal of existing P-traps may be necessary to accomplish the video inspection. If a closed-circuit video recording observation is selected as the method of inspection, then the video shall meet the following requirements:

a. Shall be in digital format.

b. Shall be in color (black and white or otherwise unclear video will not be accepted).

c. Shall show the address of the lateral.

d. Shall show the date the video was taken.

e. Shall inspect the entire lateral from the house connection to the city-owned sewer main.

f. Shall have a running foot or time marker clearly visible on the screen.

g. Where joints are present, shall briefly stop the camera at each to clearly indicate their integrity.

h. Shall have the telephone number for the point of contact for the company providing the inspection.

i. A map shall be provided with the video inspection to clearly show the lateral location including the cleanout or access point at the house connection used to insert the camera into the lateral and the wye connection to the city-owned sewer main.

2. The lateral inspection and lateral inspection report shall be prepared and signed by a contractor, plumber, or a person experienced in lateral inspections who shall declare that the report is true and correct. At a minimum, the inspection report shall include the information in Exhibit A:

EXHIBIT A: PRIVATE SEWER LATERAL INSPECTION REPORT	
Property Address (or Addresses):_____	
Inspection Date:_____	Inspection Method:_____
Company Name/Point of Contact:_____	
Phone Number/Email Address:_____	
Lateral Length (in feet):_____	Lateral Material:_____
Installation date (if known):_____	Lateral Age:_____
Describe deficiencies (if any):_____	

EXHIBIT A: PRIVATE SEWER LATERAL INSPECTION REPORT
Plumber/Contractor Signature:_____
License # of Plumber/Contractor:_____
Property Owner Signature:_____
Property Owner interest in participating in city Wastewater Flow Offset Program: * **YES NO**
** If Property Owner indicates "Yes", city would include address on eligibility list for Wastewater Flow Offset Mitigation requirement.*

3. A contractor, plumber, or a person experienced in lateral inspections who prepares a false lateral inspection report shall be subject to punishment under Article XII of this chapter in addition to any other legal remedies or punishment provided by law.

4. *Verification.* The city reserves the right to verify the sewer lateral inspection results prior to being accepted.

G. *Sewer Lateral Repair or Replacement Requirements.* Upon receipt of the private sewer lateral inspection report pursuant to this chapter, the city shall review the private sewer lateral inspection and lateral inspection report to verify the plumber/contractor findings and provide the owner with a determination on whether the lateral meets the criteria described in subsection B of this section. If the private sewer lateral is not in compliance with subsection B of this section, then it shall be repaired or replaced to conform to such standards within one hundred eighty days of the city's determination. If an inspection of a noncompliant lateral was conditioned due to a sanitary sewer overflow or from findings of infiltration and intrusion, or a lateral with defects having not met the required pipe material requirements, it must be completely replaced rather than repaired. No person shall repair or replace a sewer lateral without first obtaining a permit from the city.

H. *Punishment for Violation of This Chapter.* Violations of this article shall be punishable pursuant to the remedies identified in Article XII of this chapter. It is considered a violation for any property owner to have a sewer lateral system that does not comply with subsection B of this section, unless the repair or replacement of such system is being pursued in good faith. The city may withhold building permits or other discretionary approvals for a property with a private

sewer lateral that is determined to be not in compliance with subsection B of this section until the private sewer lateral is brought into compliance with city standards. Final building approval will be conditioned upon repair or replacement of any noncompliant lateral systems to the satisfaction of the director.

I. *Rebate Programs.* The city may establish by resolution one or more programs to assist owners with the replacement of private sewer laterals.

J. *Fees.* The city council may from time to time establish, by resolution, fees for issuing permits, reviewing inspection reports and other activities of the city performed pursuant to this chapter. (Ord. 1734 § 8, 2024; Ord. 1704 §§ 16—18, 2021; Ord. 1665 § 3, 2019)

13.08.396 Wastewater flow offset.

A. *Discretionary Review*. As contemplated and consistent with the City's Wastewater Collection System Infrastructure Renewal Strategy, current and as may be amended, the City reserves the right to conduct discretionary review of development, subdivision, and land use entitlements that contribute wastewater flow to the municipal wastewater collection system. Nothing in this Municipal Code Chapter shall prohibit the City from imposing conditions of approval for wastewater flow capacity offsets deemed proportional, reasonable, and necessary to protect the public health, safety, and general welfare and ensure compliance with this Chapter and all applicable City regulations and policies.

1. Major development review entitlements and General Plan and Zoning Amendments citywide and Moderate development review projects within wastewater system capacity constrained areas shall be subject to engineering analysis, such as wastewater flow estimates and wastewater flow modeling provided by the applicant with the entitlement application to determine available sewer system capacity and the project's effect on the municipal wastewater collection system. Subdivision and use permit entitlements resulting in the range of development as identified in the Major and Moderate Development review tiers shall be subject to this requirement.

2. The results of the engineering analysis and flow modeling shall determine associated conditions of approval, which may include but not be limited to public or private sewer improvements, such as upsizing sewer mains, and/or replacing private sewer laterals to offset capacity deficiencies.

~~A. *Purpose.* The city experiences surcharging in the wastewater collection system and sanitary sewer overflows during wet weather events due to inflow and infiltration. The purpose of these regulations is to establish a methodology whereby new or intensified development in capacity constrained areas as established by the city council could offset new wastewater flow to~~

mitigate capacity constraints in the existing wastewater collection system to accommodate the project's additional demand. Without a reduction in inflow and infiltration in these areas, the city will not be able to serve new or intensified development until a significant number of private sewer laterals are replaced or public sewer mains are upsized. Wastewater flow offset through private lateral replacement provides a benefit to the wastewater collection system and the community by reducing public and environmental health concerns by reducing potential SSOs.

B. *Application.* The provisions of this article shall apply to new or intensified development in capacity constrained areas of the wastewater collection system as established by the city council.

C. *Calculating the Wastewater Flow Offset.* An applicant shall calculate a development's wastewater flow offset (Exhibit B) using the domestic sewage generation factors and peaking factor identified in the uniform design criteria, found in the city's adopted engineering standards.

D. *Wastewater Flow Offset Through Private Lateral Replacement.* The city determined that replacement of a private sewer lateral serving an existing single-family residence (one equivalent dwelling unit) would create a wastewater flow offset of three hundred ninety gallons per day. This is equal to the wastewater generation rate of one single-family residence (one hundred fifty gallons per day), at a peaking factor of 2.6.

EXHIBIT B: Wastewater Flow Offset Calculation Worksheet		
Residential Development:		
	Studio Units:	_____
	Multi-Family Units:	_____
	Single-Family Units:	_____
Residential Wastewater Flow:		
	Studio Units:	_____
	Multi-Family Units:	_____
	Single-Family Units:	_____

EXHIBIT B: Wastewater Flow Offset Calculation Worksheet		
RESIDENTIAL FLOW TOTAL (gallons per day):		_____
Non-Residential Development:		
	Commercial Square Footage:	_____
	Industrial Square Footage:	_____
	Manufacturing Square Footage:	_____
	Business Park Square Footage:	_____
	Hotel/Motel Rooms:	_____
Non-Residential Wastewater Flow:		
	Commercial:	_____
	Industrial:	_____
	Manufacturing:	_____
	Business Park:	_____
	Hotel/Motel:	_____
NON-RESIDENTIAL FLOW TOTAL (gallons per day):		_____
(Proposed Residential Flow + Proposed Non-Residential Flow) x Peaking Factor =		

EXHIBIT B: Wastewater Flow Offset Calculation Worksheet
Total Wastewater Flow Offset
TOTAL WASTEWATER FLOW OFFSET (gallons per day):
* Replacement of a private sewer lateral serving an existing single-family residence (one equivalent dwelling unit) would offset 390 gallons per day of additional wastewater flow.

E. Wastewater flow offset must occur off-site, within the same capacity constrained wastewater flow basin as the proposed new or intensified development. Developers required to complete an offset must complete a wastewater flow offset program application to obtain a building permit for the offset. Underlying building permits for the project triggering the offset may be withheld until completion of the wastewater offset.

F. Construction of off-site public sewer main improvements, including replacement or rehabilitation of sewer manholes, providing the equivalent or greater reduction in inflow and infiltration within the same capacity constrained wastewater flow basin may be allowed as an alternative to wastewater flow offsets (replacement of private sewer laterals) at the discretion of the utilities director.

G. Single-family residences applying for an ADU building permit may be allowed to submit for an offset in a different capacity constrained basin, provided there is an equivalent or greater reduction in inflow and infiltration, at the discretion of the utilities director.

H. Sewer capacity offsets within the same parcel boundary (on-site) may be considered as an offset credit for a residential intensification project, at the discretion of the utilities director. (Ord. 1734 § 8, 2024; Ord. 1704 § 19, 2021; Ord. 1665 § 3, 2019)

RESOLUTION NO. _____ (2026 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AUTHORIZING THE DISCRETION OF THE PUBLIC WORKS AND UTILITIES DIRECTOR TO WAIVE WASTEWATER FLOW OFFSET PROGRAM REQUIREMENTS AND RESOLUTION AND DETERMINATION OF SATISFACTION OF CONDITIONS OF APPROVAL RELATED TO WASTEWATER FLOW OFFSETS

WHEREAS, on April 2, 2024, the City of San Luis Obispo adopted Ordinance 1734, which amended the Wastewater Flow (Sewer Lateral) Offset Program as established in Municipal Code Section 13.08.396; and

WHEREAS, on April 21, 2026, the City Council introduced an ordinance to amend Municipal Code Section 13.08.396 and dissolve the mandatory Wastewater Flow Offset Program; and

WHEREAS, the City Council determined that the mandatory Wastewater Flow Offset Program would no longer be required for entitlements and permits currently in process, and resolution and determination of satisfaction of conditions of approval specific to wastewater flow offsets would be at the discretion of the Public Works and Utilities Director.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows/or that (whatever action is needed):

SECTION 1. Action. The Director of the Public Works and Utilities Department has the discretion and authority to waive mandatory Wastewater Offset Flow Program requirements and previously required conditions of approval for building permits currently in process as of the date of the adoption of this Resolution (prior to issuance of a building permit and prior to occupancy), upon the Director's determination that there is adequate capacity in the affected wastewater collection system and issuance of the waiver would not result in an impact on public health and safety. The Director of Public Works and Utilities has the discretion and authority to resolve and make a determination that identified conditions of approval related to wastewater flow offsets have been satisfied.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:
NOES:
ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2026.

R _____

_____
Mayor Erica A. Stewart

ATTEST:

_____
Teresa Purrington
City Clerk

APPROVED AS TO FORM:

_____
J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

_____
Teresa Purrington
City Clerk

Department: Utilities
Cost Center: 6001; 6101
For Agenda of: 4/21/2025
Placement: Study Session
Estimated Time: 60 minutes

FROM: Aaron Floyd, Public Works & Utilities Director
Prepared By: Shane Whittington, Utilities Business Manager

SUBJECT: 2026 WATER AND SEWER RATE STRUCTURE STUDY

RECOMMENDATION

1. Receive a presentation and conduct a Study Session on the 2026 Water and Sewer Rate Structure Study;
2. Confirm the City's prioritization of rate design attributes; and
3. Confirm staff's recommendation to proceed with a four-year rate adoption period.

REPORT-IN-BRIEF

Staff typically begin the water and sewer rate study process in the second year of the financial plan. This Study Session is an early step in that process and does **not** involve adopting new rates. Instead, it allows Council to provide direction on key rate design elements before detailed analysis begins. Rate adoption will occur in the winter and spring of 2027 through a separate process that includes public outreach, noticing, and a public hearing in accordance with State law.

Staff is initiating the 2026 Water and Sewer Rate Structure Study to evaluate the City's water and wastewater rate design in accordance with State law, City policy, and prior Council direction. This Study Session provides an opportunity for Council to confirm the prioritization of rate design attributes and provide direction on the preferred rate adoption period. Council direction will guide development of cost-of-service and rate structure options to be considered at a future public hearing prior to adoption of any new rates.

A rate structure is the framework a utility uses to allocate the cost of providing water and sewer services among customers. It determines how charges are designed—such as fixed service charges and variable usage-based rates—to recover costs in a manner that is fair, understandable, legally compliant, and aligned with policy goals. In California, rate structures must comply with Proposition 218, which requires that rates reflect the proportional cost of service attributable to each parcel and revenue cannot exceed the reasonable cost of providing the property-related service. Well-designed rate structures also balance objectives such as revenue stability, conservation, and equity, while remaining legally defensible.

As part of this Study Session, staff request Council's direction on the following:

- **Overall Rate Design:** Confirm whether to generally maintain the existing rate structure. If significant changes are directed, staff will return for a second Study Session in August 2026.
- **Rate Adoption Period:** Confirm a preferred rate adoption period (e.g., two-year or four-year).

POLICY CONTEXT

The City periodically conducts water and wastewater rate studies to ensure utility revenues are sufficient, legally compliant, and aligned with City Council policy direction. Water and sewer rates must be designed and adopted in accordance with State law, the City's Municipal Code, and prior Council policy decisions regarding rate structure and cost recovery.

Utility rates for water and wastewater service are governed by California Constitution Article XIII D, adopted by voters through Proposition 218 in 1996. Article XIII D establishes several key requirements for property-related fees and charges, including:

- Revenues derived from a utility rate may not exceed the funds required to provide the service.
- Revenues may only be used for the service for which the fee was imposed.
- Fees must not exceed the proportional cost of providing service to each parcel.
- Fees may not be imposed for general governmental services available to the public at large.
- Utilities must conduct a public noticing and protest hearing process prior to adoption of new or increased rates.

Because of these requirements, water and wastewater rate structures must be supported by a cost-of-service analysis demonstrating that rates are proportional to the cost of providing service.

California law also establishes expectations regarding the frequency and transparency of utility rate studies. California Government Code Articles 4.6, 4.6.5, and 4.7 require local agencies that charge water or wastewater service fees to periodically evaluate the adequacy of those fees and publicly report on the findings of that review. This requirement is intended to ensure that agencies:

- Regularly review whether rates generate sufficient revenue to fund operations, maintenance, and capital needs, and
- Provide public transparency regarding the basis for utility rates.

Consistent with this requirement and industry best practices, local governments commonly conduct rate studies on a multi-year cycle to maintain financial stability and compliance with Proposition 218.

The San Luis Obispo Municipal Code §13.04.090 authorizes the City Council to establish water service rates and charges necessary to operate, maintain, and improve the municipal water system. The Municipal Code provides Council with the authority to adopt and periodically adjust rates to ensure the water utility remains financially sustainable and capable of meeting service obligations. Wastewater rates are similarly established by Council authority to ensure the wastewater utility can fund required operations, maintenance, regulatory compliance, and infrastructure investments.

The San Luis Obispo City Charter also establishes requirements regarding the use of utility revenues. Charter Section 806 requires that all income derived from the operation of a City public utility be devoted exclusively to the expenses of operating, maintaining, improving, or bettering the utility system, and to the repayment of related debts and interest. This provision reinforces the principle that utility revenues must be used solely for utility purposes and supports the cost-of-service framework used in developing water and wastewater rates.

Collectively, these State constitutional provisions, statutes, and local ordinance and policies establish the legal and policy framework that constrains utility rate setting. Under this framework, water and wastewater rates must be based on the cost of providing service, may not generate profit, and revenues must be used exclusively for the operation, maintenance, and improvement of the water and sewer enterprises.

Within this policy framework, there are ten industry-standard rate design attributes that are considered in the development of public utility rates. Cost-of-service rate-making principles originate from Bonbright's *Principles of Public Utility Rates* and are reflected in industry guidance such as American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges* (M1) and Water Environment Federation's (WEF) *Financing and Charges for Wastewater Systems* (MOP 27). These rate principles are meant to serve as guides in the development of sound rate design.

These rate attributes are described in Table 1.

Table 1 - Rate Design Attributes

Rate Design Attribute	Plain Meaning	Example in Rates
1. Effectiveness in yielding total revenue requirements.	Rates should bring in enough money to run the system and recover the full cost to provide service.	Making sure fixed charges and usage rates together fully fund operations, maintenance, and infrastructure replacement.
2. Revenue stability and predictability (revenue the City receives).	The utility should receive steady income so it can plan, maintain service, and avoid sudden financial problems.	Having a reasonable fixed monthly charge so revenue doesn't collapse during wet or drought years when water use alters.
3. Stability and predictability of rates (water rates that customers pay).	Customers shouldn't see large or sudden swings in their bills from one year to the next.	Gradual rate adjustments over time instead of large one-time increases.
4. Promotion of efficient resource use.	Within the confines of the law (while still being cost-based),	Tiered pricing where higher usage matches the higher cost

	rates should encourage people to use water wisely, but not punish normal or necessary use.	per unit of delivering those services.
5. Reflect all present and future costs and benefits of providing utility service.	Rates should cover not only today's costs, but also long-term repairs, upgrades, and reliability needs.	Including funding for pipe replacement or treatment upgrades instead of waiting for failures.
6. Proportional distribution of total costs among the customer classes of service.	Different customer groups should pay based on what it costs to serve them.	Large irrigation users paying more if they drive peak demand or infrastructure sizing.
7. Avoidance of undue discrimination in rate relationships.	Customers in similar situations should be treated the same, and differences should be based on real cost differences.	Avoiding special discounts for one group unless there's a clear difference in the cost to provide service.
8. Dynamic in its ability to respond to changing supply and demand conditions and/or environmental concerns.	Rates should be flexible enough to respond to droughts, growth, or changing water supply conditions.	Drought surcharges or seasonal rates.
9. Simple and easy to understand; easy to administer.	Customers should be able to understand their bill, and staff should be able to run the system efficiently.	Limiting the number of tiers or keeping the bill format clear and consistent.
10. Freedom from controversy as to interpretation.	The rate structure should be clear enough that people don't constantly argue about what it means or how it works.	Using clear formulas and definitions so customers, staff, and auditors all interpret rates the same way.

The order of these rate design attributes does **not** indicate relative importance. Application of these attributes is constrained by State constitutional provisions, statutes, and local policies, which take precedence in the development of utility rates. In practice, the attributes may be complementary, overlapping, or at times even in conflict with one another, and must be balanced in the design of the rate structure.

DISCUSSION

Background

The current water rate structure consists of a monthly base fee and a volumetric usage charge.[1] Volumetric rates vary based on the cost of service for single-family residential, multi-family, non-residential, and landscape irrigation customers. Monthly base fees vary by meter size to reflect differences in system capacity requirements.

Tables 2 and 3 summarize the water rates approved by the City Council on June 17, 2025 (Resolution No. 11582), including the current volumetric usage charge shown in Table 2 as "Water Usage (Variable Per Unit Cost)" and the current monthly base fee shown in Table 3 as "Water Monthly Base Fees (Fixed Cost)."

[1] A volumetric water charge is a utility pricing mechanism where consumers are billed directly proportional to the volume of water consumed (e.g., per gallon).

Table 2 - Water Usage (Variable Per Unit Cost)	Approved Rates Effective July 1, 2025	Approved Rates Effective July 1, 2026
Single Family Residential Tier 1: 0 to 5 units	$9.01	$9.51
Single Family Residential Tier 2: 6 to 12 units	$10.38	$10.95
Single Family Residential Tier 3: 13+ units	$17.90	$18.88
Multi-Family	$10.11	$10.67
Non-Residential	$10.70	$11.29
Landscape Irrigation	$10.92	$11.52

Table 3 - Water Monthly Base Fees (Fixed Cost)	Approved Rates Effective July 1, 2025	Approved Rates Effective July 1, 2026
Single Family Residential	$31.91	$33.67
Multi-Family, Non-Residential, and Landscape Irrigation by Water Meter Size		
0.75-inc or less meter	$31.91	$33.67
1-inch meter	$53.28	$56.21
1.5-inch meter	$106.34	$112.19
2-inch meter	$170.17	$179.53
3-inch meter	$319.24	$336.80
4-inch meter	$532.19	$561.46
6-inch meter	$1,064.07	$1,122.59
8-inch meter	$1,702.61	$1,796.25

The current sewer rate structure also consists of a monthly base fee and a volumetric usage charge. Volumetric sewer rates vary based on the cost of service for single-family residential and multi-family customers (subject to a sewer cap) and for non-residential customers. Monthly base fees vary by meter size.

Tables 4 and 5 summarize the sewer rates approved by the City Council on June 17, 2025 (Resolution No. 11584), including the current volumetric usage charge shown in Table 4 as “Sewer Usage (Variable Per Unit Cost)” and the current monthly base fee shown in Table 5 as “Sewer Monthly Base Fees (Fixed Cost).”

Table 4 - Sewer Usage (Variable Per Unit Cost)	Approved Rates Effective July 1, 2025	Approved Rates Effective July 1, 2026
Single Family and Multi-Family Residential Per Unit Cost (Up to Sewer Cap)	$10.46	$11.14
Non-Residential Per Unit Cost	$10.94	$11.65

Table 5 - Sewer Monthly Base Fees (Fixed Cost)	Approved Rates Effective July 1, 2025	Approved Rates Effective July 1, 2026
Single Family Residential	$26.11	$27.81
Multi-Family, Non-Residential, and Landscape Irrigation by Water Meter Size		
0.75-inc or less meter	$26.11	$27.81
1-inch meter	$43.61	$46.44
1.5-inch meter	$86.93	$92.61
2-inch meter	$139.20	$148.25
3-inch meter	$261.15	$278.12
4-inch meter	$435.33	$463.63
6-inch meter	$870.40	$926.98
8-inch meter	$1,392.70	$1,483.23
10-inch meter	$2,002.22	$2,132.36

The City's current water and wastewater rate structures reflect policy direction provided by the City Council during prior rate study sessions conducted on October 4, 2005 (Item Bus 4), June 14, 2011 (Item PH 1 and PH 2), and January 9, 2018 (Item 11). During these meetings, Council identified the relative importance of rate design attributes to guide development of the rate structure. Table 6 summarizes Council's prioritization of the top five out of ten rate design attributes described in Principles of Public Utility Rates (Bonbright), with 1 representing the highest priority.

Table 6 - Council's Top 5 Rate Design Attributes			
Rate Design Attributes	**October 4, 2005**	**June 14, 2011**	**January 9, 2018**
1. Effectiveness in yielding total revenue requirements.	1	N/A - will be met for all rate design options	N/A - will be met for all rate design options
2. Revenue stability and predictability (revenue the City receives).		1	1
3. Stability and predictability of rates (water rates that customers pay).	4	2	3
4. Promotion of efficient resource use.	2	5	2
5. Reflect all present and future costs and benefits of providing utility service.			5
6. Proportional distribution of total costs among the customer classes of service.	5	4	4
7. Avoidance of undue			

discrimination in rate relationships.			
8. Dynamic in its ability to respond to changing supply and demand conditions and/or environmental concerns.			
9. Simple and easy to understand; easy to administer.	3	3	
10. Freedom from controversy as to interpretation.			

Between 2005 and the 2011 and 2018 study sessions, Council placed increased emphasis on revenue stability and predictability. This shift was influenced by drought conditions throughout the 2000s and 2010s, which resulted in reduced water consumption. At that time, the rate structure relied heavily on volumetric charges that varied directly with water use. As consumption declined, utility revenues decreased while the cost of operating the water system remained largely fixed. This resulted in structural revenue shortfalls and the need to implement temporary drought surcharges to maintain financial stability.

In response to these conditions, Council directed staff to develop a rate structure that provided greater revenue stability. Based on this direction, Council adopted a rate structure that included a monthly base fee in addition to volumetric charges on June 12, 2013 (Item PH 4). This change increased the portion of revenue recovered through fixed charges, improving the ability of the utility to meet revenue requirements during periods of reduced water use.

Across the 2005, 2011, and 2018 study sessions, Council's rate design priorities have remained generally consistent. In addition to revenue stability and predictability, Council has consistently prioritized:

- Stability and predictability of rates paid by customers;
- Promotion of efficient use of water resources; and
- Proportional distribution of costs among customer classes based on cost of service.

Although the relative ranking of these attributes has varied over time, the overall policy direction has remained consistent. Staff believe the current rate structure reflects these priorities and has been effective in maintaining financial sustainability, legal compliance, and alignment with Council policy direction.

These established rate design priorities are recommended by staff to provide the policy framework for the 2026 Water and Sewer Rate Study, which will evaluate potential adjustments to the rate structure while maintaining consistency with State law, City policy, and Council direction.

Public Engagement

On February 23, 2026, staff conducted a public information session regarding water and wastewater rate structure design to obtain community input. Prior to the meeting, staff advertised the public information session through two social media posts, one social media story, and direct email outreach to 159 organizations and contacts, including homeowner associations, property management companies, mobile home parks, multifamily property contacts, and community organizations and service providers.

Public Information Session - Outreach

1. **Social Media:** 2 posts, 1 story

2. **Direct Outreach:** AAPI SLO County , Access Central Coast, Building a Better SLO, Community Action Partnership of San Luis Obispo County, Inc (CAPSLO), Downtown SLO, Housing Authority San Luis Obispo, Latino Outreach Council , Lumina Alliance, Mujeres de Accion, NAACP SLO County Chapter, People's Self-Help Housing Corporation, REACH, SLO Association of Realtors, SLO Chamber of Commerce, SLO Tenants Union, Transitions Mental Health Association, United Way of San Luis Obispo County, Veterans' Services Office, Cal Poly ASI, 140 Individual Property Management, HOA, or Multifamily Contacts

Despite the outreach, public participation was minimal and no written feedback forms identifying rate design priorities were submitted at the meeting. Verbal comments received at the meeting generally expressed support for maintaining the existing rate structure. Additional public outreach and opportunities for public engagement and input will be conducted by staff throughout the Water and Sewer Rate Study, including emails, postcard mailers, public postings, social media, and public meetings and hearings.

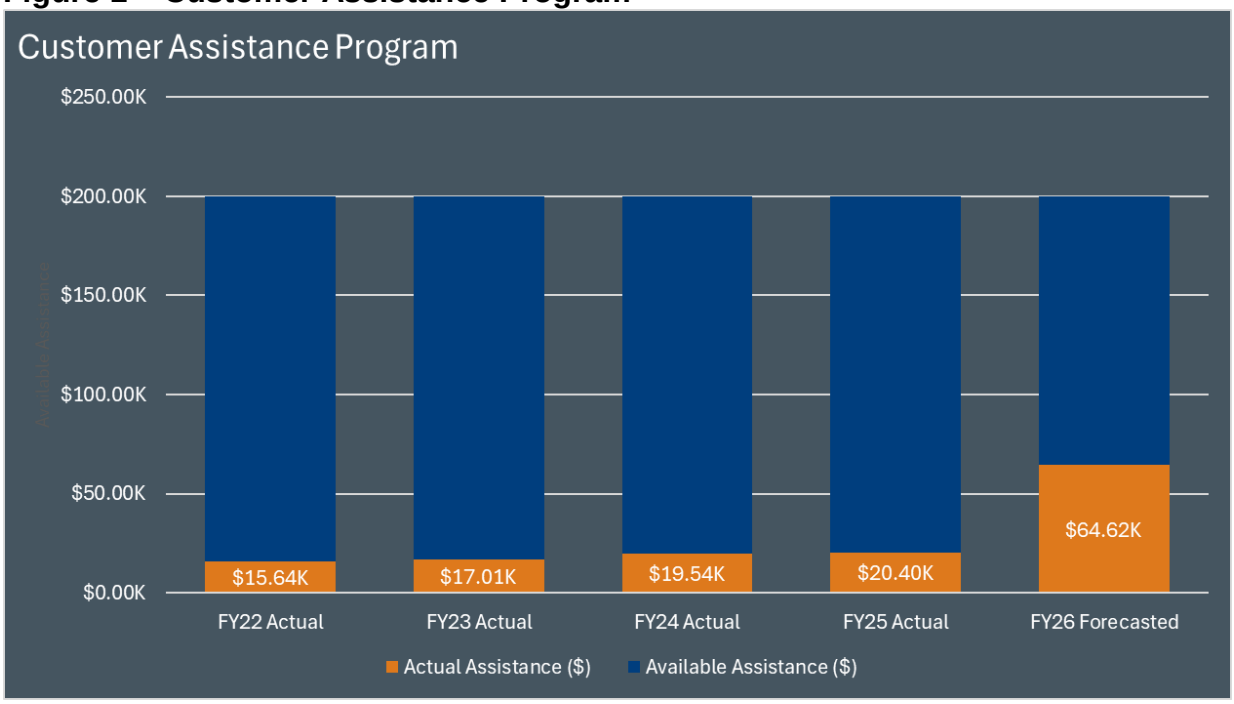
Customer Assistance Program

Although not part of the rate structure itself, the City's Customer Assistance Program (CAP) provides a mechanism to support qualified customers and is relevant to Council's consideration of rate affordability. No Council direction is requested on this program at this time. Staff are highlighting recent increases in participation and ongoing efforts to expand enrollment among eligible customers. The program is funded through late fees, which are not property-related charges and are therefore not subject to Proposition 218 requirements.

Following Council authorization in 2025 to increase the program discount from 15% to 20% (Resolution No. 11583) and expanded outreach efforts, program participation has increased. Over the last five years, enrollments are forecasted to increase by approximately 51%, and utilization of available assistance funds is forecasted to increase by approximately 313%.

Figure 1 summarizes assistance provided through the Customer Assistance Program from Fiscal Year 2021-22 through the Fiscal Year 2025-26 forecast.

Figure 1 – Customer Assistance Program



Staff will continue to evaluate opportunities to increase awareness of and participation in the program to ensure that available assistance reaches eligible customers, including potential program administration modifications that could provide pathways to users not currently able to participate in this program.

STUDY SESSION QUESTIONS

Based on the discussion above, Staff requests Council's consideration and direction regarding the following topics.

1. General Concurrence Regarding Rate Design Priorities.

As noted above, staff recommend the following prioritization of rate design attributes, consistent with prior Council direction:

1. Revenue stability and predictability (revenue the City receives).
2. Promotion of efficient resource use.
3. Stability and predictability of rates (water rates that customers pay).
4. Proportional distribution of total costs among the customer classes of service.
5. Reflect all present and future costs and benefits of providing utility service.

Staff request the City Council consider and confirm the existing rate design priorities or provide staff with direction on modifications to the rate design attribute prioritization.

If Council provides direction that significantly shifts rate design priorities, staff will return for a second Study Session in August 2026 to further explore those policy directions. The relationship between rate design attributes is complex, and changes are typically

implemented and evaluated over multiple rate cycles rather than through a single adjustment. While staff are not able to present specific rate impacts at this stage, different priorities can influence the structure in meaningful ways—for example, greater emphasis on revenue stability may increase the proportion of fixed charges, while greater emphasis on simplicity and ease of administration may result in fewer rate tiers or a more streamlined rate structure. Any resulting rate structure must be supported by a cost-of-service analysis and comply with Proposition 218 requirements. Table 1 provides general examples of how these attributes can be reflected in rate design.

2. General Concurrence for a Four-year Rate Adoption.

Staff are proposing a four-year rate adoption period. Council has historically adopted two-year rate adjustments in alignment with the City's financial plans. A four-year rate adoption period provides greater revenue stability, customer bill predictability, and administrative efficiency by reducing the frequency of rate studies, public noticing, and Proposition 218 proceedings. Longer adoption cycles also support multi-year capital planning and financial forecasting, allowing the City to align rate adjustments with planned infrastructure investment. This approach is commonly used by utilities when costs and operating conditions are reasonably predictable. State law allows for adoption of utility rates for up to five years (California Government Code § 53756). Industry practice is to conduct rate studies on a one- to five-year cycle to ensure revenues remain sufficient, legally compliant, and aligned with community priorities.

The predictability of the current rate structure and its demonstrated ability to successfully maintain financial sustainability, legal compliance, and alignment with prior Council policy direction from 2005, 2011, and 2018 has given staff the comfort to recommend a four-year rate adoption concurrent with adoption of the 2027-29 Financial Plan. As a reminder, any rate adjustments require noticing, a public hearing, and Council authorization to adopt. If Council provides direction to significantly alter the existing rate structure, staff may return with a recommendation to only proceed with a two-year rate adoption as a new rate structure may not result in the revenue stability required for a longer rate adoption period.

NEXT STEPS

If Council provides direction that significantly shifts rate design priorities, staff will return for a second Study Session in August 2026 to further explore those policy directions. If Council generally confirms the existing rate design priorities, staff will proceed with development of the Water and Sewer Rate Study.

Public outreach for the rate setting process is anticipated to begin in winter 2027 and will include emails, public postings, social media, and public meetings. Staff anticipate returning to Council in spring 2027 to request authorization to initiate the Proposition 218 noticing process. The Proposition 218 public hearing and Council consideration of rate adoption is anticipated to occur in May or June 2027.

CONCURRENCE

The City's Finance Department concurs with the staff recommendation.

ENVIRONMENTAL REVIEW

The evaluation and modification of rates and charges by public agencies is statutorily exempt from the California Environmental Quality Act (CEQA) under Public Resources Code §§ 21083 and 21080(b)(8) and State CEQA Guidelines § 15273, as it involves the establishment of rates to fund operating expenses and capital projects necessary to maintain service within existing service areas. The proposed Water and Sewer Rate Study would not result in the commitment to or funding of the expansion of capital projects not otherwise evaluated under CEQA. Therefore, no environmental review is required for this item.

FISCAL IMPACT

This item does not have a direct fiscal impact. The study session is intended to obtain Council direction to inform the upcoming Water and Sewer Rate Study. Funding for the rate study is included in the adopted budget for the Water and Wastewater Utilities. Any future fiscal impacts associated with rate adjustments will be evaluated and presented to Council as part of the rate study and Proposition 218 rate adoption process.

Budgeted: N/A Budget Year: 2025-27
Funding Identified: N/A

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	$0	$0	$0	$0
State				
Federal				
Fees				
Other:				
Total	**$0**	**$0**	**$0**	**$0**

ALTERNATIVES

1. **Provide different direction on rate design priorities.** Council may provide direction regarding the prioritization of rate design attributes to be used in the development of the Water and Wastewater Rate Structure Study that differs from staff's recommendation. Changes to the prioritization of these attributes may result in different rate structure options being evaluated and presented to Council at a future meeting. Significant changes to the prioritization ranking may affect the

predictability of the resulting rate structure, warranting a two-year rate plan rather than a four-year rate plan to monitor the effects.

2. **Direct staff to prepare a two-year rate adoption instead of a four-year adoption.** Instead of confirming a four-year rate adoption period, Council may direct staff to prepare a two-year rate study. A shorter rate adoption period may provide greater flexibility to respond to changing financial, regulatory, or economic conditions but may result in more frequent rate studies and Proposition 218 proceedings. Industry standard guidance is to conduct rate studies every one to five years.

3. **Defer direction and return at a later date.** Council may choose to defer direction on the rate study and request that staff return at a future meeting with additional information, analysis, or public outreach. Deferring direction may delay the rate study schedule and could affect the timing of future rate adjustments.