



**Board of Directors
Regular Meeting Agenda**

Wednesday, March 25, 2026

1:30 p.m.

MTA Board of Directors

Tess Albin-Smith, Chair
Jim Tarbell, Vice Chair
George West
Dan Doyle
Susan Sher
Maureen Mulheren
Matthew Alaniz

Meeting Locations (In-Person Attendance Only)

Ukiah

*Ukiah Valley Conference Center
200 South School Street*

Fort Bragg

*Diana Stuart Fort Bragg Division
190 East Spruce
Conference Room*

Point Arena City Hall

*451 School St.
Point Arena, Ca 95468*

Public Participation

This meeting is being conducted in accordance with the California Ralph M. Brown Act. Members of the public may attend the meeting in person at any of the posted meeting locations listed above. All votes will be taken by roll call vote. Public comments will be accepted in person during the Public Comment period and during each agenda item. Comments are limited to three (3) minutes per person so that everyone has an opportunity to speak. Members of the public may also submit written comments prior to the meeting, by emailing sara@mendocinotransit.org, to be read aloud into the public record. Please submit by 10:00 a.m. on the meeting date to ensure comments are received timely and include the agenda item number(s) addressed. For agenda materials, please visit the MTA website at: <https://mendocinotransit.org/board-meetings>

AGENDA ITEMS

A. CALL TO ORDER

B. PUBLIC COMMENT

MTA Board of Directors welcomes participation in its meetings. Comments shall be limited to three (3) minutes per person so that everyone may be given an opportunity to be heard. To expedite matters and avoid repetition, whenever any group of persons wishes to address the MTA Board of Directors on the same subject matter, the Chair may request that a spokesperson be chosen by the group. This item is limited to matters under the jurisdiction of the Mendocino Transit Authority which are not on the posted agenda. Public criticism of the MTA Board will not be prohibited. No action shall be taken.

C. CONSENT CALENDAR

1. Approval of Minutes of December 10, 2025, Regular Board Meeting
Action: Approve December 10, 2025, Meeting Minutes
2. Acceptance of Preliminary Unaudited Financial Statements July-January 2026
Action: Approve Preliminary Unaudited Financial Statements
3. Acceptance of Service Performance Reports July 2025 – February 2026
Action: Approve Service Performance Report
4. Acceptance of the AON report June 30, 2025
Action: Approve AON June 30, 2025 Report

D. ACTION & DISCUSSION

1. Unmet Needs
Action: Solicit Public Input
2. Discussion and Possible Acceptance of Resolution 2026-01: Authorization to apply for Transit and Intercity Rail Capital Program (TIRCP) Program, Cycle 8 Funding
Action: Acceptance of Resolution 2026-01
3. Board of Directors Trainings
Action: Acknowledge the required training and filing obligations
4. In Person Meeting for Members of the Board of Directors
Action: Provide direction on scheduling and format of future in-person Board meeting

5. 2024-25 DRAFT ANNUAL FINANCIAL REPORT

Action: Accept the Draft Financial Audit Report

E. DIRECTOR AND MANAGEMENT REPORTS

1. Matters from Management
2. Matters from MCOG
3. Matters from Directors

F. ADJOURN

Anticipated adjournment is 3:30 p.m.

Americans with Disabilities Act (ADA) Compliance

Mendocino Transit Authority complies with the AMERICANS WITH DISABILITIES ACT (ADA). Upon request, MTA will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternate formats under Government Code Section 54953.2 and Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). Anyone requiring reasonable accommodation to participate in the meeting should contact Sara Marquez at Mendocino Transit Authority by calling (707) 234-6456 or by email at sara@mendocinotransit.org at least 72 hours before the meeting. Late requests will be considered to the extent practicable.



**Board of Directors
Regular Meeting Minutes**

Wednesday, December 10, 2025,

1:30 p.m.

MTA Directors in Attendance

Tess Albin-Smith- Chair
Susan Sher
Dan Doyle
George West
Maureen Mulheren
Matthew Alaniz

MTA Directors Absent

Jim Tarbell, Vice Chair

Staff in Attendance

Jacob King, Executive Director
Luis Martinez, Operations Manager
Mark Harvey, CFO
Dawn White, Mobility Manager
Bret Byrd, Maintenance Manager
Sara Marquez, Assistant Clerk of the Board

Staff Absent

Public Participation

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AGENDA ITEMS

A. CALL TO ORDER– Albin-Smith- Chair, called the meeting to order at 1:32 pm

B. PUBLIC COMMENT-

A member of the public requested that bus turn-outs be considered in the School Street streetscape project. The Chair noted the item was not agendaized and directed staff to return with the issue at a future meeting.

Director Alaniz attended the meeting at 1:34 pm

A. CONSENT CALENDAR

1. Approval of Minutes of October 29, 2025, Regular Board Meeting
Action: Approve October 29, 2025, Meeting Minutes
2. Acceptance of Preliminary Unaudited Financial Statements July-September 2025
Action: Approve Preliminary Unaudited Financial Statements
3. Acceptance of Service Performance Reports July-October 2025
Action: Approve Service Performance Report
4. Acceptance of GASB 68 Report
Action: Approve GASB 68 Report

Upon Motion by Director **Mulheren** seconded by Director **Sher**, the Board Approved Consent Calendar A1 to A4 by roll call vote: **AYES:** Doyle, Sher, West, Mulheren, Alaniz, and Chair Albin-Smith. **NOES:** 0, **ABSTAIN:** 0, **ABSENT:** Tarbell.

B. ACTION & DISCUSSION

1. Unmet Needs- NONE
Action: Solicit Public Input
2. Discussion and Possible Approval of Resolution 2025-12 Approving MTA's updated EEO Policy
Action: Accept Updated EEO Policy

Upon Motion by Director **Sher**, seconded by Director **West**, the Board Approved Resolution 2025-12 Approving MTA's updated EEO Policy recommended by council by roll call vote: **AYES:** Doyle, Sher, West, Mulheren, Alaniz, and Chair Albin-Smith. **NOES:** 0, **ABSTAIN:** 0, **ABSENT:** Tarbell.

3. Discussion of Systemwide Fare Realignment and Simplification

Action: Provide Direction to Initiate a systemwide fare review

Staff presented preliminary fare simplification concepts, including fare capping and revised pass options to improve equity and encourage ridership. No action was taken. The Board directed staff to continue analysis and return with a formal proposal.

E. DIRECTOR AND MANAGEMENT REPORTS

1. Matters from Management

Mark Harvey, CFO, reported that audits are underway and progressing on schedule.

Bret Byrd, Maintenance Manager, reported that three new electric buses are nearing completion and will expand the electric fleet upon delivery.

Dawn White, Mobility Manager, reported that the seasonal trolley service launched successfully with strong initial ridership. Outreach and promotional efforts are ongoing, and planning has begun for MTA's 50th anniversary in 2026.

Luis Martinez, Operations Manager, reported that driver evaluations are nearly complete, recruitment continues, and a recent insurance "Secret Rider" review showed excellent results: drivers were friendly and knowledgeable, with only minor areas for improvement. Overall, the performance received an outstanding grade.

Jacob King, Executive Director, reported on discussions with the local college regarding continuation of the student ride program. Provided an update on the solar infrastructure project, noting potential increases in energy production and evaluation of replacement versus expansion options.

2. Matters From MCOG

James Sookne, reported that MCOG submitted a Highway 20 corridor planning grant and will coordinate with MTA if funding is awarded..

3. **Matters from Directors**

Director Mulheren, Noted potential changes to representation at the January Board of Supervisors meeting and expressed appreciation for the opportunity to serve.

Director Albin-Smith, Reported on recent and upcoming Fort Bragg community events and thanked MTA for transportation support.

Director Alaniz, Reported on City of Willits policy updates supporting local businesses while maintaining transit access and noted ongoing efforts to stabilize city finances.

Director Sher, Reported on City of Ukiah solar and battery backup projects and announced upcoming community engagement events related to multimodal planning.

F. **ADJOURN**

The meeting adjourned at 2:44 p.m.

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Meeting Date: March 25th, 2026

Agenda Item: # C.2

AGENDA SUMMARY REPORT

SUBJECT:

Preliminary Unaudited Financial Statements July 2025 – January 2026

SUMMARY:

Preliminary Unaudited Financial Reports for the Months of July 2025 through January 2026 from MTA's QuickBooks accounting system including the Statement of Net Position and Statement of Revenues and Expenses.

Revenue of \$3,978,211 is 49.8% of budgeted revenue of \$7,990,771 for the year, with 58.3% of year elapsed.

Expenses of \$4,441,935 are 54.8% of budgeted expenses of \$8,099,188 for the year, with 58.3% of year elapsed.

STAFF RECOMMENDATION:

Accept Unaudited Financial Statements for July 2025 through January 2026.

ATTACHMENTS:

Statement of Net Position as of January 31st, 2026.
Statement of Revenues and Expenses July 2025 – January 2026.

Mendocino Transit Authority
Statement of Net Position
As of January 31st, 2026

ASSETS

Current Assets

Checking/Savings

101.900 · Cash

101.100 · Cash-Operating

Operating Cash	-296,542
Senior Operating	370,048
Payroll & Benefits Operating	437,666

Total 101.100 · Cash-Operating Total 511,172

101.200 · Cash-Capital

101.202 · Capital Wkg-MUNIS #4100	1,045,046
101.123 · Capital LCTOP-MUNIS #2110	1,166,436
101.203 · Cap CALOES -MUNIS #4140	2,586
101.204 · Capital PTMISEA-MUNIS #4230	3,282

Total 101.200 · Cash-Capital 2,217,351

Total 101.900 · Cash 2,728,523

Total 102.000 · Accounts Receivable 1,229,288

Other Current Assets

Total 102.300 · Grants Receivable 1,586,837

Total 102.100 · Accounts Receivable Other 60,000

Total 103.990 - Inventory 102,732

104.199 · Prepaid Expenses Total

104.101 · Prepaid Expenses	24,966
104.102 · Prepaid Insurance	13,974
104.103 · Prepaid Workers Comp	37,876
104.199 · Prepaid Expenses Total - Other	147

Total 104.199 · Prepaid Expenses Total 76,964

Total 104.200 · Undeposited Funds 13,728

Total Other Current Assets 1,840,261

Total Current Assets 5,798,072

Fixed Assets

Total 111.900 · Fixed Assets 22,444,011

Total 111.910 · Accumulated Depreciation -16,336,128

Total 115.900 · Construction in Progress 4,246,533

Total 121.900 · Intangible Total 15,000

Total 121.910 · Accum Amortization Total -15,000

Total 122.900 · Right to Use - Willits Lease Net 34,526

Total Fixed Assets 10,388,942

Other Assets

Total 131.900 · Deferred Outflows of Resource 1,310,308

Total Other Assets 1,310,308

TOTAL ASSETS 17,497,322

Mendocino Transit Authority
Statement of Net Position
As of January 31st, 2026

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Total Accounts Payable 3,196,800

Other Current Liabilities

202.100 - Deferred Grant Revenue 1,709,240

204.100 · MCOG FY22/23 LTF Repayment 616,950

205.700 · Uncashed Checks 9,422

205.900 · Accruals Total

205.200 · Accrued Payroll 157,712

205.500 · Accrued Vacation 212,031

205.600 · Accrued Sick Leave 124,059

Total 205.900 · Accruals Total 493,802

206.900 · Lease Liabilities

206.000 · Lease Liability - Willits Lease 35,959.00

Total 206.900 · Lease Liabilities 35,959.00

Total Other Current Liabilities 2,865,373

Total Current Liabilities 6,062,174

Long Term Liabilities

231.900 · Prov-Restricted Funds

231.100 · Provision for Liability 18,415

231.200 · Provision for Vehicle Damage 3,001

231.300 · Provision for Unemployment 198,624

231.400 · Provision for Cafeteria Plan 20,138

Total 231.900 · Prov-Restricted Funds 240,179

235.300 · Deferred Inflows of Resource 43,664

235.910 · Pension Liabilities 3,323,244

Total Long Term Liabilities 3,607,087

Total Liabilities 9,669,261

Equity

Total 399.900 · Equity 9,029,341

Net Income -1,201,279

Total Equity 7,828,062

TOTAL LIABILITIES & EQUITY 17,497,322

Mendocino Transit Authority
Statement of Revenues, Expenses
July 2025 - January 2026

	TOTAL		
	Actual	Budget	% of Budget
Ordinary Income/Expense			
Income			
411.000 · OPERATING REVENUE.			
401.110 Fixed Route Farebox Revenue	149,928	300,000	50.0%
401.111 Dial-A-Ride Farebox Revenue	55,641	90,000	61.8%
402.100 Redwood Coast Regional Center	46,402	140,000	33.1%
409.200 · Sonoma County Contract	105,000	180,000	58.3%
	<u>356,971</u>	<u>710,000</u>	<u>50.3%</u>
Total 411.000 · OPERATING REVENUE.			
420.000 · REVENUES FROM OTHER SOURCES			
406.100 · Advertising Contract	56,952	125,000	45.6%
407.100 · Maintenance Revenue	19,362	30,500	63.5%
407.400 · Investment(Interest) Income	52,349	7,500	698.0%
407.500 · Other - Fuel Rebates, Etc.	14,000	14,000	100.0%
409.100 · Local Transportation Fund (LTF)	1,694,434	2,904,749	58.3%
409.109 · LTF - Senior Centers - income	368,519	600,000	61.4%
510.100 · LTF - Senior Centers - expense	-357,934	-600,000	59.7%
407.115 · Senior Center Administration	7,798	26,500	29.4%
409.110 · State Transit Assistance (STA)	466,664	1,100,081	42.4%
422.000 · 5310 Operating Assistance	169,169	150,000	112.8%
413.101 · 5311 Operating Assistance	430,570	753,956	57.1%
409.120 · State - SB125 Operating	422,919	850,000	49.8%
409.101 · MCOG FY22/23 LTF Repayment	0	725,000	0.0%
409.103 · Local Operating 4090	0	293,485	0.0%
413.110 · 5311(f) Operating Assistance	276,437	300,000	92.1%
	<u>3,621,239</u>	<u>7,280,771</u>	<u>49.7%</u>
Total 420.000 · REVENUES FROM OTHER SOURCES			
Total Income	3,978,211	7,990,771	49.8%
Expense			
Total 501.100 · WAGES	2,454,180	3,987,026	61.6%
Total 510.000 · BENEFITS	950,133	2,104,912	45.1%
520.000 · SERVICE/USER FEES			
521.000 · Vehicle Technical Services	1,895	2,500	75.8%
521.250 · Towing	1,350	500	270.0%
521.500 · Property Maintenance Services	0	3,000	0.0%
521.700 · Contract IT Services	14,215	38,000	37.4%
503.202 · Legal Counsel	1,489	27,500	5.4%
508.100 · Purch. Trans (Willits DAR)	0	500	0.0%
523.000 · Marketing	4,221	7,500	56.3%
509.300 · Advertising, Legal Notices	34,928	47,000	74.3%
524.000 · Software Maintenance Fees	34,094	55,000	62.0%
524.200 · Drug & Alcohol Services	2,677	7,500	35.7%
525.000 · Facility Security System	2,744	3,000	91.5%
525.500 · Accident / Incident Payables	14,287	10,000	142.9%
503.200 · Professional & Technical Svcs	66,739	289,000	23.1%
	<u>178,640</u>	<u>491,000</u>	<u>36.4%</u>
Total 520.000 · SERVICE/USER FEES			
530.000 · MATERIALS & SUPPLIES			
504.110 · Fuel	264,487	600,000	44.1%
504.120 · Tires	24,400	45,000	54.2%
504.115 · Lubrication	23,197	19,500	119.0%
532.500 · Tools	322	3,800	8.5%
504.100 · Vehicle Maint & Repair Parts	109,977	105,000	104.7%
504.200 · Expensed Parts	2,422	1,250	193.8%
504.610 · Shop Supplies	2,197	10,000	22.0%

Mendocino Transit Authority
Statement of Revenues, Expenses
July 2025 - January 2026

	TOTAL		
	Actual	Budget	% of Budget
504.620 · Facilities,Maint & Repair Parts	20,953	45,000	46.6%
504.400 · Office Supplies	9,067	20,000	45.3%
509.200 · Printing (Schedules,brochures)	4,848	5,000	97.0%
537.000 · Safety & Emergency Supplies	1,311	10,000	13.1%
537.500 · Other Materials & Supplies	5,980	25,000	23.9%
Total 530.000 · MATERIALS & SUPPLIES	469,162	889,550	52.7%
540.000 · UTILITIES.			
541.000 · MTA Base -Water, Sewer & Waste	6,775	14,500	46.7%
541.250 · FB-Water,Sewer, Waste & Propane	2,534	6,800	37.3%
541.500 · Willits-Water, Sewer & Waste	1,802	3,500	51.5%
542.000 · PG&E-Ukiah, Fort Bragg,Willitts	15,232	35,000	43.5%
543.000 · TPX- Ukiah Phones / Internet	33,052	50,000	66.1%
543.250 · Comcast-Fort Bragg Phones/Inter	1,950	1,800	108.3%
544.000 · Verizon-Admin / OPS Cellular	28,696	35,500	80.8%
Total 540.000 · UTILITIES.	90,041	147,100	61.2%
Total 560.000 · VEHICLE,CASUALTY & LIABILITY	246,495	400,000	61.6%
570.000 · TAXES			
571.000 · Taxes-State Bd of Equalization	0	600	0.0%
572.000 · Vehicle Licensing & Reg Fees	1,073	1,000	107.3%
Total 570.000 · TAXES	1,073	1,600	67.0%
580.000 · MISCELLANEOUS			
504.510 · Dues & Subscriptions	6,921	20,000	34.6%
502.700 · Travel	23,358	24,000	97.3%
582.250 · Board Expenses	500	2,500	20.0%
583.000 · Safety Program	486	3,000	16.2%
509.800 · Training	6,285	7,000	89.8%
584.500 · CDL & DOT Physical Expenses	4,774	7,000	68.2%
509.100 - Other Miscellaneous	4,887	2,500	195.5%
Total 580.000 · MISCELLANEOUS	47,211	66,000	71.5%
590.000 · LEASES & RENTALS			
591.000 · Leases & Rentals	5,000	12,000	41.7%
Total 590.000 · LEASES & RENTALS	5,000	12,000	41.7%
Total Expense	4,441,935	8,099,188	54.8%
Net Ordinary Income Before Depreciation	-463,724	-108,417	
Depreciation Expense	-737,555		
Net Ordinary Income After Depreciation	-1,201,279		



FY 25-26 RIDERSHIP PERFORMANCE BY ROUTE

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	2025-26 YTD	2024-2025 YTD	# Change	% Change
01 - Willits Local	774	638	648	631	430	564	515	497	0	0	0	0	4697	4005	692	17%
03 - Ukiah - DAR	1410	1557	1436	1620	1239	1335	1423	1286	0	0	0	0	11306	10621	685	6%
04 - Fort Bragg - DAR	712	586	547	654	593	724	640	579	0	0	0	0	5035	6558	(1,523)	-23%
05 - BraggAbout	598	647	690	794	536	593	704	739	0	0	0	0	5301	5464	(163)	-3%
08 - Ukiah Evening	1309	1431	1614	1661	1085	1378	1219	1360	0	0	0	0	11057	4595	6,462	141%
09 - Ukiah Local	5079	5448	6082	6221	5031	5349	5521	5386	0	0	0	0	44117	47642	(3,525)	-7%
20 - Willits - Ukiah	842	1025	1273	1297	873	940	947	997	0	0	0	0	8194	8674	(480)	-6%
60 - Coaster	734	715	756	811	573	621	637	630	0	0	0	0	5477	4589	888	19%
65 - CC Rider	1610	1614	1539	1740	1440	1634	1540	1476	0	0	0	0	12593	10961	1,632	15%
74 - Saturday Gualala-Ukiah	26	49	36	26	40	17	28	22	0	0	0	0	244	294	(50)	-17%
75 - M-F Gualala to Ukiah	361	399	479	541	370	415	363	366	0	0	0	0	3294	3851	(557)	-14%
95 - Pt. Arena to Santa Rosa	417	382	390	332	291	289	286	243	0	0	0	0	2630	3029	(399)	-13%
97 - Redwood Coast Regional	233	202	212	229	154	205	212	199	0	0	0	0	1646	1744	(98)	-6%
Special Events	1706	562	71	0	106	918	0	0	0	0	0	0	3363	2606	757	29%
Monthly Totals	15811	15255	15773	16557	12761	14982	14035	13780	0	0	0	0	118954	114633	4,321	4%



FY 25-26 AVERAGE DAILY RIDERS BY ROUTE-Weekday

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
01 - Willits Local	33.65	29.00	30.86	27.43	26.80	26.86	22.39	24.85	0.00	0.00	0.00	0.00
05 - BraggAbout	26.00	29.41	32.86	34.52	26.80	28.24	30.61	36.95	0.00	0.00	0.00	0.00
07 - Jitney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09 - Ukiah Local	204.22	224.00	268.81	252.17	222.60	236.62	220.35	250.35	0.00	0.00	0.00	0.00
20 - Willits - Ukiah	36.61	46.59	60.62	56.39	43.65	44.76	41.17	49.85	0.00	0.00	0.00	0.00
60 - Coaster	31.91	32.50	36.00	35.26	28.65	29.57	27.70	31.50	0.00	0.00	0.00	0.00
65 - Fort Bragg to Santa Rosa	57.78	57.86	58.00	64.22	52.55	64.38	48.78	56.55	0.00	0.00	0.00	0.00
75 - M-F Gualala to Ukiah	15.70	18.14	22.81	23.52	18.50	19.76	15.78	18.30	0.00	0.00	0.00	0.00
95 - Pt. Arena to Santa Rosa	14.65	12.86	13.86	11.17	8.70	11.05	9.13	8.60	0.00	0.00	0.00	0.00
Monthly Totals	420.52	450.36	523.81	504.70	428.25	461.24	415.91	476.95	0.00	0.00	0.00	0.00



FY 25-26 AVERAGE DAILY RIDERS BY ROUTE-Saturdays

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
09 - Ukiah Local	95.50	104.00	109.25	105.25	115.80	95.00	113.25	94.75	0.00	0.00	0.00	0.00
65 - Fort Bragg to Santa Rosa	54.50	49.00	62.00	50.00	49.80	54.50	82.25	65.75	0.00	0.00	0.00	0.00
74 - Saturday Gualala-Ukiah	6.50	9.80	9.00	6.50	8.00	4.25	7.00	5.50	0.00	0.00	0.00	0.00
95 - Pt. Arena to Santa Rosa	8.50	10.60	12.00	7.75	11.20	7.75	10.25	10.00	0.00	0.00	0.00	0.00
Monthly Totals	165.00	173.40	192.25	169.50	184.80	161.50	212.75	176.00	0.00	0.00	0.00	0.00



FY 25-26 AVERAGE DAILY RIDERS BY ROUTE-Sundays

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
95 - Pt. Arena to Santa Rosa	11.50	11.50	10.20	11.00	15.25	5.20	8.75	7.75	0.00	0.00	0.00	0.00
Monthly Totals	11.50	11.50	10.20	11.00	15.25	5.20	8.75	7.75	0.00	0.00	0.00	0.00

1st Quarter FY 25/26
Performance Summary

RIDERSHIP-FIXED ROUTE/DAR		Jul	Aug	Sept	FY 25/26 1st QTR	FY 24/25 1st QTR
ADULT		6233	5247	4665	16145	16163
SENIORS		3634	3483	3456	10573	10187
DISABLED		2018	1937	1945	5900	6034
PCA		150	187	179	516	585
COLLEGE		1646	2284	3287	7217	5668
FREE		294	308	308	910	898
CHILD		373	350	391	1114	1189
YOUTH PASSES		18	14	8	40	239
MONTHLY PASSES		714	644	759	2117	1771
TRANSFERS		731	801	775	2307	2580
STAFF PASSES		0	0	0	0	0
WHEELCHAIR		630	246	280	1156	1154
BIKES		276	315	289	880	884
TOTAL RIDERSHIP		15811	15255	15773	46839	45314
OPERATIONS						
TOTAL SERVICE DAYS (Mon-Fri)						
VEHICLE REVENUE HOURS		4210.61	4107.77	4095.02	12413.40	12072.67
PASSENGERS PER HOUR		3.76	3.71	3.85	3.77	3.75
VEHICLE REVENUE MILES		73333	72283	70651	216267	212391
PASSENGER PER MILE		0.22	0.21	0.22	0.22	0.21
COSTS						
MONTHLY EXPENSES (Operating Costs)		\$747,713.62	\$588,771.92	\$729,115.17	\$2,065,600.71	\$1,566,524.98
COST PER PASSENGER		\$47.29	\$38.60	\$46.23	\$44.10	\$34.57
COST PER MILE		\$10.20	\$8.15	\$10.32	\$9.55	\$7.38
COST PER HOUR		\$177.58	\$143.33	\$178.05	\$166.40	\$129.76
REVENUE						
OPERATING REVENUE		\$43,357.86	\$54,718.57	\$57,560.40	\$155,636.83	\$172,093.45
NON-OPERATING REVENUE		\$21,391.58	\$9,294.68	\$17,422.39	\$48,108.65	\$22,989.00
TOTAL FAREBOX RATIO		9%	11%	10%	10%	12%
OPERATING COST						
MCOG PERFORMANCE MEASURE						
DIAL-A-RIDE		2122	2143	1983	6248	6809
PASSENGERS PER HOUR /STANDARD 4.5		2.81	2.82	2.64	2.75	3.03
FAREBOX RATIO /STANDARD 10%		13%	14%	12%	13%	11%
OPERATING COST PER HOUR /STANDARD \$91.70		\$88.86	\$70.23	\$84.59	\$81.23	\$103.63
COST PER PASSENGER /STANDARD \$20.38		\$31.68	\$24.90	\$32.06	\$29.55	\$34.59
SHORT DISTANCE BUS ROUTES*		9699	8928	9317	27944	25927
PASSENGERS PER HOUR /STANDARD 14		4.92	4.77	4.93	4.87	4.96
FAREBOX RATIO /STANDARD 10%		8%	11%	10%	10%	16%
OPERATING COST PER HOUR /STANDARD \$85.19		\$118.82	\$96.52	\$120.99	\$112.11	\$132.53
COST PER PASSENGER /STANDARD \$6.09		\$24.13	\$20.25	\$24.52	\$22.97	\$26.60
LONG DISTANCE BUS ROUTES**		3990	4184	4473	12647	12578
PASSENGERS PER HOUR /STANDARD 3.2		2.69	2.84	3.07	2.87	2.77
FAREBOX RATIO /STANDARD 10%		8%	11%	10%	10%	10%
OPERATING COST PER HOUR /STANDARD \$92.18		\$300.79	\$240.48	\$300.38	\$280.55	\$139.95
COST PER PASSENGER /STANDARD \$28.80		\$111.88	\$84.75	\$97.71	\$98.11	\$51.55
* 1 WILLITS LOCAL, 5 BRAGG ABOUT, 7 JITNEY, 9 UKIAH LOCAL, RCRC, SPECIAL EVENTS						
** 20 Willits/Ukiah, 60 COASTER, 65 CC RIDER, 75 GUALALA/UKIAH, 95 POINT ARENA/SANTA ROSA						

2nd Quarter FY 25/26
Performance Summary

RIDERSHIP-FIXED ROUTE/DAR		Oct	Nov	Dec	FY 25/26 2nd QTR	FY 24/25 2nd QTR
ADULT		4913	3915	4326	13154	13935
SENIORS		3855	2858	3470	10183	9123
DISABLED		2125	1812	2160	6097	5881
PCA		233	182	129	544	568
COLLEGE		3346	2327	2008	7681	6231
FREE		232	293	1126	1651	1923
CHILD		314	245	237	796	1072
YOUTH PASSES		0	3	1	4	0
MONTHLY PASSES		713	507	784	2004	1481
TRANSFERS		826	619	741	2186	2264
STAFF PASSES		0	0	0	0	0
WHEELCHAIR		291	520	567	1378	1783
BIKES		294	271	275	840	648
TOTAL RIDERSHIP		16557	12761	14982	44300	42478
OPERATIONS						
TOTAL SERVICE DAYS (Mon-Fri)						
VEHICLE REVENUE HOURS		4382.58	3470.07	4284.17	12136.82	12311.41
PASSENGERS PER HOUR		3.78	3.68	3.50	3.65	10.31
VEHICLE REVENUE MILES		76537	62254	73125	211916	210252
PASSENGER PER MILE		0.22	0.20	0.20	0.21	0.60
COSTS						
MONTHLY EXPENSES (Operating Costs)		\$711,211.96	\$658,673.01	\$727,780.82	\$2,097,665.79	\$1,706,867.89
COST PER PASSENGER		\$42.96	\$51.62	\$48.58	\$47.35	\$40.18
COST PER MILE		\$9.29	\$10.58	\$9.95	\$9.90	\$8.12
COST PER HOUR		\$162.28	\$189.82	\$169.88	\$172.83	\$138.64
REVENUE						
OPERATING REVENUE		\$54,307.66	\$32,071.05	\$51,722.27	\$138,100.98	\$145,253.68
NON-OPERATING REVENUE		\$8,612.64	\$7,403.18	\$10,924.08	\$26,939.90	\$12,697.13
TOTAL FAREBOX RATIO		9%	6%	9%	8%	9%
OPERATING COST						
MCOG PERFORMANCE MEASURE						
DIAL-A-RIDE		2274	1832	2059	6165	6262
PASSENGERS PER HOUR /STANDARD 4.5		2.73	2.86	2.56	2.72	2.96
FAREBOX RATIO /STANDARD 10%		12%	11%	12%	12%	8%
OPERATING COST PER HOUR /STANDARD \$91.70		\$78.55	\$93.51	\$82.23	\$84.76	\$120.91
COST PER PASSENGER /STANDARD \$20.38		\$28.74	\$32.75	\$32.10	\$31.19	\$40.78
SHORT DISTANCE BUS ROUTES*		9536	7342	9007	25885	24539
PASSENGERS PER HOUR /STANDARD 14		4.76	4.72	4.53	4.67	4.32
FAREBOX RATIO /STANDARD 10%		9%	5%	8%	7%	12%
OPERATING COST PER HOUR /STANDARD \$85.19		\$111.36	\$127.34	\$116.68	\$118.46	\$133.01
COST PER PASSENGER /STANDARD \$6.09		\$23.41	\$26.99	\$25.75	\$25.38	\$30.76
LONG DISTANCE BUS ROUTES**		4747	3587	3916	12250	11677
PASSENGERS PER HOUR /STANDARD 3.2		3.07	2.82	2.62	2.84	2.56
FAREBOX RATIO /STANDARD 10%		9%	5%	8%	7%	7%
OPERATING COST PER HOUR /STANDARD \$92.18		\$273.33	\$314.83	\$287.85	\$292.00	\$153.95
COST PER PASSENGER /STANDARD \$28.80		\$89.04	\$111.65	\$109.76	\$103.48	\$60.23
* 1 WILLITS LOCAL, 5 BRAGG ABOUT, 7 JITNEY, 9 UKIAH LOCAL, RCRC, SPECIAL EVENTS						
** 20 Willits/Ukiah, 60 COASTER, 65 CC RIDER, 75 GUALALA/UKIAH, 95 POINT ARENA/SANTA ROSA						



Meeting Date: March 25, 2026

Agenda Item: C.4

AGENDA SUMMARY REPORT

SUBJECT:

Actuarial Study of Self-Insured Liability and Automobile Physical Damage Programs

SUMMARY:

Management is providing the attached actuarial study of the Mendocino Transit Authority's self-insured Public Liability and Automobile Physical Damage programs for the Board's review and consideration.

This study, prepared by our independent actuarial consultants, evaluates the Authority's current and projected claim obligations as of June 30, 2025. The analysis estimates outstanding unpaid claims as of June 30, 2025 and projects expected losses for upcoming fiscal years. The study is intended to support the Authority's financial planning, budgeting, and financial reporting processes.

Key objectives of the actuarial review include:

- Estimating the Authority's outstanding claim liabilities as of June 30, 2025;
- Projecting expected self-insured losses for future fiscal years; and

The actuary has affirmed that the conclusions of the report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

As with all actuarial estimates, actual claim costs may differ from projections due to the inherent uncertainty in future claim development. However, management believes the study provides a sound and independent assessment of the Authority's self-insured risk exposure and serves as an appropriate basis for financial decision-making.

Management recommends that the Board accept the actuarial study as presented. Staff and the Authority's consultants will be available to address any questions the Board may have.

STAFF RECOMMENDATION:

Approve MTA's AON Draft Report for June 30, 2025

ATTACHMENTS:

AON Draft Report for June 30, 2025



Meeting Date: March 25, 2026

Agenda Item: D.2

AGENDA SUMMARY REPORT

SUBJECT:

Discussion and Possible Acceptance of Resolution 2026-01: Authorization to apply for and administer the Transit and Intercity Rail Capital Program (TIRCP) Program, Cycle 8 Funding

SUMMARY:

TIRCP is a competitive statewide grant program that funds capital transit projects which reduce greenhouse gas emissions, improve public transportation, and benefit disadvantaged and low-income communities. TIRCP Cycle 8 provides an important opportunity for MTA to advance compliance with California Air Resources Board (CARB) zero-emission bus requirements while maintaining reliable transit service in Mendocino County.

The proposed project will reduce greenhouse gas emissions through elimination of diesel tailpipe emissions, improve service reliability and safety, and provide direct benefits to transit-dependent populations including low-income households, seniors, individuals with disabilities, and rural residents.

The project is consistent with the MTA Short-Range Transit Development Plan, the Mendocino Council of Governments' Regional Transportation Plan/Active Transportation Plan, regional zero-emission vehicle readiness planning, and the State's Climate Action Plan for Transportation Infrastructure (CAPTI 2.0).

STAFF RECOMMENDATION:

Adopt Resolution No.2026-01 authorizing the Mendocino Transit Authority (MTA) to submit an application for funding under the Transit and Intercity Rail Capital Program (TIRCP) Program, Cycle 8, and authorizing the Executive Director to execute all documents required for the application.

ATTACHMENTS:

Resolution 2026-01



Meeting Date: February 25, 2026

Agenda Item: D.2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MENDOCINO TRANSIT AUTHORITY AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM (TIRCP) PROGRAM – CYCLE 8

RESOLUTION NO. 2026-01

WHEREAS, The State of California, through the California State Transportation Agency (CalSTA), administers the Transit and Intercity Rail Capital Program (TIRCP) Program to fund transformative, climate-focused transportation projects that reduce greenhouse gas emissions, improve public transit, and benefit disadvantaged communities; and

WHEREAS, TIRCP Cycle 8 provides an opportunity for MTA to advance compliance with California Air Resources Board (CARB) zero-emission bus regulations while maintaining reliable transit service in a rural region with limited transportation alternatives; and

WHEREAS, MTA proposes to submit an application for TIRCP Cycle 8 funding for a project that includes the replacement of end-of-life diesel buses with zero-emission electric buses, installation of supporting charging and electrical infrastructure, upgrades to the Maintenance Facility necessary to safely operate and maintain electric buses in compliance with CARB requirements, and development of a Transit Operations and Administration Facility that supports zero-emission fleet operations, dispatching and service coordination, administrative functions, service reliability, and customer access.

WHEREAS, The proposed project is consistent with and implements adopted planning documents, including the Mendocino Transit Authority Short-Range Transit Development Plan, the Mendocino Council of Governments’ Regional Transportation Plan/Active Transportation Plan, applicable zero-emission vehicle readiness planning, and the State of California’s Climate Action Plan for Transportation Infrastructure (CAPTI 2.0); and

WHEREAS, The proposed project is designed to provide direct, meaningful, and assured benefits to priority populations, reduce greenhouse gas emissions through elimination of diesel tailpipe emissions, and improve the safety, reliability, and integration of public transit services; and

WHEREAS, The Mendocino Transit Authority has the legal authority, financial capacity, and institutional capability to carry out the proposed project and to comply with all applicable requirements of the TIRCP program.

NOW, THEREFORE, BE IT RESOLVED Authorizes the Executive Director of MTA, to execute and submit all applications, master agreements, certifications, assurances, and related documents required by the TIRCP program on behalf of the Mendocino Transit Authority; Directs staff to take all necessary actions to carry out the intent of this resolution.

PASSED AND ADOPTED by the Board of Directors of the Mendocino Transit Authority on this ___ day of _____, 2026, by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

ATTEST:

Chair, Board of Directors
Mendocino Transit Authority

Executive Director,
Mendocino Transit Authority



AGENDA SUMMARY REPORT

SUBJECT:

Board of Directors - Required Trainings for Directors

SUMMARY:

The following trainings and filings are required for Mendocino Transit Authority (MTA) Board Members under California law. If a Director becomes non-compliant, they may not serve on Board committees or subcommittees until compliant. Board Members must provide documentation of completed trainings to the Board Secretary, promptly upon completion, as the Secretary maintains official training compliance records.

AB 1234 (2005) – Ethics Training (Government Code §§ 53234–53235)

- Must be completed within one year of assuming office
- Must be renewed every two years thereafter
- Proof of completion must be provided

AB 1661 (2016) – Sexual Harassment Prevention Training (Government Code § 53237)

- Must be completed within six months of assuming office
- Must be renewed every two years thereafter
- Proof of completion must be provided

California SB 827 — Fiscal and Financial Training for Local Agency Officials

SB 827 adds a new requirement that all local agency officials must complete fiscal and financial training, in addition to existing ethics training.

- The training must be at least 2 hours every 2 years.
- The training covers fiscal and financial topics, such as:
- Municipal budgeting and financial reporting
- Capital financing and debt management
- Cash and investment management
- Ethics of stewarding public resources
- Other fiscal planning and oversight fundamentals

Form 700 – Statement of Economic Interests (Political Reform Act, Government Code § 87100 et seq.)

Board Members must file:

- Assuming Office Statement
- Annual Statement
- Leaving Office Statement

Failure to file may result in penalties imposed by the Fair Political Practices Commission (FPPC).

ATTACHMENTS: 2026 Board-Member-Handbook-WEB and 2026 Appendix A Only-WEB

STAFF RECOMMENDATIONS:

Staff recommends acknowledgment of the required training and filing obligations listed above and continued tracking of compliance.



AGENDA SUMMARY REPORT

SUBJECT:

Discussion of Opportunities for an In-Person Gathering of the Full Board

SUMMARY:

During recent meetings and discussions, Board members expressed interest in holding a Board meeting each year with all members present together in a single location. The purpose of this item is to discuss whether the Board would like to schedule an in-person meeting during the current year and, if so, to identify a preferred timeframe and potential location. While the Board has successfully conducted meetings using remote participation, members noted the value of periodic in-person meetings for strengthening collaboration, improving discussion, and fostering Board engagement.

STAFF RECOMMENDATION:

Provide direction to staff regarding whether to hold an in-person gathering of the full Board this year and, if desired, identify a preferred timeframe and location.

ATTACHMENTS:

None



Meeting Date: **March 25, 2026**

Agenda Item: **D.5**

AGENDA SUMMARY REPORT

SUBJECT

Possible Acceptance of Draft Fiscal Audit for Fiscal Year 2024-2025.

SUMMARY:

As required by the Transit Development Act (TDA) Statutes and California Code of Regulations, PUC 99245, each transportation planning agency, transit board and county transportation commission shall ensure that all claimants to who it directs the allocation of Local Transportation Funds (LTF) shall submit to them an annual certified fiscal audit conducted by an entity other than the claimant.

STAFF RECOMMENDATION:

Accept the Draft Fiscal Year 2024-2025 Annual Fiscal Audit.

ATTACHMENTS:

DRAFT ANNUAL FINANCIAL REPORT JUNE 30, 2025

BOARD OF DIRECTORS & MANAGEMENT REPORT JUNE 30, 2025

Mendocino Transit Authority

**Actuarial Study of the
Self-Insured Public Liability
and Automobile Physical Damage Programs
as of June 30, 2025**

DRAFT

December 24, 2025



December 24, 2025

Mendocino Transit Authority
241 Plant Road
Ukiah, California 95482

Attn: Mr. Mark Harvey
Chief Financial Officer

**Actuarial Study of the
Self-Insured Public Liability
and Automobile Physical Damage Programs
as of June 30, 2025**

This study has been completed for the Mendocino Transit Authority for the specific objectives listed in the study. It contains the analysis and conclusions of our work.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study.

No key personnel have a relationship with Mendocino Transit Authority that may impair our objectivity.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Risk Insurance Services West, Inc.

By _____
Ziruo Wang, FCAS, MAAA
Senior Consultant & Actuary

Ruqaya Alloo
Actuarial Analyst

Table of Contents

I.	Background	1
II.	Objectives	3
III.	Conclusions	4

Appendices

- A Conditions and Limitations
- B Glossary of Actuarial Terms
- C Exhibits

DRAFT

I. Background

The Mendocino Transit Authority (the Authority) is self-insured for its automobile (“public”) liability and automobile physical damage claims.

For public liability claims, the Authority is self-insured with a \$25,000 deductible. Losses above the deductible are covered by the California Transit Insurance Pool (CalTIP).

The Authority is insured through CalTIP for automobile physical damage claims. Through June 30, 2025, the Authority’s deductible for covered vehicles was \$5,000. Subsequently, deductibles vary between \$2,500 and \$10,000.

The claim period for the Authority’s self-insurance program runs from July 1 to June 30.

Aon’s most recent actuarial study of the public liability program was based on data valued as June 30, 2024 (the “Prior Study”, report dated May 21, 2025).

Data

The public liability claim data provided for this study consisted of individual claim detail valued as of April 30, 2025 and June 30, 2025, both of which were provided by Sedgwick. The data included claim number, date of loss, and paid, case reserve, incurred, and recovery amounts, among other fields. We summarized claims on an occurrence basis based on the claim number field. We also relied on prior April 30 valuations provided for our previous studies.

We were advised that claims with coverage description of “collision” are automobile physical damage claims and thus removed them from the public liability analysis. The amounts provided in the loss run reflected the portion covered by CalTIP. Losses retained by the Authority (i.e., within the deductible) were not available. As such, the automobile physical damage estimates in this report are based on the available exposure data and actuarial judgment.

The exposure data provided by the Authority for this study consisted of actual mileage driven for 2024/25. For earlier years, we used the exposure data from the Prior Study. We estimated the 2025/26 and subsequent exposure based on the 2024/25 amount and an assumed 0% annual trend.

Actual cash value and CalTIP deductible information by vehicle for 2024/25 was provided for the automobile physical damage program.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by the Authority or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

Discounting

The uncertainty inherent in the discounted claim estimates is greater than that of the undiscounted claim estimates. This is because undiscounted claim estimates normally contemplate an implicit risk margin for the uncertainty in the loss estimation process (e.g., under-estimation). Discounting removes this implicit risk margin and subjects the claim estimates to additional risks such as yields on the investment portfolio. Additionally, future loss payments could occur more or less rapidly than expected due to random variation and the timing of claim payments. We made no adjustment to account for these risks.

The payment patterns utilized to discount the estimates in this report are based on the Authority's historical claim experience. The Authority provided the 3% interest rate used for discounting our estimates. We recognize that future investment results might differ from the selected rate. However, given the 10-year treasury yield was 4.24% as of June 30, 2025 and has ranged from 0.52% to 6.79% over the last 25 years, the rate provided by the Authority appears to be reasonable given the uses specified in the Objectives section.

DRAFT

II. Objectives

The specific objectives of this study are:

1. **Estimate Outstanding Losses.** Estimate outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2025.

The estimated outstanding losses are the cost of unpaid claims. The estimated outstanding losses include case reserves, the development of known claims and incurred but not reported (IBNR) claims. ALAE are the direct expenses for settling specific claims. The amounts are limited to the self-insured retention.

2. **Project Ultimate Limited Losses.** Project ultimate limited losses (including ALAE) for 2025/26 and 2026/27.

The projected ultimate limited losses are the accrual value of losses with accident dates during 2025/26 and 2026/27, regardless of report or payment date. The amounts are limited to the self-insured retention.

3. **Affirm GASB Statement No. 10.** Provide a statement affirming the conclusions of this report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

III. Conclusions

We have reached the following conclusions:

1. Estimate Outstanding Losses

The estimated outstanding losses as of June 30, 2025 are shown in Table III-1A.

**Table III-1A
Estimated Outstanding Losses
June 30, 2025**

Coverage (1)	Estimated Outstanding Losses (2)	Present Value of Estimated Outstanding Losses (3)
(A) Public Liability	\$36,442	\$35,490
(B) Automobile Physical Damage	10,000	9,850
(C) Total	\$46,442	\$45,340

Note: (A) is from Exhibit LI-11.
(B) is based on the available exposure data and actuarial judgment.

The present value of the estimated outstanding losses is the estimated outstanding losses discounted to reflect future investment earnings. The calculations are based on a 3% interest rate. The estimates are discounted to June 30, 2025.

The estimated outstanding losses do not include unallocated loss adjustment expenses (ULAE). Outstanding ULAE are primarily composed of future claims administration for open claims. The implementation guide for GASB Statement No. 10 specifies that a liability for outstanding ULAE has to be established for public entities. Outstanding ULAE are typically 5% to 10% of the estimated outstanding losses.

All costs other than claims are additional.

2. Project Ultimate Limited Losses

The projected ultimate limited losses for 2025/26 and 2026/27 are shown in Tables III-2A and III-2B.

**Table III-2A
Projected Ultimate Limited Losses
2025/26**

Coverage (1)	Projected Ultimate Losses (2)	Present Value of Projected Ultimate Losses (3)
(A) Public Liability	\$23,700	\$22,700
(B) Automobile Physical Damage	10,000	9,850
(C) Total	\$33,700	\$32,550

Note: (A) is from Exhibit LI-10.
(B) is based the available exposure data and actuarial judgment.

**Table III-2B
Projected Ultimate Limited Losses
2026/27**

Coverage (1)	Projected Ultimate Losses (2)	Present Value of Projected Ultimate Losses (3)
(A) Public Liability	\$24,600	\$23,600
(B) Automobile Physical Damage	10,000	9,850
(C) Total	\$34,600	\$33,450

Note: (A) is from Exhibit LI-10.
(B) is based on the available exposure data and actuarial judgment.

The projected ultimate limited losses for 2025/26 and 2026/27 are the accrual value of losses with accident dates during 2025/26 and 2026/27, regardless of report or payment date.

The present value of the projected ultimate limited losses is the amount of money, discounted for anticipated investment income, required to meet claims. It is calculated based on a 3% yield on investments. The estimates are discounted to the beginning of the indicated claim period.

All costs other than claims are additional.

3. Affirm GASB Statement No. 10

We affirm the conclusions of this report are consistent with GASB Statement No. 10.

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Conditions and Limitations

It is important to understand the conditions and limitations listed below. Each chapter and section is an integral part of the whole study. If there are questions, please contact Aon for clarification.

- **Data Quality.** In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the organization or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate used.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.
- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.
- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and

insurance industry statistics, as we deemed appropriate.

- **Use and Distribution.** Use of this report is limited to the organization shown on the transmittal page for the specific purpose described in the Background section. Other uses are prohibited without an executed release with Aon.

Distribution by the organization is restricted. We recognize that this report may be distributed to its independent auditing firm. No further distribution of this report is permitted unless authorized by Aon. The report should only be distributed in its entirety including all supporting exhibits.

DRAFT

Glossary of Actuarial Terms

Actuarial Methods (Most Common)

A major objective of an actuarial study is to statistically project ultimate losses. The following actuarial methods are the most common:

- Developed Paid Losses
- Developed Reported Incurred Losses
- Developed Case Reserves
- Frequency Times Severity Analysis
- Loss Rate Analysis

The following describes each method:

1. **Developed Paid Losses.** Paid losses represent the amounts actually paid to claimants (less excess insurance recoveries). As time goes on, loss payments continue until all claims are closed and there are no remaining payments expected. At this time, the ultimate losses for the claim period are known. This common process is called “paid loss development.”

Paid loss development is an extrapolation of actual dollars paid. It does not depend on case reserve estimates. A potential shortcoming of utilizing this method is that only a small fraction of total payments have been made for the most recent claim periods. Extrapolating ultimate losses based on small amounts of actual payments may be speculative. A second potential shortcoming is that payment patterns can change over time.

2. **Developed Reported Incurred Losses.** Reported incurred losses are paid losses plus case reserves. In most programs, total reported incurred losses underestimate the ultimate losses. Over time, as more information about a body of claims becomes known, they are adjusted either up or down until they are closed. Though many individual claims settle for less than what was estimated, these decreases are generally more than offset by increases in the cost of other claims for which new information has emerged.

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

3. **Developed Case Reserves.** A case reserve is an estimate of the unpaid amount established by claims adjusters for which a particular claim will ultimately be settled or adjudicated. The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.

4. **Frequency Times Severity Analysis.** The frequency times severity analysis is an actuarial method that uses a preliminary projection of ultimate losses to project claims severity. The claims severity times the number of claims is a predictor of ultimate losses. The focus of the frequency times severity analysis is that ultimate losses each period are dependent on the number of claims.
5. **Loss Rate Analysis.** The loss rate analysis is based on the historical loss rates per exposure unit (such as payroll, vehicles or property value). The loss rates (projected ultimate losses divided by exposure units) are trended to reflect the effect of claim cost inflation and retention changes. The trended loss rates represent the rates that one would see if all of the claims had been handled in the claim cost environment that will be present in the upcoming period. The trended loss rate times the projected exposure units is a predictor of losses.
6. **Bornhuetter-Ferguson Method (B-F).** The B-F method is an actuarial method that weights a preliminary projection of ultimate losses with projections of ultimate losses determined by other actuarial methods (usually the developed paid losses and developed reported incurred losses methods). For less mature claim periods, the B-F method leans more heavily to the preliminary projection. It gradually converges to the projections of ultimate losses determined by the other actuarial methods as the claim periods mature.

Actuary

A specialist trained in mathematics, statistics, and finance who is responsible for rate, reserve, and dividend calculations and other statistical studies.

Allocated Loss Adjustment Expenses

Allocated loss adjustment expenses (ALAE) are the direct expenses to settle specific claims. These expenses are primarily legal expenses.

Governmental Accounting Standards Board (GASB) Statement No. 10 requires that ALAE be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

A society concerned with the development of education in the field of actuarial science and with the enhancement of standards in the actuarial field. Members may use the designation MAAA (Member, American Academy of Actuaries).

Benefits

The financial reimbursement and other services provided insureds by insurers under the terms of an insurance contract. An example would be the benefits listed under a life or health insurance policy or benefits as prescribed by a workers compensation law.

Casualty Actuarial Society

A professional society for actuaries in areas of property and casualty insurance work. This society grants the designation of Associate of the Casualty Actuarial Society (ACAS) and Fellow of the Casualty Actuarial Society (FCAS).

Claim

Demand by an individual or entity to recover for a loss.

Claims Made

A policy written on this basis covers only those claims that are made during the policy period. Coverage for prior acts is provided back to what is known as the retroactive date, which is the effective date of the original claims made policy with the same insurer.

Composite Rate

A single rate with a single basis of premium (e.g., payroll or sales). For this single rate the insured is covered for a variety of hazards, such as premises and operations, completed operations, products liability, and automobile. Its primary value is to compute premium simply.

Confidence Level

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

Coverage

The scope of the protection provided under a contract of insurance.

Credibility

Credibility is the belief that the sample data is an accurate reflection of the larger population. Credibility is highest when the sample data is large and the standard deviation (discussed later) of the larger population is low.

Dates

There are at least three milestone dates in a claim. They are the date of injury or accident, the date of report and the date of closure. It is best if each of these dates is recorded. Some organizations may also keep the date a claim becomes a lawsuit, as opposed to a demand. Aon recommends this additional level of detail, especially if the data is to be used for litigation management.

Deductible

The portion of an insured loss to be borne by the insured before he is entitled to recovery from the insurer. Deductibles may be expressed as a dollar amount, percentage or waiting period.

Disability

A condition that curtails a person's ability to carry on his normal pursuits. A disability may be partial or total, and temporary or permanent.

Dividend (Policyholder)

The return of part of the premium paid for a policy issued on a participating basis by either a mutual or a stock insurer.

Estimated Outstanding Losses

Estimated outstanding losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

Estimated outstanding losses are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims.

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

Experience Rating

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

Exposure Data

Exposure data refers to the activities of the organization. For example, payroll is the most common exposure measure for workers compensation. Aon suggests collecting exposure data with the following characteristics:

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.
- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

Generally Accepted Accounting Principles (GAAP)

These principles are intended to produce financial results (in the insurance industry) consistent with those of other industries and to assure consistency in financial reporting.

Incurred But Not Reported

IBNR is really comprised of two distinct items. These are the development of known case reserves (incurred but not enough reported [IBNER] and incurred but not yet reported [IBNYR]).

IBNER are the actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expensive. On balance, case reserves tend to be too low (especially for recent years). IBNER is the actuary's estimate of the amount total case reserves will rise upon closure.

IBNYR refers to those claims that have occurred, but have not yet been reported. A classic example is medical malpractice claim reported several years after the medical procedure was performed.

Insurance Services Office (ISO)

An organization of the property and casualty insurance business designed to gather statistics, promulgate rates, and develop policy forms.

Investment Income

The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on

assets that have actually been sold for more than their purchase price.

Limited

Most programs purchase excess insurance for catastrophic claims. For example, they may purchase coverage for claims above a \$500,000 per occurrence self-insured retention. "Limited" refers to an estimate or projection being limited to the self-insured retention. In contrast, "unlimited" means a loss projection not limited to the self-insured retention.

Other common names for limited are net of excess insurance or capped losses.

Loss Development

The difference between the amount of losses initially estimated by the insurer and the amount reported in an evaluation on a later date. Loss development is typically measured for paid losses, reported incurred losses and claim counts.

Manual Rates

Usually, the published rate for some unit of insurance. An example is in the workers compensation manual, where the rates shown apply to each \$100 of the payroll of the insured, \$100 being the "unit."

National Council on Compensation Insurance (NCCI)

An association of workers compensation insurance companies whose main functions are collecting statistics and calculating rates, establishing policy wording, developing experience and retrospective rating plans, and serving as the filing organization for member companies.

Net

Many pooling programs assign deductibles to members. For example, each member may have a \$5,000 per claim deductible. "Net" refers to a loss estimate or projection that excludes amounts below member deductibles.

Occurrence

An event that results in an insured loss. In some lines of insurance, such as general liability, it is distinguished from accident in that the loss does not have to be sudden and fortuitous and can result from continuous or repeated exposure that results in bodily injury or property damage neither expected nor intended by the insured.

Pool

An organization of entities through which particular types of risks are written with the premiums, losses, and expenses shared in agreed amounts among the members belonging to the organization.

Premium

The price of insurance protection for a specified risk for a specified period of time.

Present Value

The amount of money that future amounts receivable are currently worth. For example, a Life Insurance policy may provide for payments to be made monthly for ten years. The present value of that money would be less than the total amount of the regular periodic payments for 10 years because of the amount of interest that a present lump sum could earn during the term than the payments otherwise would have been made.

Probability

The probability is the likelihood of an event. It is a measure of how likely a value or event is to occur. It can be measured from data by calculating the number of occurrences of the value or event divided by the total number of occurrences. This calculation can be converted to a percentage. For example, tossing a coin has a 50% probability of heads or tails.

Projected Losses Paid

Projected losses paid are the projected claims disbursements in a period, regardless of when the claim occurred. They typically include indemnification and ALAE, but not unallocated loss adjustment expenses (ULAE).

“Projected losses paid” is a cash-flow analysis that can be used in making investment decisions.

Projected Ultimate Losses

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

Other common names for projected ultimate losses are expected losses, ultimate losses and total losses.

Rate

The cost of a given unit of insurance. For example, in life insurance, it is the price of \$1,000 of the face amount. In property insurance, it is the rate per \$100 of value to be insured. The premium is the rate multiplied by the number of units of insurance purchased.

Retrospective Rating

A method for which the final premium is not determined until the end of the coverage period, and is based on the insured's own loss experience for that same period. It is usually subject to a maximum and minimum premium. A plan of this type can be used in various types of insurance, especially workers compensation and liability, and is usually elected by only very large insureds.

Salvage

Property taken over by an entity to reduce its loss. Automobile physical damage losses can be reduced by the sale of recovered vehicles.

Schedule Rating

The application of debits or credits within established ranges for various characteristics of a risk according to an established schedule of items. Under liability and automobile insurance, the schedule rating plan allows credits and debits for various good or bad features of a particular commercial risk. An example in automobile schedule rating would be allowing credits for driver training classes or fleet maintenance programs.

Self-Insurance Retention (SIR)

That portion of a risk or potential loss assumed by an insured. It is often in the form of a per occurrence deductible.

Society of Actuaries (SOA)

A professional society for actuaries in areas of pensions, and life and health insurance work. The SOA grants the designation Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA).

Standard Premium

Most often used in connection with retrospective rating for Workers Compensation and General Liability Insurance. It is the premium of which the basic premium is a percentage and is developed by applying the regular rates to an insured's payroll.

State Fund

A fund set up by a state government to finance a mandatory insurance system, such as Workers Compensation or non-occupational disability benefits. Such a fund may be monopolistic, i.e., purchasers of the type of insurance required must place it in the state fund; or it may be competitive, i.e., an alternative to private insurance if the purchaser desires to use it.

Statutory Accounting Principles (SAP)

Those principles required by statute that must be followed by an insurance company or other similar entity when submitting its financial statement to the state insurance department. Such principles differ from (GAAP) in some important respects. For one thing SAP requires that expenses must be recorded immediately and cannot be deferred to track with premiums as they are earned and taken into revenue.

Unallocated Loss Adjustment Expenses

Unallocated loss adjustment expenses (ULAE) are the indirect expenses to settle claims. These expenses are primarily administration and claims handling expenses.

GASB Statement No. 10 and No. 30 require that ULAE be included in financial statements for public entity risk pools and that they be calculated by actuarial methods.

For governmental entities that are not public entity risk pools, ULAE are optional. If the entity chooses to include ULAE in its liability for outstanding claims, this inclusion must be disclosed in the financial statements

Exhibits

The attached exhibits detail our analysis.

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Data Summary as of June 30, 2025
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention* (2)	Aggregate Retention (3)	Months of Development 6/30/25 (4)	Miles Driven (5)	Reported Claims 6/30/25 (6)	Open Claims 6/30/25 (7)	Limited Paid Losses 6/30/25 (8)	Limited Case Reserves 6/30/25 (9)	Limited Reported Incurred Losses 6/30/25 (10)
to 7/05 - 6/06	See Note	None	240.0	Not Provided	190	0	\$471,509	\$0	\$471,509
7/06 - 6/07	25,000	None	228.0	823,164	5	0	3,806	0	3,806
7/07 - 6/08	25,000	None	216.0	849,271	6	0	10,506	0	10,506
7/08 - 6/09	25,000	None	204.0	851,853	1	0	452	0	452
7/09 - 6/10	25,000	None	192.0	840,626	1	0	184	0	184
7/10 - 6/11	25,000	None	180.0	771,843	4	0	29,184	0	29,184
7/11 - 6/12	25,000	None	168.0	750,022	5	0	11,053	0	11,053
7/12 - 6/13	25,000	None	156.0	742,464	0	0	0	0	0
7/13 - 6/14	25,000	None	144.0	734,205	1	0	1,505	0	1,505
7/14 - 6/15	25,000	None	132.0	765,633	2	0	4,720	0	4,720
7/15 - 6/16	25,000	None	120.0	828,402	6	0	64,680	0	64,680
7/16 - 6/17	25,000	None	108.0	916,624	0	0	0	0	0
7/17 - 6/18	25,000	None	96.0	948,356	2	0	4,032	0	4,032
7/18 - 6/19	25,000	None	84.0	930,805	2	0	17,032	0	17,032
7/19 - 6/20	25,000	None	72.0	886,375	5	0	17,971	0	17,971
7/20 - 6/21	25,000	None	60.0	555,319	0	0	0	0	0
7/21 - 6/22	25,000	None	48.0	690,906	1	0	25,000	0	25,000
7/22 - 6/23	25,000	None	36.0	766,386	1	0	872	0	872
7/23 - 6/24	25,000	None	24.0	934,240	3	1	412	1,650	2,062
7/24 - 6/25	25,000	None	12.0	999,931	4	2	5,486	30,140	35,626
Total					239	3	\$668,403	\$31,790	\$700,194

* The specific self-insured retention changes are as follows:

Effective Date	Retention
05/01/87	\$25,000

(8), (9) and (10) are net of the specific self-insured retention and other recoveries.

Data was provided by the Authority.



MENDOCINO TRANSIT AUTHORITY
PUBLIC LIABILITY

Data Summary as of June 30, 2025
Net Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/25 (4)	Miles Driven (5)	Reported Claims 6/30/25 (6)	Open Claims 6/30/25 (7)	Net Unlimited Paid Losses 6/30/25 (8)	Net Unlimited Case Reserves 6/30/25 (9)	Net Unlimited Reported Incurred Losses 6/30/25 (10)
to 7/05 - 6/06	Unlimited	None	240.0	Not Provided	190	0	\$1,662,152	\$0	\$1,662,152
7/06 - 6/07	Unlimited	None	228.0	823,164	5	0	3,806	0	3,806
7/07 - 6/08	Unlimited	None	216.0	849,271	6	0	10,506	0	10,506
7/08 - 6/09	Unlimited	None	204.0	851,853	1	0	452	0	452
7/09 - 6/10	Unlimited	None	192.0	840,626	1	0	184	0	184
7/10 - 6/11	Unlimited	None	180.0	771,843	4	0	211,798	0	211,798
7/11 - 6/12	Unlimited	None	168.0	750,022	5	0	11,053	0	11,053
7/12 - 6/13	Unlimited	None	156.0	742,464	0	0	0	0	0
7/13 - 6/14	Unlimited	None	144.0	734,205	1	0	1,505	0	1,505
7/14 - 6/15	Unlimited	None	132.0	765,633	2	0	4,720	0	4,720
7/15 - 6/16	Unlimited	None	120.0	828,402	6	0	434,003	0	434,003
7/16 - 6/17	Unlimited	None	108.0	916,624	0	0	0	0	0
7/17 - 6/18	Unlimited	None	96.0	948,356	2	0	4,032	0	4,032
7/18 - 6/19	Unlimited	None	84.0	930,805	2	0	17,032	0	17,032
7/19 - 6/20	Unlimited	None	72.0	886,375	5	0	17,971	0	17,971
7/20 - 6/21	Unlimited	None	60.0	555,319	0	0	0	0	0
7/21 - 6/22	Unlimited	None	48.0	690,906	1	0	27,504	0	27,504
7/22 - 6/23	Unlimited	None	36.0	766,386	1	0	872	0	872
7/23 - 6/24	Unlimited	None	24.0	934,240	3	1	412	1,650	2,062
7/24 - 6/25	Unlimited	None	12.0	999,931	4	2	5,486	40,140	45,626
Total					239	3	\$2,413,488	\$41,790	\$2,455,278

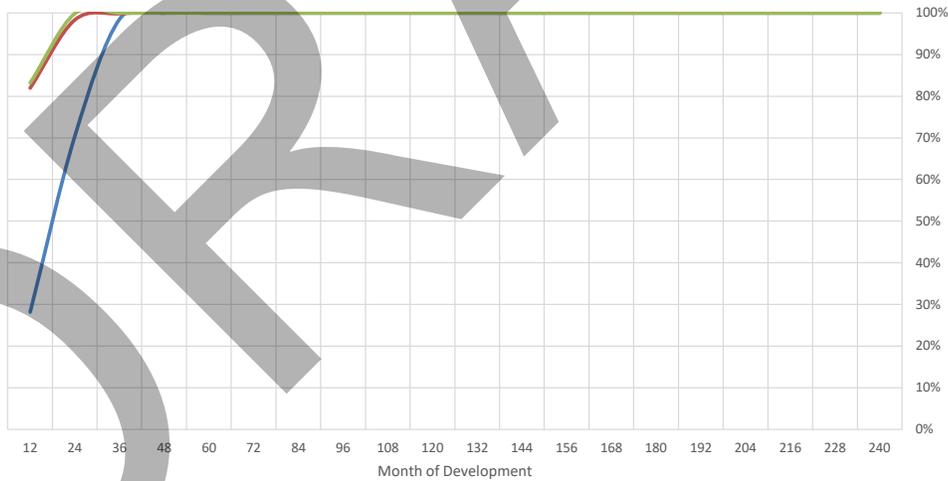
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(8), (9) and (10) are gross of the specific self-insured retention and net of other recoveries.

Data was provided by the Authority.

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)
360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%
180.0	100.0%	100.0%	100.0%
168.0	100.0%	100.0%	100.0%
156.0	100.0%	100.0%	100.0%
144.0	100.0%	100.0%	100.0%
132.0	100.0%	100.0%	100.0%
120.0	100.0%	100.0%	100.0%
108.0	100.0%	100.0%	100.0%
96.0	100.0%	100.0%	100.0%
84.0	100.0%	100.0%	100.0%
72.0	100.0%	100.0%	100.0%
60.0	100.0%	100.0%	100.0%
48.0	100.0%	100.0%	100.0%
36.0	98.5%	99.8%	100.0%
24.0	70.4%	98.3%	99.8%
12.0	28.1%	81.9%	83.2%



— Percent Losses Paid — Percent Losses Reported — Percent Claims Reported

(2) is from Exhibit LI-2 (page 2).

(3) is from Exhibit LI-2 (page 3).

(4) is from Exhibit LI-2 (page 4).



MENDOCINO TRANSIT AUTHORITY
PUBLIC LIABILITY

Historical Limited Paid Losses and Limited Paid Loss Development

I. Historical Limited Paid Losses

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 5/05 - 4/06																				
5/06 - 4/07	950	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776
5/07 - 4/08	1,438	8,022	8,859	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792
5/08 - 4/09	1,112	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498
5/09 - 4/10	158	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
5/10 - 4/11	6,400	28,324	28,324	210,938	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324
5/11 - 4/12	3,546	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747
5/12 - 4/13	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
5/13 - 4/14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5/14 - 4/15	1,505	5,106	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199
5/15 - 4/16	19,240	55,330	58,178	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330
5/16 - 4/17	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376
5/17 - 4/18	0	1,003	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032
5/18 - 4/19	199	2,279	3,285	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032
5/19 - 4/20	1,214	10,446	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971
5/20 - 4/21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5/21 - 4/22	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
5/22 - 4/23	170	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872
5/23 - 4/24	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412
5/24 - 4/25	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055

II. Limited Paid Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 5/05 - 4/06																				
5/06 - 4/07	3.973	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/07 - 4/08	5.580	1.104	1.105	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/08 - 4/09	1.347	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/09 - 4/10	1.164	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/10 - 4/11	4.425	1.000	7.447	0.134	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/11 - 4/12	2.748	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/12 - 4/13	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/13 - 4/14																				
5/14 - 4/15	3.392	1.018	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/15 - 4/16	2.876	1.051	0.951	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/16 - 4/17	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/17 - 4/18		4.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/18 - 4/19	11.439	1.441	5.185	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/19 - 4/20	8.608	1.720	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/20 - 4/21																				
5/21 - 4/22	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/22 - 4/23	5.141	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/23 - 4/24	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/24 - 4/25																				
Average																				
All	3.646	1.290	1.764	0.933	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.027	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	2.380	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5 x high, low				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Similar	2.675	1.710	1.440	1.255	1.155	1.100	1.052	1.041	1.029	1.007	1.007	1.007	1.007	1.007	1.007	1.007	1.007	1.007	1.007	1.047
Previous	2.500	1.475	1.025	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.500	1.400	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	3.553	1.421	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	28.1%	70.4%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by the Authority.



MENDOCINO TRANSIT AUTHORITY
PUBLIC LIABILITY

Historical Limited Reported Incurred Losses and Limited Reported Incurred Loss Development

I. Historical Limited Reported Incurred Losses

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 5/05 - 4/06																				
5/06 - 4/07	11,308	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776
5/07 - 4/08	14,936	14,304	8,859	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792	9,792
5/08 - 4/09	9,500	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498
5/09 - 4/10	500	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
5/10 - 4/11	27,299	28,324	28,324	210,938	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324	28,324
5/11 - 4/12	8,430	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747	9,747
5/12 - 4/13	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
5/13 - 4/14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5/14 - 4/15	1,505	5,505	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199	5,199
5/15 - 4/16	42,755	55,330	58,178	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330	55,330
5/16 - 4/17	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376	10,376
5/17 - 4/18	0	1,003	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032
5/18 - 4/19	199	25,199	25,199	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032	17,032
5/19 - 4/20	29,000	44,054	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971	17,971
5/20 - 4/21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5/21 - 4/22	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
5/22 - 4/23	3,006	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872	872
5/23 - 4/24	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412
5/24 - 4/25	30,301																			

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 5/05 - 4/06																				
5/06 - 4/07	0.334	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/07 - 4/08	0.958	0.619	1.105	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/08 - 4/09	0.158	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/09 - 4/10	0.368	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/10 - 4/11	1.038	1.000	7.447	0.134	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/11 - 4/12	1.156	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/12 - 4/13	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/13 - 4/14																				
5/14 - 4/15	3.657	0.944	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/15 - 4/16	1.294	1.051	0.951	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/16 - 4/17	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/17 - 4/18		4.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/18 - 4/19	126.502	1.000	0.676	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/19 - 4/20	1.519	0.408	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/20 - 4/21																				
5/21 - 4/22	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/22 - 4/23	0.290	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/23 - 4/24	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/24 - 4/25																				
Average																				
All	9.418	1.136	1.441	0.933	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	0.925	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	0.763	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5 x high, low			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Similar	1.985	1.430	1.255	1.150	1.088	1.061	1.035	1.023	1.014	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.033	1.000
Previous	1.230	1.020	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.200	1.015	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.220	1.017	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	81.9%	98.3%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by the Authority.

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 5/05 - 4/06																				
5/06 - 4/07	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
5/07 - 4/08	6	8	8	8	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
5/08 - 4/09	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
5/09 - 4/10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5/10 - 4/11	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
5/11 - 4/12	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
5/12 - 4/13	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5/13 - 4/14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5/14 - 4/15	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
5/15 - 4/16	5	5	6	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
5/16 - 4/17	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
5/17 - 4/18	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
5/18 - 4/19	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
5/19 - 4/20	3	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
5/20 - 4/21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5/21 - 4/22	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5/22 - 4/23	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5/23 - 4/24	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
5/24 - 4/25	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4

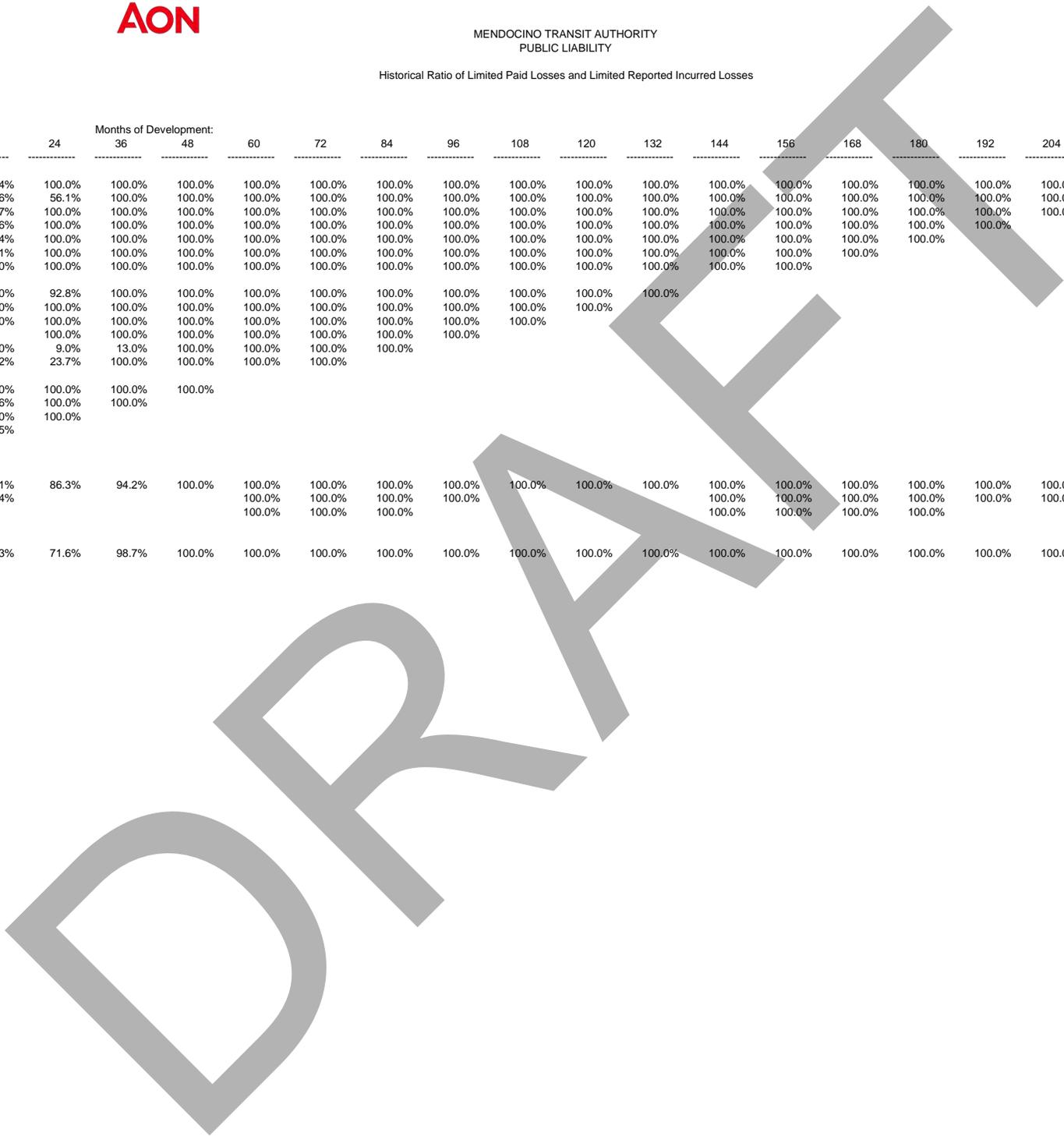
II. Reported Claim Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 5/05 - 4/06																				
5/06 - 4/07	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/07 - 4/08	1.333	1.000	1.000	0.875	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/08 - 4/09	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/09 - 4/10	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/10 - 4/11	1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/11 - 4/12	1.250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/12 - 4/13	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/13 - 4/14																				
5/14 - 4/15	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/15 - 4/16	1.000	1.200	0.833	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/16 - 4/17	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/17 - 4/18		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/18 - 4/19	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/19 - 4/20	1.667	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/20 - 4/21																				
5/21 - 4/22	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/22 - 4/23	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/23 - 4/24	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5/24 - 4/25																				
Average																				
All	1.250	1.013	0.988	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5 x high, low				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Similar	1.219	1.047	1.026	1.015	1.012	1.011	1.012	1.013	1.017	1.003	1.003	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.001
Previous	1.200	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.200	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.202	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	83.2%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data was provided by the Authority.

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 5/05 - 4/06																					
5/06 - 4/07	8.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/07 - 4/08	9.6%	56.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/08 - 4/09	11.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/09 - 4/10	31.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/10 - 4/11	23.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/11 - 4/12	42.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/12 - 4/13	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/13 - 4/14																					
5/14 - 4/15	100.0%	92.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/15 - 4/16	45.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/16 - 4/17	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/17 - 4/18		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/18 - 4/19	100.0%	9.0%	13.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/19 - 4/20	4.2%	23.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/20 - 4/21																					
5/21 - 4/22	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/22 - 4/23	5.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/23 - 4/24	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5/24 - 4/25	3.5%																				
Average																					
All	49.1%	86.3%	94.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Last 3	36.4%				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Last 5 x high, low					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Implicit	34.3%	71.6%	98.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Developed Limited Paid Losses

Claim Period (1)	Months of Development 6/30/25 (2)	Limited Paid Losses 6/30/25 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 7/05 - 6/06	240.0	\$471,509	100.0%	\$471,509
7/06 - 6/07	228.0	3,806	100.0%	3,806
7/07 - 6/08	216.0	10,506	100.0%	10,506
7/08 - 6/09	204.0	452	100.0%	452
7/09 - 6/10	192.0	184	100.0%	184
7/10 - 6/11	180.0	29,184	100.0%	29,184
7/11 - 6/12	168.0	11,053	100.0%	11,053
7/12 - 6/13	156.0	0	100.0%	0
7/13 - 6/14	144.0	1,505	100.0%	1,505
7/14 - 6/15	132.0	4,720	100.0%	4,720
7/15 - 6/16	120.0	64,680	100.0%	64,680
7/16 - 6/17	108.0	0	100.0%	0
7/17 - 6/18	96.0	4,032	100.0%	4,032
7/18 - 6/19	84.0	17,032	100.0%	17,032
7/19 - 6/20	72.0	17,971	100.0%	17,971
7/20 - 6/21	60.0	0	100.0%	0
7/21 - 6/22	48.0	25,000	100.0%	25,000 *
7/22 - 6/23	36.0	872	98.5%	885
7/23 - 6/24	24.0	412	70.4%	586
7/24 - 6/25	12.0	5,486	28.1%	19,491
Total		\$668,403		\$682,596

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-14.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

Developed Limited Reported Incurred Losses

Claim Period (1)	Months of Development 6/30/25 (2)	Limited Reported Incurred Losses 6/30/25 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 7/05 - 6/06	240.0	\$471,509	100.0%	\$471,509
7/06 - 6/07	228.0	3,806	100.0%	3,806
7/07 - 6/08	216.0	10,506	100.0%	10,506
7/08 - 6/09	204.0	452	100.0%	452
7/09 - 6/10	192.0	184	100.0%	184
7/10 - 6/11	180.0	29,184	100.0%	29,184
7/11 - 6/12	168.0	11,053	100.0%	11,053
7/12 - 6/13	156.0	0	100.0%	0
7/13 - 6/14	144.0	1,505	100.0%	1,505
7/14 - 6/15	132.0	4,720	100.0%	4,720
7/15 - 6/16	120.0	64,680	100.0%	64,680
7/16 - 6/17	108.0	0	100.0%	0
7/17 - 6/18	96.0	4,032	100.0%	4,032
7/18 - 6/19	84.0	17,032	100.0%	17,032
7/19 - 6/20	72.0	17,971	100.0%	17,971
7/20 - 6/21	60.0	0	100.0%	0
7/21 - 6/22	48.0	25,000	100.0%	25,000
7/22 - 6/23	36.0	872	99.8%	874
7/23 - 6/24	24.0	2,062	98.3%	2,097
7/24 - 6/25	12.0	35,626	81.9%	37,968 *
Total		\$700,194		\$702,573

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-14.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.



Developed Limited Case Reserves

Claim Period (1)	Months of Development 6/30/25 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/25 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/25 (6)	Limited Case Reserves 6/30/25 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 7/05 - 6/06	240.0	100.0%	100.0%	100.0%	\$471,509	\$0	\$471,509
7/06 - 6/07	228.0	100.0%	100.0%	100.0%	3,806	0	3,806
7/07 - 6/08	216.0	100.0%	100.0%	100.0%	10,506	0	10,506
7/08 - 6/09	204.0	100.0%	100.0%	100.0%	452	0	452
7/09 - 6/10	192.0	100.0%	100.0%	100.0%	184	0	184
7/10 - 6/11	180.0	100.0%	100.0%	100.0%	29,184	0	29,184
7/11 - 6/12	168.0	100.0%	100.0%	100.0%	11,053	0	11,053
7/12 - 6/13	156.0	100.0%	100.0%	100.0%	0	0	0
7/13 - 6/14	144.0	100.0%	100.0%	100.0%	1,505	0	1,505
7/14 - 6/15	132.0	100.0%	100.0%	100.0%	4,720	0	4,720
7/15 - 6/16	120.0	100.0%	100.0%	100.0%	64,680	0	64,680
7/16 - 6/17	108.0	100.0%	100.0%	100.0%	0	0	0
7/17 - 6/18	96.0	100.0%	100.0%	100.0%	4,032	0	4,032
7/18 - 6/19	84.0	100.0%	100.0%	100.0%	17,032	0	17,032
7/19 - 6/20	72.0	100.0%	100.0%	100.0%	17,971	0	17,971
7/20 - 6/21	60.0	100.0%	100.0%	100.0%	0	0	0
7/21 - 6/22	48.0	100.0%	100.0%	100.0%	25,000	0	25,000
7/22 - 6/23	36.0	98.5%	99.8%	86.7%	872	0	872
7/23 - 6/24	24.0	70.4%	98.3%	94.4%	412	1,650	2,161
7/24 - 6/25	12.0	28.1%	81.9%	74.9%	5,486	30,140	37,889 *
Total					\$668,403	\$31,790	\$702,556

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-14.

(3) and (4) are from Exhibit LI-2.

(6) and (7) are from Exhibit LI-1.

Preliminary Projected Ultimate Limited Losses to 7/24 - 6/25

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 7/05 - 6/06	\$471,509	\$471,509	\$471,509	\$471,509
7/06 - 6/07	3,806	3,806	3,806	3,806
7/07 - 6/08	10,506	10,506	10,506	10,506
7/08 - 6/09	452	452	452	452
7/09 - 6/10	184	184	184	184
7/10 - 6/11	29,184	29,184	29,184	29,184
7/11 - 6/12	11,053	11,053	11,053	11,053
7/12 - 6/13	0	0	0	0
7/13 - 6/14	1,505	1,505	1,505	1,505
7/14 - 6/15	4,720	4,720	4,720	4,720
7/15 - 6/16	64,680	64,680	64,680	64,680
7/16 - 6/17	0	0	0	0
7/17 - 6/18	4,032	4,032	4,032	4,032
7/18 - 6/19	17,032	17,032	17,032	17,032
7/19 - 6/20	17,971	17,971	17,971	17,971
7/20 - 6/21	0	0	0	0
7/21 - 6/22	25,000	25,000	25,000	25,000
7/22 - 6/23	885	874	872	872
7/23 - 6/24	586	2,097	2,161	2,227
7/24 - 6/25	19,491	37,968	37,889	38,640
Total	\$682,596	\$702,573	\$702,556	\$703,373

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) is based on (2) to (4) and actuarial judgment.

Bornhuetter - Ferguson Analysis

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Miles Driven (3)	Limited Loss Rate per 1,000 Miles Driven (2)/(3)X1,000 (4)	Loss Rate Trend (7/25 - 6/26 = 1.000) (5)	Trended Limited Loss Rate per 1,000 Miles Driven (4)X(5) (6)	Projected A-priori Loss Rate per 1,000 Miles Driven (7)/(5) (8)
7/15 - 6/16	\$64,680	828,402	\$78.08	1.480	\$115.57	\$15.87
7/16 - 6/17	0	916,624	0.00	1.423	0.00	16.51
7/17 - 6/18	4,032	948,356	4.25	1.369	5.82	17.17
7/18 - 6/19	17,032	930,805	18.30	1.316	24.08	17.85
7/19 - 6/20	17,971	886,375	20.27	1.265	25.65	18.57
7/20 - 6/21	0	555,319	0.00	1.217	0.00	19.31
7/21 - 6/22	25,000	690,906	36.18	1.170	42.33	20.08
7/22 - 6/23	872	766,386	1.14	1.125	1.28	20.89
7/23 - 6/24	2,227	934,240	2.38	1.082	2.58	21.72
7/24 - 6/25	38,640	999,931	38.64	1.040	40.19	22.59

(7) Projected 7/25 - 6/26 a-priori loss rate per 1,000 Miles Driven \$23.50

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/25 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per 1,000 Miles Driven (4)	Miles Driven (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)/1,000 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
7/20 - 6/21	\$0	100.0%	\$19.31	555,319	\$2	\$2
7/21 - 6/22	25,000	100.0%	20.08	690,906	3	25,003
7/22 - 6/23	872	98.5%	20.89	766,386	240	1,112
7/23 - 6/24	412	70.4%	21.72	934,240	6,016	6,428
7/24 - 6/25	5,486	28.1%	22.59	999,931	16,233	21,718

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 6/30/25 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per 1,000 Miles Driven (4)	Miles Driven (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)/1,000 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
7/20 - 6/21	\$0	100.0%	\$19.31	555,319	\$0	\$0
7/21 - 6/22	25,000	100.0%	20.08	690,906	0	25,000
7/22 - 6/23	872	99.8%	20.89	766,386	32	904
7/23 - 6/24	2,062	98.3%	21.72	934,240	340	2,402
7/24 - 6/25	35,626	81.9%	22.59	999,931	4,080	39,706

Section I, (2) is from Exhibit LI-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit LI-10.

Section I, (5) is based on a 4% trend.

Section I, (7) is based on Section I, (6) and actuarial judgment.

Sections II and III, (2) are from Exhibit LI-1.

Sections II and III, (3) are from Exhibit LI-2.

Sections II and III, (4) are from Section I, (8).

Frequency Times Severity Analysis

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/25 (2)	Reported Claims 6/30/25 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Miles Driven (6)	Frequency (per 1M Miles Driven) (5)/(6)X1M (7)
7/15 - 6/16	120.0	6	100.0%	6	828,402	7.24
7/16 - 6/17	108.0	0	100.0%	0	916,624	0.00
7/17 - 6/18	96.0	2	100.0%	2	948,356	2.11
7/18 - 6/19	84.0	2	100.0%	2	930,805	2.15
7/19 - 6/20	72.0	5	100.0%	5	886,375	5.64
7/20 - 6/21	60.0	0	100.0%	0	555,319	0.00
7/21 - 6/22	48.0	1	100.0%	1	690,906	1.45
7/22 - 6/23	36.0	1	100.0%	1	766,386	1.30
7/23 - 6/24	24.0	3	99.8%	3	934,240	3.21
7/24 - 6/25	12.0	4	83.2%	5	999,931	5.00

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (7/25 - 6/26 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 7/25 - 6/26 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
7/15 - 6/16	\$64,680	6	\$10,780	1.480	\$15,957	\$5,211	\$31,263
7/16 - 6/17	0	0	0	1.423	0	5,419	0
7/17 - 6/18	4,032	2	2,016	1.369	2,759	5,636	11,271
7/18 - 6/19	17,032	2	8,516	1.316	11,207	5,861	11,722
7/19 - 6/20	17,971	5	3,594	1.265	4,548	6,096	30,478
7/20 - 6/21	0	0	0	1.217	0	6,339	0
7/21 - 6/22	25,000	1	25,000	1.170	29,246	6,593	6,593
7/22 - 6/23	872	1	872	1.125	981	6,857	6,857
7/23 - 6/24	2,227	3	742	1.082	803	7,131	21,393
7/24 - 6/25	38,640	5	7,728	1.040	8,037	7,416	37,081

(7) Projected 7/25 - 6/26 average claim severity \$7,713

Section I, (3) is from Exhibit LI-1.

Section I, (4) is from Exhibit LI-2.

Section I, (6) is from Exhibit LI-10.

Section II, (2) is from Exhibit LI-6.

Section II, (3) is from Section I, (5).

Section II, (5) is based on a 4% trend.

Section II, (7) is based on (6) and actuarial judgment.

Projected Ultimate Limited Losses to 7/24 - 6/25

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 7/05 - 6/06	\$471,509	\$471,509	\$471,509				\$471,509
7/06 - 6/07	3,806	3,806	3,806				3,806
7/07 - 6/08	10,506	10,506	10,506				10,506
7/08 - 6/09	452	452	452				452
7/09 - 6/10	184	184	184				184
7/10 - 6/11	29,184	29,184	29,184				29,184
7/11 - 6/12	11,053	11,053	11,053				11,053
7/12 - 6/13	0	0	0				0
7/13 - 6/14	1,505	1,505	1,505				1,505
7/14 - 6/15	4,720	4,720	4,720				4,720
7/15 - 6/16	64,680	64,680	64,680				64,680
7/16 - 6/17	0	0	0				0
7/17 - 6/18	4,032	4,032	4,032				4,032
7/18 - 6/19	17,032	17,032	17,032				17,032
7/19 - 6/20	17,971	17,971	17,971				17,971
7/20 - 6/21	0	0	0	2			0
7/21 - 6/22	25,000	25,000	25,000	25,003	25,000	6,593	25,000
7/22 - 6/23	885	874	872	1,112	904	6,857	872
7/23 - 6/24	586	2,097	2,161	6,428	2,402	21,393	3,700
7/24 - 6/25	19,491	37,968	37,889	21,718	39,706	37,081	38,640

DRAFT

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) and (6) are from Exhibit LI-7.

(7) is from Exhibit LI-8.

(8) is based on (2) to (7) and actuarial judgment.

Projected Ultimate Limited Losses for 7/25 - 6/26 and Subsequent

Claim Period (1)	Projected Ultimate Limited Losses (2)	Miles Driven (3)	Limited Loss Rate per 1,000 Miles Driven (2)/(3)X1,000 (4)	Loss Rate Trend (7/25 - 6/26 = 1.000) (5)	Trended Limited Loss Rate per 1,000 Miles Driven (4)X(5) (6)
7/15 - 6/16	\$64,680	828,402	\$78.08	1.480	\$115.57
7/16 - 6/17	0	916,624	0.00	1.423	0.00
7/17 - 6/18	4,032	948,356	4.25	1.369	5.82
7/18 - 6/19	17,032	930,805	18.30	1.316	24.08
7/19 - 6/20	17,971	886,375	20.27	1.265	25.65
7/20 - 6/21	0	555,319	0.00	1.217	0.00
7/21 - 6/22	25,000	690,906	36.18	1.170	42.33
7/22 - 6/23	872	766,386	1.14	1.125	1.28
7/23 - 6/24	3,700	934,240	3.96	1.082	4.28
7/24 - 6/25	38,640	999,931	38.64	1.040	40.19
Total	\$171,926	8,457,344	\$20.33		\$25.92

Claim Period (1)	Projected Limited Loss Rate per 1,000 Miles Driven (7)	Projected Miles Driven (8)	Projected Ultimate Limited Losses (7)X(8)/1,000 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per 1,000 Miles Driven (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)/1,000 (12)
7/25 - 6/26	\$23.70	999,931	\$23,700	0.956	\$22.65	\$22,700
7/26 - 6/27	24.64	999,931	24,600	0.956	23.56	23,600

(2) is from Exhibit LI-9.

(3) was provided by the Authority.

(5) is based on a 4% trend.

(7) 7/25 - 6/26 is based on (6) and actuarial judgment.
Other period(s) based on 7/25 - 6/26 plus a 4% trend.

(8) is based on (3) for 7/24 - 6/25 and a 0% trend.

(10) is based on a 3% interest rate and the payout pattern in Exhibit LI-2.

Estimated Outstanding Losses as of June 30, 2025

Claim Period (1)	Limited Paid Losses 6/30/25 (2)	Limited Case Reserves 6/30/25 (3)	Limited Reported Incurred Losses 6/30/25 (4)	Projected Ultimate Limited Losses (5)	Estimated IBNR 6/30/25 (5)-(4) (6)	Estimated Outstanding Losses 6/30/25 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Outstanding Losses 6/30/25 (7)X(8) (9)
to 7/05 - 6/06	\$471,509	\$0	\$471,509	\$471,509	\$0	\$0	1.000	\$0
7/06 - 6/07	3,806	0	3,806	3,806	0	0	1.000	0
7/07 - 6/08	10,506	0	10,506	10,506	0	0	1.000	0
7/08 - 6/09	452	0	452	452	0	0	1.000	0
7/09 - 6/10	184	0	184	184	0	0	1.000	0
7/10 - 6/11	29,184	0	29,184	29,184	0	0	1.000	0
7/11 - 6/12	11,053	0	11,053	11,053	0	0	1.000	0
7/12 - 6/13	0	0	0	0	0	0	1.000	0
7/13 - 6/14	1,505	0	1,505	1,505	0	0	1.000	0
7/14 - 6/15	4,720	0	4,720	4,720	0	0	1.000	0
7/15 - 6/16	64,680	0	64,680	64,680	0	0	1.000	0
7/16 - 6/17	0	0	0	0	0	0	1.000	0
7/17 - 6/18	4,032	0	4,032	4,032	0	0	1.000	0
7/18 - 6/19	17,032	0	17,032	17,032	0	0	1.000	0
7/19 - 6/20	17,971	0	17,971	17,971	0	0	1.000	0
7/20 - 6/21	0	0	0	0	0	0	0.985	0
7/21 - 6/22	25,000	0	25,000	25,000	0	0	0.957	0
7/22 - 6/23	872	0	872	872	0	0	0.985	0
7/23 - 6/24	412	1,650	2,062	3,700	1,638	3,288	0.984	3,235
7/24 - 6/25	5,486	30,140	35,626	38,640	3,014	33,154	0.973	32,255
Total	\$668,403	\$31,790	\$700,194	\$704,845	\$4,652	\$36,442		\$35,490

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(2), (3) and (4) are net of specific self-insured retention and aggregate retention.

(5) is from Exhibit LI-9.

(8) is based on a 3% interest rate and the payout pattern in Exhibit LI-2.



MENDOCINO TRANSIT AUTHORITY
PUBLIC LIABILITY

Exhibit LI-12

Projected Losses Paid July 1, 2025 to June 30, 2026

Claim Period (1)	Months of Development 6/30/25 (2)	Percent Losses Paid (3)	Months of Development 6/30/26 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/25 to 6/30/26 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/25 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/26 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/26 (9)X(10) (11)
to 7/05 - 6/06	240.0	100.0%	252.0	100.0%	100.0%	\$0	\$0	\$0	1.000	\$0
7/06 - 6/07	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.000	0
7/07 - 6/08	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.000	0
7/08 - 6/09	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.000	0
7/09 - 6/10	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.000	0
7/10 - 6/11	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.000	0
7/11 - 6/12	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.000	0
7/12 - 6/13	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.000	0
7/13 - 6/14	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.000	0
7/14 - 6/15	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.000	0
7/15 - 6/16	120.0	100.0%	132.0	100.0%	100.0%	0	0	0	1.000	0
7/16 - 6/17	108.0	100.0%	120.0	100.0%	100.0%	0	0	0	1.000	0
7/17 - 6/18	96.0	100.0%	108.0	100.0%	100.0%	0	0	0	1.000	0
7/18 - 6/19	84.0	100.0%	96.0	100.0%	100.0%	0	0	0	1.000	0
7/19 - 6/20	72.0	100.0%	84.0	100.0%	100.0%	0	0	0	1.000	0
7/20 - 6/21	60.0	100.0%	72.0	100.0%	100.0%	0	0	0	1.000	0
7/21 - 6/22	48.0	100.0%	60.0	100.0%	100.0%	0	0	0	0.985	0
7/22 - 6/23	36.0	98.5%	48.0	100.0%	98.7%	0	0	0	0.957	0
7/23 - 6/24	24.0	70.4%	36.0	98.5%	94.9%	3,288	3,122	166	0.985	163
7/24 - 6/25	12.0	28.1%	24.0	70.4%	58.7%	33,154	19,478	13,676	0.984	13,455
7/25 - 6/26	0.0	0.0%	12.0	28.1%	28.1%	23,700	6,670	17,030	0.973	16,568
Total						\$60,142	\$29,270	\$30,872		\$30,186

(3) and (5) are from Exhibit LI-2.

(7) to 7/24 - 6/25 is from Exhibit LI-11. The amount for 7/25 - 6/26 is from Exhibit LI-10.

(10) is based on a 3% interest rate and the payout pattern in Exhibit LI-2.



MENDOCINO TRANSIT AUTHORITY
PUBLIC LIABILITY

Exhibit LI-13

Projected Losses Paid July 1, 2026 to June 30, 2027

Claim Period (1)	Months of Development 6/30/26 (2)	Percent Losses Paid (3)	Months of Development 6/30/27 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/26 to 6/30/27 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/26 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/27 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/27 (9)X(10) (11)
to 7/05 - 6/06	252.0	100.0%	264.0	100.0%	100.0%	\$0	\$0	\$0	1.000	\$0
7/06 - 6/07	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.000	0
7/07 - 6/08	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.000	0
7/08 - 6/09	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.000	0
7/09 - 6/10	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.000	0
7/10 - 6/11	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.000	0
7/11 - 6/12	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.000	0
7/12 - 6/13	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.000	0
7/13 - 6/14	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.000	0
7/14 - 6/15	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.000	0
7/15 - 6/16	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.000	0
7/16 - 6/17	120.0	100.0%	132.0	100.0%	100.0%	0	0	0	1.000	0
7/17 - 6/18	108.0	100.0%	120.0	100.0%	100.0%	0	0	0	1.000	0
7/18 - 6/19	96.0	100.0%	108.0	100.0%	100.0%	0	0	0	1.000	0
7/19 - 6/20	84.0	100.0%	96.0	100.0%	100.0%	0	0	0	1.000	0
7/20 - 6/21	72.0	100.0%	84.0	100.0%	100.0%	0	0	0	1.000	0
7/21 - 6/22	60.0	100.0%	72.0	100.0%	100.0%	0	0	0	1.000	0
7/22 - 6/23	48.0	100.0%	60.0	100.0%	100.0%	0	0	0	0.985	0
7/23 - 6/24	36.0	98.5%	48.0	100.0%	98.7%	166	164	2	0.957	2
7/24 - 6/25	24.0	70.4%	36.0	98.5%	94.9%	13,676	12,985	691	0.985	680
7/25 - 6/26	12.0	28.1%	24.0	70.4%	58.7%	17,030	10,005	7,025	0.984	6,911
7/26 - 6/27	0.0	0.0%	12.0	28.1%	28.1%	24,600	6,923	17,677	0.973	17,198
Total						\$55,472	\$30,077	\$25,395		\$24,791

(3) and (5) are from Exhibit LI-2.

(7) to 7/25 - 6/26 is from Exhibit LI-12, (9). The amount for 7/26 - 6/27 is from Exhibit LI-10.

(10) is based on a 3% interest rate and the payout pattern in Exhibit LI-2.

List of Large Claims
Reported Incurred Losses Greater Than \$25,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 6/30/25 (5)	Unlimited Case Reserves 6/30/25 (6)	Unlimited Reported Incurred Losses 6/30/25 (7)
CLPA02571	11/12/88	to 7/05 - 6/06	\$25,000	\$34,967	\$0	\$34,967
CLPA02985	01/13/90	to 7/05 - 6/06	25,000	72,198	0	72,198
CLPA03094	05/21/90	to 7/05 - 6/06	25,000	906,058	0	906,058
CLPA04144	03/04/94	to 7/05 - 6/06	25,000	65,779	0	65,779
CLPA04331	09/09/94	to 7/05 - 6/06	25,000	41,030	0	41,030
CLPA05006	05/03/96	to 7/05 - 6/06	25,000	44,718	0	44,718
CLPA05535	06/13/97	to 7/05 - 6/06	25,000	130,045	0	130,045
CLPA05802	01/02/98	to 7/05 - 6/06	25,000	80,617	0	80,617
CLPA07772	11/15/04	to 7/05 - 6/06	25,000	40,231	0	40,231
CLPA10220	11/16/10	7/10 - 6/11	25,000	207,614	0	207,614
CLPA11653	08/11/15	7/15 - 6/16	25,000	391,475	0	391,475
CLPA11794	02/17/16	7/15 - 6/16	25,000	27,849	0	27,849
C266525805	10/30/21	7/21 - 6/22	25,000	27,504 *	0	27,504
C4665A7470-0001-	09/06/24	7/24 - 6/25	25,000	1,601	33,399 *	35,000 *

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The claim(s) indicated by a '*' have been limited in development.

Amounts are gross of excess insurance and net of other recoveries.

(1) through (7) were provided by the Authority.

Size of Loss Distribution

I. Reported Claim Count

Claim Size (1)	Prior (2)	7/15 - 6/16 (3)	7/16 - 6/17 (4)	7/17 - 6/18 (5)	7/18 - 6/19 (6)	7/19 - 6/20 (7)	7/20 - 6/21 (8)	7/21 - 6/22 (9)	7/22 - 6/23 (10)	7/23 - 6/24 (11)	7/24 - 6/25 (12)	Total (2)...(12) (13)	Non-Zero Claim Cumulative Total (14)	Non-Zero Claim Cumulative % of Total (15)
0	0	0	0	0	0	0	0	0	0	0	0	0		
0.01 - 5,000	195	3	0	2	1	3	0	0	1	3	2	210	210	87.9%
5,000 - 10,000	4	1	0	0	0	2	0	0	0	0	0	7	217	90.8%
10,000 - 25,000	6	0	0	0	1	0	0	0	0	0	1	8	225	94.1%
25,000 - 50,000	4	1	0	0	0	0	0	1	0	0	1	7	232	97.1%
50,000 - 100,000	3	0	0	0	0	0	0	0	0	0	0	3	235	98.3%
100,000 - 250,000	2	0	0	0	0	0	0	0	0	0	0	2	237	99.2%
250,000 - 500,000	0	1	0	0	0	0	0	0	0	0	0	1	238	99.6%
500,000 - 750,000	0	0	0	0	0	0	0	0	0	0	0	0	238	99.6%
750,000 - 1,000,000	1	0	0	0	0	0	0	0	0	0	0	1	239	100.0%
Over 1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	239	100.0%
Total	215	6	0	2	2	5	0	1	1	3	4	239	239	

II. Total Reported Incurred Losses

Claim Size (1)	Prior (2)	7/15 - 6/16 (3)	7/16 - 6/17 (4)	7/17 - 6/18 (5)	7/18 - 6/19 (6)	7/19 - 6/20 (7)	7/20 - 6/21 (8)	7/21 - 6/22 (9)	7/22 - 6/23 (10)	7/23 - 6/24 (11)	7/24 - 6/25 (12)	Total (2)...(12) (13)	Non-Zero Claim Cumulative Total (14)	Non-Zero Claim Cumulative % of Total (15)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	177,522	7,926	0	4,032	199	2,158	0	0	872	2,062	476	195,247	195,247	8.0%
5,000 - 10,000	28,561	6,753	0	0	0	15,813	0	0	0	0	0	51,128	246,375	10.0%
10,000 - 25,000	76,836	0	0	0	16,833	0	0	0	0	0	10,150	103,819	350,194	14.3%
25,000 - 50,000	160,946	27,849	0	0	0	0	0	27,504	0	0	35,000	251,299	601,492	24.5%
50,000 - 100,000	218,594	0	0	0	0	0	0	0	0	0	0	218,594	820,086	33.4%
100,000 - 250,000	337,659	0	0	0	0	0	0	0	0	0	0	337,659	1,157,745	47.2%
250,000 - 500,000	0	391,475	0	0	0	0	0	0	0	0	0	391,475	1,549,220	63.1%
500,000 - 750,000	0	0	0	0	0	0	0	0	0	0	0	0	1,549,220	63.1%
750,000 - 1,000,000	906,058	0	0	0	0	0	0	0	0	0	0	906,058	2,455,278	100.0%
Over 1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	2,455,278	100.0%
Total	\$1,906,176	\$434,003	\$0	\$4,032	\$17,032	\$17,971	\$0	\$27,504	\$872	\$2,062	\$45,626	\$2,455,278	\$2,455,278	

Amounts are gross of excess insurance and net of other recoveries.

Data was provided by the Authority.



SPECIAL DISTRICT

Board Member Handbook



A California Special Districts Association Publication ©2026





*You have been elected
or appointed to a
special district board
by your community.
This is a tremendous
honor that comes with
much responsibility.*



Printing made possible by the California Special Districts Alliance, a partnership between CSDA, the CSDA Finance Corporation, and the Special District Risk Management Authority (SDRMA).

What do You Need to Know as a Special District Board Member?

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility. The mission of the California Special Districts Association (CSDA) is to provide you and your district with the resources necessary to best meet this responsibility. This handbook will serve as a fundamental guide in this endeavor.

Your special district may refer to its board members as trustees, directors, commissioners, or another similar term. For simplicity and readability, this handbook will use the term “board member” as a universal term for all special districts. The handbook will focus on the commitments, responsibilities, and resources that are relevant to all board members of every type of special district. As a board member for a special district, you have committed to represent the best interests of your community, ensure the delivery of essential local services and infrastructure, and faithfully serve the public good while upholding the law. This is a high calling that depends upon mutual trust, support, and collaboration with your fellow board members, your district’s professional staff, and the network of special district leaders you will develop through CSDA.



First steps board members should take after election or appointment include:

- Meet with the district’s general manager and legal counsel
- Ask the general manager and/or finance officer for an overview of the most recently approved budget and audit
- Take a tour of the district facilities
- Review the Brown Act (California’s open meetings laws) and read your district’s enabling act found in California’s statutory codes
- Review your district’s most recent municipal services review (MSR) published by the local agency formation commission (LAFCO)
- Visit the CSDA Board Member Resources webpage, and register for board member training at csda.net

About Special Districts

As a special district board member, you will often be asked, “What is a special district?” People sometimes do not realize how many of their essential services are provided by special districts, and they often do not understand what a special district is, how it functions, or even why it exists. Here are few answers to some frequently asked questions you’ll encounter as a board member.

What is a special district?

An independent special district is a local form of government that is created, funded, and overseen by a community’s residents to provide a new or enhanced level of service and infrastructure to a community. Like counties and cities, special districts are an independent form of local government. Special districts are not school districts, community college districts, joint powers authorities, assessment districts, community facilities districts, “Mello-Roos” districts, or improvement districts.

Why are special districts formed?

Special districts are formed when a community decides a specific type of service is needed and the community wants the service to be maintained with local control. The first special district in California, the Turlock Irrigation District, was established in 1887. Local farmers needed a way to access the local water supply and the Wright Act was passed by the Legislature to provide the legal foundation for water districts, and many other special districts.

The Legislature continued to develop new types of special districts as tools to help local residents come together to solve community problems and needs. Ultimately, special districts are formed by the community for the community. Special districts empower residents to find local solutions to fit the unique needs of their community.

What types of special districts exist?

There are many types of special districts that can be established to fit the specific needs of a community. Some district types include:

- Airport
- Cemetery
- Community Services
- Fire Protection
- Harbor and Port
- Healthcare
- Irrigation
- Library
- Mosquito and Pest Abatement
- Recreation and Park
- Resource Conservation
- Sanitation
- Transit
- Utility
- Veterans Memorial
- Water

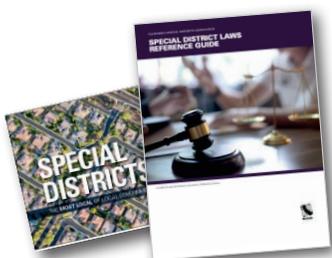
How many special districts are there?

There are just over 2,000 independent special districts throughout California. They vary in size and some may serve a community of hundreds of thousands while others serve only a few hundred. Special districts are created to fit the size of the community they serve.

How are special districts governed?

Independent special districts are governed by a board of directors that is elected by the community or appointed to fixed terms by one or more other locally elected governing bodies. Board members are responsible for setting the policies that ensure special districts continue to function and serve the community. It is also important to distinguish independent special districts from dependent special districts. Unlike independent special districts, dependent districts are indirectly governed by other government entities, such as city councils or county boards of supervisors. This is because dependent special district board members include ex-officio members from another legislative body or board members who are appointed to non-fixed terms. Ex-officio board members serve on the special district board only by virtue of their participation on another board. Board members appointed to non-fixed terms serve at the pleasure of another governing body. In other words, they may be replaced at any time and are not entitled to a full four-year term.

Special districts and their board members are subject to a number of laws established to ensure special districts remain transparent and accountable to their communities. These laws are discussed in greater detail later in this handbook under the chapter, *Accountability and Transparency*.



To expand your knowledge further, visit csda.net to find the *About Special Districts Guide* and the *Special District Laws Reference Guide* to learn more about special districts and how they are formed.



How are special districts funded?

Special districts utilize many different funding sources to establish and maintain their services and overall infrastructure. Some districts receive enterprise revenues that are collected as fees for services such as water, sewer, or electricity. Special districts can also receive non-enterprise revenues that include one percent ad valorem property tax, parcel taxes, or benefit assessments that are approved by the community. Frequently, special districts will receive a combination of enterprise and non-enterprise revenues in order to best meet the needs of their community.

What makes special districts so special?

As a board member who dedicates time and effort to your local special district, you understand and know from firsthand experience what makes special districts so special. It's the connection to the community, the focused specialized service, and the commitment of local residents such as yourself that distinguishes special districts from other forms of government.

To raise awareness and understanding of special districts, CSDA established the Districts Make the Difference public outreach campaign which is now supported nationwide by the National Special Districts Association.





Good Governance

Special district boards are the voice of the community. Every elected or appointed public official needs to care about governance—it is the essence of what boards do. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.

The success of your district, and special districts as a form of government, depends largely upon how well you do your job as a board member. If the board does not respond to the needs of the community and govern its district effectively, it will erode the public trust, jeopardize public support of district services, and may even threaten the existence of the district itself.

Effective Governance Model

The good news is that a lot of work has been done on effective governance. There are three critical dimensions that interact to determine how a board operates and its effectiveness as an organization:

1. The board as an organizational entity;
2. Individuals who together make up the board; and
3. Specific jobs the board must perform.

These are the core components of effective special district governance: a competency-based group of individual citizens coming together as an effective team to accomplish the specific responsibilities that only governing boards can do on behalf of their community.

The Board as an Organizational Entity

Any board, public or private, nonprofit or corporate, exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way.

Effective boards operate in an organizational environment of trust, honesty, and openness. These boards exhibit, as a team, the following characteristics:

- Recognize all board members as equally legitimate—no matter how different or difficult an individual may be.
- Strive to maintain a “no secrets, no surprises” operating norm.
- Acknowledge that conflicts and differences are inevitable, not necessarily bad, and must be faced and analyzed.
- Immediately turn to solutions rather than playing the “gotcha” game.
- Treat all staff with dignity and respect.
- Treat all community members with dignity and respect, even in the face of criticism and opposition.
- Exhibit creative thinking, know how to handle failure as well as success, encourage risk taking, and create a climate of support for excellence.
- Accept collective responsibility for the conduct, behavior, and effectiveness of the board.

Individuals Who Together Make up the Board

While boards develop unique organizational cultures, they are, after all, composed of individuals. These individuals and their values, skills, and knowledge shape how boards operate at any given time. Individuals also determine whether the board will sustain effective behavior as a group expectation.

Not everyone who serves on a special district board becomes an effective board member or leader. Those who do become effective board members also become highly valued community leaders. When an entire board is composed of truly effective board members, rather than individuals, the board becomes highly effective.

So, how are highly valued community leaders different than individuals who just serve on boards? They think about governance differently by understanding the fundamental role of effective governance and the citizen leader. Effective board members exhibit the following characteristics:

Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.



The most effective board members maintain the following priorities:

- Serve the public
- Support the staff as they carry out direction
- Respect fellow board members
- Seek consensus



- Recognize that the board, not the individual board member, governs the special district—the authority of any one board member rests only with the board as a whole.
- Heed caution when someone attempts to impose their own agenda on the district rather than working to build support for an institutional agenda.
- Appreciate that “how” a board member governs is as important as “what” a board member does—that manners make a huge difference.
- Establish trust and treat everyone with the same respect with which the board member expects others to treat them.
- Respect the diversity of perspectives and styles.
- Operate in a transparent fashion, while always keeping confidential information confidential.

Specific Jobs the Board Must Perform

We know that effective boards have strong competency-based cultures and that individual effective board members have strong governance skills, but the next question is: “To do what?” The third dimension of a board addresses the governing body’s specific responsibilities. Special district boards have certain duties that no one else in the organization or the community can perform.

In the next section, *Primary Roles and Responsibilities*, we will explore these duties, but first we must acknowledge one of the biggest challenges to special districts—how board members can learn and demonstrate competency.

Training and Development

We all have room to learn the governance skills required to be an effective special district leader. To do so, we must establish a culture of participation in our special district community. Just as we expect our staff to be involved in their profession, to learn and develop new skills, so too must we as effective board members learn to hone our governance skills.

We must lead by example and encourage our colleagues to branch out and learn the skills of governance. We must establish a culture of continuing education in the special district community. This includes both required trainings and recommended trainings.

Required Trainings

Every special district board member is required by law to complete ethics training, fiscal and financial training, and sexual harassment prevention training at least once every two years.

Ethics training is mandated by Government Code Section 53235 et. seq., which is popularly referred to by its enacting legislation, AB 1234 (Salinas) of 2005. Special district board members must receive the required training within six months of their first day of service, and then every two years thereafter. A board member who serves more than one agency shall satisfy the requirements once every two years, regardless of how many boards they serve on.

All ethics trainings must cover laws related to conflicts of interest, gifts, reimbursements, government transparency, and fair processes, including but not limited to incompatible offices and competitive bidding practices.

Beginning January 1, 2026, SB 827 requires local agency officials to complete fiscal and financial training no later than six months from the first day of service, for officials whose service commenced prior to January 1, training must be completed before January 1, 2028.

Fiscal and financial training includes laws and principles relating to financial administration and short- and long-term fiscal management, including policies, budgets, reporting and auditing, capital financing and debt management, pensions and other post-employment benefits, cash management and investments, and more.

Sexual harassment prevention training is mandated by Government Code 53237 et. seq., which was enacted by AB 1661 (McCarty) of 2016. Special district board members must receive the required two-hour training within the first six months of taking office, and then at least once every two years thereafter.

All sexual harassment prevention trainings must include practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims. The training includes practical examples aimed at instructing the board member in the prevention of sexual harassment, discrimination, and retaliation.

CSDA offers various training opportunities related to ethics, harassment prevention, and fiscal management both in-person and online. You can register online at csda.net.

Recommended Trainings

It is recommended that every newly elected or appointed special district board member attend CSDA's workshops that provide education on the topic of governance. CSDA strives to offer these

opportunities online and in various locations throughout the state annually.

As a longer-term goal, during your first term in office it is also recommended you obtain the Certificate in Special District Governance certificate from the Special District Leadership Foundation (SDLF). This recognition was designed to honor special district board members and is comprised of two distinct parts: the completion of the Special District Leadership Academy and 10 hours of continuing education.

The Special District Leadership Academy consists of four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources, and Board's Role in Finance and Fiscal Accountability. The four courses are unique from any other courses on special district governance in that they are curriculum that has been created by special districts and agreed upon as what governing officials of special districts should know. SDLF has endorsed the Academy as the core special district governance training in California.

SDLF is a 501(c)(3) organization formed to provide recognition and certification opportunities to special district officials and employees to enhance service to the public. It is dedicated to excellence in local government. You can learn more about SDLF at sdlf.org.




Board Member Resources



 **SCAN ME**

<https://qrco.de/beSmrS>

Learn more about CSDA's professional development offerings at csda.net



VISIT SDLA.CSDA.NET



FOR DATES AND LOCATIONS

SDLA

CSDA's Special District Leadership Academy Conference

*A Comprehensive Governance Leadership Conference
for Elected and Appointed Directors/Trustees*

ACHIEVING DISTRICT GOALS... TOGETHER.

*Presented by CSDA and
co-sponsored by SDRMA*



**California Special
Districts Association**
Districts Stronger Together





Primary Roles and Responsibilities

One of the first and most important distinctions to make in your work as a board member is the difference between your responsibilities and those of the general manager and staff. Clearly understanding and respecting these roles, and how they interact, is critical to the long-term success and sustainability of your special district.

Role of a Board Member

One of the most significant responsibilities as a board member is to understand that the board is a team and you need to work together as such. Understanding the dynamics of the group, as well as the individual perspectives and opinions of your fellow board members, is crucial to the success of the team, the district, and community you represent. This united approach will help strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose, and a cohesive board.

The specific responsibilities of the board are clustered into five areas:

1. Setting the direction for the district;
2. Establishing and supporting the policies and structure of the district;
3. Overseeing the financial resources necessary to fund the district;
4. Guiding employee relations policy, including the hiring and supervising of the general manager who, in turn, operates the district and hires/manages staff; and
5. Serving as community leaders who communicate effectively on behalf of the district.

Setting Direction

The board establishes the special district's mission and vision. In building a mission statement, the board must clearly understand the purpose of the district and answer the question of "why?" Why does the district exist? It will also be helpful for the board to identify core values that guide the district in its mission.

When developing a vision statement, the board must answer the question of "what?" What would the district look like should it accomplish its mission to the fullest extent? Doing so requires agreement on the board as to what the future of the district should look like.

With a mission and vision as its foundation, the board sets direction through the district's strategic plan, which may guide the development of more specific objectives for implementation by the general manager and staff. In developing a strategic plan, the board will evaluate the present, anticipate the future, and prioritize goals that must be accomplished to achieve the vision. Strategic plans should be reviewed periodically and adjusted appropriately.

Establishing Policies

Policies are written statements specifying the manner in which the district's business is conducted. The board's job is to develop, maintain, revise, and enforce the district's policies. These policies provide needed direction for the general manager and staff, and for the constituents of the district.

One may view a special district's enabling act in California statute as the framework or "constitution" the district must operate under as a "subdivision of the state."

However, independent special districts are not state entities, nor are they entities of a city or county. They are independent local governments, which are separate legal entities similar to other municipalities.

Board-approved policies, resolutions, and ordinances are the tools by which boards direct the district in achieving its mission and securing its vision within the boundaries of its enabling act.

In consultation with relevant laws, board policies should guide district governance,

such as board meetings, agendas, and minutes, board conduct, and rules of order. Policies should also be adopted concerning district finances, personnel, communications, and other key functions.

While policies are approved by the board and may be requested by the board, they are typically drafted and recommended by staff. Sometimes this is done with review and direction of a board subcommittee.

Overseeing Finances

Boards ensure sound fiscal policies exist and that practices and controls are in place so that the district, board, general manager, and staff have direct accountability to their constituents. Furthermore, the board will approve an annual budget and request and approve periodic reports on the fiscal status of the district.

Commensurate with the board's role in financial oversight and fiduciary responsibilities, it should establish a financial reserve policy and capital improvement plan (CIP). It will also approve contracts of certain size and scope according to State law and board policy. To ensure adequate funding to provide quality services and infrastructure to its community, the board must impose sufficient rates, fees, and taxes.

Guiding Employee Relations

The board's charge is to support and assess the performance of the general manager, approve personnel policies, establish salary structure and benefits packages, approve memorandums of understanding (MOUs) negotiated with labor, approve job

descriptions and organizational structure, and establish a strong communications link between the board and general manager.

One of the most important decisions a board will ever make is the hiring of a general manager. Other than a district's general counsel and some rare additional exceptions for large special districts, the general manager is the only individual the board hires and supervises.

The general manager is responsible for hiring and supervising all other staff, sometimes through senior or mid-level managers in larger districts. Empowering the general manager to successfully carry out this key duty is critical to the success of the district. This should include a fair and constructive annual general manager evaluation process.

Serving as Community Leaders

A district and its board are linked in the eyes of the public and often seen as one and the same. Therefore, the conduct of board members reflects upon the district and the community it serves. This holds true during board meetings and formal district events, as well as during other interactions with community, the media, businesses, and other levels of government. Even the personal lives and behaviors of a board member can impact the perception and effectiveness of the district.

In your role as a board member, your board may designate you to formally represent your board to other organizations or participate in ceremonial events. Boards will often establish policies to guide such



To expand your knowledge further, visit csda.net to find CSDA's *Sample Policy Handbook*, *Special District Reserve Guidelines*, and CSDA's *California Public Records Act Compliance Manual* to learn more.

situations. It is important to distinguish when you are speaking on behalf of the board and when you are speaking as an individual, especially when interacting with the public and making statements or expressing opinions online. As a public official, you should recognize that people will often construe your speech and actions as representative of your district, its staff, and your fellow board members regardless of the manner, time, and place in which they occur. This reality should lead board members to be thoughtful, intentional, and unified, not to be silent or absent.

It is a mistake for a special district to attempt to “fly under the radar.” Transparency is essential to democracy, and scrutiny is inevitable in government. This will be covered more in the next section, *Accountability and Transparency*, but here it is important to note that board members play a key role in a special district’s public outreach and engagement efforts. If a special district and its leaders are not telling the story of the district, somebody else will.

Role of the General Manager and Staff

The general manager is the executive staff officer of the district and for the board. This individual administers the district, providing day-to-day leadership, and maintains exclusive management and control of the operations and works of the district within State law and the policies of the board. In some districts, this position may be referred to as the district administrator, chief executive officer, executive director, district director, or another title. For the purposes of this handbook, it will be referred to as general manager.

Overarching best practices for a general manager include:

1. Developing and delivering reports to keep the board of directors and public well-informed of district operations and the status of district goals;
2. Providing recommendations on actions requiring board approval, including policies, resolutions, ordinances, and other matters;
3. Maintaining and advancing the operations of the district and implementing those policies, strategies, and directives approved by the board; and
4. Playing an active role in moving the district forward in serving its mission, carrying out its strategic plan, and attaining its vision.

As noted previously, the general manager has authority over and directs all employees, including hiring, supervision, evaluations, promotions, disciplinary actions, and terminations. All directives for staff should be given by the general manager or designated supervisor within the district. Authority may be delegated to other staff or consultants at the general manager’s discretion.

The general manager should dutifully and faithfully carry into effect the lawfully expressed policies of the board, including planning the short, medium, and long-term work program for the district, facilitating constructive and harmonious board relations, preparing and managing the district budget, conducting studies, and delivering written and oral presentations.



Visit sdlf.org to download the *SDLF High Performing District Checklist* to provide special districts with best practices related to the areas of finance and human resources.

<https://qrc0.de/bgTWXq>



Best practices that make the best board members:

- Do your homework: Read all board packets and materials in advance of meetings.
- Don’t play “gotcha”: Share questions with the general manager in advance of the board meeting.
- Listen first, speak second: Prioritize understanding the perspectives of others.
- Build expertise: Find an important issue that other board members are not already invested in and become a leader, such as on LAFCO, environmental sustainability, etc.
- Stick to principles, not positions: Develop strong and well-considered principles, rather than digging heels into one position of a false dichotomy.
- Oppose the action, not the implementation: When necessary, vote “No” on a board agenda item, but don’t undermine or obstruct the successful implementation of board-approved decisions. Support and respect the actions of the board as a whole.



Accountability and Transparency

The residents of the district, as voters, owners, constituents, and customers of the district, possess the ultimate responsibility for its oversight and direction. The board is elected or appointed to serve as the voice of these residents. There are a host of legal requirements designed to ensure special districts remain accountable and transparent to its residents.

While special district boards must meet all mandated State laws, they should strive to exceed these requirements and set an example to other governments and organizations.

Legal Requirements

Significant mandates have been placed upon special districts by the State Legislature, which often exceed the standards for the State and some other local agencies. These legal requirements include, but are not limited to:

- Website Maintenance
- Open and Public Meetings under the Ralph M. Brown Act
- Public Records under the California Public Records Act
- Regular Financial Audits
- Finances and Compensation Posted Online
- Ethics Training for Board Members
- Conflict of Interest Compliance under the Political Reform Act

Websites

Every special district must maintain a website, per Government Code Section 53087.8. All special district websites must display district contact information, agendas, state-mandated financial transaction and compensation reports, and a report of the district's enterprise systems. An exemption is available for special districts that pass an annual resolution detailing evidence of a hardship.

Open and Public Meetings

Per the Ralph M. Brown Act (Brown Act), special district meetings must be open and accessible to the public. In certain circumstances, including a state of emergency or where just cause exists, members of the board may join a meeting remotely (e.g., via Zoom or Teams) without convening in a single public location.

Generally, to facilitate access and participation, special districts must post their regular meeting agendas at least 72 hours in advance in a publicly accessible location and on their website. The board may only act on issues included in the agenda and the public must be permitted to address the board. The Brown Act includes myriad provisions and exceptions and has been the subject of significant litigation. It is recommended that board members read the Brown Act, found at Government Code Section 54950 et. seq., in its entirety and consult district legal counsel as necessary.

Public Records

As required by the California Public Records Act (CPRA), found in Government Code 6250 et. seq., special district records are subject to public review and scrutiny. The public may request copies of records in the possession of a special district, including records on a board member's personal device or account that are related to district business. Districts may charge a reasonable fee for the cost of printing and paper, but the district may not charge for staff time in producing such copies. As with the Brown Act, the CPRA includes numerous provisions and exceptions and is shaped by countless lawsuits. It is recommended special districts consult legal counsel as necessary in response to specific public records act requests.

Financial Audits

Government Code Section 26909 mandates regular audits of special districts by the county auditor-controller or a certified public accountant. The audit must be filed with the state controller and county auditor-controller.

Online Financial and Compensation Reports

Since 1949, special districts have been required to submit a financial transaction report to the state controller. In 2014, legislation additionally required completion of a compensation report and required that both the compensation report and financial



Visit our Brown Act
Revamp (SB 707)
Resources page!

<https://qrc0.de/bdcaQQ>



transaction reports be posted or linked to a conspicuous place on each special district’s website. The state controller now provides all of this information in an open data format at <https://bythenumbers.sco.ca.gov/> and www.publicpay.ca.gov.

Ethics Training

In 2005, the State enacted AB 1234 (Salinas) mandating special district board members complete at least two hours of training in general ethics principles and ethics laws every two years. Board members have an obligation to conduct business in an ethical manner and make decisions that are in the best interests of their constituents. Building and maintaining the public’s trust requires you to avoid any situation where your self-interest may come first.

Conflict of Interest Compliance

Passed by voters via Proposition 9 in 1974, the Political Reform Act (PRA) is designed to ensure elections are fair and government officials serve all citizens equally. The PRA generally governs political campaign spending and contributions, as well as a variety of ethics rules, including conflicts of interest. It prohibits a special district official from making, participating in making, or influencing a decision in which the official knows or has reason to know the decision will have a material financial effect on the official’s economic interests, with limited exceptions. An official may also be prohibited from making, participating in making, or influencing a decision where the official has received campaign contributions from a party or interested person.

Notably, Board members are subject to various regulations promulgated by the Fair Political Practices Commission (FPPC), including the requirement complete a Statement of Economic Interests (Form 700), and have a responsibility to stay informed on changes that could impact their reporting to the FPPC.

Third Party Oversight, Review, and Regulation

In addition to the legal requirements adhered to by special districts, there are a number of entities and programs, which provide varying levels of oversight, review, or regulation:

- Local Agency Formation Commission
- County Auditor-Controller
- County Civil Grand Jury
- County District Attorney and State Attorney General
- State Controller
- State Auditor
- State Treasurer
- Fair Political Practices Commission
- Other State Regulators

Best Practices

Many special districts go beyond State mandated legal requirements to promote accountability and transparency. To facilitate and recognize best practices among special districts, the Special District Leadership Foundation (SDLF) has established a District Transparency Certificate of Excellence as well as other programs and scholarships. Visit sdlf.org to review the programs and download an application.

SDLF
SPECIAL DISTRICT LEADERSHIP FOUNDATION

Programs Promoting and Recognizing Excellence in Special Districts

Certificate in Special District Governance	Certified Special District Manager (CSDM)	District Transparency Certificate of Excellence	District of Distinction Accreditation	Essential Leadership Skills Certificate

LEARN MORE ABOUT PROGRAMS AND SCHOLARSHIPS AT SDLF.ORG



Legislative Advocacy, Media Outreach, and Public Engagement

The decisions you make and the actions you take as a board member directly impact your community and the services they receive. It is equally true that districts are affected when board members do not make crucial decisions or fail to take action.

As a board member, you are an advocate for your district and your community. You will have to balance a number of responsibilities throughout your term. However, there are several simple yet influential ways you can take action as a board member.

Engage with the Capitol

Extensive travel to Sacramento is not necessary to effectively engage with the Capitol. Likely the most important way board members can partake in advocacy efforts is to submit letters of support or opposition when CSDA sends out a “Call-to-Action.”

Throughout the legislative session, CSDA closely analyzes and tracks any bill that may impact special districts. When an especially important bill arises, CSDA will issue a “Call-to-Action” and request letters so the Capitol hears the voice of special districts. Make sure your district’s voice is heard and work with others at your district to write support and opposition letters on behalf of your district. You can support these efforts by encouraging your district to adopt a policy related to legislative advocacy.

Meeting with your legislators is another valuable way of advocating for your district and engaging with the Capitol. There are times throughout the year when legislators leave the Capitol and return to their legislative districts. During these legislative recesses, do your best to schedule a meeting with your legislator and their staff. Just as you represent your community as a special district board member, your legislator represents you, your special district, and your community. Make sure your legislator knows what issues are important to your district and how your district is impacted by legislation. The more legislators know about the special districts they represent, the more educated they will be when creating legislation that affects all special districts.

Once you've met with your legislators, let CSDA know which legislators you have a relationship with so that CSDA can coordinate grassroots activities on key votes in the State Legislature. Do this by completing the Grassroots Mobilization Survey at csda.net/take-action.

Engage with the Media

During your term as a special district board member, you will likely have to interact with the media. Do not be intimidated by the idea of communicating with the press. It is vital that you help inform the media's narrative regarding your district. You do not want the only media mentions for your district to be one-sided or unfairly skewed against your district. The only way to ensure your district has a voice in what the media covers is for your district to be proactive. Be sure that any media outreach you undertake is in line with your board policies and/or protocols. Every special district should have a media protocol that determines who should serve as a spokesperson for the district under different circumstances. It is important to work as a team and support a clear and consistent message from your district.

Press releases should be utilized as a way to inform the press of particularly significant events. A few opportunities to send out press releases include:

- When your district receives an award
- After new board members are elected
- After a major project is successfully completed

Encourage your district to send out timely press releases in accordance with your board policy. You should also be looking for the best opportunities for your district to interact with the media. Not everything will be compelling to the media, but the media cannot acknowledge your district's positive achievements if they are not informed.

Media advisories are another way to engage with the media. If your district is hosting an event, encourage the general manager or district staff to send out an invitation to local reporters. Sometimes allowing the media to see for themselves helps garner positive press for your district. Also, inviting the media to your district allows you and other district representatives to build a working relationship with the reporters in your community. You want to serve as a resource to the media so when reporters have questions, they reach out for your district's perspective.

You may also want to suggest your district's media policy and/or protocol includes standard talking points for district representatives to reference when working with the media. Maintaining consistent messaging with the media will lend a level of credibility and reliability that the media will remember when writing about your district. As the media's understanding of your district grows, you should notice more accurate and informed press attention for your district.



Throughout the year, CSDA maintains multiple resources to ensure you can stay up to date on the latest issues impacting special districts. Explore the following resources:

- **Advocacy News:** Provides real-time notifications or daily summaries of legislative updates directly to your inbox. Join Advocacy News at csda.net/advocate/advocacy-blog.
- **Take Action Page:** Lists the most pressing legislative issues and provides background information and next steps for your district. Visit the Take Action page at csda.net/advocate/take-action.
- **Legal Advocacy Page:** Lists the actions CSDA has taken in important legal cases affecting special districts. You can find these cases and copies of CSDA filings at csda.net/advocate/legal-advocacy.

Engage with Your Community

Special districts provide essential services to millions of Californians. Yet, many people have not heard of special districts or do not understand what a special district truly is. Polling shows that as soon as people understand the services provided and maintained by special districts, their perceived value of special districts rises exponentially. As a board member, you can help the public understand your district and its important role in your community.

Social Media

There are numerous ways to interact and connect with the community you serve. In today's world, most community members are on some form of social media. A district policy or protocol should guide who is responsible for posting on behalf of the district. Typically, this is assigned to a member of the staff and board members may engage by liking and/or sharing district posts from their personal accounts.

Social media can provide an instant connection with your community. Instead of forcing local residents to go looking for information, you can make important information immediately available on social media.

Engaging on social media does not require continuous posts to all platforms throughout the day. Instead, post to social media when you have something you need and want to share with the public. Post about any community events where your district will be represented. Share a quick fact or update about your district that may interest your community.

Even if you do not frequently post to social media, monitor your accounts to see if people make comments, have questions, or provide suggestions. You may choose not to respond to comments on social media but at least you are aware of what your community is saying. People may voice something on social media

that they would not ordinarily say in person or in a more formal setting. At times, people may post negative comments but with social media, engagement is ultimately the goal. Social media starts an ongoing conversation with your community.

Community Events

Another effective way to engage with your community is with community events. As a board member, you can encourage your district to host an event where the public is invited to your district. Holding tours during the summer to demonstrate how your district functions or hosting a holiday party as a way for the community to celebrate together are just a few event ideas.

If you are a board member at a smaller district or a district type that does not easily lend itself to visits, collaborate with other districts and businesses in your community. Reach out to other special districts in your area to discuss a possible "district day" where representatives from multiple districts gather together and answer questions about their respective districts. Hosting a booth at the local career fairs or sponsoring a local event are other valuable ways of building a connection with the community you serve.

Join the Public Outreach Campaign

CSDA launched the Districts Make The Difference public outreach campaign to raise awareness and understanding for special districts. It has expanded nationally and is now supported by the National Special Districts Association. Encourage your district to participate in the campaign by adding a link to DistrictsMakeTheDifference.org on your district's website so people can learn about special districts. Raising awareness for special districts helps local residents understand their value and the significant role they play in the community.



Follow CSDA on social media!

Search CSDA on LinkedIn, @CSDAWeb on YouTube, or @CSDAdistricts on Facebook, Instagram, and X.



Responses to Tough Questions

As with all forms of government, special districts sometimes face tough questions. Special district board members should be aware of these questions and be prepared to respond to them.

Why are some special districts funded by property taxes, while others are funded by fees or a combination of fees and taxes?

Special district funding is primarily determined by the residents who receive district services and pay for those services. Special districts may receive two types of revenue: enterprise revenue and non-enterprise revenue. Some districts rely exclusively on one type, but most receive a combination of the two.

Enterprise revenue is derived by fees for service. Common forms of enterprise revenue include property-related fees, governed under Proposition 218, such as water, sewer, or

trash rates. However, enterprise revenue may also include smaller charges like registration fees for a soccer league or yoga class. Facility rentals, cemetery interment fees, and medical billing are also forms of enterprise revenues.

Non-enterprise revenue is derived from taxes and assessments paid as a condition of owning property that benefits from the services and infrastructure provided by a special district. The most common form of non-enterprise revenue is the one percent ad valorem local property tax, which is distributed through the county auditor-controller's office. This is dictated by Proposition 13 and is usually what someone is referring to when they mention the "property tax." Non-enterprise revenue may also include special taxes, benefit assessment districts, community facilities districts (also known as CFDs or Mello-Roos districts), and similar funding mechanisms.

It is important to note that most residents have approved at least some level of both enterprise and non-enterprise revenue for their special district. This provides the district with a diverse and sustainable revenue portfolio that can better withstand economic shifts and secure the highest credit ratings for infrastructure



investment. It also ensures that everyone who benefits from a district contributes to the cost of the district. For example, water and sewer services benefit a property's value regardless of whether that property's owner currently uses those services.

Can special districts tax residents without their consent?

No. Proposition 13 limited ad valorem property taxes to one percent of property value for every homeowner. Many special districts, along with cities, counties, and schools, receive a share of this revenue. If a district requires additional revenue it must obtain the approval of its voters or property owners as appropriate.

While cities and counties may impose general taxes with

majority voter approval, all special district taxes imposed by the district are considered "special taxes" and require a two-thirds vote. However, a special tax benefiting a special district imposed by a voter initiative requires a majority vote to pass. A general obligation bond that raises property taxes temporarily to pay-off the bond must also receive two-thirds voter approval. Certain assessments may be approved with a majority of those who benefit from the service and property related fees must go through what's known as a majority protest proceeding in accordance with Proposition 218.

Why do we have community facilities districts, Mello-Roos districts, and special districts all funding our services?

Community facilities districts (CFDs) and Mello-Roos districts are just two names for the same thing, but neither are a special district with a board that provides a service. CFDs or Mello Roos districts are funding mechanisms that may be established by a special district, city, county, or school district to help fund services and public works for that area. CFDs or Mello-Roos districts are typically approved by property owners in developing areas where there are fewer than 12 residents. In cases where there are 12 or more residents, they must be approved by voters.

Why do some special districts have such large reserves?

Special districts need adequate reserves to ensure they can respond to their community's needs in the event of emergencies or disasters, like flooding, earthquakes, wildfires, or even droughts. Prudent reserves are often needed to accumulate the capital to pay for large infrastructure projects, or to secure financing. In addition, reserves provide a safety cushion to stabilize rates and maintain adequate services during economic downturns.

It should be noted that some reports of special district reserve levels have misinterpreted data within the state controller's Financial Transaction Report in a manner that confused districts' fixed assets with cash on hand. CSDA has worked with the State Controller's Office to ensure this report is presented in the most clear and consistent manner possible to avoid such errors in the future.

CSDA has also developed the Special District Reserve Guidelines, a comprehensive guide for accumulation and management of special district reserves. The report lays out policy procedures and high standards for special districts to follow in handling their fiduciary responsibilities.

Don't special districts have board members who are compensated?

Board member compensation is set in statute by the State Legislature. Some special districts have statutory authority to adjust compensation, within strict limits, via a vote of the board during a properly noticed open and public meeting. Unlike city council members and county supervisors, special district board members are not eligible for the California Public Employees' Retirement System (SB 53 of 1993).

While every type of special district must comply with its own statutory parameters, most special district board members receive about \$100 per meeting. It is important to note that the work of a board member does not begin when a meeting commences and end when it adjourns. Board members typically review lengthy meeting packets, study issues thoroughly, and may be in communication with constituents or district staff throughout the month.

Every special district is unique and the demands and qualifications necessary to well-serve different special districts will vary.

Aren't special districts fragmented government?

Special districts provide real-world solutions to meet the needs of residents that otherwise would not be met. In fact, their name and their strength is derived from the way they specialize in a service.

Special districts are passionate about providing a service people need. They are not easily distracted from their mission, and they develop an expertise at providing a service in the most efficient, effective, and sustainable manner possible.

While special districts may dot many local landscapes, each one is unique to the needs of its community. Special districts arguably offer the closest, or “most local,” level of service to their community. Residents will likely notice a difference in access and responsiveness when attending a recreation and park district meeting to discuss a playground as opposed to what they may receive on such a specific topic at a general-purpose government meeting. The same could be said in relation to library districts, harbor districts, mosquito abatement districts, water districts, and so on.

Similarly, special districts offer residents a meaningful opportunity to engage with their government and serve their community. The barriers associated with running for Congress, the State Legislature, and even county or city governing bodies are often staggering, with campaigns sometimes costing hundreds of thousands or millions of dollars. And the politics are sometimes highly partisan. Raising that level of campaign money and investing that number of hours away from family and paid employment is out of the reach of most Californians. While serving on a special district board is a significant undertaking, it is far more accessible to the average person.

Do special district services overlap with cities and counties?

No. Local agency formation commissions (LAFCOs) oversee the formation, dissolution, and boundaries of special districts and cities. There are 58 LAFCOs, one per county. They ensure that special districts and cities don't overlap in a way that provides redundant services. LAFCOs also conduct regular municipal services reviews (MSR) on special districts to help ensure they are providing efficient and effective services.

There are just over 2,000 independent special districts compared to 1,015 school districts, 482 cities and 58 counties. Why so many and why can't they be consolidated to save taxpayers money?

What really matters is the quality of services and how well a special district responds to the residents it serves. Consolidation may work in some cases, but it doesn't work in all cases. Bigger bureaucracies that are further removed from voters are not always more efficient. Even where consolidation may make sense in concept, it may not be economically feasible due to lack of proximity to neighboring infrastructure, such as water or sewer pipes.



An inherent bias for or against consolidation doesn't improve services. Rather, a thoughtful, case-by-case approach, that includes stakeholders and an objective analysis, will promote the best local government options for each community. Ultimately, the residents who receive and pay for the services should have the final say.

It is also important to keep in mind that there are not 2,000 special districts providing the same service throughout the state. For instance, there are about 346 fire protection districts, 47 mosquito abatement and vector control districts, 95 recreation and park districts, 10 airport districts, and so on.

To whom are special districts accountable?

Special districts are accountable to the residents who elect their boards, approve their funding sources, and use their services. This offers a community local control.

If residents need something or want to see something changed, they may go to their special district and petition their board. When authority is pulled away from local government bodies and centralized further from residents, the community's ability to influence its government and hold it accountable may become more challenging.

Numerous state laws help residents hold special districts accountable, such as the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, and more. Additionally, a number of other bodies facilitate oversight and reporting requirements, including the LAFCO, county auditor-controller, county district attorney, state attorney general, and state controller's office.



Quick Reference for Laws Affecting Special Districts

As subdivisions of the State of California, special districts are governed by state law. Every fall, after the legislative session concludes, CSDA runs a “New Laws” series. At the beginning of each year, CSDA provides its members with a New Laws report, which includes hundreds of enacted bills and court rulings.

CSDA’s publication, *Special District Laws Reference Guide*, is a member resource that provides a thorough overview of the most significant long-standing laws affecting the governance of all types of special districts. This resource includes a spreadsheet outlining the enabling act for each type of special district.

Resources for You and Your Special District

Since 1969, CSDA has been providing special districts with representation at the Capitol, professional development opportunities, and a host of programs and resources designed to help them better serve their communities.

Advocacy and Public Affairs

CSDA is the only association representing the interests of California’s independent special districts of all types and sizes and from all corners of the state. Our legislative staff reviews and monitors every bill introduced for its potential impact on special districts. Bills requiring action are quickly brought to the attention of the Legislative Committee and Board of Directors to adopt a position on each issue and lobby accordingly.

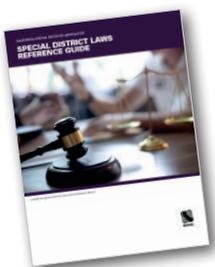
Our District Networks program helps special districts connect and take action on issues of concern, locally or statewide. A CSDA Public Affairs Field Coordinator works with leaders in each Network, providing valuable legislative updates, facilitating communications, and coordinating regional events. Local chapters of CSDA provide more opportunities for collaboration and information sharing.

Professional Development

CSDA offers many unique educational opportunities for special district board members and staff. These range from extensive governance training to specialized conferences and regional workshops.

- Special District Leadership Academy (SDLA)
- Special District Board Secretary/Clerk Conference
- General Manager Leadership Summit
- Annual Conference and Exhibitor Showcase
- Workshops in Ethics, Harassment Prevention, Financial Management, and more
- FREE webinars for CSDA members

In addition, CSDA webinars, offered live and on-demand, provide affordable and convenient access to education in a wide variety of topics. Find a complete list of trainings at csda.net.



See what’s included in the *CSDA Special District Laws Reference Guide* at csda.net.

Visit csda.net for online resources available for members, including tools and information crucial to any special district's operational effectiveness.



CSDA is committed to providing solutions to special district needs. That includes discounts and programs especially designed to save districts time and money. A complete listing of Value Added Benefits is available at csda.net.

Online Resources

At csda.net, members have access to tools and information crucial to any special district's operational effectiveness. Below are a few highlights of what you can find once you've logged in.

CSDA Communities

Our online forum gives CSDA members a fast and easy way to share relevant information and get answers to questions from those most qualified to answer – your peers. Search for and connect with other members through the Member Directory, or find service and product providers through the Buyers Guide.

Knowledge Base

The Knowledge Base is your online go-to for answers to many questions about local governance and policies related to special districts. The Frequently Asked Questions section contains answers to the inquiries we hear most often from special districts. The Sample Document Library is a collection of useful examples contributed by other special districts.

Also included in the Knowledge Base is an array of downloadable publications and reference materials on topics such as:

- Ballot Measure Guidelines
- Brown Act Compliance
- California Public Records Act
- Parliamentary Procedure
- Reserve Guidelines
- And many more

California Special Districts Alliance



California Special Districts Alliance is a collaborative partnership between CSDA, the CSDA Finance Corporation and the Special District Risk Management Authority (SDRMA). Our three organizations work together to provide the best in resources and education for your special district.

Visit our Board Member Resources page...



<https://qrco.de/beSmrS>



California Special Districts Association

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Appendix – Copy of Ralph M. Brown Act*

GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607]

(Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

(Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] *(Part 1 added by Stats. 1949, Ch. 81.)*

CHAPTER 9. Meetings [54950 - 54963]

(Chapter 9 added by Stats. 1953, Ch. 1588.)

54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

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

(Added by Stats. 1953, Ch. 1588.)

54950.5. This chapter shall be known as the Ralph M. Brown Act.

(Added by Stats. 1961, Ch. 115.)

54951. As used in this chapter, "local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.

(Amended by Stats. 1959, Ch. 1417.)

54952. As used in this chapter, "legislative body" means:

(a) The governing body of a local agency or any other local body created by state or federal statute.

(b) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decisionmaking or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter.

(c) (1) A board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that either:

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

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

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

(d) The lessee of any hospital the whole or part of which is first leased pursuant to subdivision (p) of Section 32121 of the Health and Safety

Code after January 1, 1994, where the lessee exercises any material authority of a legislative body of a local agency delegated to it by that legislative body whether the lessee is organized and operated by the local agency or by a delegated authority.

(Amended by Stats. 2002, Ch. 1073, Sec. 2. Effective January 1, 2003.)

54952.1. Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has already assumed office.

(Amended by Stats. 1994, Ch. 32, Sec. 2. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54952.2. (a) As used in this chapter, “meeting” means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Amended (as amended by Stats. 2020, Ch. 89, Sec. 1) by Stats. 2025, Ch. 327, Sec. 1. (SB 707) Effective January 1, 2026.)

54952.3. (a) A legislative body that has convened a meeting and whose membership constitutes a quorum of any other legislative body may convene a meeting of that other legislative body, simultaneously or in serial order, only if a clerk or a member of the convened legislative body verbally announces, prior to convening any simultaneous or serial order meeting of that subsequent legislative body, the amount of compensation or stipend, if any, that each member will be entitled to receive as a

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

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

(Added by Stats. 2011, Ch. 91, Sec. 1. (AB 23) Effective January 1, 2012.)

54952.6. As used in this chapter, "action taken" means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

(Added by Stats. 1961, Ch. 1671.)

54952.7. A local agency shall provide a copy of this chapter to any person elected or appointed to serve as a member of a legislative body of the local agency.

(Amended by Stats. 2025, Ch. 327, Sec. 3. (SB 707) Effective January 1, 2026.)

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

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

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

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

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

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

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of

the public to address the legislative body directly pursuant to Section 54954.3.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) "Disability" means a physical disability or a mental disability as those

terms are defined in Section 12926 and used in Section 12926.1, or a disability as defined in Section 12102 of Title 42 of the United States Code.

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

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

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

(Amended (as amended by Stats. 2023, Ch. 534, Sec. 2) by Stats. 2025, Ch. 327, Sec. 4. (SB 707) Effective January 1, 2026.)

54953.1. The provisions of this chapter shall not be construed to prohibit the members of the legislative body of a local agency from giving testimony in private before a grand jury, either as individuals or as a body.

(Added by Stats. 1979, Ch. 950.)

54953.2. All meetings of a legislative body of a local agency that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(Added by Stats. 2002, Ch. 300, Sec. 5. Effective January 1, 2003.)

54953.3. A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

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

(Amended by Stats. 1981, Ch. 968, Sec. 28.)

54953.4. (a) The Legislature finds and declares that public access, including through translation of agendas as required by this section, is necessary for an informed populace. The Legislature encourages local agencies to adopt public access requirements that exceed the requirements of this chapter by translating additional languages, employing human translators, and conducting additional outreach.

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

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

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

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

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

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

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

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

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

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

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

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

(B) (i) All open and public meetings for which attendance via a two-way telephonic service or a two-way audiovisual platform is provided in ac-

cordance with paragraph (1) shall provide the public with an opportunity to provide public comment in accordance with Section 54954.3 via the two-way telephonic or two-way audiovisual platform, and ensure the opportunity for the members of the public participating via a two-way telephonic or two-way audiovisual platform to provide public comment with the same time allotment as a person attending a meeting in person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) For an eligible legislative body that is a city council or county board of

supervisors, the applicable population shall be the population of the city or county.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 5. (SB 707) Effective January 1, 2026. Operative July 1, 2026, by its own provisions. Repealed as of January 1, 2030, by its own provisions.)

54953.5. (a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

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

(Amended by Stats. 2025, Ch. 327, Sec. 6. (SB 707) Effective January 1, 2026.)

54953.6. No legislative body of a local agency shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

(Amended by Stats. 1994, Ch. 32, Sec. 6. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54953.7. Notwithstanding any other provision of law, legislative bodies of local agencies may impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in this chapter. In addition thereto, an elected legislative body of a local agency may impose those requirements on appointed legislative bodies of the local agency.

(Amended by Stats. 2025, Ch. 327, Sec. 7. (SB 707) Effective January 1, 2026.)

54953.8. (a) The legislative body of a local agency may use teleconferencing as authorized by subdivision (b) of Section 54953 without complying with the requirements of paragraph (3) of subdivision (b) of Section 54953 in any of the circumstances described in Sections 54953.8.1 to 54953.8.7, inclusive.

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

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

(A) A two-way audiovisual platform.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 8. (SB 707) Effective January 1, 2026.)

54953.8.1. (a) A health authority may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section.

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

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

pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(Added by Stats. 2025, Ch. 327, Sec. 9. (SB 707) Effective January 1, 2026.)

54953.8.2. (a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 during a proclaimed state of emergency or local emergency, provided that it complies with the requirements of that section and the teleconferencing is used in either of the following circumstances:

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

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

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

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

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

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

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

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 10. (SB 707) Effective January 1, 2026.)

54953.8.3. (a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 if, during the teleconference meeting, at least a quorum of the members of the legislative

body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, provided that the legislative body complies with the requirements of Section 54953.8 and all of the following additional requirements:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) Military service obligations that result in a member being unable to attend in person because they are serving under official written orders

for active duty, drill, annual training, or any other duty required as a member of the California National Guard or a United States Military Reserve organization that requires the member to be at least 50 miles outside the boundaries of the local agency.

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

(Added by Stats. 2025, Ch. 327, Sec. 11. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.4. (a) An eligible neighborhood council may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following have occurred:

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

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

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

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

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

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

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

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

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

(1) "Accommodation" means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying

locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

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

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

(Added by Stats. 2025, Ch. 327, Sec. 12. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.5. (a) An eligible community college student organization may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

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

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

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

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

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

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

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

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

(II) The person is incarcerated.

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

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

(ib) The person is participating in a program that has to remain confiden-

tial, including, but not limited to, an independent living program.

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

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

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

(ii) Except as specified in subparagraph (B), if the meeting is outside regular business hours, the eligible community college student organization shall make reasonable efforts to accommodate any member of the public that requests an accommodation to participate in the meeting. For the purposes of this subparagraph, “accommodation” means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 13. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.6. (a) An eligible subsidiary body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

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

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

(B) The visual appearance of a member of the eligible subsidiary body on camera may cease only when the appearance would be technologically infeasible, including, but not limited to, when the member experiences a lack of reliable broadband or internet connectivity that would be remedied by joining without video.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) Serves exclusively in an advisory capacity.

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

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 14. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.7. (a) An eligible multijurisdictional body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 15. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54954. (a) Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

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

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

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

limited to items directly related to the real or personal property.

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

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

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

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

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

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

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

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

(3) Interview a potential employee from another district.

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

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

(Amended by Stats. 2004, Ch. 257, Sec. 1. Effective January 1, 2005.)

54954.1. Any person may request that a copy of the agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. If a local agency has an internet website, the legislative body or its designee shall email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the item or items be delivered by email. If the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a link to a website that contains the documents by email or by

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

(Amended by Stats. 2021, Ch. 763, Sec. 1. (SB 274) Effective January 1, 2022.)

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda that meets all of the following requirements:

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

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

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

(ii) The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

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

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

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

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

(ii) Platform independent and machine readable.

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

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

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

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

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

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

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

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

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

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

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question

for clarification, make a brief announcement, or make a brief report on their own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

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

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

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

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

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

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

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

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

(Amended (as amended by Stats. 2023, Ch. 131, Sec. 92) by Stats. 2025, Ch. 327, Sec. 16. (SB 707) Effective January 1, 2026.)

54954.3. (a) (1) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

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

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

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

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

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

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

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

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

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

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

(Amended by Stats. 2025, Ch. 327, Sec. 17. (SB 707) Effective January 1, 2026.)

54954.4. (a) The Legislature hereby finds and declares that Section 12 of Chapter 641 of the Statutes of 1986, authorizing reimbursement to local agencies and school districts for costs mandated by the state pursuant to that act, shall be interpreted strictly. The intent of the Legislature is to provide reimbursement for only those costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986.

(b) In this regard, the Legislature directs all state employees and officials involved in reviewing or authorizing claims for reimbursement, or otherwise

participating in the reimbursement process, to rigorously review each claim and authorize only those claims, or parts thereof, which represent costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986 and for which complete documentation exists. For purposes of Section 54954.2, costs eligible for reimbursement shall only include the actual cost to post a single agenda for any one meeting.

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

(Added by Stats. 1991, Ch. 238, Sec. 1.)

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

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

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

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

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

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

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

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

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

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

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

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

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

or

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

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

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

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

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

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

LIABILITY CLAIMS

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

Agency claimed against: (Specify name)

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

THREAT TO PUBLIC SERVICES OR FACILITIES

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

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

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

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

CONFERENCE WITH LABOR NEGOTIATORS

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

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

or

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

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

CASE REVIEW/PLANNING

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

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

REPORT INVOLVING TRADE SECRET

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

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

HEARINGS

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

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

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

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

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

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)

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

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

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

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

AUDIT BY CALIFORNIA STATE AUDITOR'S OFFICE

(Amended by Stats. 2012, Ch. 759, Sec. 6.1. (AB 2690) Effective January 1, 2013.)

54954.6. (a) (1) Before adopting any new or increased general tax or any new or increased assessment, the legislative body of a local agency shall conduct at least one public meeting at which local officials shall allow public testimony regarding the proposed new or increased general tax or new or increased assessment in addition to the noticed public hearing at which the legislative body proposes to enact or increase the general tax or assessment.

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

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

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

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

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

(E) Standby or immediate availability charges.

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

(b) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased general tax shall be accomplished by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks pursuant to Section 6063 and by a first-class mailing to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the first publication of the joint notice pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. Notwithstanding paragraph (2) of subdivision (a), the joint notice need not include notice of the public meeting after the meeting has taken place. The public hearing pursuant to subdivision (a) shall take place no earlier than 45 days after the first publication of the joint notice pursuant to this subdivision. Any written request for mailed notices shall be effective for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

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

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

(B) The activity to be taxed.

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

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

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

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

(c) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased assessment on real property or businesses shall be accomplished through a mailing, postage prepaid, in the United States mail and shall be deemed given when so deposited. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the joint mailing pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant

to this subdivision. The envelope or the cover of the mailing shall include the name of the local agency and the return address of the sender. This mailed notice shall be in at least 10-point type and shall be given to all property owners or business owners proposed to be subject to the new or increased assessment by a mailing by name to those persons whose names and addresses appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or the local agency's records pertaining to business ownership, as the case may be.

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

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

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

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

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

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

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

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

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

(4) Notwithstanding paragraph (1), in the case of an assessment proposed to be levied pursuant to Part 2 (commencing with Section 22500) of Division 2 of the Streets and Highways Code by a regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of, or pursuant to Division 26 (commencing with Section 35100) of, the Public Resources Code, notice may be provided pursuant to paragraph (1) of subdivision (b).

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

delay or prolong the governmental decisionmaking process.

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

(1) The property owners subject to the assessment.

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

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

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

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

(Amended by Stats. 2011, Ch. 382, Sec. 3.5. (SB 194) Effective January 1, 2012.)

54955. The legislative body of a local agency may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting the clerk or secretary of the legislative body may declare the meeting adjourned to a stated time and place and he shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by ordinance, resolution, bylaw, or other rule.

(Amended by Stats. 1959, Ch. 647.)

54955.1. Any hearing being held, or noticed or ordered to be held, by a legislative body of a local agency at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the legislative body in the same manner and to the same extent set forth in Section 54955 for the adjournment of meetings; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

(Added by Stats. 1965, Ch. 469.)

54956. (a) (1) A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing and posting a notice on the local agency's internet website, if the local agency has one. The notice shall be delivered personally or by any other means and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telephone or electronic mail. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

(2) The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

(b) Notwithstanding any other law, a legislative body shall not call a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of the legislative body or of a local agency executive, as defined in subdivision (d) of Section 3511.1. However, this subdivision does not apply to a local agency calling a special meeting to discuss the local agency's budget.

(Amended by Stats. 2025, Ch. 327, Sec. 18. (SB 707) Effective January 1, 2026.)

54956.5. (a) For purposes of this section, "emergency situation" means both of the following:

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

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

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

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

(A) Except as provided in subparagraph (B), the notice required by this

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

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

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

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

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

(Amended by Stats. 2025, Ch. 327, Sec. 19. (SB 707) Effective January 1, 2026.)

54956.6. No fees may be charged by the legislative body of a local agency for carrying out any provision of this chapter, except as specifically authorized by this chapter.

(Added by Stats. 1980, Ch. 1284.)

54956.7. Whenever a legislative body of a local agency determines that it is necessary to discuss and determine whether an applicant for a license or license renewal, who has a criminal record, is sufficiently rehabilitated to obtain the license, the legislative body may hold a closed session with the applicant and the applicant's attorney, if any, for the purpose of holding the discussion and making the determination. If the legislative body determines, as a result of the closed session, that the issuance or renewal of the license should be denied, the applicant shall be offered the opportunity to withdraw the application. If the applicant withdraws the application, no record shall be kept of the discussions or decisions made at the closed session and all matters relating to the

closed session shall be confidential. If the applicant does not withdraw the application, the legislative body shall take action at the public meeting during which the closed session is held or at its next public meeting denying the application for the license but all matters relating to the closed session are confidential and shall not be disclosed without the consent of the applicant, except in an action by an applicant who has been denied a license challenging the denial of the license.

(Added by Stats. 1982, Ch. 298, Sec. 1.)

54956.75. (a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

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

(Added by Stats. 2004, Ch. 576, Sec. 4. Effective January 1, 2005.)

54956.8. Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

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

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

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

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

(Amended by Stats. 1998, Ch. 260, Sec. 3. Effective January 1, 1999.)

54956.81. Notwithstanding any other provision of this chapter, a legislative body of a local agency that invests pension funds may hold a closed session to consider the purchase or sale of particular, specific pension fund investments. All investment transaction decisions made during the closed session shall be made by rollcall vote entered into the minutes of the closed session as provided in subdivision (a) of Section 54957.2.

(Added by Stats. 2004, Ch. 533, Sec. 20. Effective January 1, 2005.)

54956.86. Notwithstanding any other provision of this chapter, a legislative body of a local agency which provides services pursuant to Section 14087.3 of the Welfare and Institutions Code may hold a closed session to hear a charge or complaint from a member enrolled in its health plan if the member does not wish to have his or her name, medical status,

or other information that is protected by federal law publicly disclosed. Prior to holding a closed session pursuant to this section, the legislative body shall inform the member, in writing, of his or her right to have the charge or complaint heard in an open session rather than a closed session.

(Added by Stats. 1996, Ch. 182, Sec. 2. Effective January 1, 1997.)

54956.87. (a) Notwithstanding any other provision of this chapter, the records of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors, whether paper records, records maintained in the management information system, or records in any other form, that relate to provider rate or payment determinations, allocation or distribution methodologies for provider payments, formulas or calculations for these payments, and contract negotiations with providers of health care for alternative rates are exempt from disclosure for a period of three years after the contract is fully executed. The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted to the board of supervisors shall be subject to this same exemption.

(b) Notwithstanding any other provision of law, the governing board of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors may order that a meeting held solely for the purpose of discussion or taking action on health plan trade secrets, as defined in subdivision (f), shall be held in closed session. The requirements of making a public report of action taken in closed session, and the vote or abstention of every member present, may be limited to a brief general description without the information constituting the trade secret.

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

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

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

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

(1) The secrecy of the information is necessary for the health plan to

initiate a new service, program, marketing strategy, business plan, or technology, or to add a benefit or product.

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

(Amended by Stats. 2015, Ch. 190, Sec. 65. (AB 1517) Effective January 1, 2016.)

54956.9. (a) Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the local agency in the litigation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Amended by Stats. 2021, Ch. 615, Sec. 206. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54956.95. (a) Nothing in this chapter shall be construed to prevent a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, for purposes of insurance pooling, or a local agency member of the joint powers agency, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers agency or a local agency member of the joint powers agency.

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

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

(Added by Stats. 1989, Ch. 882, Sec. 3.)

54956.96. (a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

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

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

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

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

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

(A) A designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the Clean Power Alliance of Southern California, or its successor entity, in lieu of a local agency member's regularly appointed member, to attend closed sessions of the Clean Power Alliance of Southern California, or its successor entity.

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

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

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

(2) If the Clean Power Alliance of Southern California, or its successor

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

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

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

(Amended (as amended by Stats. 2019, Ch. 248, Sec. 1) by Stats. 2024, Ch. 24, Sec. 1. (AB 1852) Effective January 1, 2025. Repealed as of January 1, 2030, by its own provisions. See later operative version, as amended by Sec. 2 of Stats. 2024, Ch. 24.)

54956.96. (a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

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

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

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

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

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

(c) This section shall become operative on January 1, 2030.

(Amended (as added by Stats. 2019, Ch. 248, Sec. 2) by Stats. 2024, Ch. 24, Sec. 2. (AB 1852) Effective January 1, 2025. Section operative January 1, 2030, by its own provisions.)

54956.97. Notwithstanding any provision of law, the governing board, or a committee of the governing board, of a public bank, as defined in Section 57600 of the Government Code, may meet in closed session to consider and take action on matters pertaining to all of the following:

(a) A loan or investment decision.

(b) A decision of the internal audit committee, the compliance committee, or the governance committee.

(c) A meeting with a state or federal regulator.

(Added by Stats. 2019, Ch. 442, Sec. 14. (AB 857) Effective January 1, 2020.)

54956.98. (a) For purposes of this section, the following definitions shall apply:

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

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

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

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

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

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

(2) A designated alternate member of the governing board of the public bank who is also a member of the governing board of a shareholder, member, or owner local agency and who is attending a properly noticed meeting of the public bank governing board in lieu of a shareholder, member, or owner local agency's regularly appointed member may attend a closed session of the public bank governing board.

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

(Added by Stats. 2019, Ch. 442, Sec. 15. (AB 857) Effective January 1, 2020.)

54957. (a) (1) This chapter does not prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or other law enforcement or security personnel, or a security consultant or

a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, a threat to the public's right of access to public services or public facilities, or a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

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

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

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

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

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

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

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

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

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

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or

Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(Amended by Stats. 2024, Ch. 243, Sec. 1. (AB 2715) Effective January 1, 2025.)

54957.1. (a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention on that action of every member present, as follows:

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

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

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

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

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

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

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

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

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed

session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

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

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

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

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

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

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

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

(Amended by Stats. 2006, Ch. 538, Sec. 311. Effective January 1, 2007.)

54957.2. (a) The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be kept confidential. The minute book

shall be available only to members of the legislative body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction wherein the local agency lies. The minute book may, but need not, consist of a recording of the closed session.

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

(Amended by Stats. 2021, Ch. 615, Sec. 207. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54957.5. (a) Agendas of public meetings are disclosable public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be made available upon request without delay and in compliance with Section 54954.2 or Section 54956, as applicable. However, this section shall not apply to a writing, or portion thereof, that is exempt from public disclosure.

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

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

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

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

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

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

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

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

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

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

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

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

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

(Amended (as amended by Stats. 2021, Ch. 615, Sec. 208) by Stats. 2022, Ch. 971, Sec. 1. (AB 2647) Effective January 1, 2023.)

54957.6. (a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation, subject to all of the following conditions:

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

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

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

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

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

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

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

(Amended by Stats. 2025, Ch. 327, Sec. 20. (SB 707) Effective January 1, 2026.)

54957.7. (a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

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

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

(Amended by Stats. 1993, Ch. 1137, Sec. 15. Effective January 1, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 1137.)

54957.8. (a) For purposes of this section, "multijurisdictional law enforcement agency" means a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 that provides law enforcement services for the parties to the joint powers agreement for the purpose of investigating criminal activity involving drugs; gangs; sex crimes; firearms trafficking or felony possession of a firearm; high technology, computer, or identity theft; human trafficking; or vehicle theft.

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

(Amended by Stats. 2006, Ch. 427, Sec. 1. Effective September 22, 2006.)

54957.9. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a

procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(Amended by Stats. 2025, Ch. 327, Sec. 21. (SB 707) Effective January 1, 2026.)

54957.95. (a) (1) In addition to authority exercised pursuant to Sections 54954.3 and 54957.9, the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting, including any teleconferenced meeting.

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

(b) As used in this section:

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

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

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

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

(Amended by Stats. 2025, Ch. 327, Sec. 22. (SB 707) Effective January 1, 2026.)

54957.96. (a) The existing authority of a legislative body or its presiding officer to remove or limit participation by persons who engage in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, including existing limitations upon that authority, shall apply to members of the public participating in a meeting via a two-way telephonic service or a two-way audiovisual platform.

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

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

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

(Added by Stats. 2025, Ch. 327, Sec. 23. (SB 707) Effective January 1, 2026.)

54957.10. Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions to discuss a

local agency employee's application for early withdrawal of funds in a deferred compensation plan when the application is based on financial hardship arising from an unforeseeable emergency due to illness, accident, casualty, or other extraordinary event, as specified in the deferred compensation plan.

(Added by Stats. 2001, Ch. 45, Sec. 1. Effective January 1, 2002.)

54958. The provisions of this chapter shall apply to the legislative body of every local agency notwithstanding the conflicting provisions of any other state law.

(Added by Stats. 1953, Ch. 1588.)

54959. Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

(Amended by Stats. 1994, Ch. 32, Sec. 18. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54960. (a) The district attorney or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body, or to determine the applicability of this chapter to past actions of the legislative body, subject to Section 54960.2, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the legislative body to audio record its closed sessions as hereinafter provided.

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

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

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

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

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

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

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

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

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

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

(Amended by Stats. 2012, Ch. 732, Sec. 1. (SB 1003) Effective January 1, 2013.)

54960.1. (a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

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

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

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

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

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

(d) An action taken that is alleged to have been taken in violation of Sec-

tion 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 shall not be determined to be null and void if any of the following conditions exist:

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

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

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

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

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

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

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

(Amended by Stats. 2002, Ch. 454, Sec. 23. Effective January 1, 2003.)

54960.2. (a) The district attorney or any interested person may file an action to determine the applicability of this chapter to past actions of the legislative body pursuant to subdivision (a) of Section 54960 only if all of the following conditions are met:

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

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

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

(4) Within 60 days of receipt of the legislative body's response to the

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

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

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

To _____:

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

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

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

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

Very truly yours,

[Chairperson or acting chairperson of the legislative body]

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

(3) An action shall not be commenced to determine the applicability of this chapter to any past action of the legislative body for which the legislative body has provided an unconditional commitment pursuant to this subdivision. During any action seeking a judicial determination regarding the applicability of this chapter to any past action of the legislative body pursuant to subdivision (a), if the court determines that the legislative body has provided an unconditional commitment pursuant to this subdivision, the action shall be dismissed with prejudice. Nothing in this subdivision shall be construed to modify or limit the existing ability of the district attorney or any interested person to commence an action to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body.

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

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

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

(Added by Stats. 2012, Ch. 732, Sec. 2. (SB 1003) Effective January 1, 2013.)

54960.5. A court may award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to Section 54960, 54960.1, or 54960.2 where it is found that a legislative body of the local agency has violated this chapter. Additionally, when an action brought pursuant to Section 54960.2 is dismissed with prejudice because a legislative body has provided an unconditional commitment pursuant to paragraph (1) of subdivision (c) of that section at any time after the 30-day period for making such a commitment has expired, the court shall award court costs and reasonable attorney fees to the plaintiff if the filing of that action caused the legislative body to issue the unconditional commitment. The costs and fees shall be paid by the local agency and shall not become a personal liability of any public officer or employee of the local agency.

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

(Amended by Stats. 2012, Ch. 732, Sec. 3. (SB 1003) Effective January 1, 2013.)

54961. (a) No legislative body of a local agency shall conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of ancestry or any characteristic listed or defined in Section 11135, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. This section shall apply to every local agency as defined in Section 54951.

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

(Amended by Stats. 2007, Ch. 568, Sec. 35. Effective January 1, 2008.)

54962. Except as expressly authorized by this chapter, or by Sections 1461, 1462, 32106, and 32155 of the Health and Safety Code, or by Sections 37606, 37606.1, and 37624.3 of the Government Code as they apply to hospitals, or by any provision of the Education Code pertaining to school districts and community college districts, no closed session may be held by any legislative body of any local agency.

(Amended by Stats. 2006, Ch. 157, Sec. 2. Effective January 1, 2007.)

54963. (a) A person may not disclose confidential information that has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information.

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

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

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

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

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

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

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

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

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

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

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

(Added by Stats. 2002, Ch. 1119, Sec. 1. Effective January 1, 2003.)

**Pursuant to Government Code § 54952.7. Published at leginfo.legislature.ca.gov on January 1, 2026.*

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2024-25 DRAFT ANNUAL FINANCIAL REPORT

Auditor is finalizing
report.

