MINUTES

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

BOARD OF DIRECTORS

October 15, 2026

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. The full comment can be heard by reviewing the recording at the MTS website.]

1. Roll Call

Chair Whitburn called the Board meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached as Attachment A.

2. Public Comment

Edgar Treavers – provided a written statement to the Board prior to the meeting. The written comment is provided in the October 15, 2026 Final Meeting Packet.

Peter Kennedy – provided a verbal statement to the Board during the meeting. Peter represents SMART and approximately 430 operations employees at MTS. He expressed concern about rising health insurance costs for frontline employees, noting that increasing premiums were reducing the benefits of negotiated wage increases. He acknowledged MTS's proposal to increase its contribution towards healthcare costs but urged the agency to address the disparity between health insurance costs paid by frontline workers and administrative staff.

Andrew Roman – provided a verbal statement to the Board during the meeting. Andrew stated that rising healthcare costs were creating a financial burden for frontline employees and noted that, beginning in 2027, he would pay significantly more than management for the same health insurance coverage. As a single parent of a child with special needs, he emphasized the importance of affordable healthcare and urged the Board to work with union representatives to achieve equitable health insurance rates for frontline workers.

Branden Burgos – provided a verbal statement to the Board during the meeting. Branden expressed concern about rising healthcare costs for frontline employees, noting that premiums had increased significantly and were expected to rise further in 2027. While appreciating MTS management's efforts to increase its contribution toward employee healthcare, he stated that frontline workers would still pay substantially more than management for coverage and urged the Board to pursue greater equity in health insurance contributions.

Rene Fuentevilla – provided a verbal statement to the Board during the meeting. Rene expressed concern about the rising cost of health insurance and the financial strain it was placing on MTS employees, particularly lower-paid workers. He noted that many employees were taking on additional jobs to manage expenses and emphasized that frontline workers' contributions were critical to the agency's success. He urged the Board to consider increasing support for employee healthcare costs, stating that affordable healthcare would help maintain a healthy and reliable workforce.

Brandon Palisencia – provided a written statement to the Board prior to the meeting. The written comment is provided in the October 15, 2026 Final Meeting Packet.

CONSENT ITEMS:

3. Approval of Minutes

Action would approve the September 17, 2026 Board of Directors meeting minutes.

4. CEO Report

5. PRONTO Fare Collection System – Contract Amendment

Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 24 to MTS Doc. No. G2091.0-18 with Innovations in Transportation, Inc. (INIT) to purchase 600,000 Extended Use (EU) Cards and 500,000 Limited Use (LU) Cards, in the amount of $1,634,702.50 (inclusive of shipping and CA 7.75% sales tax).

6. Bus Brake Subcomponent Part Supplies - Contract Amendment

Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to MTS Doc. No. B0798.0-26, with The Aftermarket Parts Company (NFI), for the addition of Part #70200770 Air Spring, Bellow, NF-60 -All Axles, Original Equipment Manufacturer (OEM) part to the agreement in the amount of $249,135.56 (inclusive of CA sales tax).

7. Banking Services – Contract Award

Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc No. G3171.0-26, with JPMorgan Chase Bank, N.A. dba J.P. Morgan (J.P. Morgan) to provide banking services in the amount of $675,903.60 for five (5) base years and five (5) 1-year options, for a total of up to 10 years ($337,951.80 for the 5-year base period and $337,951.80 for five 1-year options); and 2) Exercise the option years at the CEO's discretion.

8. Purchase Light Rail Vehicle (LRV) S700 Tooling Kit – Sole Source Award

Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order agreement with Siemens Mobility, Inc. (Siemens), for the purchase of a S700 center truck axle bearing tooling kit, in the amount of $215,500.00 (including CA 7.75% sales tax).

9. Weed Abatement Services – Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL476.0-27, with Quality Sprayers, Inc. (Quality Sprayers), for a five-year (5) period for weed abatement services of all MTS rail Right-Of-Way (ROW) in the amount of $415,140.00.

10. Fiscal Year (FY) 2026 Low Carbon Transit Operations Program (LCTOP) Funding

Action would adopt Resolution No. 26-22 to: 1) Agree to comply with all conditions and requirements set forth in the Certification and Assurances Document, and applicable statutes, regulations, and guidelines for all LCTOP funded transit projects; 2) Authorize the Chief Executive Officer (CEO), or designated representative, to execute all required documents of the LCTOP and any amendments thereto with the California Department of Transportation (Caltrans); 3) Authorize the allocation of $9,124,742 in FY 2026 LCTOP Cycle A and B funding for the Youth Opportunity Pass (YOP) Program; 4) Approve the reprogramming of previously allocated LCTOP funding in the amount of $14,316,687 to the Imperial Avenue Division (IAD) Charging Infrastructure project as approved in the FY 2024 Capital Improvement Program (CIP); and 5) Certify that at least 50% of the total LCTOP funds received will be spent on projects or services that will benefit Disadvantaged Communities (DACs) identified in Section 39711 of the Health and Safety Code.

11. Declaration of Surplus Property (Portion of Property Near Grantville Transit Center)

Action would declare Assessor Parcel Number (APN) 461-320-34 and the northwestern portion of APN 461-320-31 as "surplus land" for purposes of Government Code sections 54220, et seq.

Public Comment for item No. # 4

Travis Malmin – provided a written statement to the Board during the meeting. Travis criticized the inclusion of an employee appreciation taco truck as a notable achievement in the CEO's report, stating that the event was typically scheduled during management's lunch hours and was largely inaccessible to train operators who worked varying shifts. He expressed that the recognition did not reflect the experience of frontline employees and should not be considered a significant employee achievement.

Board Comment

There were no Board Comments.

Action Taken

Board Member Hall moved to approve Consent Agenda Item Nos. 3 to 11. Board Member Downey seconded the motion, and the vote was 10 to 0 in favor with Board Member Fernandez, Board Member Foster, Board Member Bush, Board Member Elo-Rivera and Board Member Vaus absent.

DISCUSSION ITEMS:

12. Fiscal Year (FY) 2027 Operating Budget Amendment (Mike Thompson)

Mike Thompson, MTS Deputy Chief Financial Officer, presented on Fiscal Year (FY) 2027 Operating Budget. He presented on: Budget Amendment, revenue assumptions – passenger fare revenue, consolidated revenues less expenses, preliminary 5-year forecast and staff recommendation.

Public Comment

There were no Public Comments.

Board Comment

There were no Board Comments.

Action Taken

Board Member McCann moved to enact Resolution No. 26-18 (Attachment A) amending the FY 2027 operating budget for MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and the Coronado Ferry. Vice Chair Goble seconded the motion, and the vote was 11 to 0 in favor with Board Member Fernandez, Board Member Foster, Board Member Bush and Board Member Vaus absent.

13. Administrative Penalty Program under Public Utilities Code section 99580 for Fare Evasion and Passenger Conduct Violations (Karen Landers and Samantha Leslie)

Karen Landers, MTS General Counsel, and Samantha Leslie, MTS Deputy General Counsel, presented on Administrative Penalty Program under Public Utilities Code section 99580 for Fare

Evasion and Passenger Conduct Violations. They presented on: passenger safety & comfort and financial sustainability; passenger conduct – rules for riding; enforcement of rules and laws on MTS properties; fare enforcement models; previous MTS fare and passenger conduct enforcement; current fare enforcement diversion program; diversion participation; fare evasion data; administrative penalty program; comparison: penalty amount; comparison: eligible violations; comparison: disqualifying factors; comparison: consequences for unsolved or multiple violations; draft ordinance No. 15 (Section 99580 Penalty Program); contracts needed to implement transition & program; additional transition activities; estimated costs; program comparison; cost/revenue comparison; timeline if Board votes to proceed; and the Public Security Committee recommendation.

Public Comment

Zeke Sandoval – provided a verbal statement to the Board during the meeting. Zeke, speaking on behalf of PATH, expressed support for the proposed administrative fare enforcement model, stating that criminal penalties for minor fare violations created unnecessary burdens on low-income individuals, seniors, students, and people experiencing homelessness. He argued that the administrative approach would be a fair and more efficient use of public resources, allowing service providers to focus on addressing barriers to housing rather than helping clients navigate criminal justice penalties and related fees.

Board Comment

Board Member Montgomery Steppe thanked staff and agency leadership for their work on the administrative fare enforcement proposal and noted her office's long-standing involvement in advancing fare evasion reform efforts. She stated that the proposed ordinance would shift fare evasion from a criminal process to an administrative process, representing a significant philosophical and operational change in how violations are addressed. Board Member Montgomery Steppe emphasized that the new model would resolve fare violations through an internal MTS administrative process rather than the court system, while maintaining escalation measures for repeat offenders. She noted that the approach would reduce the criminalization of low-income transit riders, allow MTS to retain penalty revenue for transit related purposes, reduce demands on the court system, and enable enforcement personnel to focus on transit operations rather than court appearances. Board Member Montgomery Steppe concluded by stating her support for the proposal and moved approval of the Public Security Committee's (PSC) recommendations.

Board Member Downey thanked staff, the committee, and the chair for the extensive work on the proposal over several years. She stated that the presentation had been informative and acknowledged the significant effort that had gone into developing the recommended approach. Board Member Downey asked for clarification regarding the projected financial impacts of transitioning to the administrative fare enforcement model. Specifically, she sought to better understand the source of any anticipated revenue loss and the rationale for outsourcing administration of the program rather than managing it internally. Ms. Landers explained that under the proposed administrative fare enforcement model, responsibilities currently handled by the court system, such as issuing notices, managing hearings, and processing outcomes, would become MTS responsibilities. She stated that implementation would require investments in new hardware, software, administrative support, and hearing officer services to ensure compliance with legal requirements. Ms. Landers noted that some operational costs remained uncertain, particularly regarding the number of appeals requiring formal hearings. She explained that staff recommended contracting with a specialized vendor to administer the program because it would be more cost effective than developing the necessary system and expertise internally. Ms.

Landers added that MTS would retain oversight through an internal employee responsible for policy direction, customer service and program administration.

Board Member Downey stated that she supported the motion and seconded it. She shared her city's experience with outsourcing parking citation management; she cautioned that third party administration could make it difficult for individuals to contest citations. Board Member Downey emphasized the importance of maintaining an accessible appeals process and expressed interest in ensuring that MTS retained sufficient in-house oversight to provide fair and efficient opportunities for riders to challenge citations when appropriate. Ms. Landers responded that implementation details would be refined during the first year of the program. She explained that a contracted vendor would handle administrative functions such as issuing notices, while an in-house program manager would oversee operations, review evidence, and evaluate citation appeals. Ms. Landers emphasized that MTS intended to retain internal oversight of policy decisions and customer interactions to ensure visibility into program issues and to provide informed recommendations to the PSC and Board as needed.

Board Member Downey asked how the fines and fees currently imposed through the court system compared to the penalties that would be assessed under the proposed administrative fare enforcement model. Ms. Landers explained that a fare evasion citation processed through the court system had historically resulted in total fines and fees of approximately $270 to $290 once court assessments were added. She noted that under either the diversion program or the proposed administrative fare enforcement model, the cost to riders would be lower, with the maximum administrative penalty capped at $125. Board Member Downey asked how MTS would ensure that individuals receiving fare evasion citations were clearly informed of the maximum penalties under the administrative program and understood that failing to participate could result in higher costs through the court system. Ms. Landers stated that CCIs would provide citation recipients with written information explaining the administrative fare enforcement program, including additional details available through a website or QR code.

Board Member Foster thanked staff and the committee for their work on the proposal and expressed support for the administrative fare enforcement model. He stated that the approach aligned with MTS's mission of providing accessible transportation and would help avoid criminalizing riders who rely on transit to travel to work, school, and other daily activities.

Board Member Elo-Rivera thanked Board Member Montgomery Steppe and staff for their extensive work on the administrative fare enforcement initiative and expressed strong support for the proposal. He stated that the measure represented an important justice reform effort, noting the proposed policy would create a fairer and more equitable approach. Board Member Elo-Rivera emphasized the importance of prevention in addition to diversion, highlighting outreach efforts such as the Youth Opportunity Pass (YOP) program and broader strategies to improve transit safety and reduce fare evasion. He cited the positive outcomes associated with Bay Area Rapid Transit (BART) fare gate system, including reduction in fare evasion, crime, vandalism, and maintenance demands, and encouraged MTS to continue pursuing preventative measures that enhance safety, improve the rider experience, and allow security personnel to focus on more significant public safety concerns. Board Member Elo-Rivera concluded by reaffirming his support for the proposal and for continued efforts to create a safer transit system.

Vice Chair Goble expressed support for the installation of fare gates, noting their benefits for reducing fare evasion, improving safety, preventing graffiti, and protecting agency assets. He then asked staff for additional information about the "Same Day Solutions Fair" associated with the diversion program including how frequently the events were held and how accessible they were to participants. Ms. Leslie explained that the Same Day Solutions Fair events were

generally held about once per month, although the schedule could vary during holiday periods. She noted that the events were conducted at locations throughout the county, with participation focused on sites within the MTS service area, and that MTS sometimes hosted the events at trolley stations to improve accessibility and transit connections. Vice Chair Goble asked whether staff considered fare evasion patterns and locations when planning Same Day Solutions Fair events, suggesting that resources and outreach opportunities should be targeted to areas experiencing higher levels of fare evasion to maximize accessibility and effectiveness. Ms. Leslie explained that the location of Same Day Solutions Fair events was determined by the Homeless Court program rather than MTS. She noted that MTS partnered by making agency facilities available when possible and stated that the next event was scheduled to be held at Stadium Station.

Vice Chair Goble, referring to the diversion program statistics, asked whether the data showing approximately 15% participation meant that roughly 85% of individuals cited for fare evasion did not participate in the diversion program or otherwise failed to complete the process. Ms. Landers confirmed that the participation rate shown in the diversion program data meant that the remaining individuals generally did not complete the diversion process and were subsequently referred to the court system. Vice Chair Goble asked whether fare evasion citations or participation in the diversion program could affect an individual's eligibility for public benefits, noting that the relatively low diversion participation rate suggested there may be no significant impact. He also asked why there was a notable increase in citations reflected in the data between February and March. Ms. Landers explained that the increase in citations resulted from changes to enforcement practices, with personnel conducting more fare inspections rather than simply maintaining a presence at stations. She noted that increased inspections led to more citations and higher diversion program participation, which also contributed to a reduction in fare evasion rates.

Vice Chair Goble asked what the outcome would be for an individual who failed to appear in court following a fare evasion citation. Ms. Landers explained that if an individual failed to appear in court, the matter would generally proceed as a default judgment, resulting in the infraction being upheld and a fine being assessed. She noted that the citation would remain on the individual's record as an infraction and could be subject to collection efforts through the court process. Vice Chair Goble observed that the proposed administrative fare enforcement model appeared more stringent in some respects, noting that it would increase the initial penalty amount while significantly shortening the timeframe for payment. He asked whether his understanding of the proposed changes was correct and expressed concern that the new structure could be perceived as more burdensome for riders. Ms. Landers confirmed that the proposed model would require payment of a $75 administrative penalty within 21 days unless the individual requested an initial review or appeal, which would pause the payment timeline. She added that a late fee would increase the penalty to $100 for payments made between the 22nd and 90th day.

Vice Chair Goble asked whether the proposed system would track repeat violations and disqualify individuals from the administrative process after multiple fare evasion citations. He observed that unlike the current system where individuals could repeatedly pay fines, the proposed model appeared to impose stricter consequences for repeat offenders and asked staff to confirm his understanding. Ms. Landers clarified that an individual would remain eligible for the administrative process through a second citation, but a third citation for the same violation would result in disqualification from the program. Vice Chair Goble also questioned the revenue projections associated with the proposed program. Noting that the administrative penalty would increase from $25 to $75 and shorten the payment window, he asked why the agency

anticipated a substantial increase in revenue and sought clarification regarding the assumptions underlying the forecast. Ms. Landers explained that the projected revenue increase was based on estimates because MTS currently had limited visibility into collections processed through the court system. She noted that courts retained a portion of collected fines for administrative costs, reducing the amount remitted to MTS. Ms. Landers stated that under the proposed model, staff estimated revenue by projecting citation volumes and applying an assumed collection rate, informed by feedback from collection vendors and other available data. She emphasized that the projections represented the agency's best estimate and acknowledged that actual results could vary.

Vice Chair Goble expressed concern that the proposed administrative fare enforcement model appeared more restrictive than the current process. He noted that the proposal would increase the penalty amount, shorten the payment timeframe and impose stricter consequences for repeat violations. He also observed that the current system offered alternatives such as community service and participation in diversion related programs. Vice Chair Goble concluded that the proposal could result in higher costs to the agency while imposing greater penalties on riders, he stated that he could not support the item in its current form.

Board Member Hall expressed concerns about the financial implication of the proposed administrative fare enforcement program, particularly the projected annual operating costs. He acknowledged that investment in new equipment might be justified and necessary in the future, and he questioned the agency's ability to absorb additional ongoing expenses given current fiscal challenges. Board Member Hall stated that the project's costs and revenue assumptions appeared speculative and lacked sufficient supporting data. He echoed concerns raised by Vice Chair Goble, he questioned whether the program's benefits justified the estimated expenses and noted that, in his view, the proposal relied too heavily on uncertain projections. Board Member Hall expressed skepticism about moving forward with the item.

Ms. Landers explained that the projected implementation costs included hiring a program manager, acquiring and configuring electronic citation devices, integrating the system with existing technology, and completing related administrative work. She noted that a significant portion of the estimated annual cost was associated with the citation devices themselves and stated that excluding those equipment costs would reduce the ongoing program expenses substantially. Ms. Landers emphasized that the estimates were based on anticipated staffing, vendor, and technology requirements needed to operate the administrative fare enforcement program. Board Member Hall stated that he supported the goals of the proposal but could not support moving forward due to the agency's financial constraints.

Board Member Moreno congratulated Board Member Montgomery Steppe who had initiated the administrative fare program and noted her long standing support for both the diversion program and the proposed administrative fare enforcement approach. She then asked staff whether the agency had data on the amount of staff time currently devoted to attending fare evasion hearings and related court proceedings. Ms. Landers stated that she did not have the data readily available regarding staff time spent attending fare evasion hearings and court proceedings. She noted that additional analysis would be required to determine how that time was tracked and to calculate the associated staff effort. Board Member Moreno stated that it would be helpful for the Board to understand the current costs associated with court appearances and staff time when evaluating the proposed program's implementation costs. She noted that time spent attending hearings reduced the ability for personnel to focus on fare enforcement activities. Board Member Moreno expressed her belief that the administrative fare enforcement model would support ridership growth, improve public understanding of transit fare

requirements, and strengthen the organization overall. She concluded by expressing support for the proposal and asked staff to outline the next implementation steps, including the procurement process.

Ms. Landers explained that implementation would begin with creating and filling a program manager position. She stated that the program manager would help develop specifications for citation administration services, hearing officer support and electronic citation devices. Ms. Landers added that, after the position was filled, the agency would proceed with research, procurement, and vendor solicitation efforts, with implementation activities anticipated throughout 2027.

Board Member Moreno sought clarification regarding the Boards role in implementing the program and asked whether formal Board action would be required to authorize the creation and hiring of a new program manager position, as well as to provide the authority and resources necessary for staff to move forward with implementation. Ms. Landers explained that, if the Board approved the administrative fare enforcement program, staff would return later in the year with a request to create a full-time program manager position. She noted that creating a new position would require Board approval and was a routing action typically addressed through the budget process when no existing position is available to support the program. She stated approval of the position would authorize staff to begin recruitment and implementation activities.

Ms. Cooney explained that the program manager position could be brought forward for approval through the consent calendar if needed outside the normal budget cycle, however, because a budget amendment was anticipated in March, staff would likely include the position as part of that process. She noted that, if necessary, the Board could separately authorize the creation of the position through a routine consent item.

Board Member Moreno asked how quickly staff would move to recruit and hire the program manager after the Board approved the administrative fare enforcement program. Ms. Landers explained that, following Board approval, staff would work with Human Resources (HR) to develop the program manager job description and seek authorization to create the position. She stated that staff could bring the item back to the Board as early as the November meeting, after which recruitment efforts could begin to identify and hire qualified candidates to support implementation of the administrative fare enforcement program. Ms. Cooney stated that the timeline for filling the program manager position would depend largely on the availability of qualified candidates. Board Member Moreno acknowledged that the timing would depend on the availability of qualified candidates but asked staff how soon the position would be posted and made available for prospective applicants following Board approval. Ms. Landers stated that the position could be posted within approximately one month after the Board approves its creation.

Board Member Moreno asked staff when they estimate the administrative fare enforcement program would be fully implemented. Ms. Landers explained that staff anticipated using 2027 to hire the program manager, complete procurement activities, and select vendors for citation hardware, software, and program administration. She stated that 2028 would be dedicated to implementation, policy development, public outreach, and education efforts. Ms. Landers stated that based on the projected schedule, she anticipated launching the administrative fare enforcement program on January 1, 2029, while noting that staff could return to the Board to request earlier implementation if preparation were completed ahead of schedule. Board Member Moreno requested that the Board and Audit Committee review and quantify the costs associated with staff attendance at fare evasion hearings and court proceedings, emphasizing the

importance of having concrete cost data when evaluating the proposed program. She expressed strong support for the administrative fare enforcement model and stated that she looked forward to its implementation and the benefits it could bring to MTS.

Board Member Montgomery Steppe responded to concerns regarding comparisons between the diversion program and the proposed administrative fare enforcement model, stating that the two approaches were not directly comparable because they operated fundamentally differently. She explained that participation in the diversion program was voluntary, and the majority of cited individuals did not opt in, resulting in their cases proceeding through the criminal court system. Board Member Montgomery Steppe emphasized that the proposed policy represented a comprehensive change in how fare evasion citations would be handled, shifting from a criminal process to an administrative one for all citations. She noted that the financial comparisons presented did not fully capture that fundamental policy shift and argued that the appropriate comparison was with similar administrative enforcement programs at other transit agencies rather than with the existing diversion program. Board Member Montgomery Steppe reiterated that the proposal's primary objective was to reduce reliance on the criminal justice system while creating a more equitable approach to fare enforcement.

Ms. Landers agreed that comparing the diversion program to the proposed administrative fare enforcement model was challenging because the program served different purposes and operated under different structures. She noted that increased fare enforcement efforts had resulted in improved fare compliance and reduced fare evasion rates, demonstrating that rider behavior responded to enforcement and accountability measures. Ms. Landers acknowledged that some riders who resolved citations through the diversion program might face higher penalties under the proposed model. She emphasized that the goal of the administrative program was not to generate revenue through fines but to encourage compliance by creating meaningful consequences that would deter fare evasion and promote consistent fare payment across the transit system.

Board Member Montgomery Steppe noted that the PSC had recently reviewed fare gate concepts and recommended that the topic be brought before the full Board for further discussion. She stated that, given the agency's broader public safety strategy and existing public security investments, she believed the additional costs associated with the administrative fare enforcement program were justified and supported the proposed shift in philosophy toward a more administrative and equitable approach to fare enforcement.

Ms. Landers advised the Board that, because unanimous approval was required to waive the first reading of the ordinance, the Board should first vote separately on the waiver of the reading of Ordinance No. 15 if unanimous support was uncertain. She explained that the remaining recommendations could then be considered separately and noted that, absent unanimous vote, she would be required to read the ordinance in full. Chair Whitburn acknowledged staff's procedural recommendation and indicated that the Board would return to the issue later in the discussion before taking action.

Board Member Smith questioned whether the projected benefits of the administrative fare enforcement model accounted for increased fare compliance resulting from higher penalties. He suggested that riders might choose to purchase fares or monthly passes rather than risk a $75 to $125 penalty and asked whether staff had analyzed the potential impact of the increased fines on rider compliance and fare revenue. Ms. Landers stated that staff would monitor fare compliance trends as the new program was implemented. She noted that the higher administrative penalty could encourage more riders to purchase fares rather than risk receiving a citation and suggested that any resulting increase in fare compliance and fare revenue could

help offset some of the program's costs, although those potential benefits had not yet been quantified. Board Member Smith stated that the proposed administrative fare enforcement model could lead to increased fare compliance, as higher penalties might encourage more riders to purchase fares rather than risk receiving a citation. He suggested that any increase in fare revenue could help offset some program costs and address concerns about the agency's financial constraints.

Board Member Smith also emphasized the broader social benefits of the proposal, noting that fare evasion citations under the current system could create criminal records that negatively affect employment opportunities. He argued that resolving violations through an administrative process rather that the criminal justice system would reduce barriers to employment, support riders seeking economic stability, and better align with MTS's mission. Board Member Smith concluded that, despite the associated costs, the proposed approach represented a worthwhile investment.

Board Member Hall stated that he agreed with the benefits and objectives of the proposed administrative fare enforcement model but remained concerned about its financial impact. He emphasized that MTS was facing significant fiscal challenges and expressed the view that the additional program costs could place further strain on the agency's budget. As a result, he remained hesitant to support the proposal despite agreeing with its underlying goals.

Chair Whitburn stated that the Board had heard both support and opposition regarding the proposed ordinance. He explained that the first recommendation would require a unanimous vote to waive the full reading of the ordinance and noted that the Board would proceed with considering that procedural acting before addressing the remaining recommendations.

Action Taken

Board Member Hall moved to 1). Waive the requirements of Board Policy No. 22 (Rules of Procedures for MTS Board of Directors), Section 22.4.3, stating all ordinance shall be read in full either at the time of introduction or passage (unanimous vote of the board members present is required to waiver further reading). Board Member Montgomery Steppe seconded the motion, and the vote was 14 to 0 in favor with Board Member Vaus absent.

Board Member Montgomery Steppe moved to 2). Adopt proposed Ordinance No. 15 (Establishing Administrative Penalties, Fee, and Hering procedures for Specific Violations Under Public Utilities Code Section 99580); 3). Instruct the CEO to begin the process of completing solicitations consistent with Board Policy No. 52 (Procurement of Goods and Services) of an Administrative Penalty Program vendor and associated electronic citation software and hardware necessary to implement Ordinance No. 15; 4). Authorize the CEO to delay implementation of Ordinance No. 15 until contracts for an Administrative Penalty Program vendor and associated electronic citation software and hardware have been solicited, approved as required by Board Policy 41 (Signature Authority), and Implemented; and 5). Discontinues the MTS Diversion Program upon implementation of Ordinance No. 15. Board Member Downey seconded the motion, and the vote was 11 in favor with Board Member Downey, Board Member Fernandez, Board Member Foster, Board Member Bush, Board Member Leyba-Gonzalez, Board Member Montgomery Steppe, Board Member Dillard, Board Member Elo-Rivera, Board Member Smith, Chair Whitburn, Board Member Moreno voting yes to 3 opposed with Board Member McCann, Board Member Hall and Vice Chair Goble voting no, and Board Member Vaus absent.

14. PRONTO LIFE Update (Mark Olson and Israel Maldonado)

The Board waived the staff report for this item.

15. Fiscal Year (FY) 2026 Annual Performance Monitoring Report (Brent Boyd)

Brent Boyd, MTS Director of Planning and Scheduling, presented on Fiscal Year (FY) 2026 Annual Performance Monitoring Report. He presented on: Board Policy 42; Policy 42 evaluation criteria; total ridership by month; total ridership by quarter; change by mode; ridership distribution by mode; passengers per revenue hour; on-time performance; financial metrics; changes in FY26; total passengers; ridership recovery vs national trends; passengers per revenue hour; average weekday passengers; farebox recovery; financial stats vs national trends; financial stats vs California trends; preliminary Q1 ridership data; and summary.

Public Comment

There were no Public Comments.

Board Comment

There were no Board Comments.

Action Taken

No action taken. Informational item only.

OTHER ITEMS:

16. Chair, Board Member and Chief Executive Officer's (CEO's) Communications

Chair Whitburn congratulated MTS frontline employees, office staff, management, Board Members, and riders on the agency's receipt of the APTA Outstanding Public Transportation System Award. He noted that MTS Leadership attended the awarded presentation in Chicago and stated that the agency and its employees were highly regarded by transit professionals nationwide. Chair Whitburn emphasized that the recognition reflected the collective contributions of MTS employees and riders and expressed pride in the agency's achievement.

17. Remainder of Public Comments Not on The Agenda

There were no additional public comments.

18. Next Meeting Date

The next regularly scheduled Board meeting is November 19, 2026 at 9 a.m.

CLOSED SESSION:

19. Public Comment for Closed Session

The Board convened to Closed Session at 11:04 a.m.

20. Closed Session – Conference with Legal Counsel – Existing Litigation
Pursuant to California Government Code Section 54956.9(d)(1)
Edmundson v. San Diego Metropolitan Transit System, et al.
SDSC Case No. 37-2023-00036827-CU-PA-CTL (Dept C-67, Hon. Michael T. Smyth)

21. Closed Session - Public Employee Performance Evaluation/ Conference with Labor Negotiators – Chief Executive Officer Pursuant to California Government Code Sections 54957 and 54957.6

Agency-Designated Representative: Stephen Whitburn, Chair
Employee: Sharon Cooney, CEO

Closed Session Reconvening

The Board reconvened to Open Session at 12:22 p.m.

Karen Landers, General Counsel, reported the following oral report of final actions taken in Closed Session:

20. The board gave instructions to legal counsel.

21. No reportable action.

ADJOURNMENT

22. Adjournment

The meeting was adjourned at 12:22 p.m.

/s/ Stephen Whitburn
Chairperson
San Diego Metropolitan Transit System

Filed by:

/s/ Lucia Mansour
Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:

/s/ Karen Landers
General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): October 15, 2026 CALL TO ORDER (TIME): 9:04 a.m.

RECESS: RECONVENE:

CLOSED SESSION: 11:04 a.m. RECONVENE: 12:22 p.m.

ORDINANCES ADOPTED: ADJOURN: 12:22 p.m.

JURISDICTION	BOARD MEMBER		ALTERNATE		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
City of Chula Vista	Cesar Fernandez	☒	Jose Preciado	☐	9:25 a.m.	12:22 p.m.
City of Chula Vista	John McCann	☒	Jose Preciado	☐	9:04 a.m.	12:22 p.m.
City of Coronado	Carrie Downey	☒	Mark Fleming	☐	9:04 a.m.	12:22 p.m.
County of San Diego	Monica Montgomery Steppe	☒	Paloma Aguirre	☐	9:05 a.m.	12:22 p.m.
City of El Cajon	Steve Goble (Vice-Chair)	☒	Phil Ortiz	☐	9:04 a.m.	12:22 p.m.
City of Imperial Beach	Matthew Leyba-Gonzalez	☒	Mariko Nakawatase	☐	9:04 a.m.	12:22 p.m.
City of La Mesa	Patricia Dillard	☒	Mark Arapostathis	☐	9:04 a.m.	12:22 p.m.
City of Lemon Grove	Jennifer Mendoza	☐	Seth Smith	☒	9:04 a.m.	12:22 p.m.
City of National City	Marcus Bush	☒	Jose Rodriguez	☐	9:25 a.m.	12:22 p.m.
City of Poway	Steve Vaus	☐	Peter De Hoff	☐	ABSENT	ABSENT
City of San Diego	Vivian Moreno	☒	Jennifer Campbell	☐	9:05 a.m.	12:22 p.m.
City of San Diego	Sean Elo-Rivera	☒	Joe LaCava	☐	9:19 a.m.	12:22 p.m.
City of San Diego	Todd Gloria	☐	Henry Foster	☒	9:22 a.m.	12:22 p.m.
City of San Diego	Stephen Whitburn (Chair)	☒	Kent Lee	☐	9:04 a.m.	12:22 p.m.
City of Santee	Ronn Hall	☒	Laura Koval John Minto	☐ ☐	9:04 a.m.	12:22 p.m.

SIGNED BY THE CLERK OF THE BOARD: /s/ Lucia Mansour