BASIN TRANSIT SERVICE TRANSPORTATION DISTRICT
BOARD OF DIRECTOR'S MEETING

Wednesday, August 26, 2026
4:15 PM

Microsoft Teams Passcode: LX9jF9ku
https://teams.microsoft.com/meet/271332975143432?p=OgNTLgo0UvHsQfIYw8

R		AGENDA	TYPE
A.		**CALL TO ORDER** - Chairperson	
B.		**PLEDGE OF ALLEGIANCE**	
C.		**INTRODUCTION OF GUESTS**	
D.		**PUBLIC COMMENT**: Members of the Public are invited to address the Board on items not listed on the agenda that are within the scope and jurisdiction of the District. Comments are limited to three (3) minutes per person.	
E.		**CONSENT AGENDA** All item(s) listed below are considered to be routine by the Board and will be enacted by one motion. Request approval - Board of Directors Meeting Minutes for July 2026. Approval - Budget Statement for July 2026.	**Action**
F.		**OLD BUSINESS** None	
G.		**ACTION ITEMS**	
	(1.)	FY 2024 Single Audit Report	**Information**
	(2.)	FY 2024 Single Audit Report Corrective Action Plan Presentation and Signature	**Action**
	(3.)	General Manager's Report	**Information**
	(4.)	Resolution 2026-14 In the Matter of Authorization of the Board Chairperson to sign the RVHT Grant Agreement	**Action**

NEW BUSINESS - Discussion Only Items

H. **ADJOURNMENT**

I. This meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling Basin Transit Service at 541-883-2877.

Board of Directors Meeting

All on the go BTS

AUGUST 2026

INFORMATION

Public Comment

CONSENT AGENDA

All item(s) listed below are considered to be routine by the Board and will be enacted by one motion. Request approval - Board of Directors Meeting Minutes for July 2026 and Budget Statement for July 2026.

BASIN TRANSIT SERVICE TRANSPORTATION DISTRICT

BOARD OF DIRECTORS MEETING MINUTES

Date: July 22, 2026
Time: 4:15 p.m.
Location: Basin Transit Service / Microsoft Teams

A. CALL TO ORDER

Chairperson Erik Nobel called the meeting to order at ______ p.m.

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by ____________________.

C. ATTENDANCE

Board Members Present:

- Erik Nobel, Chairperson
- Nora Foster
- Craig Fleck
- Perry Andrews
- Edwin Tuhy

Board Members Absent:

- Karen Bailey
- Sandra Fox

Staff Present:

- Adrian Mateos Chavarria, General Manager
- Michelle Carpenter, Finance Manager
- Theresa O'Connor, Recording Secretary

Guest in Attendance:

- Jennifer Boardman, Oregon Department of Transportation Regional Representative

D. PUBLIC COMMENT

No public present.

E. CONSENT AGENDA

Board Discussion: None
Motion: Craig Fleck
Second: Edwin Tuhy
Vote: Motion carried.

F. OLD BUSINESS
There was no old business.

G. ACTION ITEMS

1. General Manager's Report
General Manager Adrian Mateos Chavarria presented the monthly report.
There was no Board discussion, and no action was required.

2. Resolution No. 2026-09
Authorizing Designated Staff to Perform Banking Requirements at Columbia Bank

Board Discussion: The Board discussed adding and removing authorized signers and requested clarification regarding the individuals currently designated as signers. The memorandum provided at the meeting identified the proposed authorized signers.
Motion: Edwin Tuhy
Second: Perry Andrews
Vote: Motion carried.

3. Resolution No. 2026-10
Authorizing the Finance Manager to Close the District Account at First Community Credit Union

Board Discussion: None
Motion: Perry Andrews
Second: Craig Fleck
Vote: Motion carried.

4. Resolution No. 2026-11
Authorizing the Board Chairperson to Sign Amendments to Grant Agreements for 5310 Discretionary and 5311 Formula Funds

Board Discussion: None

Motion: Craig Fleck
Second: Nora Foster
Vote: Motion carried.

5. Resolution No. 2026-12
Declaring Certain Property as Surplus

Board Discussion: None
Motion: Nora Foster
Second: Edwin Tuhy
Vote: Motion carried.

6. Resolution No. 2026-13
Approving the Donation of Two 2016 Ford E350 Vehicles to Oregon Institute of Technology Athletics

Board Discussion: A Board member inquired whether the two vehicles proposed for donation were in good operating condition. General Manager Adrian Mateos Chavarria confirmed that both vehicles were in good condition and suitable for donation.
Motion: Nora Foster
Second: Craig Fleck
Vote: Motion carried.

H. NEW BUSINESS
General Manager Adrian Mateos discussed the accident that occurred approximately 10 days ago with SDIS being informed of the damage with reporting.

Finance Manager Michelle Carpenter reported that personnel expenses were over budget due to a calculation error involving the number of days in the fiscal year.

There were no questions or further discussions from the Board about these two items.

I. ADJOURNMENT
There being no further business, Chairperson Erik Nobel adjourned the meeting at **4:35 p.m.**

Submitted by:

Theresa O’Connor
Recording Secretary

Basin Transit Service Transportation District

Bank Balance Report as of July 2026

Activity ID.	Account Description	Jul 31, 2026	Jul 31, 2025
1100G01	Checking General -Columbia Bank	$ 202,106.42	$ 116,458.17
1150G01	Checking Taxes-Columbia Bank	$ -	$ 8,918.53
1160G01	Money Market-Columbia Bank	$ 183,332.11	$ 670,087.55
1221G01	Petty Cash	$ 125.00	$ 125.00
1240G03	Certificate of Deposits-Columbia Bank	$ 182,335.47	$ 182,173.21
	LGIP Accounts		
1161G01	LGIP Operations	$ 1,236,971.43	$ 1,047,704.45
1162G01	LGIP STIF Payroll In District	$ 1,658,919.28	$ 1,668,033.67
1163G01	LGIP STIF Population Out of District	$ 240,470.65	$ 197,525.73
1164G01	LGIP STIF Population In District	$ 337,268.14	$ 272,211.87
1165G01	LGIP Capital Reserve	$ 224,951.20	$ 75,615.78
1166G01	LGIP STIF Payroll Out of District	$ 860,099.33	$ 681,677.00
	Total LGIP Balance	$ 4,558,680.03	$ 3,942,768.50
	Total Current Assets	**$ 5,126,579.03**	**$ 4,920,530.96**

LGIP Interest Earned July 2026	$ 15,448.48
Total YTD LGIP Interest Earned FYE 2027	**$ 15,448.48**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Summary of Revenues and Expenses

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Revenues					
Begin Balance - General Fund	$ 1,906,443	1,906,443	119.05	1,601,444	304,999
Local Tax Revenues	18,989	18,989	1.14	1,661,099	(1,642,110)
State Revenues	0	0	0.00	1,854,491	(1,854,491)
Federal Revenues	0	0	0.00	1,340,756	(1,340,756)
Fare Revenues	5,613	5,613	5.88	95,487	(89,874)
Other Local Revenues	14,666	14,666	24.44	60,000	(45,334)
Total Revenues	**1,945,711**	**1,945,711**	**29.42**	**6,613,277**	**(4,667,566)**
Expenses					
Personnel Services	183,288	183,288	6.74	2,720,364	(2,537,076)
Materials & Services	204,995	204,995	11.11	1,845,037	(1,640,042)
Capital Expenditures	264	264	0.04	663,497	(663,233)
GF Contingency	0	0	0.00	75,000	(75,000)
GF Transfer to Capital Res.	0	0	0.00	9,379	(9,379)
GF Res for Future Exp	0	0	0.00	0	0
GF Unappropriated Fund Balance	0	0	0.00	1,300,000	(1,300,000)
Total Expenses	**388,547**	**388,547**	**5.88**	**6,613,277**	**(6,224,730)**
Over (Under)	**(1,557,164)**	**(1,557,164)**	**0.00**	**0**	**(1,557,164)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Revenues - General Fund

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Beginning Balance					
Begin Balance - General Fund	1,906,443	1,906,443	119.05	1,601,444	304,999
Total Beginning Balance	**1,906,443**	**1,906,443**	**119.05**	**1,601,444**	**304,999**
Local Tax Revenes					
Tax Collected / YR Levied	14,059	14,059	0.87	1,624,199	(1,610,140)
Previous Levied Tax	4,930	4,930	14.09	35,000	(30,070)
Heavy Equipment Rental Tax	0	0	0.00	1,900	(1,900)
Total Local Tax Revenues	**18,989**	**18,989**	**1.14**	**1,661,099**	**(1,642,110)**
State Revenues					
STIF Payroll Revenue	0	0	0.00	1,469,222	(1,469,222)
STIF Population Revenue	0	0	0.00	176,356	(176,356)
Rural Veterans Grants	0	0	0.00	23,913	(23,913)
Public Transit Assistance	0	0	0.00	185,000	(185,000)
Total State Revenues	**0**	**0**	**0.00**	**1,854,491**	**(1,854,491)**
Federal Revenues					
5310 Formula Grant	0	0	0.00	557,963	(557,963)
5311 Formula Grant	0	0	0.00	723,753	(723,753)
5339 Federal Grant	0	0	0.00	59,040	(59,040)
Total Federal Revenues	**0**	**0**	**0.00**	**1,340,756**	**(1,340,756)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Revenues - General Fund

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Fare Revenue					
Fixed Route Fares	4,673	4,673	6.92	67,537	(62,864)
Organizational Fares	0	0	0.00	10,000	(10,000)
Basin Lift Fares	940	940	5.24	17,950	(17,010)
Total Fare Revenue	**5,613**	**5,613**	**5.88**	**95,487**	**(89,874)**
Other Local Revenues					
Misc Income	25	25	0.63	4,000	(3,975)
Interest Income	4,683	4,683	8.36	56,000	(51,317)
Gain Loss on Surplus Sales	9,000	9,000	0.00	0	9,000
Insurance Claims	485	485	0.00	0	485
Travel & Training Reimb.	473	473	0.00	0	473
Total Other Local Revenues	**14,666**	**14,666**	**24.44**	**60,000**	**(45,334)**
Total Revenues	**1,945,711**	**1,945,711**	**29.42**	**6,613,277**	**(4,667,566)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Personnel Services

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Wages					
Wages - Admin	30,615	30,615	7.23	423,502	(392,887)
Wages- Operations	74,094	74,094	6.57	1,128,492	(1,054,398)
Wages - Maintenance	25,904	25,904	8.12	319,181	(293,277)
Total Wages	**130,613**	**130,613**	**6.98**	**1,871,175**	**(1,740,562)**
Benefits					
Workman's Comp Expense	29	29	0.06	52,000	(51,971)
Medicare Taxes Expense	1,879	1,879	6.93	27,132	(25,253)
OR Unemployment Insurance	2,154	2,154	8.46	25,448	(23,294)
Disability/Accident/Life Exp.	1,155	1,155	8.50	13,596	(12,441)
Paid Leave Oregon Exp	518	518	6.92	7,485	(6,967)
Medical & Dental Insurance	36,104	36,104	6.79	531,732	(495,628)
Employer Retirement Exp	2,800	2,800	3.69	75,783	(72,983)
FICA Tax	8,036	8,036	6.93	116,013	(107,977)
Total Benefits	**52,675**	**52,675**	**6.20**	**849,189**	**(796,514)**
Total Wages & Benefits	**183,288**	**183,288**	**6.74**	**2,720,364**	**(2,537,076)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Materials & Services

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Administration - General Fund					
Utilities Expense	2,692	2,692	8.93	30,161	(27,469)
Telephone Expense	2,315	2,315	8.21	28,191	(25,876)
Internet & Email Expense	279	279	14.82	1,883	(1,604)
Print & Duplication Expense	1,094	1,094	8.42	13,000	(11,906)
Public Information Expense	50	50	0.64	7,800	(7,750)
Legal Advertising Expense	0	0	0.00	3,500	(3,500)
Travel & Meals Expense	272	272	2.34	11,600	(11,328)
Legal Expense	0	0	0.00	26,000	(26,000)
Finance Expense	38,660	38,660	19.33	200,000	(161,340)
Personnel Expense	1,112	1,112	3.05	36,500	(35,388)
Employee Events	1,057	1,057	10.57	10,000	(8,943)
Membership Dues Exp	0	0	0.00	13,350	(13,350)
Bank Fees	541	541	9.49	5,700	(5,159)
Interest & Penalties	17	17	0.00	0	17
Election Expense	0	0	0.00	3,500	(3,500)
Information System Expense	8,322	8,322	13.06	63,740	(55,418)
Publications & Subscriptions	0	0	0.00	1,300	(1,300)
Postage & Shipping	0	0	0.00	1,600	(1,600)
Office Supplies Expense	732	732	4.88	15,000	(14,268)
Office Equipment	322	322	3.79	8,500	(8,178)
Total Administration - General Fund	**57,465**	**57,465**	**11.94**	**481,325**	**(423,860)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Materials & Services

Operations - General Fund

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
General Operations					
Facilities & Veh Insurance Exp	74,461	74,461	41.53	179,292	(104,831)
Training Exp	0	0	0.00	5,908	(5,908)
Clothing & Gear Exp	8,675	8,675	41.07	21,121	(12,446)
Safety Services & Supplies Exp	387	387	5.12	7,555	(7,168)
Other Contract Services Exp	5,679	5,679	10.55	53,820	(48,141)
Other Materials & Supplies Exp	182	182	59.28	307	(125)
Total General Operations	**89,384**	**89,384**	**33.35**	**268,003**	**(178,619)**
Facilities Maintenance					
Radio Maint Exp	0	0	0.00	1,499	(1,499)
Cleaning Supplies Exp	70	70	2.15	3,252	(3,182)
Building & Grounds Maint Exp	3,358	3,358	8.07	41,608	(38,250)
Equipment Maint. Exp.	210	210	6.65	3,156	(2,946)
Bus Stop / Shelter Exp	810	810	33.69	2,404	(1,594)
Total Facilities Maintenance	**4,448**	**4,448**	**8.57**	**51,919**	**(47,471)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Materials & Services

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Vehicle Maintenance - Fix Route					
FR Parts & Components Exp	2,451	2,451	3.98	61,546	(59,095)
FR Fuel Exp	15,202	15,202	7.65	198,744	(183,542)
FR Oil Lube Antifreeze Exp	1,351	1,351	15.70	8,607	(7,256)
FR Tire & Wheel Exp	0	0	0.00	23,589	(23,589)
FR Vendor Exp	0	0	0.00	22,000	(22,000)
Total Vehicle Maint - Fix Route	**19,004**	**19,004**	**6.04**	**314,486**	**(295,482)**
Vehicle Maintenance - Basin Lift					
BL Parts & Components Exp	620	620	4.71	13,171	(12,551)
BL Fuel Exp	5,198	5,198	7.22	72,009	(66,811)
BL Oil Lube Antifreeze Exp	470	470	80.48	584	(114)
BL Tire & Wheel Exp	0	0	0.00	6,216	(6,216)
BL Vendor Exp	385	385	6.83	5,634	(5,249)
Total Vehicle Maint - Basin Lift	**6,673**	**6,673**	**6.84**	**97,614**	**(90,941)**
Maintenance Tools & Supplies					
Shop Supplies Exp	1,557	1,557	18.79	8,285	(6,728)
Tools & Equipment Exp	1,053	1,053	9.01	11,689	(10,636)
Total Maint. Tools & Sup	**2,610**	**2,610**	**13.07**	**19,974**	**(17,364)**
Total Operations - General Fund	**122,119**	**122,119**	**16.24**	**751,996**	**(629,877)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Materials & Services

Operations - Grants

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
5310 Projects					
Contract Services - Dem Resp	21,622	21,622	8.25	262,086	(240,464)
Mobility Mgt. Materials & Ser	336	336	0.96	35,000	(34,664)
Total 5310 Projects	**21,958**	**21,958**	**7.39**	**297,086**	**(275,128)**
Facilities Projects					
Total Facilities Projects	**0**	**0**	**0.00**	**0**	**0**
Vehicle Major Maintenance					
Vehicle Major Maintenance	0	0	0.00	50,000	(50,000)
Total Vehicle Major Maint	**0**	**0**	**0.00**	**50,000**	**(50,000)**
Operations Projects (Point to Point)					
Basin Connect - South	231	231	0.20	115,044	(114,813)
Basin Connect - North	376	376	0.66	57,086	(56,710)
Total Operations Projects	**607**	**607**	**0.35**	**172,130**	**(171,523)**
Plannning Projects					
Planning Expense	0	0	0.00	90,000	(90,000)
Total Planning Projects	**0**	**0**	**0.00**	**90,000**	**(90,000)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Materials & Services

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Veterans Projects					
Veterans Mat & Svcs Exp	695	695	27.80	2,500	(1,805)
Total Veterans Projects	**695**	**695**	**27.80**	**2,500**	**(1,805)**
Total Operations - Grants	**23,260**	**23,260**	**3.80**	**611,716**	**(588,456)**
Total Materials & Services	**202,844**	**202,844**	**10.99**	**1,845,037**	**(1,642,193)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Capital Expenditures

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Capital Categories					
Motorized Vehicle Expense	264	264	0.08	334,497	(334,233)
Office Equipment Expense	0	0	0.00	0	0
Shop Equipment Expense	0	0	0.00	0	0
PC & Comm. Equip. Expense	0	0	0.00	0	0
Bus Stop & Shelter Expense	0	0	0.00	160,000	(160,000)
Land & Building Expense	0	0	0.00	169,000	(169,000)
Other Capital Outlay Exp	0	0	0.00	0	0
Total Capital Expenditures	**264**	**264**	**0.04**	**663,497**	**(663,233)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

STIF Revenue Funds

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Revenues					
STIF ID - Payroll Beg Balance	1,416,618	1,416,618	88.47	1,601,169	(184,551)
STIF ID Payroll Interest	5,282	5,282	8.80	60,000	(54,718)
STIF ID Payroll Revenue	237,021	237,021	28.91	819,953	(582,932)
Total STIF ID Payroll Rev	**1,658,921**	**1,658,921**	**66.86**	**2,481,122**	**(822,201)**
STIF OD - Payroll Beg Balance	807,328	807,328	96.74	834,520	(27,192)
STIF OD Payroll Interest	2,841	2,841	10.93	26,000	(23,159)
STIF OD Payroll Revenue	49,930	49,930	29.63	168,508	(118,578)
Total STIF OD Payroll Rev	**860,099**	**860,099**	**83.58**	**1,029,028**	**(168,929)**
STIF ID - Pop Beg Balance	307,042	307,042	111.14	276,268	30,774
STIF ID Pop Interest	1,101	1,101	11.01	10,000	(8,899)
STIF ID Pop Revenue	29,126	29,126	27.01	107,849	(78,723)
Total STIF ID Pop Rev	**337,269**	**337,269**	**85.58**	**394,117**	**(56,848)**
STIF OD - Pop Beg Balance	217,300	217,300	97.34	223,236	(5,936)
STIF OD Pop Interest	782	782	9.78	8,000	(7,218)
STIF OD Pop Revenue	22,388	22,388	27.00	82,914	(60,526)
Total STIF OD Pop Rev	**240,470**	**240,470**	**76.55**	**314,150**	**(73,680)**
Total STIF Revenues	**3,096,759**	**3,096,759**	**73.41**	**4,218,417**	**(1,121,658)**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

STIF Revenue Funds

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Expenses					
STIF ID PR Trans Other Agencie	0	0	0.00	0	0
STIF OD PR Trans Other Agencie	0	0	0.00	0	0
STIF ID Pop Trans Other Agenci	0	0	0.00	22,653	(22,653)
STIF OD Pop Trans Other Agenci	0	0	0.00	0	0
Total Funds to Other Agencies	**0**	**0**	**0.00**	**22,653**	**(22,653)**
STIF ID Payroll Trans to GF	0	0	0.00	1,334,178	(1,334,178)
STIF OD Payroll Trans to GF	0	0	0.00	135,044	(135,044)
STIF ID Pop Trans to GF	0	0	0.00	139,270	(139,270)
STIF OD Pop Trans to GF	0	0	0.00	37,086	(37,086)
Total Funds to GF	**0**	**0**	**0.00**	**1,645,578**	**(1,645,578)**
STIF ID PR Res Fut Expenditure	0	0	0.00	1,146,944	(1,146,944)
STIF OD PR Res Fut Expenditure	0	0	0.00	893,984	(893,984)
STIF ID Pop Res Fut Expenditur	0	0	0.00	232,194	(232,194)
STIF OD Pop Res Fut Expenditur	0	0	0.00	277,064	(277,064)
Total Reserve for Fut Expediture	**0**	**0**	**0.00**	**2,550,186**	**(2,550,186)**
Total Expenses	**0**	**0**	**0.00**	**(4,218,417)**	**4,218,417**

Basin Transit Service Transp. District
Klamath Falls, Oregon
For the One Month Ending July 31, 2026

Capital Reserve

	Current Month	Year to Date	% of Budget	Fiscal Budget	Over (Under)
Revenues					
Capital Res Beginning Fund Bal	406,530	406,530	84.71	479,881	(73,351)
Capital Res Interest	777	777	7.90	9,840	(9,063)
GF Transfer to Capital Res	0	0	0.00	9,379	(9,379)
Total Revenues	**407,307**	**407,307**	**81.61**	**499,100**	**(91,793)**
Expenses					
Capital Res Trans to GF	0	0	0.00	0	0
Capital Res Reserve for Fut Ex	0	0	0.00	499,100	(499,100)
Total Expenses	**0**	**0**	**0.00**	**499,100**	**(499,100)**
Total Capital Reserve	**407,307**	**407,307**	**0.00**	**0**	**407,307**

Information

FY 2024 Single Audit Report

All on the go BTS

Action

FY 2024 Single Audit Report Corrective Action Plan Presentation and Signature

August 26, 2026

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for Basin Transit Service Transportation District

Basin Transit Service Transportation District respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2024. The audit was completed by the independent auditing firm Sorren CPAs, P.C. and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on August 26, 2026, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe.

Financial Statement Finding – Significant Deficiency

2024-001 – Timely Year-end Closing

Condition: The District's general ledger and underlying financial records were not reconciled and closed in a timely manner. As a result, the District did not prepare complete annual financial statements and related notes in accordance with generally accepted accounting principles within the required time frame, and the issuance of the audited financial statements was not timely.

Cause: The District experienced delays in completing year-end closing activities, account reconciliations, and preparation of the financial statements due to a cumulative backlog of accounting and reconciliation matters that had developed over multiple prior years. The effort required to resolve and clear these outstanding items extended the time needed to complete the year-end financial reporting process within established timelines.

Auditor Recommendation: We recommend that management continue efforts to eliminate the backlog of unresolved accounting and reconciliation matters carried forward from prior years and implement controls to prevent similar backlogs from accumulating in the future. This should include periodic reconciliation and review of significant accounts, timely investigation and resolution of outstanding items, and a formal year-end closing process that includes established milestones and oversight to promote timely completion of the District's financial statements and required reporting.

Plan of Action: The District has already implemented corrective measures to address the accounting backlog and prevent the continued accumulation of unposted financial activity. Management determined that maintaining current accounting records was necessary to prevent additional backlog while outstanding accounting and reconciliation matters from prior periods were being resolved.

This included financial activity in Accounts Payable, Accounts Receivable, Payroll, and the General Ledger, which have been processed and posted monthly. Applicable internal controls, including transaction authorization, review, and supporting documentation requirements, have been consistently applied. Financial reporting has also been completed timely.

Management will continue its efforts to eliminate the remaining backlog of prior-year reconciliation matters. Because current-period account reconciliations depend upon accurate and reconciled prior-period balances, outstanding reconciliations are being addressed in chronological order to establish reliable beginning balances and identify unresolved items carried forward from prior periods.

As prior-period reconciliations are completed, the District will implement a regular reconciliation schedule for significant accounts. Reconciling items will be identified, investigated, documented, and resolved timely, with appropriate management review and oversight.

The District will also develop and implement a formal year-end closing process. The process will establish responsibilities, closing activities, reconciliation requirements, milestones, management review, and target completion dates to promote timely completion of the General Ledger, annual financial statements, related notes, and required financial reporting.

Management will continue to monitor the monthly accounting cycle and progress on outstanding reconciliations to ensure that a significant backlog does not recur and that the District progresses toward a timely and sustainable year-end closing process.

Date of implementation: Partial implementation of this action plan began on July 1, 2024. Because of the backlog that still exists surrounding reconciliation and therefore a timely year-end close as well as being behind on annual audits, the following timeline will be followed:

- Reconciliations of Fiscal Year Ending 6/30/2025 will be completed by September 21, 2026.
- Year-end close procedures for FYE 2025, which include annual journal entries as well as any required adjustments will be completed by October 2026.
- Reconciliations for Fiscal Year Ending 6/30/2026 will be completed by first quarter of 2027.
- Year-end close procedures for FYE 2026, which will include annual journal entries as well as any required adjustments will be completed before the annual audit for FYE 2026 begins.

<u>**Federal Awards Finding – Material Weakness**</u>

2024-002 – Procurement, Suspension, and Debarment

Condition: The District did not have an established policy or procurement protocol in place to ensure vendor verification through one of the three methods defined in federal compliance requirements.

Cause: This condition appears to be the result of a lack of internal controls designed to ensure compliance with Uniform Guidance.

Auditor Recommendation: We recommend that the District update their procurement policies and processes to ensure that suspension and debarment compliance requirements are being met and effective internal controls are in place.

Plan of Action: The District updated its procurement policies and procedures to ensure compliance with federal suspension and debarment requirements under Uniform Guidance. The revised procurement policy establishes procedures requiring verification that vendors are not suspended or debarred prior to entering into contracts or making purchases using federal funds.

The policy requires the Finance Department to verify vendor eligibility through one of the approved federal methods, including review of the System for Award Management (SAM.gov), obtaining vendor certifications regarding suspension and debarment status, or incorporating suspension and debarment verification language into applicable contracts. Documentation of the verification process will be maintained with procurement records.

These procedures are designed to strengthen internal controls over procurement activities and ensure the District maintains compliance with both State and Federal procurement requirements.

Date of implementation: Corrective action was implemented in February 2026 when the District presented an updated Procurement Policy to the Board of Directors, which was formally approved. The revised policy includes procedures to ensure compliance with federal suspension and debarment requirements.
Following Board approval, the Finance Department began implementing the updated procedures for vendor verification and maintaining documentation of suspension and debarment checks as part of procurement records. These procedures are now incorporated into the District's procurement processes to ensure ongoing compliance with federal requirements.

If there are any questions regarding this plan, please contact Michelle Carpenter by email at mcarpenter@basintransit.com or by phone at 541-851-2830.

____
Erick Noble, Board Chair Signature

____
Michelle Carpenter, Finance and Grant Manager Signature

____
Adriane Mateos, General Manager Signature

Information

General Manager's Report

General Manager Report

Managing Resources	Leading People
• Staffing: 3 FTOs prolonged absence • Facilities: • 4 SEP Facilities Master Plan site visit • Environment: TO & front-line staff safety risks & response • Infrastructure: Impact to schedule by construction projects	• Communication: SEP 2026 Performance Evaluations • Development: OCT Safety Committee Safety workshop attendance in Ashland **Improving the Organization** • 1130 Adams St renovation

“On the go for you...” BTS

Service Delivery

- 24 AUG: KBSC & BTS: Coordination meeting
- 24 AUG: SCOEDD’s BTS site visit
- AUG: ODOT Projects KLE support
- AUG: Amanda Pietz’s BTS site visit
- Klamath County EM Support: 24 rides during evacuation period

ACTION

Resolution 2026-14 In the Matter of Authorization of the Board Chairperson to sign the RVHT Grant Agreement

BEFORE THE BOARD OF DIRECTORS
OF
BASIN TRANSIT SERVICE TRANSPORTATION DISTRICT

IN THE MATTER OF AUTHORIZATION OF THE BOARD CHAIRPERSON TO SIGN GRANT AGREEMENT FOR AGREEMENT 35952 RVHT STATE GRANT	))))	RESOLUTION AND ORDER NO. 2026 - 14

WHEREAS this matter came before the Board at its meeting of August 26, 2026, and

WHEREAS, The District has made a successful application for the Rural Veterans Healthcare Transportation (RVHT) funds for biennium 26-27 through the Oregon Department of Transportation for preservation of the current program and to provide medical transport to medical facilities in White City, Oregon for a total of $65,664.00. No local match is required.

State	Grant Type	Description	Total Grant Amount	Total State Amount	Total Local Match Amount
RVHT Grant	Operations	Provide free fares on local routes and rides to White City, OR Medical Facilities	$65,664	$65,644	0.00

WHEREAS the Finance Manager requests the Board of Directors to authorize the Chairperson for the Board to sign the ODOT agreements for the District as its legally designated representative.

NOW AND THEREFORE, the Board of Directors of Basin Transit Service Transportation District of Klamath County, Oregon, RESOLVES AS FOLLOWS:

That the Chairperson for the Board of Directors shall sign the agreement for RVHT State grant funded through the Oregon Department of Transportation as the designated representative of the District.

DATED this 26th of August 2026

BOARD OF DIRECTORS, BASIN TRANSIT
SERVICE TRANSPORTATION DISTRICT

____
Erik Nobel, CHAIRPERSON

____
Crystal Entriken, RECORDING SECRETARY

PUBLIC TRANSPORTATION OFFICE
OREGON DEPARTMENT OF TRANSPORTATION

This Agreement is made and entered into by and between the **State of Oregon**, acting by and through its Department of Transportation, Public Transportation Division, hereinafter referred to as "State," and **Basin Transit Service Transportation District**, hereinafter referred to as "Recipient," and collectively referred to as the "Parties."

AGREEMENT

1. **Effective Date.** This Agreement shall become effective on the later of **January 1, 2026** or the date when this Agreement is fully executed and approved as required by applicable law. Unless otherwise terminated or extended, grant funds under this Agreement shall be available for project costs incurred on or before **June 30, 2027** (the "Expiration Date"). No grant funds are available for any expenditures after the Expiration Date. State's obligation to disburse grant funds under this Agreement shall end as provided in Section 10 of this Agreement.

2. **Agreement Documents.** This Agreement consists of this document and the following documents, all of which are attached hereto and incorporated herein by reference:

   Exhibit A: Project Description and Budget

   Exhibit B: Financial Information

   Exhibit C: Subagreement Insurance Requirements and Recipient Insurance Requirements

   In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: this Agreement without Exhibits; Exhibit A; Exhibit B; Exhibit C.

3. **Project Cost; Grant Funds.** State shall provide Recipient an amount not to exceed **$65,664.00** (the "Grant Funds"). Recipient acknowledges and agrees that State may change the amount of funds available under this Agreement, based on availability of funds and other factors as determined by State, upon notification to Recipient in accordance with Section 11.g of this agreement. Recipient will be responsible for all Project costs not covered by the Grant Funds.

4. **Project.** The Grant Funds shall be used solely for the project described in Exhibit A (the "Project") and shall not be used for any other purpose. No Grant Funds will be disbursed for any changes to the Project unless such changes are approved by State by amendment pursuant to Section 11.d hereof.

5. **Progress Reports.** . Recipient shall submit quarterly progress reports to State no later than 45 days after the close of each quarterly reporting period. Reporting periods are July through September, October through December, January through March, and April through June. Reports must be in a format acceptable to State and must be entered into the Oregon Public Transit Information System (OPTIS), which may be accessed at https://www.oregon.gov/odot/RPTD/Pages/index.aspx. If Recipient is unable to access OPTIS, reports must be sent to ODOTPTDReporting@odot.state.or.us. Reports shall include a statement of revenues and expenditures for each quarter, including documentation of local match contributions and expenditures. State reserves the right to request such additional information as may be necessary to comply with federal or state reporting requirements.

6. **Disbursement and Recovery of Grant Funds.**

   a. **Disbursement Generally.** State shall reimburse eligible costs incurred in carrying out the Project, up to the Grant Funds amount provided in Section 3. Reimbursements shall be made by State within 30 days of State's approval of a request for reimbursement from Recipient using a format that is acceptable to State. Requests for reimbursement must be entered into OPTIS or sent to ODOTPTDReporting@odot.oregon.gov. Eligible costs are the reasonable and necessary costs incurred by Recipient, or under a subagreement described in Section 9 of this Agreement, in performance of the Project and that are not excluded from reimbursement by State, either by this Agreement or by exclusion as a result of financial review or audit.

b. **Conditions Precedent to Disbursement.** State's obligation to disburse Grant Funds to Recipient is subject to satisfaction, with respect to each disbursement, of each of the following conditions precedent:

   i. State has received funding, appropriations, limitations, allotments or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to make the disbursement.

   ii. Recipient is in compliance with the terms of this Agreement.

   iii. Recipient's representations and warranties set forth in Section 7 hereof are true and correct on the date of disbursement with the same effect as though made on the date of disbursement.

   iv. Recipient has provided to State a request for reimbursement using a format that is acceptable to and approved by State. Recipient must submit its final request for reimbursement following completion of the Project and no later than 60 days after the Expiration Date. Failure to submit the final request for reimbursement within 60 days after the Expiration Date could result in non-payment.

   v. Any audit findings relating to Recipient's use of funds under this Agreement or any other agreement with State have been resolved.

c. **Recovery of Funds.**

   i. Recovery of Misexpended Funds or Nonexpended Funds. Any funds disbursed to Recipient under this Agreement that are either (i) disbursed but unexpended as of the Expiration Date ("Unexpended Funds") or (ii) expended in violation or contravention of one or more of the provisions of this Agreement ("Misexpended Funds") must be returned to State. Recipient shall return all Misexpended Funds to State no later than 15 days after State's written demand. Recipient shall return all Unexpended Funds to State within 15 days after the earlier of expiration or termination of this Agreement.

   ii. Recovery of Funds upon Termination. If this Agreement is terminated under either Section 10(a)(i) or Section 10(a)(v) below, Recipient shall return to State all funds disbursed to Recipient within 15 days after State's written demand for the same.

7. **Representations and Warranties of Recipient.** Recipient represents and warrants to State as follows:

   a. **Organization and Authority.** Recipient is duly organized and validly existing under the laws of the State of Oregon and is eligible to receive the funds. Recipient has full power, authority, and legal right to make this Agreement and to incur and perform its obligations hereunder, and the making and performance by Recipient of this Agreement(1) have been duly authorized by all necessary action of Recipient and (2) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Recipient's Articles of Incorporation or Bylaws, if applicable, (3) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Recipient is a party or by which Recipient or any of its properties may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient of this Agreement.

   b. **Binding Obligation.** This Agreement has been duly executed and delivered by Recipient and constitutes a legal, valid and binding obligation of Recipient, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

   c. **No Solicitation.** Recipient's officers, employees, and agents shall neither solicit nor accept gratuities, favors, or any item of monetary value from contractors, potential contractors, or parties to subagreements, except as permitted by applicable law. No member or delegate to the Congress of the United States or State of Oregon employee shall be admitted to any share or part of this Agreement or any benefit arising therefrom.

d. **No Debarment.** Neither Recipient nor its principals is presently debarred, suspended, or voluntarily excluded from any federally-assisted transaction, or proposed for debarment, declared ineligible or voluntarily excluded from participating in this Agreement by any state or federal agency. Recipient agrees to notify State immediately if it is debarred, suspended or otherwise excluded by any state or federal agency or if circumstances change that may affect this status, including without limitation upon any relevant indictments or convictions of crimes.

The warranties set in this section are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

8. **Records Maintenance and Access; Audit.**

a. **Records, Access to Records and Facilities.** Recipient shall make and retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with all applicable generally accepted accounting principles, generally accepted governmental auditing standards and state minimum standards for audits of municipal corporations. Recipient shall require that each of its subrecipients and subcontractors complies with these requirements. State, the Secretary of State of the State of Oregon (Secretary), the United States Department of Transportation (USDOT), the Federal Transit Administration (FTA) and their duly authorized representatives shall have access to the books, documents, papers and records of Recipient that are directly related to this Agreement, the funds provided hereunder, or the Project for the purpose of making audits and examinations. In addition, State, the Secretary, USDOT, FTA and their duly authorized representatives may make and retain excerpts, copies, and transcriptions of the foregoing books, documents, papers, and records. Recipient shall permit authorized representatives of State, the Secretary, USDOT and FTA to perform site reviews of the Project, and to inspect all vehicles, real property, facilities and equipment purchased by Recipient as part of the Project, and any transportation services rendered by Recipient.

b. **Retention of Records.** Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement, including, without limitation, records relating to capital assets funded by this Agreement, the funds or the Project for a minimum of six (6) years, or such longer period as may be required by other provisions of this Agreement or applicable law, following the Expiration Date. If there are unresolved audit questions at the end of the six-year period, Recipient shall retain the records until the questions are resolved.

c. **Expenditure Records.** Recipient shall document the expenditure of all Grant Funds disbursed by State under this Agreement. Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit State to verify how the funds were expended.

d. **Audit Requirements.**

i. Recipient shall, at Recipient's own expense, submit to State, Public Transportation Division, 555 13th Street NE, Suite 3, Salem, Oregon, 97301-4179 or to ODOTPTDreporting@odot.state.or.us, a copy of, or electronic link to, any annual audit covering the funds expended under this Agreement by Recipient or a party to any subagreement with Recipient, as well as the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of Recipient responsible for the financial management of funds received under this Agreement.

ii. Recipient shall save, protect and hold harmless State from the cost of any audits or special investigations performed by the Secretary with respect to the funds expended under this Agreement. Recipient acknowledges and agrees that any audit costs incurred by Recipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Recipient and State.

This section 8 shall survive any expiration or termination of this Agreement.

9. **Recipient Subagreements and Procurements**

   a. **Subagreements.** Recipient may enter into agreements with sub-recipients, contractors or subcontractors (collectively, "subagreements") for performance of the Project.

      i. All subagreements must be in writing executed by Recipient and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the subagreement(s). Use of a subagreement does not relieve Recipient of its responsibilities under this Agreement.

      ii. Recipient shall require all of its contractors performing work under this Agreement to name State as a third-party beneficiary of Recipient's subagreement with the contractor and to name State as an additional or "dual" obligee on contractors' payment and performance bonds.

      iii. Recipient shall provide State with a copy of any signed subagreement, as well as any other purchasing or contracting documentation, upon request by State. This Paragraph 9.a.iii. shall survive expiration or termination of this Agreement.

      iv. Recipient must report to State any material breach of a term or condition of a subagreement within ten (10) days of Recipient discovering the breach.

   b. **Subagreement indemnity; insurance.**

      i. **Recipient's subagreement(s) shall require the other party to such subagreements(s) that is not a unit of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless State and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to Recipient's subagreement or any of such party's officers, agents, employees or subcontractors ("Claims"). It is the specific intention of the Parties that the State shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the State, be indemnified by the other party to Recipient's subagreement(s) from and against any and all Claims.**

      ii. Any such indemnification shall also provide that neither Recipient's subrecipient(s), contractor(s) nor subcontractor(s) (collectively "Subrecipients"), nor any attorney engaged by Recipient's Subrecipient(s), shall defend any claim in the name of the State or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that Recipient's Subrecipient is prohibited from defending State or that Recipient's Subrecipient is not adequately defending State's interests, or that an important governmental principle is at issue or that it is in the best interests of State to do so. State reserves all rights to pursue claims it may have against Recipient's Subrecipient if State elects to assume its own defense.

      iii. Recipient shall require the other party, or parties, to each of its subagreements that are not units of local government as defined in ORS 190.003 to obtain and maintain insurance of the types and in the amounts provided in Exhibit C to this Agreement. Recipient may specify insurance requirements of its contractor(s) above the minimum insurance requirements specified in Exhibit C. Recipient shall verify its contractor(s) meet the insurance requirements in Exhibit C.

   c. **Procurements.** Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, as applicable, including all applicable provisions of the Oregon Public Contracting Code (Oregon Revised Statutes (ORS) Chapters 279 A, B and C) and rules, ensuring that:

      i. Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, as applicable, including all applicable provisions of the Oregon Public Contracting Code and rules. Procurements of rolling stock, facilities and personal services for any amount, and all procurements for an amount greater than $100,000 must be approved by State prior to solicitation.

ii. Recipient shall complete all purchases, including installation, and all construction of capital assets funded under this Agreement prior to the Expiration Date of this Agreement. If local circumstances prevent purchase, installation, or construction by the specified date, Recipient will notify State in writing of the circumstances regarding the delay. Such notification must be received at least forty-five (45) days prior to the expiration of the Agreement. Agreement amendment for time will be considered in extenuating circumstances.

d. **Conflicts of Interest.** Recipient's public officials shall comply with Oregon's government ethics laws, ORS 244.010 et seq., as those laws may be subsequently amended.

10. **Termination**

a. **Termination by State.** State may terminate this Agreement effective upon delivery of written notice of termination to Recipient, or at such later date as may be established by State in such written notice, if:

i. Recipient fails to perform the Project within the time specified herein or any extension thereof or commencement, continuation or timely completion of the Project by Recipient is, for any reason, rendered improbable, impossible, or illegal; or

ii. State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement; or

iii. Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement; or

iv. The Project would not produce results commensurate with the further expenditure of funds; or

v. Recipient takes any action pertaining to this Agreement without the approval of State and which under the provisions of this Agreement would have required the approval of State.

b. **Termination by Recipient.** Recipient may terminate this Agreement effective upon delivery of written notice of termination to State, or at such later date as may be established by Recipient in such written notice, if:

i. Recipient fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow Recipient, in the exercise of its reasonable administrative discretion, to continue to perform under this Agreement;

ii. Upon notification to State of its desire to withdraw from eligibility to receive the funds and providing to State a reason acceptable to State for the withdrawal; or

iii. If federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement.

c. **Termination by Either Party.** Either Party may terminate this Agreement upon at least ten days' notice to the other Party and failure of the other Party to cure within the period provided in the notice, if the other Party fails to comply with any of the terms of this Agreement.

11. **General Provisions**

a. **Contribution.** If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or Recipient with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.

With respect to a Third Party Claim for which State is jointly liable with Recipient (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of the State on the one hand and of the Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.

With respect to a Third Party Claim for which Recipient is jointly liable with State (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

b. **Dispute Resolution.** The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.

c. **Insurance.** Recipient shall meet the insurance requirements within Exhibit C.

d. **Amendments.** This Agreement may be amended or extended only by a written instrument signed by both Parties and approved as required by applicable law.

e. **Duplicate Payment.** Recipient is not entitled to compensation or any other form of duplicate, overlapping or multiple payments for the same work performed under this Agreement from any agency of the State of Oregon or the United States of America or any other party, organization or individual.

f. **No Third Party Beneficiaries.** State and Recipient are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly or indirectly, to a third person unless such a third person is individually identified by name herein and expressly described as an intended beneficiary of the terms of this Agreement.

Recipient acknowledges and agrees that the Federal Government, absent express written consent by the Federal Government, is not a party to this Agreement and shall not be subject to any obligations or liabilities to the Recipient, contractor or any other party (whether or not a party to the Agreement) pertaining to any matter resulting from this

Agreement.

g. **Governing Law, Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between State (or any other agency or department of the State of Oregon) and Recipient that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County in the State of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. EACH PARTY HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURT, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY CLAIM THAT SUCH FORUM IS AN INCONVENIENT FORUM.

h. **Compliance with Law.** Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement or to the implementation of the Project, as applicable to Recipient. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

i. **Independent Contractor.** Recipient shall perform the Project as an independent contractor and not as an agent or employee of State. Recipient has no right or authority to incur or create any obligation for or legally bind State in any way. State cannot and will not control the means or manner by which Recipient performs the Project, except as specifically set forth in this Agreement. Recipient is responsible for determining the appropriate means and manner of performing the Project. Recipient acknowledges and agrees that Recipient is not an "officer", "employee", or "agent" of State, as those terms are used in ORS 30.265, and shall not make representations to third parties to the contrary.

j. **Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

k. **Counterparts.** This Agreement may be executed in two or more counterparts (by facsimile or otherwise), each of which is an original and all of which together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.

l. **Integration and Waiver.** This Agreement, including all Exhibits, constitutes the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The delay or failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by that Party of that or any other provision. Recipient, by the signature below of its authorized representative, hereby acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

m. **Survival.** The following provisions survive termination of this Agreement: Sections 6.c., 8 and 11.

The Parties, by execution of this Agreement, hereby acknowledge that each Party has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

The Oregon Transportation Commission on October 20, 2010, approved Delegation Order Number OTC-01, which authorizes the Director of the Oregon Department of Transportation to administer programs related to public transit.

On March 1, 2012, the Director approved Delegation Order Number DIR-04, which delegates the authority to approve this Agreement to the Rail and Public Transit Division Administrator.

SIGNATURE PAGE TO FOLLOW

Basin Transit Service Transportation District, by and through its

____

By ______________________________
(Legally designated representative)

Name ______________________________
(printed)

Date ______________________________

By ______________________________

Name ______________________________
(printed)

Date ______________________________

APPROVED AS TO LEGAL SUFFICIENCY

(If required in local process)

By ______________________________
Recipient's Legal Counsel

Date ______________________________

State of Oregon, by and through its Department of Transportation

By ______________________________
Andrea Durbin
Public Transportation Office Manager

Date ______________________________

APPROVAL RECOMMENDED

By Jovi Arellano

Date 07/22/2026

APPROVED AS TO LEGAL SUFFICIENCY
(For funding over $250,000)

N/A

Recipient Contact:
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State Contact:
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Signed Agreement Return Address: ODOTPTDReporting@odot.oregon.gov

EXHIBIT A

Project Description and Budget

Project Description/Statement of Work

Project Title: RVHT Basin Transit Service Transportation District 35952 *Fare-free fixed route, paratransit, and demand response for veterans*				
	Total	Grant Amount	Local Match	Match Type(s)
P-25-6414-01 Item #1: Operating Assistance				
	$53,438.00	$53,438.00	$0.00	
P-25-6414-02 Item #1: Mobility Management - 5302(a)(1)(L)				
	$2,226.00	$2,226.00	$0.00	
P-25-6414-03 Item #1: Other Activities				
	$10,000.00	$10,000.00	$0.00	
Sub Total	$65,664.00	$65,664.00	$0.00	
Grand Total	**$65,664.00**	**$65,664.00**	**$0.00**	

1. PROJECT DESCRIPTION

This Agreement provides funding the following activities (collectively, the "Project"): Recipient to provide veterans participating in the Klamath County Veterans program fare-free rides on fixed route, paratransit, and demand response services for veterans living in rural areas of Klamath County to healthcare destinations in Klamath County and the Veterans White City Veterans Affairs Medical Center.

Services are provided Monday through Friday according to the typical hours for Recipient's fixed-route, paratransit, and demand response services. Veteran Services to White City Veterans Affairs Medical Center will be provided on Tuesdays and Thursdays according to the typical hours of the demand response service.

Veteran Rides will be provided by the Recipient as a part of the current out-of-district demand response service for veterans living in the rural areas of Klamath County outside of the Recipient's fixed route service area.

A portion of the funds in this grant come from the Agency's Technical Resource Center (TRC). Using the TRC portion of grant funds in this project, Recipient may procure technology solutions to support the Rural Veterans Healthcare Transportation project including, but not limited to, upgrades or improvements to dispatching systems. The TRC portion of grant funds cannot be used on operations or purchased services. The TRC portion of grant funds is $10,000.

2. PROJECT DELIVERABLES, TASKS and SCHEDULE

The service, schedule, days, hours, and service type will be designed to meet the needs of the target population as determined by Recipient and program type, in consultation with the operator of service, the affected community members, and stakeholders identified by Recipient.

Recipient may amend the service design at any time in accordance with local demand, funding issues, or other situations that require service to be changed. Recipient will inform State if there is a change in the service funded by this Agreement.

Recipient will market the services in culturally appropriate ways. Marketing and promotional activities should be focused on incentivizing ridership through inclusive customer engagement techniques. Activities may include marketing strategies, marketing campaigns, and creating marketing materials. Recipient may use key performance indicators in marketing the service.

Recipient will conduct travel training and outreach to veterans to promote the available services at veterans events in coordination with veteran organizations and veteran services providers in

Klamath County.

Recipient will coordinate as appropriate with the statewide GoVets Outreach Coordinator at the Rogue Valley Transportation District to promote and improve veteran transportation services in Klamath County.
Recipient is encouraged to set realistic goals and establish measurable outcomes for this project. Progress meeting established goals and outcomes should be shared in Recipient's agency periodic report.

Recipient shall engage in a good faith effort to generate program income to help defray program costs. If program income is generated from federally-funded projects, that income must be reported on the agency periodic report.

Milestones/Goals of Project
- Maintain and increase the number of veteran riders, veteran services miles, and veteran service hours provided to Klamath County veterans.
- Maintain and increase outreach and mobility management support to Klamath County veterans.
Initial Contract Date: January 1, 2026
Contract Completion Date/Extension of Contract if allowed: June 30, 2027

Projected ridership goals established for this project:
For 2025-2027: 450 rides, 4,968 service miles, 489 service hours
For veteran outreach and mobility management: 8 outreach events, 300 veterans contacted, 200 veterans receiving mobility management support.

Ridership is the actual or estimated one-way passenger trips provided to the target population. A passenger trip is a unit of service counted each time a passenger enters the vehicle, is transported and then exits the vehicle. Each different destination constitutes a passenger trip.

3. PROJECT ACCOUNTING and MATCHING FUNDING

Generally accepted accounting principles and Recipient's own accounting system determine those costs that are to be accounted for as gross operating expenses. The contractor may use capital equipment funded from USDOT- or State-source grants when performing services rendered through a contract funded by this Agreement. Depreciation of capital equipment funded from USDOT- or State-source grants is not an eligible expense.

No match funding is required for this State-source grant.

Recipient will subtract revenue from fares, tickets and passes, either pre-paid or post-paid, from the gross operating expense of the service. Administrative expenses are reimbursable as operating expenses.

4. REPORTING and INVOICING REQUIREMENTS

Recipient will request reimbursement for covered expenses incurred during each period as prescribed by State. Copies of invoices must be submitted for all vendor charges. In-house charges must be documented showing time specifically associated with the project. In addition, Recipient must regularly provide a summary of the work performed pursuant to this Agreement in its agency periodic report. Photographs of public transportation activities, and related operations, are encouraged to memorialize the achievement of project deliverables.
Purchased or contracted service reimbursement requests must include a breakdown of expenses. Agencies are required to submit invoices or comparable documentation when requesting payment for services purchased from a third party.
Invoices must:
- Be legible
- Match the amount requested for reimbursement
- Include a description of the service (hours, rate, quantity of service)
- Include the date(s) of the service
- Include the agency providing the service

- Subrecipients should not attach invoices that are not directly related to the expenses that are requested on the reimbursement request document.

If the subrecipients of the service also provide preventive maintenance, dispatching, and/or other service, these costs should be itemized separately on the same invoice unless these activities are included in the same hourly or other rate established by the contract between the subrecipient and vendor.

Subrecipients should use a worksheet (budget detail worksheet or equivalent) to clearly list the expenses claimed in OPTIS. Budget detail shall include a breakdown of costs to be reimbursed from the two state funding sources in the project: Rural Veterans Healthcare Transportation and Technical Resource Center. This aids the state in determination of eligible expenses if the agency has more than one agreement from which to claim expenses and ensures all expenses are accounted for and are not duplicated.

Recipient shall complete an RVHT report for each quarter that reimbursement is requested using the reporting form at https://www.cognitoforms.com/ODOT2/RuralVeteransHealthcareTransportationReport.

EXHIBIT B

FINANCIAL INFORMATION

This Agreement is financed by the funding source indicated below:

State Program	**State Funding Agency**		**Total State Funding**
RVHT ORS 408.355 and OAR Chapter 732, Division 20-0050.	Oregon Department of Veterans' Affairs 700 Summer St. NE Salem, OR 97301		**$55,664.00**
State Program	**State Funding Agency**		**Total State Funding**
STIF: ORS 184.758 through ORS 184.766 and OAR Chapter 732, Divisions 040, 042, and 044.	Oregon Department of Transportation 355 Capitol St. N.E. Salem, OR 97301-3871		**$10,000.00**

Administered By
Public Transportation Office 355 Capitol Street NE, MS 43 Salem, OR 97301

EXHIBIT C

Insurance Requirements

Subagreement Insurance Requirements

GENERAL.

Recipient shall require in its first tier subagreements with entities that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the subagreement commences, and ii) maintain the insurance in full force throughout the duration of the subagreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to State. Recipient shall not authorize work to begin under subagreements until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the subagreement permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Recipient permit work under a subagreement when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, "first tier" means a subagreement in which the Recipient is a Party.

TYPES AND AMOUNTS.

WORKERS COMPENSATION.
All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide **Workers' Compensation Insurance** coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). The coverage shall include Employer's Liability Insurance with limits not less than $500,000 each accident. **Contractor shall require compliance with these requirements in each of its subcontractor contracts.**

COMMERCIAL GENERAL LIABILITY.
Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury and property damage and shall include personal and advertising injury liability, products and completed operations, and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track, roadbed, tunnel, underpass or crossing, the Contractor shall provide the Contractual Liability - Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy. Amounts below are a minimum requirement as determined by State:

Coverage shall be written on an occurrence basis in an amount of not less than **$1,000,000** per occurrence. Annual aggregate limit shall not be less than **$2,000,000.**

AUTOMOBILE LIABILITY.
Automobile Liability Insurance covering Contractor's business-related automobile use covering all owned, non-owned, or hired vehicles for bodily injury and property. Amount below is a minimum requirement as determined by State:

Coverage shall be written with a combined single limit of not less than **$1,000,000.**

This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

EXCESS/UMBRELLA LIABILITY.
A combination of primary and Excess/Umbrella Liability Insurance may be used to meet the required

limits of insurance.

ADDITIONAL INSURED.
The liability insurance coverages, except Professional Liability or Workers' Compensation/ Employer's Liability, if included, must include the **"State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees"** as an **endorsed** Additional Insured but only with respect to the contractor's activities to be performed under the Subagreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations. Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Recipient.

"TAIL" COVERAGE.
If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance or pollution liability insurance, the contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the Subagreement, for a minimum of twenty-four (24) months following the later of : (i) the contractor's completion and Recipient's acceptance of all Services required under the Subagreement or, (ii) the expiration of all warranty periods provided under the Subagreement. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then the contractor may request and State may grant approval of the maximum "tail " coverage period reasonably available in the marketplace. If State approval is granted, the contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace.

NOTICE OF CANCELLATION OR CHANGE.
The contractor or its insurer must provide thirty (30) days' written notice to Recipient before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s). **Recipient shall immediately notify State of any change in insurance coverage.**

CERTIFICATE(S) OF INSURANCE.
Recipient shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the Subcontract. The certificate(s) or an attached endorsement must specify: i) all entities and individuals who are endorsed on the policy as Additional Insured and ii) for insurance on a "claims made" basis, the extended reporting period applicable to "tail" or continuous "claims made" coverage.

Recipient Insurance Requirements

1. GENERAL.

Recipient shall obtain at Recipient's expense the insurance specified in this exhibit prior to performing under this Agreement and shall maintain it in full force and at its own expense throughout the duration of this Agreement, as required by any extended reporting period or continuous claims made coverage requirements, and all warranty periods that apply. Recipient shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. Coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers' Compensation. Recipient shall pay for all deductibles, self-insured retention and self-insurance, if any.

INSURANCE REQUIREMENT REVIEW.
Recipient agrees to periodic review of insurance requirements by State under this Agreement and

to provide updated requirements as mutually agreed upon by Recipient and State.

2. TYPES AND AMOUNTS.

WORKERS COMPENSATION.
All employers, including Recipient, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Recipient shall require and ensure that each of its subcontractors complies with these requirements. If Recipient is a subject employer, as defined in ORS 656.023, Recipient shall also obtain employers' liability insurance coverage with limits not less than $500,000 each accident. If Recipient is an employer subject to any other state's workers' compensation law, Contactor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than $500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

COMMERCIAL GENERAL LIABILITY.
Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury, death, and property damage and shall include personal and advertising injury liability, products and completed operations and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track, roadbed, tunnel, underpass or crossing, the Contractor shall provide the Contractual Liability - Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy. Commercial General Liability Insurance shall not be less than the following amounts as determined by State:

Coverage shall be written on an occurrence basis in an amount of not less than **$1,000,000** per occurrence.

Annual aggregate limit shall not be less than **$2,000,000**.

AUTOMOBILE LIABILITY.
Automobile Liability Insurance covering business-related automobile use on all owned, non-owned or hired vehicles for bodily injury and property. Automobile Liability Insurance shall not be less than the following amount as determined by State:

Coverage shall be written with a combined single limit of not less than **$1,000,000**.

This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

EXCESS/UMBRELLA LIABILITY.
A combination of primary and Excess/Umbrella Liability Insurance may be used to meet the required limits of insurance.

ADDITIONAL INSURED.
The liability insurance coverages, except Professional Liability or Workers' Compensation/ Employer's Liability, if included, must include the **"State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees"** as an **endorsed** Additional Insured but only with respect to the Recipient's activities to be performed under this Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations. Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Recipient.

WAIVER OF SUBROGATION.

Recipient shall waive rights of subrogation which Recipient or any insurer of Recipient may acquire against the department or State of Oregon by virtue of the payment of any loss. Recipient will obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the State has received a waiver of subrogation endorsement from the Recipient or the Recipient's insurer(s).

CONTINUOUS CLAIMS MADE COVERAGE:
If any of the required liability insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, then Recipient shall maintain continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of this Agreement, for a minimum of 24 months following the later of:
i. Recipient's completion and State's acceptance of all project work required under the Agreement, or
ii. State or Recipient termination of this Agreement, or
iii. The expiration of all warranty periods provided under this Agreement.

3. NOTICE OF CANCELLATION OR CHANGE.
Recipient or its insurer must provide 30 days' written notice to State before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

4. CERTIFICATE(S) AND PROOF OF INSURANCE.
Recipient shall provide to State Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Agreement. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate(s) shall also include all required endorsements or copies of the applicable policy language effecting coverage required by this Agreement. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance State has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Agreement.

5. STATE ACCEPTANCE.
All insurance providers are subject to State acceptance. If requested by State, Recipient shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to State's representatives responsible for verification of the insurance coverages required under this **Exhibit C.**

"On the go for you..." BTS

NEW BUSINESS

Board of Directors Meeting

AUGUST 2026