

**VICTOR VALLEY TRANSIT AUTHORITY
REGULAR MEETING OF
THE BOARD OF DIRECTORS
February 21, 2023, 9:30 A.M.**

**Barstow City Council Chambers
220 East Mountain View Street
Barstow, CA 92311**

Victor Valley Transit Authority Board of Directors

Liz Becerra, Chair, City of Victorville
James Nobel, Vice-Chair, City of Barstow
Larry Bird, Director, City of City of Hesperia
Paul Cook, Director, County of San Bernardino
Dawn Rowe, Director, County of San Bernardino
Joy Jeannette, Director, City of Adelanto
Curt Emick, Director, Town of Apple Valley

MISSION STATEMENT

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

AGENDA

The Board of Directors meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is 760-948-3262 x112, (voice) or for Telephone Device for the Deaf (TDD) service, begin by calling 711 and provide the VVTa phone number and the office is located at 17150 Smoke Tree Street, Hesperia, CA. This agenda available and posted: Tuesday, February 14, 2023.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

PUBLIC COMMENTS

This is the time the Board will hear public comments regarding items not on the agenda or the consent calendar. Individuals who wish to speak to the Board regarding agenda items or during public comments should fill out a comment card and submit it to the Clerk of the Board. Each speaker is allowed three (3) minutes to present their comments. The Board will not remark on public comments; however, each comment will be taken into consideration by VVTA.

CONSENT CALENDAR

Consent Calendar items shall be adopted by a single vote unless removed for discussion by Board member request.

Pg. 9 ***Item #1: Minutes from Regular Meeting of The Board of Directors Conducted January 17, 2023.***

Recommendation: Move for approval.

Presented by: None.

Pg. 219 ***Item #2: Warrants, December 2022.***

Recommendation: Move for approval.

Presented by: None.

REPORTS

Pg. 25 ***Item #3: Management Reports for Hesperia and Barstow Divisions – Verbal Report from Executive Director.***

Recommendation: Information item only.

Presented by: Kevin Kane, Executive Director/CEO.

ACTION ITEMS

Pg. 35 ***Item #4: Authorize the release of RFP 2023-11 for the Provision of Vanpool Services.***

Recommendation: Authorize the release of RFP 2023-11 for the Provision of Vanpool Services.

Presented by: Christine Plasting, Procurement Manager.

Pg. 43 ***Item #5: Release RFP 2023-01 Comprehensive Operations Analysis.***
Recommendation: **Release RFP 2023-01 Comprehensive Operations Analysis.**

Presented by: Kevin Kane, Executive Director/CEO

- Pg. 61 ***Item #6: Contract Between VVTA and Transit Consulting Strategies Corp. for Consultant Services.***
Recommendation: Approve contract for professional consulting services between VVTA and Transit Consulting Strategies Corp (TSC)., for a term of one-year, effective April 1, 2023, in an amount not to exceed \$63,000.00 exclusive of authorized reimbursable expenses. Authorize the VVTA Executive Director to execute and manage the Consultant Contract
Presented by: Adam Ebright, County Counsel.
- Pg. 77 ***Item #7: Amend the VVTA Fiscal Year 2022-23 Budget and Short-Range Transit Plan to Modify Funding for the Purchase of Paratransit Buses (20).***
Recommendation: Amend the VVTA Fiscal Year 2022-23 Budget and Short-Range Transit Plan to Modify Funding as presented for the Purchase of Paratransit Buses (20).
Presented by: Marie Downing, Grants Manager.
- Pg. 81 ***Item #8: VVTA Annual NTD Audit Report for Fiscal Year Ending June 30, 2022, Completed by Eide Bailly CPAs and Business Advisors.***
Recommendation: Receive and File.
Presented by: Nancie Goff, Chief Operating Officer.
- Pg. 99 ***Item #9: VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2022 Completed by EideBailly CPAs & Business Advisors.***
Recommendation: Receive and File.
Presented by: Maged Azer, CFO.

BOARD OF DIRECTORS COMMENTS

DATE OF NEXT MEETING

Monday, March 20, 2023, at 9:30 AM
At Victor Valley Transit Authority
17150 Smoke Tree Street
Hesperia, CA 92311

ADJOURNMENT

Victor Valley Transit Acronym List

Page 1 of 2

ADA	Americans with Disabilities Act
APTA	American Public Transit Association
AQMP	Air Quality Management Plan
BABA	Build America, Buy America
BAFO	Best and Final Offer
BEB	Battery Electric Bus
BOE	Board of Equalization
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CFP	Call for Projects
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CSAC	California State Association of Counties
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
CTSA	Consolidated Transportation Services Agency
DAC	Disadvantaged Communities
DBE	Disadvantaged Business Enterprise
DBELO	Disadvantaged Business Enterprise Liaison Officer
DOD	Department of Defense
DOT	Department of Transportation
E&H	Elderly and Handicapped
EEM	Environmental Enhancement and Mitigation
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ETC	Employee Transportation Coordinator
FAST	Fixing America's Surface Transportation ACT
FCEB	Fuel Cell Electric Bus
FEIS	Final Environmental Impact Statements
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
GIMS	Geographic Information Mapping Systems
GIS	Geographic Information Systems
GPS	Global Positioning System
HOV	High-Occupancy Vehicle
HVIP	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program.
IAS-FFA	Independent Auditors Statement for Federal Funding Allocation
IIJA	Infrastructure Investment and Jobs Act
ITS	Intelligent Transportation Systems
JPA	Joint Powers Authority
LAP	Language Assistance Plan
LCFS	Low Carbon Fuel Standard
LCTOP	Low Carbon Transit Operations Program
LD	Liquidated Damages
LEED	Leadership in Energy and Environmental Design
LEP	Limited English Proficiency

Victor Valley Transit Acronym List

Page 2 of 2

LTF	Local Transportation Fund
MaaS	Mobility-as-a-Service
MBTA	Morongo Basin Transit Authority
MDAQMD	Mojave Desert Air Quality Management District
MDT	Mobile Display Terminal
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MTP	Metropolitan Transportation Planning
MTBP	Mass Transit Benefit Program
NEPA	National Environmental Policy Act of 1969
NOFO	Notice of Funding Opportunity
NTD	National Transit Database
OCTA	Orange County Transportation Authority
OWP	Overall Work Program
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PCA	Personal Care Attendant
PTMISEA	Public Transportation Modernization Improvement and Service Enhancement Account.
POP	Program of Projects
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RTAP	Rural Technical Assistance Program
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SaaS	Software as a Service
SBCTA	San Bernardino County Transportation Authority (formerly SANBAG)
SCAG	Southern California Association of Governments
SGIP	Self-Generation Incentive Program
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TAM	Transit Asset Management
TCM	Transportation Control Measure
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEAM	Transportation Electronic Award and Management
TNC	Transportation Network Company
TOCP	Transit Operating and Capital Plan
TrAMS	Transit Award and Management System
TREP	Transportation Reimbursement Escort Program
TRIP	Transportation Reimbursement Incentive Program
TSSSDRA	Transit System Safety, Security and Disaster Response Account
ULEV	Ultra Low Emission Vehicle
UZAs	Urbanized Areas
VOMS	Vehicles Operated in Maximum Service
ZEB	Zero Emission Bus
ZEV	Zero Emission Vehicle

Victor Valley Transit Authority Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Victor Valley Transit Authority (VVTA) Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the (VVTA) Board of Directors.

1. **Agendas** - All agendas are posted at the VVTA Administrative offices, and the Victorville, Hesperia, Barstow and Apple Valley city/town halls at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the VVTA Administrative offices located at 17150 Smoke Tree Street, Hesperia, CA 92345.
2. **Agenda Actions** - Items listed on both the "Consent Calendar" and "Action/Discussion Items" contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.
3. **Closed Session Agenda Items** - Consideration of closed session items exclude members of the public. These items include issues related to personnel, ending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.
4. **Public Testimony on an Item** - Members of the public are afforded an opportunity to comment on any listed item. Individuals wishing to address the Board of Directors should complete a "Request to Speak" form. A form must be completed for each item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. If there is a Consent Calendar, it is considered a single item; thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.
5. **Public Comment** - At the beginning of the agenda an opportunity is also provided for members of the public to speak on any subject within VVTA's authority. Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.
6. **Disruptive Conduct** - If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of persons willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Please be aware that a NO SMOKING policy has been established for VVTA meetings. Your cooperation is appreciated!

VICTOR VALLEY TRANSIT AUTHORITY

MISSION STATEMENT

**Our mission is to serve the
community with excellent
public transportation
services in terms of quality,
efficiency, and
responsiveness.**

Quality

To increase ridership and community support by exceeding expectations.

Efficiency

To maintain an efficient operation that represents a highly-valued service.

Responsiveness

To provide services and facilities which are responsive to the needs of the community.

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**AGENDA ITEM
ONE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Minutes from the Regular Meeting of the Board of Directors Conducted on January 17, 2023.

SUMMARY STATEMENT

Following are copies of the minutes from the Regular Meeting of the Board of Directors conducted on January 17, 2023.

RECOMMENDED ACTION

Move for approval.

PRESENTED BY
Debi Albin,
Clerk of the Board

FISCAL IMPACT

N/A

MEETING DATE

February 21, 2023

ITEM NUMBER

1

**VICTOR VALLEY TRANSIT
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

**January 17, 2023
MINUTES**

CALL TO ORDER

The Regular Meeting of the Board of Directors of the Victor Valley Transit Authority was called to order at 9:31 a.m. by Chair Jeannette.

ROLL CALL

Board Members Present: Chair Liz Becerra
Vice-Chair James Noble
Director Joy Jeannette
Director Curt Emick
Director Larry Bird
Alternate-Director Kim Mesen
Alternate-Director Elaine Villareal

Staff Members Present:

Kevin Kane, VVTA	Debi Albin, VVTA
Nancie Goff, VVTA	Barbara Miller, VVTA
Maged Azer, VVTA	Christine Plasting, VVTA
John Tubbs, County Counsel	Craig Barnes, VVTA
Chris Ackerman, VVTA	Rene Alvarez, Keolis
Marie Downing, VVTA	Bryan Torres Ayala
Juan Robinson, City of Victorville	Nancy Strickert, SBCTA
Nicole Soto, SBCTA	Marc Perla, Keolis
Alex Wu, Keolis	Andres De Los Rios, Keolis
Angelina Calderon, Keolis	Dana Fleming, VVTA
Marc Elliott, VVTA	Sylvia Harris, VVTA
Nick Redwine, VVTA	Jonathan McDowell, Keolis
Julie Ryan, Town of Apple Valley	Dana Curtis, VVTA

PLEDGE OF ALLEGIANCE

Vice-Chair Noble led the audience in the pledge of allegiance.

ANNOUNCEMENTS

Mr. Kane introduced a few of visiting Keolis staff attending the meeting: Marc Perla, Western Division Vice President, Rene Alvarez, Acting Assistant General Manager, Andres Del Los Rios, Interim General Manager and Alex Wu, Vice President of Digital Services. Mr. Kane added that VVTA and Keolis continue to value the relationship that has been built with Keolis.

PUBLIC COMMENTS

None.

ACTION/DISCUSSION ITEMS

1. **Election of Chair and Vice-Chair for Calendar year 2023.**
Recommendation: Pursuant to Section 1.0024, nominate and elect a Chair and Vice Chair to fill the terms of office for calendar year 2023.
Presented by: N/A.

Alternate Director Villareal nominated Director Becerra to serve as Chair and the motion was seconded by Larry Bird. Vice-Chair Nobel nominated Chair Jeannette and was seconded by Larry Bird. Director Becerra was voted in as Chair by a 5-2 vote. Chair Jeannette nominated Vice-Chair Noble as Vice-Chair and the motion was seconded by Liz Becerra. The motion for Vice-Chair passed unanimously.

Chair Becerra asked Director Jeannette to finish chairing this meeting.

CONSENT CALENDAR

2. **Minutes from the Regular Meeting of the Board of Directors Conducted on November 21, 2022.**
Recommendation: Move for approval.
Presented by: None.
3. **Warrants, October and November 2022.**
Recommendation: Move for approval.
Presented by: None.
4. **Adopt Resolution 23-01 Safety Committee Approval of the Public Transportation Agency Safety Plan (PTASP).**
Recommendation: Move for approval.
Presented by: None.

A MOTION WAS MADE BY Chair Becerra to approve the Consent Calendar. Seconded by Director Bird. Director Emick abstained from the minutes. The motion passed unanimously.

REPORTS

5. **Meeting Notes from the Technical Advisory Committee Meeting Conducted on January 4, 2023.**
Recommendation: Information item only.
Presented by: None.

6. **Management Reports for Hesperia and Barstow Divisions – Verbal Report from Executive Director.**

Recommendation: Information item only.

Mr. Kane shared some of the plans that the Marketing Department is developing including a targeted plan for Micro-Link, a small but important piece of transit.

Discussing ridership, Mr. Kane shared that October was a free ride month and shared a chart that showed that ridership doubled during October. There is a country-wide push for free rides; however, larger agencies depend much more on fares to meet operating costs. VVTA is still struggling post-Covid to meet the required farebox ratio. California Transit Association (CTA) has a task force working on updating the TDA requirements that could be of assistance to smaller agencies like VVTA that are struggling to meet farebox requirements.

Alternate-Director Villareal asked if VVTA could do another free ride month in the future. Mr. Kane said that the budget for the next year is in process now and a free ride month will be considered.

ACTION ITEMS

7. **Selection of the New VVTA Executive Director/CEO and Direct Executive Staff, a VVTA Board Member, and VVTA Legal Counsel to Negotiate a Contract to be Brought Back to the Full VVTA Board for Approval. Effective Date to be April 1, 2023.**

Recommendation: Approve the Selection of the New VVTA Executive Director/CEO and Direct Executive Staff, a VVTA Board Member, and VVTA Legal Counsel to Negotiate a Contract to be Brought Back to the Full VVTA Board for Approval. Effective Date to be April 1, 2023.

Presented by: Kevin Kane, Executive Director/CEO.

Mr. Kane said that VVTA hired a recruiting firm, Transit Pros, who handled all the advertising for the Executive Director position. After Transit Pros vetted the applications received, they pre-interviewed approximately thirteen (13) people. During this process Ms. Goff reconsidered and submitted her application and was also interviewed. A short list of three (3) people including Ms. Goff were presented to VVTA. Mr. Kane and Ms. Albin conducted the second interviews and shared the recorded interviews with senior staff. While all staff agreed that all three (3) could do the job, continuity and twenty-eight (28) years in transit - was a deciding factor in recommending Ms. Goff for the position.

A MOTION WAS MADE BY Director Emick to approve the recommended action. Seconded by Chair Becerra. The motion passed unanimously.

8. **Amend the VVTA Fiscal Year 2022-23 Budget to Add CMAQ Funds to the Hydrogen FCEB Infrastructure Project.**

Recommendation: Amend the VVTA Fiscal Year 2022-23 Budget to Add CMAQ Funding to the Hydrogen FCEB Infrastructure Project.

Presented by: Marie Downing, Grants Manager.

Ms. Downing explained that the original competitive grant submitted for this project was not awarded to VVTA. Subsequently, VVTA made a request to SBCTA to advance a portion of the FY23/24 funding available to VVTA to cover this gap. Ms. Downing explained that CMAQ funding is a 10-year plan which is reviewed annually. VVTA can pull funds forward or push them back depending on the agency's needs. This amended funding plan applies those CMAQ funds that were allocated from SBCTA to fill the gap. Therefore, no additional LTF funds are required.

A MOTION WAS MADE BY Chair Becerra to approve the recommended action. Seconded by Alternate-Director Villareal. The motion passed unanimously.

9. **Amend the VVTA Fiscal Year 2022-23 Budget to Re-allocate Surplus Project Funds for the Purchase of Adjacent Property East of Current Facility on Smoke Tree and G Avenue.**

Recommendation: Amend the VVTA Fiscal Year 2022-23 Budget to Re-allocate Surplus Project Funds for the Purchase of Adjacent Property East of Current Facility on Smoke Tree and G Avenue. (APN 0410-121-05).

Presented by: Marie Downing, Grants Manager.

In July 2022, the Board approved the 10-acre purchase of the property directly adjacent to VVTA's Hesperia facility, Ms. Downing said. The owner of the land accepted VVTA's offer of the appraised value of \$1,090,000 with the stipulation that VVTA pay the closing costs of approximately \$64,000. Ms. Plasting stated that this purchase is currently in escrow and should close this week.

A MOTION WAS MADE BY Alternate-Director Villareal to approve the recommended action. Seconded by Alternate-Director Mesen. The motion passed unanimously.

10. **Claim for Completed Article 3 Pedestrian Access to Transit Facilities Projects.**

Recommendation: Authorize Staff to file an Article 3 reimbursement claim for \$12,562 to SBCTA for the completed Article 3 projects as presented.

Presented by: Marie Downing, Grants Manager.

Ms. Downing stated that the FY19 Article 3 call for projects, SBCTA's Board of Directors approved funding for 10 projects submitted by the City of Victorville. Of the 10 submitted projects, the City has completed 7. The available Article 3 funds for these projects is \$12,592 and LCFS credits will be used as local match for the

completed projects.

A MOTION WAS MADE BY Director Emick to approve the recommended action. Seconded by Vice-Chair Noble. The motion passed unanimously.

11. **Release RFP 2023-06 Barstow CNG Station Backup Generator.**
Recommendation: Authorize Staff to Release RFP 2023-06 Barstow CNG Station Backup Generator.
Presented by: Christine Plasting, Procurement Manager.

Ms. Plasting explained that while VVTA upgraded the LCNG station, the backup generator is needed for instances of power outages, which occur frequently during the summer months in Barstow. Mr. Kane also explained that these stations are a profit center for VVTA. Mr. Strandberg stated that the backup station should be done eight (8) months after the award of the RFP.

Director Bird asked if VVTA could shorten the award process to 45 days; Ms. Plasting explained that VVTA can certainly make that effort; however, there are several time consuming steps to awarding an RFP and it may not be possible.

There was a brief discussion of renting a backup generator in the meantime; Mr. Strandberg said it would still have to be tied in to SCE's system.

A MOTION WAS MADE BY Vice-Chair Noble to approve the recommended action. Seconded by Director Becerra. The motion passed unanimously.

12. **Release RFP 2023-08 Hesperia Perimeter Fence.**
Recommendation: Authorize Staff to Release RFP 2023-08 Hesperia Perimeter Fence Project.
Presented by: Christine Plasting, Procurement Manager.

Ms. Plasting explained that more security is needed around the employee / guest parking lots due to an increase in crime after hours. This fencing will alleviate the need for security services to patrol this area. The fencing will include three (3) man gates and all gates will remain unlocked during business hours.

A MOTION WAS MADE BY Director Bird to approve the recommended action. Seconded by Director Emick. The motion passed unanimously.

13. **Approve the Technical Advisory Committee Meeting to be Conducted on February 1, 2023, and The Board of Directors meeting to be held on February 21, 2023, conducted virtually under AB 361, and adopt the required findings. Discussion on future virtual Board meetings under AB 361.**

Recommendation: Adopt findings and approve February 1, 2023, TAC Meeting and February 21, 2023, Board virtual meeting under AB 361 during Proclaimed State of Emergency with findings as follows:

There exists a “proclaimed state of emergency”, pursuant to the Governor’s State of Emergency Declaration, issued on March 4, 2020.

- 1) State and/or local officials have imposed or recommended measures to promote social distancing.
- 2) The action and the findings contained herein shall apply to all the Standing Committees of the VVTA.

Presented by: Kevin Kane, Executive Director.

Ms. Albin stated that this will be the last time that this item will be brought to the Board as the state of emergency ends on February 28, 2023.

A MOTION WAS MADE BY Director Emick to approve the recommended action. Seconded by Chair Becerra. The motion passed unanimously.

BOARD COMMENTS

Director Bird thanked Director Jeannette for her time as Board Chair, stating that he enjoyed being on the Board during her term.

Vice-Chair Noble said he considers it an honor to represent VVTA as a Board member and wished to thank all staff for their hard work.

Director Emick said he was very pleased when Ms. Goff reconsidered the Executive Director position. He also shared that Mr. Ackerman does a fantastic job with marketing.

Alternate Director Villareal announced that County Supervisor, Dawn Rowe was elected chair of the San Bernardino County Board of Supervisors

Alternate-Director Mesen explained that a few weeks ago she asked about a bus stop that did not have a bench and her requested was fulfilled in two (2) days and is very appreciative of the fast solution. Additionally, Ms. Mesen announced that County Supervisor, Paul Cook was elected Vice Chair of the San Bernardino County Board of Supervisors

DATE OF NEXT MEETING

The next Board meeting will be on Tuesday February 21, 2023, at 220 East Mountain View Street, Barstow, CA 92311.

ADJOURNMENT

The meeting was adjourned at 10:16 am.

APPROVED: _____
Liz Becerra, Chair

ATTEST: _____
Debi Albin, Clerk of the Board

AGENDA ITEM TWO

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for December 2022.

SUMMARY STATEMENT

Agency's Register of Warrants

<u>Register Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Register #</u>
12/01/2022	\$188,118.02	14118- 14143	AP04228AAAGFA
12/07/2022	\$135,556.41	14144- 14171	AP04236AAAGFI
12/14/2022	\$2,035,997.17	14172- 14185	AP04247AAAGFT
12/20/2022	\$272,464.74	14186- 14206	AP04261AAAGGH
12/28/2022	\$295,686.28	14207- 14223	AP04291AAAGHL
	\$ 2,927,822.62		

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for December 2022.

SUMMARY STATEMENT

The following registers of Payrolls and Warrants have been audited as required By Section 37202 and 37208 of the Government code, and said documents are accurate and correct.

Agency's Gross Payroll for Administrative Employees

<u>Payroll Date</u>	<u>Amount</u>	<u>Register#</u>
12/02/2022	\$ 88,430.62	PR338-12-22
12/16/2022	\$86,584.22	PR339-12-22
12/30/2022	\$89,911.14	PR340-12-22
Total Payroll	\$ 264,925.98	

RECOMMENDED ACTION

Approve VVTA's expenditures for December 2022.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer CFO	\$ 3,192,748.60	February 21,2023	2

Bank Register Report
Victor Valley Transit Authority
Dec-22

Check Number	Date	Payee Name	Amount
14118	12/01/2022	VOID	\$0.00
14119	12/01/2022	VOID	\$0.00
14120	12/01/2022	VOID	\$0.00
14121	12/01/2022	American Express	\$12,273.55
14122	12/01/2022	AVR Vanpool	\$2,962.50
14123	12/01/2022	Charter Communications	\$697.12
14124	12/01/2022	Charter Communications	\$196.67
14125	12/01/2022	Charter Communications	\$269.98
14126	12/01/2022	Southern California Edison-CNG	\$6,271.63
14127	12/01/2022	Southern California Edison	\$2,946.22
14128	12/01/2022	Commute With Enterprise	\$105,309.50
14129	12/01/2022	FRONTIER-OFFICE LINES	\$59.97
14130	12/01/2022	Frontier	\$139.67
14131	12/01/2022	Golden State Water Company	\$2,133.99
14132	12/01/2022	Labor Finders	\$422.08
14133	12/01/2022	Lincoln Financial Group	\$1,066.58
14134	12/01/2022	Principal Life Insurance Company	\$2,540.64
14135	12/01/2022	SOUTHWEST GAS CORPORATION	\$2,432.19
14136	12/01/2022	Southwest Gas BAT - CNG	\$27,809.52
14137	12/01/2022	Southwest Gas	\$66.75
14138	12/01/2022	Spectrum	\$820.00
14139	12/01/2022	Syncromatics Corporation	\$166.80
14140	12/01/2022	TransitPro, LLC	\$9,088.78
14141	12/01/2022	Verizon-Security Phones	\$6,443.88
14142	12/01/2022	Zebra	\$3,000.00
14143	12/01/2022	Moody's Investors Services, INC	\$1,000.00
14144	12/07/2022	Abundant Living Family Church HD	\$3,247.00
14145	12/07/2022	ADArise.com	\$3,823.50
14146	12/07/2022	Bonnie Baker Senior Center	\$3,270.76
14147	12/07/2022	Clean Energy	\$16,168.55
14148	12/07/2022	Southern California Edison	\$8,695.50
14149	12/07/2022	Federal Express Corp.	\$99.62
14150	12/07/2022	Foothill AIDS Project	\$1,415.00
14151	12/07/2022	G&M Automotive Center	\$1,476.26
14152	12/07/2022	Konica Minolta Business Solutions	\$1,001.84
14153	12/07/2022	Labor Finders	\$1,919.15
14154	12/07/2022	Lasting Images Landscape	\$2,200.00
14155	12/07/2022	Ring Central, Inc.	\$2,432.25
14156	12/07/2022	Special District Risk Management	\$367.07
14157	12/07/2022	SONIC SYSTEMS Inc	\$6,267.76
14158	12/07/2022	Sportworks Global LLC	\$6,879.30
14159	12/07/2022	State Compensation Insurance Fund	\$1,227.83
14160	12/07/2022	The Bus Coalition	\$750.00
14161	12/07/2022	Triton Global Services, Inc.	\$1,904.76
14162	12/07/2022	VOID	\$0.00
14163	12/07/2022	VOID	\$0.00
14164	12/07/2022	VOID	\$0.00
14165	12/07/2022	VOID	\$0.00
14166	12/07/2022	VOID	\$0.00
14167	12/07/2022	US BANK	\$14,165.12
14168	12/07/2022	Verizon Connect Fleet USA LLC	\$1,067.53
14169	12/07/2022	Verizon	\$1,598.42
14170	12/07/2022	Southern California Edison	\$9,229.31
14171	12/07/2022	Calif Assoc Of Coordinated Transport	\$1,220.00
EFT042300001	12/07/2022	Ron Zirges	\$920.00
EFT042320001	12/07/2022	Fairview Ford Sales, Inc.	\$44,209.88
EFT042350001	12/12/2022	Kevin Kane	\$1,598.61
EFT042370001	12/13/2022	Keolis Transit Services, LLC	\$1,407,258.18
EFT042380001	12/13/2022	Keolis Transit Services, LLC	\$443,163.11
EFT042390001	12/13/2022	Keolis Transit Services, LLC	\$48,136.35
14172	12/14/2022	Barstow Chamber Of Commerce	\$285.00
14173	12/14/2022	Beck Oil	\$8,548.77
14174	12/14/2022	Buchalter	\$130.00
14175	12/14/2022	High Desert Lock & Safe	\$19.40
14176	12/14/2022	Inter-Con Security Systems, Inc.	\$23,143.77
14177	12/14/2022	Labor Finders	\$5,771.20
14178	12/14/2022	McMurray Stern	\$3,017.00
14179	12/14/2022	San Bernardino County	\$2,626.91
14180	12/14/2022	Special District Risk Management	\$465.55
14181	12/14/2022	Shred Your Docs	\$78.00
14182	12/14/2022	Juan Meer DBA TransitPro, LLC	\$9,088.78
14183	12/14/2022	TransitTalent.com	\$115.00
14184	12/14/2022	Charter Communications	\$1,149.00
14185	12/14/2022	California Transit Association	\$11,000.00
EFT042440001	12/16/2022	Sunrise Ford	\$35,144.70
EFT042450001	12/16/2022	Sunrise Ford	\$35,257.84
14186	12/20/2022	AVR Vanpool	\$2,962.50
14187	12/20/2022	Elizabeth Becerra	\$200.00
14188	12/20/2022	Spectrum Business-Sec	\$319.98
14189	12/20/2022	UTILITY BILLING	\$418.23
14190	12/20/2022	City Of Victorville - Utility Bill	\$1,279.32
14191	12/20/2022	Center For Transportation & The Environment	\$5,000.00
14192	12/20/2022	Southern California Edison-CNG	\$6,893.36

14193	12/20/2022	Southern California Edison	\$1,415.33
14194	12/20/2022	EDM Technology, Inc.	\$6,600.00
14195	12/20/2022	Commute With Enterprise	\$106,848.00
14196	12/20/2022	Federal Express Corp.	\$130.36
14197	12/20/2022	Inter-Con Security Systems, Inc.	\$9,250.08
14198	12/20/2022	Labor Finders	\$2,134.58
14199	12/20/2022	Loomis	\$675.20
14200	12/20/2022	Orkin	\$125.00
14201	12/20/2022	Oscar Mobile Body & Detail	\$2,250.00
14202	12/20/2022	Ring Central, Inc.	\$3,119.26
14203	12/20/2022	Southwest Gas Corporation - CNG	\$113,580.34
14204	12/20/2022	Southwest Gas Corporation	\$1,155.05
14205	12/20/2022	Southwest Gas Corporation	\$6,478.54
14206	12/20/2022	Southwest Gas Corporation	\$1,629.61
14207	12/28/2022	VOID	\$0.00
14208	12/28/2022	AMAZON	\$1,250.33
14209	12/28/2022	Charter Communications	\$697.12
14210	12/28/2022	Charter Communications	\$166.92
14211	12/28/2022	Charter Communications	\$196.67
14212	12/28/2022	Charter Communications	\$269.98
14213	12/28/2022	Southern California Edison	\$3,205.76
14214	12/28/2022	FRONTIER-OFFICE LINES	\$59.97
14215	12/28/2022	Golden State Water Company	\$1,134.11
14216	12/28/2022	City Of Hesperia Water District	\$3,810.25
14217	12/28/2022	Labor Finders	\$1,055.20
14218	12/28/2022	SOUTHWEST GAS CORPORATION	\$4,590.48
14219	12/28/2022	Southwest Gas BAT - CNG	\$24,106.54
14220	12/28/2022	Southwest Gas	\$123.10
14221	12/28/2022	Spectrum	\$820.00
14222	12/28/2022	Principal Life Insurance Company	\$2,367.60
14223	12/28/2022	Lincoln Financial Group	\$1,066.58
EFT042750001	12/28/2022	Oracle America, Inc.	\$48,156.49
EFT042760001	12/29/2022	Sunrise Ford	\$32,569.48
EFT042770001	12/29/2022	Sunrise Ford	\$32,569.48
EFT042790001	12/29/2022	Sunrise Ford	\$33,426.09
EFT042800001	12/29/2022	Sunrise Ford	\$33,641.59
EFT042810001	12/29/2022	Sunrise Ford	\$35,144.70
EFT042820001	12/29/2022	Sunrise Ford	\$35,257.84
Totals			\$2,927,822.62

**AGENDA ITEM
THREE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Management reports.

SUMMARY STATEMENT

The attached Performance Reports are presented to the Board of Directors to provide an overview of the transit system's costs and performance.

- Keolis invoice for December, 2022.
- Monthly Performance Statistics Systemwide Summary.
- Monthly Ridership Report.
- Monthly ADA Denial Report.
- Monthly Road Call Report.
- Keolis On Time Performance Report.

RECOMMENDED ACTION

Information items only.

PRESENTED BY
Kevin Kane,
Executive Director

FISCAL IMPACT
N/A

MEETING DATE
February 21, 2023

ITEM NUMBER
3



INVOICE NO. 0060195-IN

Keolis Transit Services
17150 Smoke Tree St.
Hesperia Calif. 92345

BILL TO

Victor Valley Transit Authority
17150 Smoke Tree St.
Hesperia, CA 92345

DATE

1/4/2023

CONTRACT NAME:
Victor Valley Transit

Attention: Mr. Kevin Kane
Executive Director

MONTH

December 2022

BILLING PERIOD 12/01/2022 - 12/31/2022

	Budgeted Revenue hours	Actual Revenue hours	Variance in Missed Service	Budgeted Expense	Actual Expense	Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
County	1,913.25	1,904.48	(8.77)	\$170,470.58	\$169,689.17	(\$781.41)	\$992,379.51	\$987,700.29	(\$4,679.22)
Barstow-Fixed Route	1,860.16	1,859.20	(0.96)	\$165,740.26	\$165,654.72	(\$85.54)	\$998,720.51	\$890,084.17	(\$148,636.34)
Barstow-County	773.48	768.44	(5.04)	\$68,917.07	\$68,468.00	(\$449.06)	\$412,415.89	\$411,148.80	(\$1,267.09)
Barstow-DAR	454.00			\$43,425.10	\$0.00	(\$43,425.10)	\$258,752.76	\$198,558.52	(\$60,194.24)
Credit for October 2022 Over Payment		(78.96)		\$0.00	(\$7,035.34)	(\$7,035.34)	\$258,752.76	\$198,558.52	(\$60,194.24)
SUBTOTALS	5,000.89	4,453.16	(14.77)	\$448,553.00	\$396,776.56	-\$51,776.44	\$2,921,021.43	\$2,646,050.30	-\$274,971.13

TOTAL INVOICE INCLUDING VARIANCE

\$396,776.56

Please REMIT TO:
Keolis Transit Services, LLC
470 Atlantic Avenue, 5th Floor
Boston, MA 02210

Manager's Signature and Business Phone



Keolis Transit Services
17150 Smoke Tree St.
Hesperia Calif. 92345

INVOICE NO. 0060194-IN

BILL TO Victor Valley Transit Authority
17150 Smoke Tree St.
Hesperia, CA 92345

Attention: Mr. Kevin Kane
Executive Director

DATE 1/4/2022

CONTRACT NAME:
Victor Valley Transit

MONTH December 2022 **BILLING PERIOD** 12/01/2022 - 12/31/2022

	Budgeted Revenue hours	Actual Revenue hours	Variance in Missed Service	Budgeted Expense	Actual Expense	Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
ADA ParaTransit	3,233.00	2,304.28		\$309,236.45	\$220,404.38	(\$88,832.07)	\$1,842,616.02	\$1,331,706.35	(\$510,909.67)
Subscription	1,172.00	898.42		\$112,101.80	\$85,933.87	(\$26,167.93)	\$667,969.68	\$558,701.86	(\$109,267.82)
Microlink	910.17	128.93		\$81,096.15	\$11,487.66	(\$69,608.48)	\$243,261.45	\$37,471.00	(\$205,790.45)
Regional Fixed Rt	10,881.86	10,821.21	(60.65)	\$969,573.73	\$964,169.81	(\$5,403.91)	\$5,968,966.30	\$5,927,811.01	(\$41,155.29)
Route 15	735.34	732.40	(2.94)	\$65,518.79	\$65,256.84	(\$261.95)	\$386,074.18	\$383,627.69	(\$2,446.49)
Fort Irwin	1,913.25	1,904.48	(8.77)	\$196,720.37	\$195,818.63	(\$901.73)	\$290,807.25	\$289,066.49	(\$1,740.76)
Credit for October 2022 Over Payment		(11.05)		\$0.00	(\$984.56)	(\$984.56)	\$290,807.25	\$289,066.49	(\$1,740.76)
SUBTOTALS	18,845.62	16,778.67	(72.36)	\$1,734,247.28	\$1,542,086.65	-\$192,160.63	\$9,690,502.13	\$8,817,450.89	-\$873,051.24

TOTAL INVOICE INCLUDING VARIANCE

\$1,542,086.65

Please REMIT TO:
Keolis Transit Services, LLC
470 Atlantic Avenue, 5th Floor
Boston, MA 02210

Manager's Signature and Business Phone



FY 2023 -- Monthly Performance Statistics by Mode
Systemwide Summary
All Routes

Performance Statistics for December

Mode	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Bus (Motorbus)	56,397	16,059.5	\$2,505,296	\$101,167	3.5	\$44.42	\$156.00	\$1.79	\$6.30	4.04%
Commuter Bus	2,497	503.2	\$85,841	\$36,565	5.0	\$34.38	\$170.60	\$14.64	\$72.67	42.60%
Demand Response	9,201	3,815.6	\$585,216	\$49,133	2.4	\$63.60	\$153.37	\$5.34	\$12.88	8.40%
System Total	68,095	20,378.3	\$3,176,353	\$186,864	3.3	\$46.65	\$155.87	\$2.74	\$9.17	5.88%



Monthly Ridership Report

December, FY 2023

Bus (Motorbus), Commuter Bus, Demand Response Only

Total (All Day Types)

Mode	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Bus (Motorbus)	42,577	56,397	3.3	3.5	4.25%	4.04%
Commuter Bus	1,556	2,497	3.0	4.9	35.87%	42.60%
Demand Response	9,026	9,201	2.5	2.4	3.78%	8.40%
System Total	53,159	68,095	3.1	3.3	5.14%	5.88%

ADA Dispatch Denial Report For the Month of December 2022

[illegible]

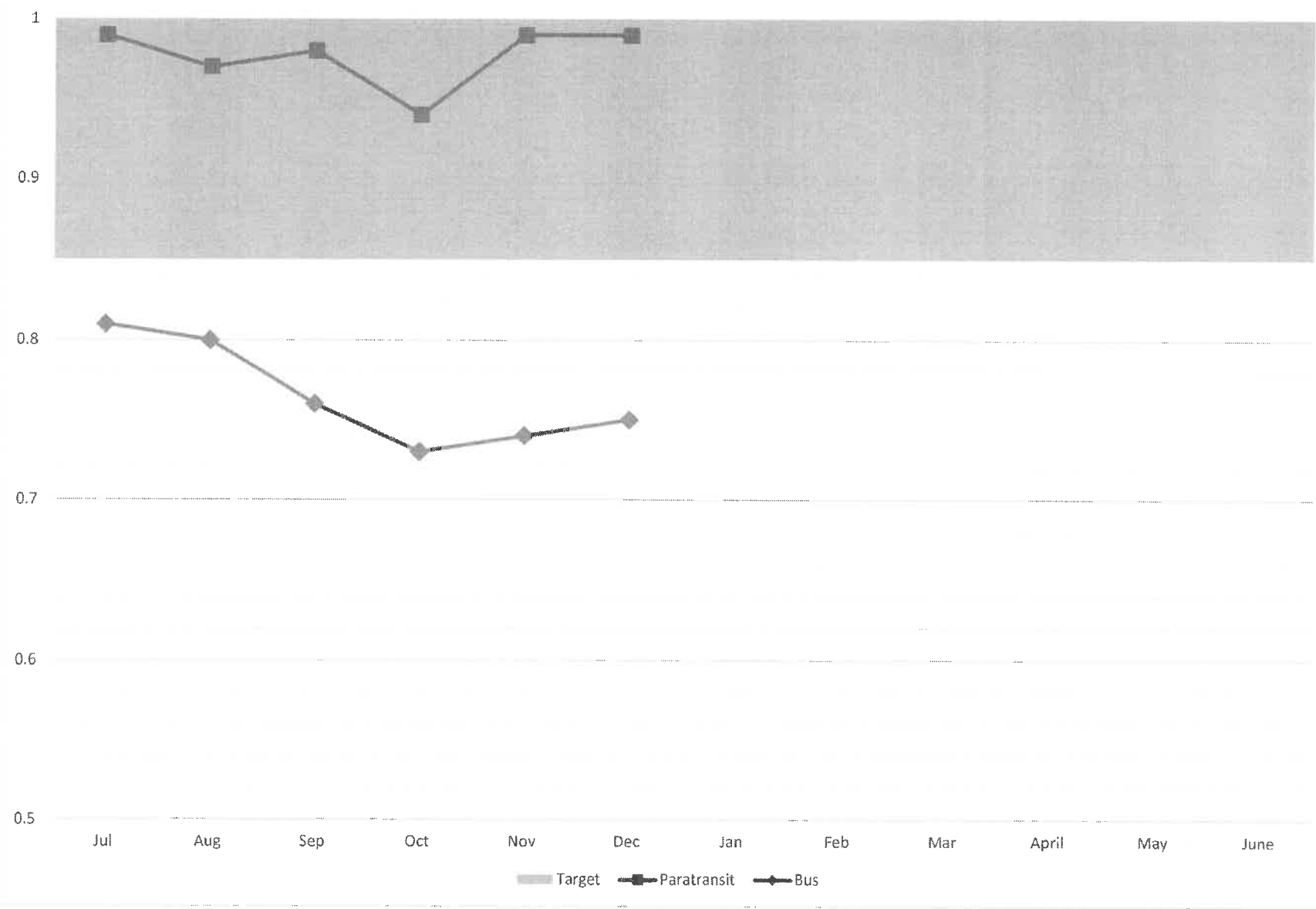
December
Major and Non-Major
Miles Between Road Calls

Total Miles	FY 2022	FY 2023
Demand Response	54,359	27,018
Commuter Bus	20,184	19,521
Motor Bus	215,506	287,939
Total Miles	290,049	334,478

Total Road Calls	FY 2022	FY 2023
Demand Response	0	3
Commuter Bus	0	0
Motor Bus	28	39
Total Road Calls	28	42

Miles Between Road Calls	FY 2022	FY 2023
Demand Response	54,389	9,006
Commuter Bus	20,184	19,521
Motor Bus	74,573	7,383
Total System	149,146	35,910

FY 23 System Wide Schedule Adherence



**AGENDA ITEM
FOUR**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Authorize the release of RFP 2023-11 for the Provision of Vanpool Services.

SUMMARY STATEMENT

Since August of 2012, VVTA has operated a very successful vanpool program in the High Desert and North Desert regions of San Bernardino County. Over the past several years the American Public Transportation Association (APTA) has identified VVTA's then full program is one of the top 20 in the entire US. At the program's inception, VVTA had contracted with two leasing agencies, Enterprise Rideshare and vRide. These agencies provided vanpool vehicle leases to program participants in accordance with the guidelines of the VVTA Regional Vanpool Program.

In May 2018, VVTA awarded contracts to Enterprise Holdings, Green Commuter, and Airport Van Rentals to provide the services. The contracts exercised their final option year in 2022. It is now time to resolicit the service to ensure our Vanpool users continue to have the best, most cost-effective options for their vanpool commuter service to various regions for San Bernardino areas including Ft. Irwin.

RECOMMENDED ACTION

Authorize the release of RFP 2023-11 for the Provision of Vanpool Services.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Christine Plasting, Procurement Manager	None.	February 21, 2023	4

VVTA RFP 2023-11 VANPOOL PROVIDERS

ATTACHMENT A – SCOPE OF WORK

SCOPE OF WORK

VVTA shall pay Contractor up to \$600.00 per month with a one-time sign on bonus of \$200 for new vanpools who have not operated in more than three months, for each vanpool registered in the Regional Vanpool Subsidy Program (Subsidy Program). This amount is determined by VVTA in accordance with the Federal Transit Administration (FTA) Capital Cost of Contracting policies. VVTA reserves the right to increase the subsidy amount in the future or to rescind the Subsidy Program at any time, for whatever reason, including, but not limited to lack of funding.

The subsidy amount shall not exceed 50 percent of the total lease cost of each van unit. Where the subsidy is found to be in excess of 50% of the total lease cost of an individual van unit, the subsidy shall be reduced to an amount that is within the 50 percent threshold. For example, a van with a total lease cost of \$1,050.00 would receive a reduced subsidy of \$525.00 for that unit. Each van will be examined on an individual basis. Averages of fleet-wide lease costs will not be considered.

Vanpools, which are not submitted for approval on/or after the 1st of the month will have their first month's subsidy and one-time sign bonus prorated to the vanpools first day of operation.

The following duties provide a framework for the Contractor to operate within while participating in the Subsidy Program. VVTA does not administer van leases nor does it provide direct customer service. Instead, it is the goal of this Scope of Work, this program, and this RFP, to create a relationship between VVTA and the Contractor that nurtures prompt and coherent communication, respectful competition within the marketplace, and the best value and service to the customer.

Contractor agrees to perform the following at no additional cost to VVTA or the customer:

- A. Provide vehicles that will seat a minimum of seven (7) passengers to a maximum of fifteen (15) passengers. The vehicles shall not be more than three (3) model years old at the inception of the agreement between Contractor and the vanpool driver. No vehicle leased to a Subsidy Program participant shall ever exceed four (4) model years in age, or 100,000 miles. Contractor shall replace any vehicle at which time, or before, that vehicle exceeds these limits. The vehicle shall be replaced with a vehicle no more than three (3) model years old. All vehicles will be in compliance with Federal Motor Vehicle Safety Standards (FMVSS). Vendors are responsible for vehicle inspections, licensing, and registration in accordance with applicable federal, state, and local laws.
- B. Provide, at minimum, the following equipment with each vehicle at the time of delivery:
 - First Aid Kit, fully stocked with supplies for five or more people,
 - Fire extinguisher rated for at least Type A, B, and C fires, and
 - Two reflective safety yield triangles and/or three emergency road flares.
- C. Provide vehicles primarily for commute trips. Personal use of the vehicle may be negotiable between the vanpool driver and Contractor.
- D. Charge Participants in the Regional Vanpool Program a monthly lease rate not to exceed the Contractor's annual pricing information. Actual lease rates may be less. The Contractor's annual pricing information will be updated prior to executing each new task order. All lease agreements are to be on a month-to-month basis (RFP Attachment E, Required Forms, Vanpool Vehicle Cost Matrix).

VVTA RFP 2023-11 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

- E. Primarily seek to grow the regional vanpool program by soliciting new customers and adding more vanpools to the region. Contractor shall not directly solicit existing customers with the intention of gaining customers without contributing to the overall growth of the vanpool program.
- F. Provide insurance of no less than \$5,000,000 per vanpool. VVTA, its employees, Board, and its agents shall be named as additional insured.
- G. Employ a scheduled maintenance and unscheduled repair program to ensure continued reliability and performance of the vehicles used in the Subsidy Program.
- H. Arrange for vehicle repair service locations that are within ten (10) miles of either the vanpool driver's home or work location.
- I. Develop a set of procedures that provides vanpool drivers for reimbursement for incidental expenses or emergency repairs incurred by vanpool drivers. Such procedures shall be approved by VVTA.
- J. Establish vanpool driver selection and orientation procedures to be approved by VVTA.
- K. Provide comprehensive vehicle delivery and pick-up services within San Bernardino County and other mutually agreed upon areas for all start-up, replacement, and terminated vans.
- L. Provide personnel necessary to offer timely and effective customer service and support to participants in the Subsidy Program.
- M. Provide personnel and tools necessary to offer timely and accurate monthly, annual and NTD reporting. Assist VVTA with marketing the Subsidy Program by providing promotional materials that clearly describe vendor services. A copy of all marketing materials shall be provided to VVTA for review and archive.
- N. Attend periodic sales/marketing meetings with VVTA to focus new start-up efforts and coordinate any regional vanpool program changes and/or outreach or marketing efforts the SBCTA Rideshare Program may be initiating. Each quarter, Contractor shall provide VVTA with a written report on all regional sales activities. VVTA will maintain all sales information confidentially.
- O. Affix on all vans enrolled in the Subsidy Program, a decal displaying the program's iVanpool.org logo. Decals will be provided by VVTA.
- P. Allow for placement of VVTA or partner materials in the interior of the van and/or placement of small ad space on exterior of van.
- Q. Contractor shall have commuters applying for the Subsidy Program, prequalify for the program online at iVanpool.org. Upon prequalification and executing a lease with the Contractor, the application will be reviewed for approval through iVanpool.org. VVTA will provide online a PDF of its Vanpool Participation Agreement which the driver shall sign and submit to the system. All online applications must be entered into VVTA's iVanpool.org system for the vanpool to be considered for enrollment into the program.

VVTA RFP 2023-11 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

- R. Contractor will comply with applicable state and federal laws and regulations, including driver and vehicle certification, licenses, and vehicle registration. Contractor is responsible for obtaining DMV Form DL-51 from all vanpool drivers no matter what size vehicle they will operate. Contractor is responsible for obtaining DMV Form DL-51 from vanpool drivers every three years.
- S. Contractor shall electronically submit, within five (5) working days of the occurrence, a "Vendor Communications Form" which will contain changes to any Contractor's vanpool and serve as a written notice of the following:
- Termination of a vanpool, including the reason for termination
 - Driver changes for an existing vanpool
 - Address or phone number change for current driver
 - Vehicle change within an existing vanpool
 - Vendor change of a vanpool

Contractor shall provide proper and accurate information regarding the changes or updates described above through submission to VVTA through iVanpool.org. NO OTHER FORMS WILL BE ACCEPTED TO REPORT THESE CHANGES. These forms must be submitted electronically into the VVTA iVanpool.org online system, within five (5) working days of the occurrence.

- T. Provide annual Vanpool Incident Report for the NTD report year as defined in the current year's NTD Safety and Security Policy Manual. NTD guidelines must be followed when preparing the incident report. Declaration must be made of any major or non-major vehicle incident or if there are no major or non-major incidents to report and must include the following:
- Printed name and signature of authorized vendor representative responsible for declarations must be included.
 - Declaration of Major or Non-Major incidents will be followed by further inquiry by VVTA and further reporting requirements.

Failure to provide the annual Vanpool Incident Reports within the time requirements stated in this section will result in a 10% withholding of the associated monthly invoice amount until the Vanpool Incident Reports are submitted.

- U. Provide monthly invoice including accompanying spreadsheet no later than the 20th day of each month for the previous month's services. Invoices submitted for subsidies not yet approved will not be paid until the month after vanpool service was provided. If invoice has too many discrepancies it will be returned to vendor for corrections and then resubmitted to VVTA. Invoices must include the following information per billable item:
- Van unit number
 - Driver's name
 - Actual monthly van lease cost
 - Actual monthly amount billed to the customer
- V. Provide Annual Reports based on VVTA's fiscal year and NTD's Report Year (July 1 through June 30th). Contractor will submit the information into the VVTA online system by the 1st day of September of each year. The reports available online will include:
- Customer lease cost summary includes:
 - i. Van unit number
 - ii. Driver's first and last name
 - iii. Lease cost listed monthly per van unit for which the driver has been assigned

VVTA RFP 2023-11 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

- All information necessary for VVTA submission of annual report to the National Transit Database (NTD). This information includes, but is not limited to, odometer reading summary detailing starting and ending mileage for ALL vehicles used throughout the year. The summary should include the following information:
 - i. Year, make, model, passenger capacity, and style (luxury or bench) for each fleet
 - ii. Van unit numbers
 - iii. Starting and ending odometer information for each fleet vehicle, ONLY FOR MILES TRAVELLED BY VVTA-SPONSORED VANPOOLS. Mileage accrued while a vehicle was in service for another region should not be included.
- Detail of vendor's cost incurred (as required on NTD Form F-40) including the following four NTD functional categories:
 - i. Vehicle Operations
 - ii. Vehicle Maintenance
 - iii. Facility Maintenance
 - iv. General Administration

This Financial Report (NTD) Form F-40 will not be accepted unless costs are separated in the above categories.

- Detail of vehicle mechanical system failures (Major and Other as required on NTD Form R-20).

Failure to provide the Annual Reports within the time requirements stated in this section above will result in 10% of the monthly invoiced amounts being withheld until the Annual Reports are submitted.

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**AGENDA ITEM
FIVE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Release RFP 2023-01 Comprehensive Operations Analysis.

SUMMARY STATEMENT

It is required by SBCTA that each close transit agency conduct a Comprehensive Operations Analysis (COA) approximately every five (5) years. The VVTA Board approved the inclusion of same when they approved the VVTA FY 2022-2023 budget.

The purpose of a COA is to provide a thorough analysis of VVTA's services. A COA focuses on the customer's needs and includes an in-depth survey of VVTA riders and travel habits. The objective of the COA is to create the best transit network possible for VVTA customers within the available budget forecast. The analysis will help maximize the impact of taxpayer funding for transit by gaining better knowledge of riders, improving efficiency, and directing transit investment where it is most needed and will be most productive. This study of VVTA's transit system will identify service challenges as well as opportunities for improvement.

During this study, the following items will be addressed:

- Who are VVTA's current and potential customers;
- Opportunities for improved and seamless services;
- How is the overall system performing and what are areas for improvement;
- How can VVTA best serve its markets within its operational and financial capacities;
- What are current and future transit needs of Mohave River Valley residents;
- What are the options to improve on-time performance; Analysis of a complete route design; Analysis of possible relocating of on street transfer points;

Continued

RECOMMENDED ACTION

Approve the release of RFP 2023-01.

PRESENTED BY
Kevin Kane,
Executive Director

FISCAL IMPACT

None

MEETING DATE

February 21, 2023

ITEM NUMBER

5

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Release RFP 2023-01 Comprehensive Operations Analysis.

SUMMARY STATEMENT

- Review of the current performance of the agency's services and what are feasible new innovative transit options;
- Recommendations how passenger amenities be improved;
- Suggested tactics to address current economic and environmental challenges;
- Recommendations to develop a network of transit services that are financially sustainable in both today's economy and into the future.

What are the goals of the COA?

The goals of the COA are to improve the customer travel experience by reducing travel time, improving service frequencies and connections where feasible, and to introduce new and innovative transit options. Successful implementation of the COA will result in improved transit services.

How will the COA analyze VVTA and its customers?

The COA will study all transit services including fixed routes, flex routes, Microtransit, County routes, the Intercity (B-V Link), Direct Access, and NTC Commuter using the following information:

- Current performance of the system and existing opportunities to improve services for current and potential customers.
- Counts of boardings and alightings at every stop on every trip of every day.
- Survey of VVTA customer travel patterns and demands.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

INTRODUCTION

The Victor Valley Transit Authority (VVTA) is seeking proposals from qualified Proposers and firms with expertise and knowledge in transit design, engineering, land use, planning and service scheduling, including public outreach services to develop and provide a Comprehensive Operational Analysis (COA). The study will encompass a Seven (7) -year horizon, to reflect future development and growth. Study components include Title VI Analyses, a line-by-line analysis, transfer locations, including possible relocation of current transfer locations, review of a recent change in Victorville, a move from Costco to D St., and an analysis of an upcoming move in Hesperia from the Post Office to property next to VVTA facility. This project is funded solely with Local Transportation Funds (LTF) and has no Federal funding participation. Phase IV calls for “on call” consulting services related to this project and very likely other projects some of which may include federal funding.

The goal of this effort shall be to arrest and reverse ridership declines. The intent is to restructure VVTA's bus network in Victor Valley to better align with customer needs while making progress towards metrics for high frequency transit access. A reimagined network shall aim to increase transit use by creating a positive end-to-end experience that attracts and retains current, former, and future customers. This effort shall result in a service delivery strategy that can be implemented using, to the extent possible, existing operating resources. VVTA anticipates the service delivery strategy and associated tasks, as outlined below, can be completed within 12 months from Notice to Proceed.

VVTA until recently operated as a “pulse” system. The last COA was conducted in 2017 and the Short-Range Transit Plan (SRTP) was completed in 2020. A recent change in the main Transfer location from 7th St, and Lorene to the Victor Valley Transportation Center on D Street in Victorville required the discontinuation of a pulsed system. On- time performance continues to suffer as a result of increased local traffic and dwell times being negatively impacted by pre-Covid ridership increases. VVTA is seeking a long-term solution to this ongoing problem. VVTA is looking for suggestions that may include a paradigm shift in operations including a complete system redesign; repositioning of key transfer locations (some of which are already in the works), and a creative use of technology to tackle problems. VVTA is also interested in hearing alternative Proposer suggestions.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

PROJECT DESCRIPTION

VVTA is seeking a qualified Proposer to holistically and comprehensively assess the market and service factors driving ridership in this region, which may range from changes in development patterns to competition from new travel options like on-demand shared mobility as well as the opportunity to take advantage of new mobility options to extend the reach of and complement transit. The Proposer will also provide recommendations for how VVTA can better meet the diverse and evolving mobility needs of our area customers, both today and in the future.

The study will analyze the growth in residential and employment development to determine current transit needs. The study will include an on-board survey of existing riders to obtain information on rider demographics to be used for recommendations to make service improvements, attract new riders, and make the system more efficient. COVID impacts and suggested strategies to bring back or replace lost riders must be considered. Historically, approximately 50% of VVTA's ridership are students.

The Victor Valley is located approximately 90 miles east and north of Los Angeles, 45 miles north of San Bernardino, and continues to experience growth in population, retail and industrial development. In the 2020 census the Metropolitan Statistical Area (MSA) of Hesperia, Apple Valley, and Victorville population increased from 344,288 in 2010 to 355,816 today. There are large areas of low population density among more dense areas creating issues associated with urban sprawl. The connectivity between VVTA jurisdictions also adds to the rural nature of the operations environment.

An electronic copy of the most recent SRTP final report from September 2020 is available for download at no charge at <http://vvta.org/wp-content/uploads/2023/01/VVTA-SRTP-September-Final.pdf>.

Restructuring the VVTA Transit System:

VVTA's local Fixed-Deviated Routes/Intercity/County/Commuter/Demand Response/Microtransit bus network serves a diverse customer base, connecting residents across the Victor Valley with employment, educational, and cultural opportunities and resources. The majority of the agency's approximately 119 revenue vehicles and 34 routes cover local service, with major focus points around the Victor Valley including Hesperia, Victorville, Apple Valley, Adelanto, Barstow, and unincorporated areas of San Bernardino County.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

With the growth that is occurring in the High Desert, including new housing, warehousing, and other developments, it has become clear that there are gaps in VVTA's current service and an entire system restructure is now critical.

The agency seeks to evaluate and improve key portions of its local bus network. While services generally enjoyed strong ridership prior to COVID-19, local bus services have experienced declining ridership in all markets. Though many factors continue to drive transit ridership changes across the Country – VVTA believes that its services must evolve to meet the changing needs of the riding public. Ridership patterns during the COVID-19 pandemic have also highlighted the importance of local bus service for essential workers serving communities across the Victor Valley as well as in the San Bernardino, Riverside; and Los Angeles Counties presenting further impetus for re-evaluation.

VVTA is initiating a systemwide effort to redesign and reimagine its bus services.

Subsequent phases will progressively reach additional geographic areas throughout the region that will be defined based on logical groupings of VVTA's existing bus routes and customer markets.

SCOPE OF WORK

Phase I – Data Collection and Analysis

Task 1.A. Analyze Fixed-Route and Deviated Fixed-Route On-board Counts

An analysis of service utilization shall be conducted. VVTA will provide the Proposer methodologically and technically sound report for a period to be agreed upon by both parties to include boardings and alighting by route, stop, time of day, day of the week, and type of fare. VVTA uses the CAD/AVL GMV Syncromatics system featuring GPS and APCs.

The Proposer shall evaluate the routes, based upon data supplied and gathered, providing at a minimum the following information in report form and graphically:

Aggregate Description of each route, including, but not limited to:

- on time performance;
- in-service and deadhead miles operated;
- in-service and platform hours operated;
- recovery time, on time performance, 30 - 60-minute headways;
- daily ridership by route segment; weekday, Saturday, and Sunday;

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

- daily ridership by day part; weekday, Saturday, and Sunday; and
- operations cost review.

Analysis of each route, to include but not be limited to:

- passengers per hour by route and designated route segments, time-of-day and fare category for weekday, Saturday, and Sunday ridership;
- passengers per mile by route and by time-of-day;
- schedule adherence at time points, with on-time performance defined as zero minutes early and five minutes late;
- maximum load points and load factors by stop and route segment;
- identification of trips or portions of trips that exceed 110 percent of seating capacity;
- ratio of revenue miles to total miles operated;
- missed trip history, defined as 15 minutes or more late at the end of the route;
- significant origin-destination combinations; and
- other performance indicators per route.

Task 1.B. Rider Survey and Transfer Analysis

Conducting a review of the transfer patterns is to be included as part of the rider survey. Although VVTA does not use transfers, identification of multiple routes used to reach collectors and attractors will be helpful in making decisions for service improvements such as routing modifications with attention to interlining, directional routes, headways, and any timed connections.

A rider survey shall be conducted for all routes by service type, urban fixed route, county routes, commuter, intercity, Micro transit, and ADA complementary paratransit. The proposer will provide source data to VVTA.

Surveys will collect at least the following data:

- Passenger characteristics – trip origin and destination by route, trip purpose, frequency of use, fare type, length of usage, frequency of usage, age, gender, race/ethnicity, household income, ranking of possible service improvements, passenger rating of service; consumer disability/ mobility limitation.
- Ridership characteristics, including age, gender, household income, trip purpose, frequency of use and so forth for both weekday and weekends.
- Identify demographics for the entire service area including transit dependency, vehicle ownership, income, limited English proficiency (LEP), etc.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

The proposal shall describe the methodology by which such data shall be collected, identifying any additional data items to be collected, and the general timeframe over which data collection shall be undertaken. The manner of presentation of the collected data shall be described, including samples of data analysis/ data presentation as appropriate.

It should be noted that students have historically (Pre COVID) represented approximately 50% of VVTA's ridership. These include full-time students as well as those who are working full-time or part-time but are taking classes for adult education, College, and or technical training. All of these need to be classified as students through crosstabs.

Task 1.C. Describe and Address Local and Regional Development Patterns

The Proposer team shall describe and address the current local patterns of travel by identifying major travel nodes and activity centers within the VVTA service area through a variety of data collection activities that may include agency interviews, review of published sources, stakeholder interviews, community and political leader interviews, city staffs, as well as other sources, major activity centers shall be identified including, but not be limited to:

- Major commercial areas (existing and planned).
- Major employment areas (existing and planned).
- Health care facilities.
- Major social service agencies (for example, *Dept. of Aging & Adult Services*, including nutrition sites; *Jobs, Employment Services Division (JESD)*, including welfare-to-work training sites; *Inland Regional Center, Housing & Urban Development* sites);
- Schools – notably middle schools, high schools and college / adult education;
 - Identify if there is any justification for new or augmented routing to meet the diminishing school bus service being provided in the valley;
 - Explore opportunities to partner with schools and colleges to provide general public bus service that also meets schools' transportation needs;
- Victor Valley College Public Safety Training Center located in Apple Valley, CA.
- New (within the past five years) and planned housing developments including housing density plotting, multi-family units, senior housing, homeless shelters, and home values.

Activity center data shall be presented employing GIS technology in a pre-

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

approved format. Any narrative summary of activity center findings should address geographic regions of the service area, as well as ridership groups (e.g. students, seniors, work-trips, etc.).

SBCTA has requested VVTA's support for the upcoming Brightline project (connecting Rancho Cucamonga to Hesperia) and the Train hub to be constructed at 395 and Joshua.

Brightline is also in the process of constructing a high-speed rail system between Dale Evans Parkway, in Apple Valley, CA, to Las Vegas, along the 15 freeway. The rail station is supposed to be located off of Dale Evans Parkway to the south of the freeway within the 280 acres that have been purchased by Brightline. Brightline is also proposing the construction of Hotels and restaurants around the rail terminus – including an area for bus service. For more information please visit <https://www.gobrightline.com/brightline-west>.

New development in Barstow: The Barstow International Gateway coming to town from Burlington Northern Santa Fe. As this project moves forward, it is expected the population of Barstow to expand significantly (10,000-20,000 people) over the next decade.

The 2028 Olympics are coming to Los Angeles. The Proposer will produce a study regarding the effects of this event on VVTA's system, such as an open loop payment system.

The World Cup is coming to Los Angeles in 2026 and need to have a study completed to determine the effect on service in the Victor Valley.

The proposer is to provide guidance on the addition of a commuter line between VVTA and AVTA.

The new Micro Transit (VVTA Micro Link) study to develop additional areas as well as expansion of the current areas being served or integrate with VVTA's Fixed Route service.

Victor Valley College Master Plan may include the relocation of VVTA's hub on campus.

St. Mary's Hospital located in Apple Valley, CA, will be undergoing updates to its facility to retrofit the facility which is likely to impact VVTA's service.

In the City of Hesperia, there is a new housing development that was formerly known as Tapestry which is to include approximately 15,000 new housing units, schools, and shopping. The location is currently under construction at I Avenue

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

and Ranchero Road.

Existing local and projected regional development patterns should be reported, as well as any readily identifiable changes to those patterns anticipated over the next three to seven years.

Task 1.D. Identification of Service Issues

The results of the preceding tasks, in addition to any other activities that may be proposed and undertaken by the Proposer, shall be compiled along with a summary of findings and discussion of the issues including, but not limited to, the impact on route alignments, increased number of routes, ITS integration, interlining, innovative delivery of transit services, coverage versus productivity issues, and cost projections with containment strategies.

As part of this task, it is vital that the Proposer interview VVTA contracted drivers at both the Hesperia and Barstow yards as well as supervisors, dispatchers, reservationists, and management.

This summary shall assess the current structure of VVTA services in terms of the degree of match and mismatch with identified mobility needs and issues.

Proposer shall conduct a transit services inventory and assessment. The Proposer shall establish an understanding of the Authority's:

- Current service.
- Overview of funding and financial constraints.
- Coordination with connecting agencies including Omnitrans, Metrolink, Basin Transit Authority, Mountain Transit, Antelope Valley Transportation Authority (AVTA), and Foothill Transit;
- Strategies shall improve on time performance and decrease layover times;
- Facilities and organizations that serve the seniors and persons with disabilities and low-income populations; and
- Commitments and/or desires to serve specific areas/facilities:
 - Analysis of the continued viability of the National Training Center (NTC) Commuter Service to Ft. Irwin; and
 - Analysis regarding the effect of the new Hydrogen Fueling station being constructed on the property at E Avenue and Live Oak Street.

A discussion of performance measures should be included, assessing individual

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

services' relative viability in relation to measures of effectiveness and efficiency and of TDA-required minimum farebox recovery ratios (if/when reinstated). Coverage of the overall service area, as well as coverage of individual jurisdictions, should be addressed. Findings from Phase I shall be presented at a scheduled meeting of the VVTA Board of Directors.

Task 1.E. Comprehensive Fare Policy

With TDA fare ratio requirements currently suspended and considering the statewide and national discussion for free fares for all, VVTA wants the Proposer's perspective on a possible plan of action moving forward.

Task 1.F. Transfer Point Locations

This study shall include an analysis of current transfer points to determine if any of them need to be relocated as the long-term solution to this problem. Particular attention is to be paid to the Victor Valley Transportation Center (D Street) and Victor Valley College. Additionally, VVTA has acquired property adjacent to its Hesperia facility with the intention to relocate the Hesperia transfer hub from its current location at Olive & G Ave (Hesperia Post Office).

As part of the study, the Proposer is tasked to conduct Title VI Equity Analyses – including a retroactive Analysis of the Barstow Maintenance and Operations Facility, the move of the Hesperia Transfer Hub, Hydrogen fueling station, and any future fare changes.

Phase II. Development and Presentation of Alternatives

Task 2.A. Describe Current and Projected Funding Levels

The Proposers shall summarize current VVTA operations and capital funding by source in relation to the existing flows of funds.

Task 2.B. Identify Service Alternatives

The Proposers shall prepare alternatives based upon the review and discussion of issues from Phase I. These shall be developed in the context of existing, identifiable funding levels, but may also incorporate reasonable expectations of bringing in new funding sources, where such funds are identified. Most alternatives are expected to address the design and configuration of transit services to be administered by VVTA, although it may be appropriate to direct some recommendations to other member agencies or organizations. VVTA is considering a possible complete redesign of how public transportation is provided throughout the High Desert, Barstow and VVTA's connection to adjacent transit

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

systems. Issues to address include but are not limited to:

- System redesign
- Coverage compared to productivity assessment
- Realignment of current routes
- Recommendations for alternate headways
- Analysis of peak service
- Areas for new route development
- Areas to reduce service
- Analysis of Saturday and Sunday service and suggested alternatives
- Recovery time
- Route additions and/or deletions
- Innovative delivery of transit services (Micro Transit)
- Review of VVTA's Micro Transit operational software (currently Ecolane)
- Review of current brokerage system serving the VVTA service area.
- Review of current ADA "zones" to recommend development of official boundaries and incorporate same into current technology.
- Complete restructuring of fixed-route and community deviated fixed-route services
- Analysis of Commuter services to the National Training Center compared to the use of Vanpool Services
- Accessing alternative funding sources
- Relative cost effectiveness (projected cost per rider per service mode, under various scenarios)

Task 2.C Alternative / Future Needs Analysis

The Proposers shall identify the Authority's alternative and future needs and determine if any should be incorporated within the next seven (7) years.

It is the expectation of the Authority that among the alternatives proposed will be some combination or re-combination of services that might include semi-scheduled service, deviated fixed-route, community service routes, expansion of Micro transit or other such alternatives that recognize this area's low density, long trip-distances, and dispersed activity center characteristics. Alternatives that are responsive to the requirements of the ADA but don't automatically require two separate service systems (e.g. fixed-route and complementary paratransit) are highly desirable for appropriate areas of the VVTA service area.

The advantages and disadvantages of proposed alternatives shall be identified. At a minimum, alternatives identified shall address:

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

- Justification and implications of restructured services.
- Ridership immediate and ongoing implications.
- Budgetary implications (operations and capital requirements as they relate to existing funding levels).
- Staffing and labor implications, including discussion of any necessary changes to the staffing patterns/roles and responsibilities in order to bring about proposed recommendations.
- Implementation timeframes.

Alternatives shall be presented at a scheduled meeting of the VVTA Executive Team and presented for public comment for purposes of providing input to the Proposers prior to identification of the preferred alternative(s).

Task 2.D. Public Comment Opportunity

Upon preparation of the outline of proposed alternatives, the Proposers shall schedule and conduct noticed public meetings as well as “pop-up” meetings at transfer points and on board. These meetings shall be held for the purpose of providing the public with an opportunity to hear a summary of key study findings, the proposed service goals and objectives and a presentation of the proposed service alternatives. The public will be invited to offer comments and observations on the proposed alternatives, for consideration by the Proposer and VVTA staff in developing the preferred alternative(s).

It is vital that bilingual (Spanish) staff be available and that the materials are produced in both English and Spanish.

The Proposers shall be responsible for designing the public meeting format, and shall attend the meetings to present study findings and proposed service alternatives, and to receive public comment. A formal written summary of public comments and how that comment was incorporated into the plans shall be prepared and included as part of the final study products. The consulting team will prepare a strategy for staging and attracting the public. The Authority will assist in securing meeting locations and disseminating notices of the public meetings.

The same process shall be presented to the VVTA contracted drivers, supervisors, dispatcher / reservationists and management for input.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

Phase III. Development of an Action Plan

Task 3. A. Preparation of an Action Plan

Modified by input developed through the Key Stakeholders, and after addressing comments or concerns raised by VVTA Board members, members of the public, and Contracted employees, the Proposer team shall develop a recommended action plan.

At a minimum this shall include:

1. Proposed immediate changes and modifications (within one year). Prioritized long term changes, possibly with a phased-in program over seven years.
2. Operations and Capital budget requirements and funding plan, including identification of funding sources.
3. Timeline for implementation.
4. Selected strategies and tools for implementation.

Any immediate changes proposed to the routing structure should be accompanied by detailed graphic depictions of route modifications in a format approved by VVTA. Longer term service changes may be described conceptually in narrative form but shall also be conveyed in graphic format.

Task 3.B. Develop an Overall Capital Plan for the Entire VVTA Service Area for the Study Period

1. Replacement and Expansion buses.
 - a. Based on service changes, expansion and other recommendations, the Proposer shall work closely with VVTA's Executive Team to develop a detailed fleet plan in accordance with the California Air Resources Board's (CARB) Innovative Clean Transit (ICT). This will include estimated costs and funding streams including infrastructure.
2. Replacement service vehicles, relief vehicles.
3. Bus Stop and Transfer Hub Amenities
 - a. Shelters, lighting, benches, trash cans, etc.
4. New Transit Hubs, improvements, and Hesperia Transfer Hub Park & Ride.
5. Innovative technology in buses and at facilities.
6. Paths of travel.
7. Other.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

Task 3.C. Presentation of the Action Plan

The Action Plan, in draft and in finalized formats, shall be presented to the VVTA Board of Directors at a meeting to be agreed upon by consulting team and VVTA staff.

Deliverables

This project shall be completed and implemented within 12 months of the Notice to Proceed.

Phase I Findings and Summary of Issues:	Provided electronically.
Phase II Proposed Alternatives:	Provided electronically.
Action Plan, Draft	Provided electronically.
Action Plan, Final	Electronic with 8 hard copies – bound and tabbed for ease of use by VVTA Board of Directors

These deliverables shall be provided in an editable electronic format such as Microsoft Word or approved equal. Graphics, mapping, databases, etc. outside of Microsoft Word or equal will be provided in a software format agreed upon by the awarded Consultant team and VVTA staff.

Electronic versions of all maps including individual routes and system maps produced for this study shall also be provided to the Authority in an approved format. In addition, data tables and respective databases comprised of on-board, or passenger surveys conducted on behalf of the Authority shall be provided in electronic format.

Phase IV. On Call Services

For a period of seven (7) years post completion of this project VVTA will need additional services related to this project. In addition, VVTA will have a need for on-call management level consultancy services to provide on-demand, multi-disciplined, executive level consultative support on matters relative to the Agency's strategic and programming needs. Proposers may offer additional services than those listed in its proposal as it believes will be of benefit to VVTA. Those additional services; however, are not to be considered as accepted by VVTA unless VVTA agrees to such additional services in writing.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

The on call services may include a wide variety of management consulting services on an as-needed, on-call basis throughout the term of the Agreement. All services will be as appropriate to meet VVTA's needs. Such services shall include, but not limited to:

- A) Provide supplemental service planning functions; routing, scheduling, performance monitoring;
- B) Analysis of NTD required Directional Miles, analysis of Jurisdictional Miles, and analysis of urban and rural split for NTD purposes;
- C) Define methodologies to address positive interaction with the Metropolitan Planning Organization (MPO) & the County Transportation Commission (CTC) Boards and staff, jurisdictional entities, CALTRANS, and FTA;
- D) Development of vision and strategic plans considering budgetary as well as political and jurisdictional constraints;
- E) Class / Compensation studies.
- F) Support to Senior Management on strategic, programmatic, and contractual matters;
- G) Development of Comprehensive Operations Analyses, SRTPs, capital plans, budgets, analysis, job descriptions, and validations for staffing;
- H) Preparation for submission of competitive Federal, state, local, private and nonprofit grant applications as directed;
- I) Assist in preparing the agency to remain in compliance with any federal, state, and local legislation or mandates including asset management, state of good repair, ADA compliance, PTASP, etc.;
- J) Assist in preparation of FTA Triennial Reviews, TDA Performance Audits, NTD audits, and other federal and state audits that may be required of VVTA from time to time;
- K) Assistance in developing required Title VI programs/plans, DBE Programs/Plans/Goal, and any other future Civil Rights requirements mandated by the FTA.
- L) Other ancillary projects and reports as deemed necessary.

VVTA RFP 2023-01 COMPREHENSIVE OPERATION ANALYSIS / ATTACHMENT A – SCOPE OF WORK

Services will be authorized by issuance of a Purchase Order for each task or set of tasks and issued by the Agency's Executive Director. The Purchase Order will provide specific details on the task to be completed based on requirements of the resultant Agreement. Each Purchase Order may vary in scope and dollar value depending upon specific task requirements. Each Purchase Order will contain a performance period specific to the task(s) indicated.

**AGENDA ITEM
SIX**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Contract Between VVTA and Transit Consulting Strategies Corp. for Consultant Services.

SUMMARY STATEMENT

VVTA's current Executive Director, Kevin Kane, is retiring with the last date of employment being March 31, 2023. VVTA has appointed an Executive Director to transition from Mr. Kane's retirement as of March 31, 2023. This Consulting Contract will allow Mr. Kane, through his company Transit Consulting Strategies Corp. (TCS), to assist in the VVTA's new Executive Directors transition and perform consulting services to VVTA as an independent contractor. Additionally, TCS will perform various activities regarding VVTA Board agendas, RFPs (SOWs), and other matters strategic to VVTA as assigned/approved by VVTA's Executive Director

The contract services are based on an hourly rate, with an annual cap of 360 hours. Specific monthly allowances and reimbursable expenses are in addition to the hourly rate. The contract term is for one year and may be renewed if agreed in writing by the parties. This contract may be terminated by either party with thirty (30) days prior written notice.

The Contract, executed by Transit Consulting Strategies Corp., is attached to this agenda item for any Board review or discussion.

RECOMMENDED ACTION

Approve contract for professional consulting services between VVTA and Transit Consulting Strategies Corp (TSC)., for a term of one-year, effective April 1, 2023, in an amount not to exceed \$63,000.00 exclusive of authorized reimbursable expenses. Authorize the VVTA Executive Director to execute and manage the Consultant Contract.

PRESENTED BY
Adam Ebright
County Counsel

FISCAL IMPACT
NTE
\$63,000

MEETING DATE
February 21, 2023

ITEM NUMBER
6

CONSULTANT CONTRACT

This Contract, is made and entered by Victor Valley Transit Authority, A Joint Powers Authority, created pursuant to the laws of the State of California ("Agency" or "VVTA"), having a principal place of business at 17150 Smoke Tree St, Hesperia, CA 92345, and **Transit Consulting Strategies Corp.** ("Consultant"), having a principal place of business at 19846 N264th, Buckeye, AZ 85396. The Effective Date of this contract is April 1, 2023.

WITNESSETH

WHEREAS Consultant wishes to provide certain professional services and deliverables (the "Services" and the "Deliverables") as set forth in Appendix A, which is attached hereto and made a part hereof; and

WHEREAS Agency wishes to procure the Services and Deliverables from Consultant, for good and valuable consideration, as more fully described in Appendix A attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties hereto agree as follows:

1. SCOPE OF WORK.

(a) Consultant agrees to provide the Services and supply the Deliverables described in Appendix A which is attached hereto and is incorporated by reference into an made part of this contract.

(b) In the event that additional assignments are agreed upon between Consultant and Agency, the parties shall execute addendums to this Contract describing the additional assignments, including the fees, schedule, and deliverables for that specific assignment.

2. TERM/TERMINATION.

This Contract shall remain in effect until the sooner of: (a) the completion by Consultant of all services or the maximum billable hours specified in all Appendices hereto; (b) one (1) year from its Effective Date; or (c) as otherwise provided in the Contract. This Contract may be renewed, extended, or amended by written agreement of the parties.

This Contract may be terminated by either party on thirty (30) days prior written notice. In the event of any such termination, Consultant shall be paid for all

Services that it performed prior to such termination, including any authorized Services performed during the notice period.

Upon completion of Services or earlier termination of this Contract, Consultant and/or its employees and subcontractors shall return to Agency all data, materials and other work product, in their then current condition and return to Agency all data and materials, and any copies of such data and materials in Consultant's possession, supplied to it in connection with this Contract.

3. PAYMENT FOR SERVICES.

(a) Agency agrees to pay Consultant in accordance with the Fees set forth in Appendix A. Consultant shall submit to the Agency an itemized monthly invoice for the Services rendered on an hourly basis as set forth on Appendix A, and authorized expenses incurred. Invoices and supporting documents may be submitted electronically. Invoices shall be payable within thirty (30) days of receipt. VVTA's maximum cumulative payment obligation under this contract shall not exceed Sixty-Three Thousand dollars (\$63,000), excluding authorized expense reimbursement.

(b) Agency may, upon notice to consultant, withhold payments for work which is not performed in compliance with this Contract and/or reasonably question any item(s) reflected on Consultant's invoice. Pending the settlement or resolution of the issue(s), the non-payment of these items shall not constitute a default of this Contract. Agency shall pay all amounts due that are not in dispute. In the event Agency withholds any payments from consultant due to non-acceptance of any work, Agency shall concurrently provide consultant with detailed written notice setting forth the reason(s) for such non-acceptance, and consultant shall have a reasonable opportunity to correct such work. Upon such correction, the withheld amounts shall be promptly paid. If consultant disputes Agency's contention that appropriate grounds exist for withholding payments, consultant may suspend the performance of services hereunder until settlement or resolution of the issue, without being in default of this Contract.

4. TRAVEL/REIMBURSABLE EXPENSES AND ALLOWANCES.

(a) All travel by consultant must be authorized in advance by the Agency and shall be in accordance with Agency expense guidelines. Allowances shall be included as compensation pursuant to the Internal Revenue Code and regulations.

(b) Consultant plans on traveling to VVTA's work locations as needed and will furnish his own vehicle and auto insurance for road travel and receive an auto allowance of twelve-hundred dollars (\$1200) per month for each month this contract is in effect. No mileage reimbursement shall be given as the auto

allowance covers all vehicle expenses. Billable time for required travel shall be sixty-two dollars and fifty cents (\$62.50) per hour portal to portal. A per diem fee of seventy-five dollars (\$75) per day of business travel will be incorporated into this contract for meals.

(c) It is expected that all expenses associated with ground transportation (e.g., taxi cabs) and meals incurred by the Consultant, while conducting activities on behalf of Agency, will be at reasonable rates and that the consultant will exercise prudence in incurring such expenses.

(d) Agency will reimburse consultant's approved business expenses, including economy or main class air travel, at cost. Daily hotel stay reimbursable costs shall not exceed two hundred dollars (\$200) per night, unless preapproved by VVTA, plus applicable parking or resort charges. Request for reimbursement of expenses will require submittal of acceptable substantiating documentation for each such expense and must be in accordance with Agency travel and expense policies.

(e) Agency will provide Consultant with a mobile phone allowance of two hundred dollars (\$200) per month for each month this contract is in effect. Consultant may purchase his existing employee phone from VVTA at an agreed upon fair market price but must purchase and enroll in his own cellular and data plan.

(f) Agency will provide Consultant with a computer allowance of one hundred dollars (\$100) per month for each month this contract is in effect.

(g) Agency will reimburse Consultant the monthly cost, or annual premium cost prorated monthly, for the Insurance requirements and specifications listed in Section 10. below, excluding subdivision (c) Automobile Liability Insurance which is included in Consultant's auto allowance, that Consultant is required to procure.

5. INDEPENDENT CONTRACTOR.

(a) Consultant shall perform all Services hereunder as an independent contractor, and nothing contained herein shall be deemed to create any association, partnership, joint venture, or relationship of principal and agent or master and servant, or employer and employee between the parties hereto or any affiliates or subsidiaries thereof, or to provide either party with the right, power or authority, whether express or implied, to create any such duty or obligation on behalf of the other party.

(b) Consultant also agrees not to be treated, or seek to be treated, as an employee of Agency for any purpose, including for the purposes of fringe benefits provided by Agency, or for disability income, social security taxes and benefits,

Federal unemployment compensation taxes, State unemployment insurance benefits and Federal income tax withholding at sources. Consultant hereby represents that consultant has and always will maintain timely payments of all taxes due to the Internal Revenue Service and all other government agencies, including withholding and all other taxes.

6. COMPLIANCE WITH LAWS.

Consultant agrees to comply with all applicable Federal, state, county and local laws, ordinances, regulations, and codes in the performance of its obligations under this Contract, including but not limited to the procurement of permits, licenses and certificates where required and payment of applicable taxes. consultant further agrees to hold harmless and indemnify Agency and its subsidiaries and affiliates against any loss or damage (including reasonable attorney's fees) that may be sustained by reason of the failure of consultant to comply with such laws, ordinances, regulations, and codes provided that Agency:

- (a) promptly notifies consultant in writing of the claim; and
- (b) cooperates with consultant in, and grants consultant sole authority to control the defense and any related settlement.

7. COMPLIANCE WITH AGENCY PROCEDURES.

(a) Consultant agrees to comply with Agency's Standards of Conduct policies while on Agency business or on Agency premises. If consultant or any of consultant's employees or subcontractors violates the aforementioned policy, said person will be barred from performing any further Services for Agency and this Contract may be terminated by Agency waving any 30-day written notice requirement.

(b) Consultant agrees that it will comply with all of Agency's standard physical security procedures in place at Agency's locations where consultant may be performing work.

(c) In the event this Contract is terminated pursuant to the provisions of this article no further liabilities or obligations shall accrue to Agency, except for any fees due and owing for services performed as of the time of such termination.

8. PROPRIETARY RIGHTS.

(a) Subject to payment in full of the fees specified herein, except for consultant's tools, processes, pre-existing materials, methodologies and derivative works thereof (collectively, the "consultant materials") which Agency acknowledges and agrees are owned by consultant, consultant hereby agrees

that the deliverables and all inventions, discoveries, improvements, specifications and other documentation, designs, methods, writings, compilations of information, and/or materials that are protectable as intellectual property in the United States, whether under the laws of patents, copyrights, and/or trade secrets, (hereinafter referred to in the aggregate as "Inventions") that are conceived, designed, practiced, prepared, produced or developed by it, either alone or in concert with others:

- (1) during its engagement hereunder,
- (2) based upon knowledge or information learned or gained from Agency, or
- (3) that results from the use of Agency's facilities, personnel, or materials, are and shall be the sole and exclusive property of Agency. The consultant materials and any improvements or ancillary products pertaining to the consultant materials that are created or discovered by consultant in connection with the services performed hereunder are and shall remain Agency property.

(b) Consultant agrees that the deliverables are hereby assigned to Agency and that it will execute all documents necessary to assign and transfer to Agency, or its nominees, successors, or assigns, free of encumbrances, all rights, title, and interest in and to the deliverables all Inventions. All such assignments shall include, among other things, existing or prospective patent rights and copyrights in the United States and all foreign countries.

9. INDEMNIFICATION.

(a) Consultant shall separately defend, indemnify and hold Agency harmless from and against any claim, liability, loss, cost or expense (including reasonable attorneys' fees) arising out of or resulting from any personal injury or death to persons, or damage to property, in the performance of the services caused by the negligence or willful misconduct of consultant, consultant's employees, agents, or subcontractors provided that Agency:

- (1) promptly notifies consultant in writing of the claim; and
- (2) cooperates with consultant in, and grants consultant sole authority to control the defense and any related settlement.

10. INSURANCE.

Consultant agrees to provide insurance set forth in accordance with the requirements herein. If Consultant uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements,

Consultant agrees to amend, supplement or endorse the existing coverage to do so.

Without in anyway affecting the indemnity herein provided and in addition thereto, Consultant shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

*(*if applicable)* (a) Workers' Compensation/Employer's Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Consultant and all risks to such persons under this contract.

If Consultant has no employees, it may certify or warrant to the VVTA that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the VVTA's Director of Risk Management.

(b) Commercial/General Liability Insurance –Consultant shall carry General Liability Insurance covering all operations performed by or on behalf of Consultant providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations).
- d. Personal injury.
- e. Contractual liability.
- f. \$2,000,000 general aggregate limit.

(c) Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If Consultant is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If Consultant owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

(d) Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

(*if applicable) (e) Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim and two million (\$2,000,000) aggregate limits.

(f) Additional Insured

All policies, except for Worker’s Compensation and Professional Liability policies shall contain additional endorsements naming the VVTA and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the VVTA to vicarious liability but shall allow coverage for the VVTA to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

11. LIMITATION OF LIABILITIES.

Agency AND Consultant SHALL HAVE NO LIABILITY FOR ANY CLAIM RELATING TO THIS CONTRACT IN EXCESS OF THE FEES AND EXPENSES PAID TO Consultant, EXCEPT PURSUANT TO Consultant’s INDEMNIFICATION OBLIGATIONS CONCERNING THIRD PARTY CLAIMS AGAINST Agency UNDER ARTICLE 9. IN NO EVENT SHALL Agency AND Consultant BE LIABLE TO EACH OTHER FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF Agency AND Consultant HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12. PROPRIETARY INFORMATION.

Consultant hereby agrees that all knowledge and information learned or gained from Agency or its subsidiaries in the course of its engagement hereunder, which knowledge and/or information (whether presently existing or hereafter developed) is not publicly known and which was not known by consultant without restriction prior to this engagement or any previous engagement or employment by Agency, regardless of the form in which such information may be contained or

communicated (including, but not limited to, documents, drawings, tangible items, and photographs), is the exclusive, confidential and proprietary information of Agency or its subsidiaries, or in some cases, of its or their vendors or customers who have entrusted the same to Agency or its subsidiaries (said knowledge and information hereinafter being referred to collectively as "Proprietary Information") and shall be protected by consultant.

13. TAXES.

(a) The fees and charges reflected in Appendix A hereof are exclusive of any sales, use, personal property, value added and goods/services taxes. Where applicable, such taxes shall appear as a separate item on consultant's invoice and Agency shall be liable for the payment of such taxes to consultant.

(b) Notwithstanding the foregoing, Agency shall not be responsible for any foreign, federal, state or local taxes based on Consultant's net income or receipts, or such other taxes based on consultant doing business in any particular jurisdiction.

14. REPRESENTATIONS AND WARRANTIES.

(a) Consultant represents and warrants that the Services performed pursuant to this Contract shall be performed in a professional manner by individuals well qualified to perform such work, and agrees to provide Agency, on request, with information concerning the individuals' experience which affirms these qualifications.

(b) Consultant hereby represents and warrants that the Services, the Deliverables, the Inventions, and any information, material, products, designs, specifications or instructions provided by consultant, or the use of any of the foregoing, do not infringe any patent, utility model, industrial design, copyright, trade secret, trademark or any other third party intellectual property right or right of confidentiality in any country where consultant performs Services or provides Deliverables or Inventions.

15. PROJECT MANAGEMENT AND REVIEW MEETINGS.

(a) The VVTA Executive Director or Agency employee assigned by Agency (the "Project Manager") shall manage the assignment and oversee the Consultant. The "Project Manager" is responsible for monitoring the Consultant's work, for review and approval of invoice documentation and shall act as the agent for the purpose of any notices required or given under this Contract. Consultant's direct interface with Agency shall be the assigned Agency Project Manager. The assigned Project Manager for this Project is:

Agency Project Manager: Nancie Goff, VVTA Executive Director

Telephone Number: (760-995-3495)

(b) Unless otherwise provided, consultant shall be available for review meetings with Agency personnel upon reasonable advanced notice during the term of the Contract to discuss the progress of the Services and to report on and deliver work completed and in progress during the term of this Contract.

16. NONDISCRIMINATION.

Consultant agrees to comply and to cause its agent(s) and/or subcontractors to comply with the provisions of all applicable federal, state, and local laws, regulations and executive orders relating to equal opportunity and nondiscrimination in employment, and the use of minority business enterprises, to the extent that any such laws, orders and regulations are applicable in the performance of their work hereunder. For the purpose of this Contract, the provisions of such laws, orders and regulations shall be deemed an integral part of this Contract to the same extent as if they were written at length herein.

17. WORK POLICY.

(a) Consultant agrees to observe the working hours, work rules, building security measures and holiday schedule of Agency when on Agency premises, which will be provided to consultant upon request; provided, however, that adherence to such working hours and schedules shall not constitute justification for non-accomplishment of agreed upon schedules and deadlines.

(b) Consultant further agrees to employ all reasonable efforts to meet Agency's assignment deadlines and documentation standards, as applicable. Unless otherwise agreed upon, Consultant shall meet with Agency personnel to discuss and review the progress of the current assignment on a regular basis.

18. GENERAL PROVISIONS.

(a) Paragraph Headings. Paragraph headings are for convenience only and shall not be a part of the Terms and Conditions of this Contract.

(b) Waiver. Failure by either party at any time to enforce any obligation by the other party, to claim a breach of any term of this Contract or to exercise any power agreed to hereunder will not be construed as a waiver of any right, power or obligation under this Contract, will not affect any subsequent breach, and will not prejudice either party as regards any subsequent action.

Agency Project Manager: Nancie Goff, VVTA Interim Executive Director

Telephone Number: (760-995-3495)

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(c) Severability. If any term or provision of this Contract should be declared invalid by a court of competent jurisdiction, the remaining terms and provisions of this Contract shall remain unimpaired and in full force and effect.

(d) Record Retention. Consultant agrees to maintain complete and accurate accounting records in accordance with sound accounting practices to substantiate Consultant's charges hereunder. Consultant shall preserve such records for a period of not less than three (3) years after completion of the pertinent Services. Agency shall have access to such records for purposes of audit through an accounting firm selected and paid by Agency, provided Agency shall be limited to one audit. Any such review of Consultant's records shall be conducted upon not less than fifteen (15) calendar days prior written notice at a place where Consultant's records are customarily maintained at reasonable times during normal business hours.

(e) Assignment. Neither party may assign any rights or obligations under this Contract.

(f) Modification. No modification, waiver or amendment of any term or conditions of this Contract shall be effective unless and until it shall be reduced to writing and signed by both of the parties hereto or their legal representatives.

(g) Governing Law. This Contract shall be governed by and construed and enforced in accordance with the substantive laws of the State of California, County of San Bernardino. Both parties' consent to jurisdiction and venue in the state and federal courts of the State of California.

(h) Complete Contract. This Contract together with Appendix A constitutes the entire Contract of the parties with respect to its subject matter and may not be modified in any way except by written Contract signed by both parties. There are no other Contracts either express or implied with regard to this subject matter.

19. REVISIONS

Unless specified otherwise in the contract, this contract may only be modified by written mutual consent evidenced by signature of representative authorized to enter into and modify the contract. In order to be effective, amendments may require approval by VVTA's Board of Directors, and in all instances require prior signature of an authorized representative of VVTA.

This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile,

PDF, or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Amendment upon request.

IN WITNESS WHEREOF, the parties hereto, through their duly authorized officers, have executed this Contract as of the day and year first set forth below.

Agency

Consultant

By: _____

By: _____

Print Name: Nancie Goff

Print Name: Kevin Kane

Title: Executive Director

Title: President

Date: _____

Date: _____

APPENDIX A

Consultant will assist Agency in all matters pertaining to management and any other related matters that consultant may have professional skills needed by Agency. Consultant shall advise project management on all projects that Agency assigns to consultant. This will include any updates to current facilities and future ventures.

Examples of the types of consulting assistance include but are not limited to:

- Assistance in interviewing and making recommendation regarding the hiring of the next VVTA Executive Director and Director of Operations;
 - Assistance in providing the successful candidates a smooth transition into VVTA's vision as related to the VVTA management team; VVTA's vision, history, ethics, and affiliations;
- Attendance at Board meetings on request;
- Preparation, review, and comment of Board Agenda Items;
- Assistance in creation / review of Agency correspondence and documents;
- Review and/or preparation of SOWs for various projects;
- Review and/or preparation the Short Range Transit Plans;
- Participation, review, and recommendations regarding Comprehensive Operations Analyses;
- Assistance with upcoming projects such as Victor Valley Transportation Center Renovation, Hesperia Transfer Hub, Hesperia Hydrogen Fueling Facility, etc.
- Assistance for any needed interface with the San Bernadino County Transportation Authority, the Southern California Associated Governments, and the Federal Transit Administration; and
- Performing any assignments from the VVTA Board of Directors or their designee.

Services will be provided by consultant on a time and materials basis in an amount not to exceed One Hundred Twenty-Five dollars (\$125.00) per hour billable in fifteen-minute increments. The annual cap for hours billed by Consultant is three hundred sixty (360) hours over an annual term with no monthly floor or ceiling so long as this Contract remains in effect.

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**AGENDA ITEM
SEVEN**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Amend the VVTA Fiscal Year 2022-23 Budget and Short-Range Transit Plan to Modify Funding for the Purchase of Paratransit Buses (20).

SUMMARY STATEMENT

In September 2022, VVTA received notice from the CALACT/MBTA purchasing cooperative stating that the bus chassis for VVTA's outstanding paratransit purchase orders from 2021 for 14 vehicles were no longer available. As a result, Creative Bus Sales applied for, and was covered by, Force Majeure relief for the existing orders. VVTA opted to cancel the previous orders and re-spec the buses to an available chassis. Additionally, six paratransit buses budgeted for FY22 were changed to the available chassis. These changes resulted in a total increased price of \$898,879 for 20 buses.

The recommended funding plan for the short fall is to use surplus Section 5307 (\$4,504), Section 5339 (\$4,539), LTF (\$2,260) and STA (\$8,889) funds, along with unobligated LCFS Credits ((\$56,957), and reallocated LTF (\$260,198), PTMISEA (\$344,169), and SGR (\$177,827) funds.

Accounting Enterprise	LTF	\$260,198
Major Components	STA	\$1,724
BEB Charger Upgrade Hesperia	STA	\$37,812
Reallocated Funds	PTMISEA	\$344,169
Reallocated Funds	SGR	\$177,827
Unobligated	LCSF Credits	\$56,957
Surplus	Section 5307	\$4,504
Surplus	Section 5339	\$4,539
Surplus	STA	\$8,889
Surplus	LTF	\$2,260
Total Reallocated Funding		\$898,879

RECOMMENDED ACTION

Amend the VVTA Fiscal Year 2022-23 Budget and Short-Range Transit Plan to Modify Funding as presented for the Purchase of Paratransit Buses (20).

PRESENTED BY
Marie Downing,
Grants Manager

FISCAL IMPACT

None

MEETING DATE

February 21, 2023

ITEM NUMBER

7

				Federal				PTMISEA			Local	Grand
	5307	5339	5310	Total	STA	LTF	SGR	PTMISEA	Interest	LCFS Credits	Total	Total
Original Funding	\$ 481,775	\$ 1,376,000	\$ 208,400	\$ 2,066,175			\$ 426,501	\$ 18,822	\$ 14,031	\$ 30,714	\$ 490,068	\$ 2,556,243
Surplus Funds	\$ 4,504	\$ 4,539		\$ 9,043	\$ 8,889	\$ 2,260					\$ 11,149	\$ 20,192
Reallocated Funds					\$ 39,536	\$ 260,198	\$ 177,827	\$ 344,169		\$ 56,957	\$ 878,687	\$ 878,687
Revised Total Project Cost	\$ 486,279	\$ 1,380,539	\$ 208,400	\$ 2,075,218	\$ 48,425	262,458	\$ 604,328	\$ 362,991	\$ 14,031	\$ 87,671	\$ 1,379,904	\$ 3,455,122

AGENDA ITEM EIGHT

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual NTD Audit Report for Fiscal Year Ending June 30, 2022,
Completed by Eide Bailly CPAs and Business Advisors.**

SUMMARY STATEMENT

In 1974 Congress established the National Transit Database (NTD) to be the Nation's primary source for information and statistics on the transit systems of the United States and is used to calculate Federal funding formulas. Urban and rural transit grantees of Federal funding are required to report annually. The NTD also requires monthly operating and safety statistics reports from agencies such as VVTA. This is because VVTA is required to file as a Full Reporter.

Transit agencies are responsible for the data that they report to the NTD. If the data does not follow NTD prescribed procedures or seem unreasonable or inaccurate, or an agency cannot provide a reasonable response to explain data, the NTD may publish the data with a 'questionable' notation.

Like many federal reviews, this in-depth review is performed for NTD by a contracted Independent Auditor. The Independent auditor's statement is provided to the Board to receive and file. Within this report, the entire years' service and financial data were affected by Covid-19.

FTA provided separate guidance for reporting changes resulting from the pandemic, as well as administrative relief from several requirements. For example, FTA waived the mandatory sampling requirement for Report Year 2020 for all agencies due to Covid-19. Therefore, VVTA used instead an FTA approved method to estimate the passenger miles traveled (PMT) again for this report year. Next report year 2023 agencies are required to sample again.

The results of the auditor's statement find that no events or instances of non-compliance were found that would require adjustment to, or disclosure to, the FFA-10 or Agreed Upon Procedures Report.

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Nancie Goff, Chief Operating Officer	N/A	February 21, 2023	8



National Transit Database Report
Agreed-Upon Procedures
For the Period July 1, 2021 through June 30, 2022
Victor Valley Transit Authority

Independent Accountant's Report.....	1
Procedures and Findings	
Attachment 1	3



Independent Accountant's Report

Board of Directors
Victor Valley Transit Authority
Hesperia, California

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form FFA-10 (FFA-10) for the Victor Valley Transit Authority (VVTA) annual National Transit Database (NTD) report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
2. A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
4. A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
5. The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
6. The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
7. Data are consistent with prior reporting periods and other facts known about VVTA's operations.

We have performed the procedures described in Attachment 1 to this report. Management of VVTA is responsible for the accuracy of the NTD data reported in the Federal Funding Allocation Statistics Form 10 (FFA-10) in accordance with the requirements specified *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630, *Federal Register, January 15, 1993* and as presented in the *2022 Policy Manual*.

VVTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether VVTA complied with the reporting requirements described above and that the information included in the FFA-10 for the fiscal year ended June 30, 2022 is presented in conformity with the requirements of the *Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2022 NTD Policy Manual*. Additionally, the FTA has agreed to and acknowledged, as specified in the Declarations section of the *2022 Policy Manual*, that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are listed in Attachment 1 to this report. The procedures were applied separately to each of the information systems used to develop the reported actual VRM, PMT, and OE of VTVA for the fiscal year ended June 30, 2022 for each of the following modes:

(1) Motor Bus - purchased transportation (MBPT), (2) Commuter Bus – purchased transportation (CBPT), (3) Demand Response - purchased transportation (DRPT) and (4) Vanpool Service - purchased transportation (VPPT).

We were engaged by San Bernardino County Transportation Authority (SBCTA) to perform this agreed-upon procedures engagement over VVTA and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accuracy of the FFA-10 data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of VVTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of VVTA management, VVTA Board of Directors and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

The signature is written in a cursive, handwritten style. It appears to read "Erik Bailey" followed by "LLP".

Rancho Cucamonga, California
January 17, 2023

Excerpt from the *FTA 2022 Policy Manual* Exhibit 80 - Federal Funding Allocation Data Review Suggested Procedures:

FTA has specified and agreed to a set of procedures for the independent auditor to perform to satisfy the requirements of the Federal Funding Allocation data review. Several of the procedures below require the auditor to select a random sample of documents or data. The procedures do not specify the selected number (i.e., the percentage of the total documents/data). The auditor should use professional judgment to determine the percentage that will enable the auditor to make the required assurances.

The source documents and other records (such as data summaries) may be in the form of digital data files. The auditor should ensure that these files are securely stored and that a contingency plan is in place to ensure that the transit agency retains source documents for a minimum of three years:

- a. The procedures to be applied to each applicable mode and type of service (TOS) (directly- operated (DO) and purchased transportation (PT)) are: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2022 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Results – We obtained and read a copy of VVTA’s Passenger Counting and Reporting (PCR) processing procedures. Based on our inquiry, we noted that VVTA maintains procedures that satisfy the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the *2022 Policy Manual*.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
 - The extent to which the transit agency followed the procedures on a continuous basis, and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2022 Policy Manual*.

Results – We inquired regarding VVTA’s procedures for the MBPT, CBPT, DRPT and VPPT services noting that the asserted procedures were consistently applied. In addition, based on our inquiry with the Chief Operating Officer, management asserted that the procedures resulted in the accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the *2022 Policy Manual*.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

Results – We inquired with the Chief Operating Officer, regarding VVTA’s retention policy for NTD data, Total Modal Operating Expenses data, Actual Vehicle Revenue Mile and Passenger Miles Traveled. Per inquiry, the current practice is to retain electronic data for more than the three-year minimum.

- d. Based on a description of the transit agency’s procedures from items (1) and (2) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

Results – We inspected the following source documents for each type of service, selected three months out of the year and determined that the documents existed for each of these periods:

Type of Service	Source Document	Months Tested
MBPT	<ul style="list-style-type: none"> • MBPT Statistics Reports (queried from TransTrack system) • Random Sampling Database • Random Check Driver Trip Sheets • NTD Data Worksheets • Route plans 	<ul style="list-style-type: none"> • August 2021, March 2022, and June 2022. • Three years of data were noted to be archived on VVTA’s network.
CBPT	<ul style="list-style-type: none"> • CBPT Statistics Reports (queried from TransTrack system) • Random Sampling Database • Random Check Driver Trip Sheets • NTD Data Worksheets • Route plans 	<ul style="list-style-type: none"> • August 2021, March 2022, and June 2022. • Three years of data were noted to be archived on VVTA’s network.
DRPT	<ul style="list-style-type: none"> • DRPT Statistics Reports (queried from TransTrack system) • Random Sampling Database • NTD Data Worksheets • Ecolane Productivity Reports • Survey Trip Sheets • Driver Manifests 	<ul style="list-style-type: none"> • August 2021, March 2022, and June 2022. • Three years of data were noted to be archived on VVTA’s network.
VPPT	<ul style="list-style-type: none"> • VPPT Statistics Reports (queried from TransTrack system) • Rider Log-in Website • Vanpool Route data from Website • NTD Data Worksheets 	<ul style="list-style-type: none"> • August 2021, March 2022, and June 2022. • Three years of data were noted to be archived on VVTA’s network.

- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

Results – We inquired regarding the system of internal controls noting that each respective mode/type of service is being reviewed by personnel independent of the preparation process. The review is performed monthly for the MBPT, CBPT, DRPT and VPPT modes.

- f. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

Results – We selected a haphazard sample of 5 Check Trip Sheets for the MBPT and CBPT services respectively and identified supervisory signatures documenting reviews of the data presented without exception. For the DRPT service the Survey Trip Sheets are prepared and reviewed by the contractor who provides the survey data to VVTA. Management asserted that the data which is in electronic format is reviewed before being entered into the accumulation worksheets that compile the NTD data. For VPPT, data is accumulated electronically by the drivers. Management asserted that the data, which is in electronic format, is reviewed before being entered into the accumulation worksheets that compile the NTD data.

- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

Results – We obtained the worksheets utilized by VVTA to transcribe statistics to the Federal Funding Allocation Statistics form and compared the data to summaries without exception. We tested the arithmetical accuracy of the summarizations without exception. We noted that the FTA had disabled the FFA-10 forms for the 2022 report year until the Census Bureau releases the new Urbanized Area (UZA) definitions and detailed UZA boundary maps. As such, we were not able to agree the calculated final data to the Federal Funding Allocation Statistics form.

- h. Discuss the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the *2022 Policy Manual*.

Results – Sampling was conducted for the MBPT, CBPT and DRPT modes. For the current year, FTA has waived the sampling requirement for Report Year 2022 for all agencies with this sampling frequency due to COVID-19. We inspected the sampling methodologies and noted that the sampling methodology used met the requirements of the *2022 Policy Manual* and the Guide: National Transit Database (NTD) Reporting and COVID-19.

The VPPT mode does not involve sampling. This mode used a 100% count of actual PMT.

- i. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
 - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Determine how the transit agency estimated annual PMT for the current report year.

Results – VVTA meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year. Per the triennial sampling requirement, 2020 was a mandatory sampling year. For 2020, 2021, and 2022 FTA has waived the sampling requirement due to COVID-19. The 2017 statistical sampling was used for the CBPT mode. Statistical sampling for the MBPT and DRPT modes was performed in 2019, and FTA waived sampling for 2022. The VPPT mode does not involve sampling. This mode used a 100% count of actual PMT.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

Results – For the MBPT, CBPT and DRPT modes we obtained a copy of VVTA's methodology used in the statistical sampling to estimate average PMT and determined that the methodology used by VVTA resulted in a random selection of runs and that the stated sampling procedure was followed.

The VPPT mode does not involve sampling since it uses a 100% count of actual PMT.

- k. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulation periods that were tested. Test the arithmetical accuracy of the summary.

Results – As described in procedure I, the statistical sampling for MBPT, CBPT and DRPT was waived by FTA due to COVID-19. As such, the procedure identified above is not applicable in the current year. For VPPT, we compared ridership being entered on the Vanpool internet database for September 2021, April 2022, and June 2022 against amounts uploaded to the Data Warehouse without exception. We also tested 6 Vanpool routes and verified the accuracy of calculations used to determine PMT with no exceptions noted as a result of these procedures.

- I. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

Results – The procedure identified above is not applicable. Per inquiry with VVTA’s management, VVTA did not provide charter, school bus or other ineligible services.

- m. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
 - If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.

Results – For the MBPT and CBPT modes, VVTA calculates actual missed vehicle revenue miles using the TransTrack system. The system generates an accumulation of missed revenue miles per trip which are subtracted from scheduled revenue miles. We selected August 2021, March 2022, and June 2022 missed trips for MBPT and CBPT and noted that those trips were subtracted from the scheduled revenue miles. No exceptions with the arithmetic accuracy were noted as the result of these procedures.

- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.

Results – This procedure is not applicable as VRMs are not calculated from hubodometers.

- If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Results – For the DRPT mode, Revenue Miles are calculated by the Ecolane system based on the odometer readings from the first pickup to the last drop off. Deadhead miles are excluded from the Revenue Miles calculations. We selected 3 months to test and noted without exception that the deadhead miles are not included in the Revenue Miles calculations.

For the VPPT mode deadhead miles are automatically excluded because only commute miles are entered into the calculation of Revenue Miles and the results are reviewed by the Chief Operating Officer.

- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Results – The procedure identified above is not applicable as VVTA does not provide rail service.

- o. If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:
- Rail, trolleybus (TB), Ferryboat (FB), or Aerial Tramway (TR); or
 - Bus (Motorbus (MB), Commuter Bus (CB), or Bus Rapid Transit (RB)) service operating over exclusive or controlled access rights-of-way (ROW); and
 - i. Access is restricted;
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway;
 - iii. Restricted access is enforced for freeways; priority lanes used by other HOV (i.e., Vanpools (VP), carpools) must demonstrate safe operation.

Results – The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Results – The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to an FG segment(s), the following apply:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Results – The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- r. Measure FG/HIB DRM from maps or by retracing route.

Results – The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

Results – The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2022 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2021 report year, the Agency Revenue Service Date must occur within the transit agency's 2021 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

Results – The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- u. Compare operating expenses with audited financial data after reconciling items are removed.

Results – Operating expenses were compared to the trial balances subject to audit. Variances were noted within the total and interest. For the total, the Form F-40 amount was lower than the general ledger by \$308,817. For interest, the Form F-40 amount was \$28,672 higher than the general ledger. The differences were the result of the timing of the filing of the Form F-40 and the audited financial data.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of PT-generated fare revenues. The PT fare revenues should equal the amount reported on the Contractual Relationship form.

Results – We identified the purchased transportation fare revenues reported on the B-30 and reconciled the amounts to the general ledger without exception.

- w. If the transit agency's report contains data for PT services and assurances of the data for those services are not included, obtain a copy of the IAS-FFA regarding data for the PT service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this auditor's review, and the transit agency also does not have a separate Independent Auditor's Statement for the purchased transportation data.

Results – The data for purchased transportation are included in the reporting by VVTA and therefore no IAS for the purchased transportation services is included.

- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

Results – We inspected the MBPT, CBPT, DRPT and VPPT service contracts and determined that they contained the items noted above without exception. We inquired with the Chief Operating Officer, regarding VVTA's retention policy for executed contracts for purchased transportation programs. Per inquiry, the current practice is to retain contracts for ten years.

- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

Results – The U.S. Census Bureau did not release the 2020 census data and therefore the FTA has extended the UZA reporting deadline until further notice. As a result, no testing of UZA reporting is possible as of the date of this NTD Agreed Upon Procedures Report.

- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Results – The following fluctuations were noted for the data that will be reported on the FFA-10 Form:

- A 14.8% decrease in Vehicle Revenue Miles for MBPT
- A 11.3% increase in Operating Expenses for MBPT
- A 14.3% increase in Passenger Miles for CBPT
- A 11.9% increase in Operating Expenses for CBPT
- A 38.8% increase in Vehicle Revenue Miles for DRPT
- A 70.0% increase in Passenger Miles for DRPT
- A 31.7% increase in Operating Expenses for DRPT
- A 19.1% increase in Passenger Miles for VPPT
- A 14.0% increase in Operating Expenses for VPPT

A 14.8% decrease in the Vehicle Revenue Miles for MBPT was noted. Per inquiry with the Chief Operating Officer, this was the result planned service reductions as well as unplanned missed service due to severe driver shortages during the reporting year.

A 11.3% increase in the Operating Expenses for MBPT was noted. Per inquiry with the Chief Operating Officer, this was the result of overall operating expenses increasing due to MBPT's hourly rate related to the termination of the NEXT PT contract replaced by Keolis, increase in fuel market prices across the country, and high inflation rates which impacted the prices of supplies and services.

A 14.3% increase in the Passenger Miles for CBPT was noted. Per inquiry with the Chief Operating Officer, this was the result of unlinked passenger trips and passenger miles travelled resurging more than other services due to the nature of serving Fort Irwin, the National Training Center (NTC), and the military base being less economically impacted by the pandemic than the other services.

A 11.9% increase in the Operating Expenses for CBPT was noted. Per inquiry with the Chief Operating Officer, this was the result of overall operating expenses increasing due to CBPT's hourly rate related to the termination of the NEXT PT contract replaced by Keolis, increase in fuel market prices across the country, and high inflation rates which impacted the prices of supplies and services.

A 38.8% increase in Vehicle Revenue Miles for DRPT was noted. Per inquiry with the Chief Operating Officer, this was the result of a corresponding increase in passenger demand.

A 70.0% increase in the Passenger Miles for DRPT was noted. Per inquiry with the Chief Operating Officer, this was the result of a corresponding increase in passenger demand for services.

A 31.7% increase in the Operating Expenses for DRPT was noted. Per inquiry with the Chief Operating Officer, this was the result of overall operating expenses increasing due to DRPT's hourly rate related to the termination of the NEXT PT contract replaced by Keolis, increase in fuel market prices across the country, and high inflation rates which impacted the prices of supplies and services.

A 19.1% increase in the Passenger Miles for VPPT was noted. Per inquiry with the Chief Operating Officer, this was the result of a corresponding increase in Vanpool demand.

A 14.0% increase in the Operating Expenses for VPPT was noted. Per inquiry with the Chief Operating Officer, this was the result of expenses, such as passenger fees and capital leasing, that increased but primarily due to out of pocket passenger costs, which included fuel, that increased by approximately 33%.

- aa. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by FTA.

Results – We have documented the procedures followed based on the *FTA 2022 Policy Manual* Exhibit 80 - Federal Funding Allocation Data Review - Suggested Procedures, and noted the documents reviewed and tests performed in our workpapers. Additional procedures were not performed.

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NINE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2022
Completed by EideBaily CPAs & Business Advisors.**

SUMMARY STATEMENT

VVTA received its audited Annual Financial Report for fiscal year ending June 30, 2022, along with the required Single Audit for Federal Award Programs. In management's opinion it was yet another "exemplary" audit. There were no material misstatements. VVTA was found to be materially in compliance with GAAP (Generally Accepted Accounting Principles), and Government Uniform Guidance standards and all other related codified rules. VVTA received an "unmodified" opinion and qualified as low-risk auditee.

HIGHLIGHTS

- ❑ **Net Position:** Overall Net Position increased \$7,347,839 and was largely impacted by a net investment in capital assets and restricted capital assets of \$2,870,709 as well as an increase in Unrestricted Net Position of \$5,008,214. These changes are explained in detail in this analysis.
- ❑ The value of the Authority's capital assets (net of deletions and depreciation) increased by \$1,519,885 or 1.8%. This increase was caused by investment in new assets of \$9M, the new assets includes vehicles, equipment plus the upgrade of the Barstow CNG station, offset by depreciation and asset retirement. This increase in depreciable asset value also had a significant impact on the overall ending net position as explained later in this discussion.
- ❑ Operating Expenses increased by \$3,469,811 or 14% compared to last year operating expenses, due to the annual increase of the Operations and Maintenance contractor rates, plus the increase of the fuel market prices and the high increase in inflation which impacted and increased all supplies and services market prices.

Continued

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer CFO	N/A	February 21, 2023	9

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2022 Completed by EideBailly CPAs & Business Advisors.

- ❑ Program Revenues to support operations received from Federal increased by \$5,875,777 or 60% as compared to the prior year. The Federal operating grants increased due to the Federal COVID-19 CARES ACT Funds that were received to support the operating expenses.
- ❑ Capital revenues contributed by Federal, State and Local agencies totaled \$5,829,875 which was an increase of \$2,818,564 compared with last year. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year depending on the needs and objectives of the Authority. The funds received were enough to meet the capital needs of the agency for FY21/22.
- ❑ Total revenues increased by \$6,493,823 or 16.7% from \$38,922,940 in FY 20-21 to \$45,416,763 in FY 21-22, mainly due to the increase of the Federal and State Operating Funds to meet the increase of the Operating Expenses for the reasons mentioned above.
- ❑ Total expenses including depreciation and interest, for the fiscal year totaled \$38,068,924 represents an increase of \$3,134,300 or 9% when compared to the prior fiscal year. This was impacted by the increase in operating expenses of \$3,469,811 due to the increase of Fuel market prices and the increase of the annual contractor rates plus the high inflation that impacted all services and supplies market prices as mentioned above. There was decrease in the General and Administrative costs of \$714,717 compared to prior year most of which were due to the reclassification of software and other expenses related to operating, plus expenses in the prior year included IT supplies, software, and equipment to support a telework schedule during the pandemic years. The depreciation expenses increased by \$412,485 due to the increase in the Authority Capital Assets.
- ❑ Cash and equivalents at end of year were \$30,212,557. Of this amount, \$21,127,531 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects including the purchasing of rolling stock, capital improvements, repairs, and equipment for the Authority's facility.

Continued

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2022
Completed by EideBailly CPAs & Business Advisors.**

SUMMARY STATEMENT

Included in this cash position is \$2,870,709 which is restricted by a debt agreement in connection with the 2016 COP which funded construction of the Authority's Hesperia facility and 2018 COP funded the construction of the new facility in Barstow, \$598,454 in Prop 1B funds and \$262,171 in LCTOP funds and \$1,404,960 in SGR of which are restricted by grant agreements for certain capital projects, and \$6,214,317 restricted by the Authority's Governing Board for specific capital projects.



Federal Awards Reports in Accordance
with the Uniform Guidance
Fiscal Year Ended June 30, 2022

Victor Valley Transit Authority

(A Joint Powers Authority)



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, the Transportation Development Act and California Government Code §8879.50

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Victor Valley Transit Authority (VVTa) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise VVTa's basic financial statements and have issued our report thereon dated February 14, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we considered to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether VVTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Title 21 of the *California Code of Regulations* and the allocation instructions of the San Bernardino County Transportation Authority, and *California Government Code* 8879.50 et seq., noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of the *California Code of Regulations*, or the *California Government Code* §8879.50 et seq.

VVTA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on VVTA's response to the findings identified in our audit and described in the Schedule of Findings and Questioned Costs. VVTA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California
February 14, 2023

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, the Transportation Development Act and California Government Code §8879.50..... 1

Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 3

Schedule of Expenditures of Federal Awards 6

Notes to Schedule of Expenditures of Federal Awards 7

Schedule of Findings and Questioned Costs

 Section I - Summary Schedule of Auditor’s Results..... 8

 Section II - Financial Statement Findings 9

 Section III - Federal Award Findings and Questioned Costs.....11

Summary Schedule of Prior Audit Findings.....12



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Victor Valley Transit Authority (VVTa)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on VVTa's major federal program for the year ended June 30, 2022. VVTa's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, VVTa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of VVTa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of VVTa's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to VVTa's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on VVTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about VVTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding VVTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of VVTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of VVTA as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise VVTA's basic financial statements. We issued our report thereon dated February 14, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Rancho Cucamonga, California
February 14, 2023

Victor Valley Transit Authority
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Grant Number	Expenditures
U.S. Department of Transportation			
Direct Grants			
Federal Transit Cluster			
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507	CA-2019-162-00	\$ 14,298
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507	CA-2020-237-02	2,597,409
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507	CA-2021-025-00	322,691
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507	CA-2022-049-00	1,306,543
COVID-19 Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507	CA-2020-198-01	<u>14,236,254</u>
Bus and Bus Facilities Formula Program (Bus Program)	20.526	CA-2020-237-00	40,697
Bus and Bus Facilities Formula Program (Bus Program)	20.526	CA-2022-049-00	<u>26,086</u>
Total Federal Transit Cluster			<u>18,543,978</u>
Transit Services Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AC18-00694	22,511
Job Access and Reverse Commute Program	20.516	CA-37-X178	1,611
New Freedom Program	20.521	CA-57-XO91	<u>16,752</u>
Total Transit Services Program Cluster			<u>40,874</u>
Passed Through California Department of Transportation			
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	64V020-01355	679,048
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	64BO21-01746	<u>737,302</u>
Total Formula Grants for Rural Areas - CFDA 20.509			<u>1,416,350</u>
Total U.S. Department of Transportation			<u>20,001,202</u>
Total Federal Financial Assistance			<u>\$ 20,001,202</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Victor Valley Transit Authority (VVTA) under programs of the federal government for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operation of VVTA, it is not intended to and does not present the financial position, changes in net position, or cash flows of VVTA.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

VVTA has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a)	No
Identification of major federal programs:	

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Federal Transit Cluster	20.507, 20.526
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

**2022-001 Financial Reporting and Closing
Material Weakness**

Criteria:

Management is responsible for the preparation of the basic financial statements and all accompanying information and well as representations contained therein, and the fair presentation in conformity with U.S. generally accepted accounting principles. This requires management to perform a year-end closing process to accumulate, reconcile and summarize information for inclusion in the annual financial statements.

Condition:

During the audit, we identified the following adjustments:

- Unearned revenue was understated and the related revenues were overstated by \$1,033,104, due to gross receipts totaling \$137,617 incorrectly included in the calculation of Eligibility for Funds as required by §6634 of the Transportation Development Act, as well as capital acquisitions incorrectly included totaling \$895,487.
- Cash and accrued payroll were overstated totaling \$100,752.
- Net position and expenditures were overstated totaling \$80,861, which relates to VVTA's adjustment to the accrued leave balance to correct an error identified subsequent to the prior year audit.

Cause:

VVTA's processes did not allow for the timely adjustments required for financial reporting.

Effect:

Journal entries were posted, and material adjustments made to the financial statements, in order to fairly present the financial statements.

Context:

The condition was noted during our testwork of unearned revenue, cash, net position, and accrued payroll.

Recommendation:

We recommend VVTA review its closing policies and procedures in place to ensure amounts are properly captured, reconciled, classified, and reported. Further, VVTA should review its procedures over the preparation of the Eligibility for Funds calculation as required by §6634 of the Transportation Development Act to ensure there is a documented review and approval, or other appropriate internal control to ensure proper amounts are calculated and reported.

Views of Responsible Officials:

Management agrees with the finding. See attached corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None identified.

None identified.



Basic Financial Statements
June 30, 2022

Victor Valley Transit Authority

(A Joint Powers Authority)

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements	
Statement of Net Position	14
Statement of Revenues, Expenses and Changes in Net Position	15
Statement of Cash Flows	16
Notes to Financial Statements	18
Required Supplementary Information	
Schedule of the Authority’s Proportionate Share of the Net Pension Liability.....	40
Schedule of Contributions.....	41



Independent Auditor's Report

Board of Directors
Victor Valley Transit Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Victor Valley Transit Authority (VVTa) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise VVTa's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of VVTa, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of VVTa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VVTa ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the VVTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of

the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2023, on our consideration of VVTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VVTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VVTA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
February 14, 2023

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

This discussion and analysis of the Victor Valley Transit Authority's (Authority) financial performance for the fiscal year ended June 30, 2022, provides a financial summary of the Authority's current year results in comparison to the prior year. It should be read in conjunction with the accompanying, financial statements, and notes to the financial statements.

The Management's Discussion and Analysis (MD&A) section of the Authority's annual financial report provides condensed comparative data and briefly discusses the financial activities during the fiscal year ended June 30, 2022. It is a separate but an integral part of the financial statements and notes that follow. The purpose of this MD&A is to promote an understanding of the Authority's financial statements.

The financial statements of the Authority supply information using accounting methods similar to those used by private sector companies. These statements offer short and long-term information about its activities.

The *Statement of Net Position* includes all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides the basis for evaluating the capital structure, liquidity, and overall financial integrity of the Authority.

The *Statement of Revenues, Expenses and Changes in Net Position* displays the revenues, expenses, and changes in net position for the Authority and measures the success of operations over the past year. It can be used to determine credit worthiness and whether revenue sources matched, exceeded, or failed to meet expenses.

The final financial statement is the *Statement of Cash Flows*. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It accounts for the cash and cash equivalents balance available at the beginning of the year and at year's end. It displays cash received, cash expended, and the net change in the amount of cash and cash equivalents.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

HIGHLIGHTS

- **Net Position:** Overall Net Position for Fiscal Year 2021 – 2022 is \$80,147,309 and was largely impacted by an increase in Net Investment in Capital Assets of \$2,337,144, as well as an increase in Unrestricted Net Position of \$5,008,214. These changes are explained in detail in this analysis.
- The value of the Authority's capital assets (net of deletions, depreciation, and amortization) increased by \$1,519,885 or 1.8%. This increase was caused by investment in new assets of \$9,196,810 offset by depreciation, amortization and asset retirement costs totaling \$7,676,925. This increase in depreciable asset value also had a significant impact on the overall ending net position as explained later in this discussion.
- The Authority's overall operations statistics were impacted this year by the annual increase of the Operations and Maintenance contractor rate. This increase is consistent with the transit service required by the Authority to provide the highest quality transportation services and reflects the need for private contractors to pay bus operators a living wage. Additionally, FY 21/22 shows significant increase in the fuel expenses due to the increase of the fuel market prices countrywide plus the increase of all supplies and services prices due to the significant increase in the inflation rate.
- **Program revenues:** Passenger Fares increased by 20% or \$285,799, when compared to the prior year. This 20% increase is due to the gradual return to normal after the previous two years of the COVID pandemic. Other program revenues for FY 21/22 totaled \$3,379,020 representing an increase of \$771,857 when compared to the prior year other program revenues of \$2,607,163. This increase is due to the increase of the CNG Renewable Identification Numbers (RINS) Credits plus receiving \$900,000 California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) Funds, offset by the decrease of the market bank interest rates and the decrease of the Low Carbon Fuel Standard (LCFS) credits. Federal Grants for operating increased by \$5,875,777 due to the support of COVID-19 CARES ACT Federal Funds for Operating Expenses. No local match is required for the Federal CARES ACT Funds.
- **Capital revenues** contributed by Federal, State and Local agencies totaled \$5,829,875 these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year depending on the needs and objectives of the Authority. The funds received were enough to meet the capital needs of the agency for FY 21/22.
- **Total revenues** increased by 17% from \$38,922,940 in FY 20/21 to \$45,416,763 in FY 21/22 largely due to the increase of the State and Local Grants and the increase of the Federal Operating funds to meet the increase in the operating expenses for the reasons mentioned above.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

- ❑ Total expenses including depreciation and interest, for the fiscal year totaled \$38,068,924 which represents an increase of \$3,134,300 or 9% when compared to the prior fiscal year. This was impacted by the increase in operating expenses by 14% or \$3,469,811 due to the increase of the Operations and Maintenance contract annual rate, plus the increase of the fuel market prices as mentioned above, plus the increase in the inflation rate that impacted the costs of all supplies and services. Furthermore, there was a decrease in General and Administrative costs of 20% or \$714,717 compared to prior year most of which were due to the reclassification of software and other expenses related to operating, plus expenses in the prior year included IT supplies, software, and equipment to support a telework schedule during the pandemic years.
- ❑ Cash and equivalents at end of year were \$30,212,557. Of this amount, \$21,127,531 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects including the purchasing of rolling stock, capital improvements, repairs, and equipment for the Authority's facilities.

Included in this cash position is \$2,870,709 which is restricted by a debt agreement in connection with the 2016 Certificates of Participation (COP) which funded construction of the Authority's Hesperia facility and 2018 COP for the construction of the new facility in Barstow. \$598,454 in Prop 1B funds and \$262,171 in Low Carbon Transit Operations Program (LCTOP) funds, plus \$1,404,960 in State of Good Repair (SGR) funds. These funds are restricted by grant agreements for certain capital projects, as well as \$6,214,317 restricted by the Authority's Governing Board for specific capital projects.

- ❑ In FY14/15 VVTA adopted the provisions of GASB68 which had implications on costs and net position of the Authority. Statement 68 was issued by GASB in June 2012, requiring public employers who participate in a defined benefit pension plan administered as a trust or similar arrangement (such as CalPERS), to comply with new accounting and financial reporting standards. These standards required, amongst other things, that risk pooled employers like VVTA, would have to report their proportionate share of collective Net Pension Liability (NPL), Pension Expenses, and Deferred Inflows/Outflows of resources, from the funds that CalPERS managed. Prior to GASB 68, VVTA reported only amounts contributed by VVTA to the CalPERS retirement plan on behalf of eligible participating staff members, as an expense without indication of a shared liability for future potential pension expenses. In the FY21/22 financial statements, VVTA has reported its proportionate share of collective Net Pension Asset (NPA), Pension Expenses, and Deferred Inflows/Outflows of resources. These requirements had a very minor impact on VVTA's overall financial statements. Ending proportionate share of NPA for VVTA in FY21/22 was \$143,469 or 0.1% of total Assets.

Additional information pertaining to the specific impact of these Statements and the treatment on the Authorities' financial statements are detailed in the "notes to the financial statements" and in the "Required Supplementary Information" section following the notes.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

FINANCIAL ANALYSIS OF VICTOR VALLEY TRANSIT AUTHORITY

One of the most important questions asked is “*Is the Authority better off or worse off as a result of the year's activities?*” The Statement of Net Position and the Statement of Revenues and Expenses provide information about the Authority's activities to help answer that question. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or weakening. The Authority accounts for all transactions in an enterprise fund which uses the full accrual basis of accounting. The activity shown in Table A-1 represents all activity through that fund.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES

A summary of the Authority's *Statement of Net Position* is presented in Table A-1.

Table A-1
Condensed Statement of Net Position

	<u>30-Jun</u>		<u>Dollar</u>	<u>Percentage</u>
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
Current Assets	\$ 35,476,352	\$ 29,056,691	\$ 6,419,661	22.1%
Capital assets (net)	83,855,268	82,335,383	1,519,885	1.8%
Net Pension Asset	143,469	-	143,469	
Total Assets	<u>\$ 119,475,089</u>	<u>\$ 111,392,074</u>	<u>\$ 8,083,015</u>	7.3%
Deferred Outflows (pensions)	552,745	384,931	167,814	
Deferred Outflows (refunding)	871,616	929,724	(58,108)	
Total Assets & Deferred Outflows	<u>\$ 120,899,450</u>	<u>\$ 112,706,729</u>	<u>\$ 8,192,721</u>	7.3%
Current Liabilities	10,786,905	8,840,849	1,946,056	
Non-Current Liabilities	29,845,067	30,798,907	(953,840)	
Net Pension Liability	-	265,609	(265,609)	0.0%
Total Liabilities	<u>\$ 40,631,972</u>	<u>\$ 39,905,365</u>	<u>\$ 726,607</u>	1.8%
Deferred Inflows	120,169	1,894	118,275	
Net Position				
Net investment in capital assets	53,767,014	51,429,870	2,337,144	
Restricted for Debt Service	2,870,709	2,868,228	2,481	
Unrestricted	23,509,586	18,501,372	5,008,214	
Total Net Position	<u>\$ 80,147,309</u>	<u>\$ 72,799,470</u>	<u>\$ 7,347,839</u>	10.1%
Total Liabilities, Deferred Inflows & Net Position	<u>\$ 120,899,450</u>	<u>\$ 112,706,729</u>	<u>\$ 8,192,721</u>	7.3%

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

Table A-1 shows the Authority's total net position increased from \$72,799,470 in FY20/21 to \$80,147,309 in FY 21/22 or 10.1% because of the current year's activities and as explained further in this report.

- ❑ **Current assets** increased by \$6,419,661 or 22%, the increase is mainly due to the increase of the Accounts Receivables for the Federal and State Funds, plus funds in FY22 were derived from the sale of LCFS credits, HVIP credits and the RINS credits, plus the increase in both Federal and State Operating Funds to meet the required actual increase in Operating Expenses.
- ❑ **Total Capital Assets** (net of depreciation) **increased by \$1,519,885**. This change reflects the net activity in the capital asset accounts including additions and retirements of assets as well as accumulated depreciation expense charges. This increase indicates that the Authority's investment activity in capital assets was more than its charges and increased by 1.8% as compared to the prior year.

	FY2022	FY2021
Land	\$2,102,780	\$1,693,350
Construction in Process	<u>369,517</u>	<u>556,888</u>
Total Non-Depreciable	2,472,297	2,250,238
Property & Equipment (net)	<u>81,382,971</u>	<u>80,085,145</u>
Total Capital Assets (net)	<u>\$83,855,268</u>	<u>\$82,335,383</u>

The ending balance of \$369,517 in the Construction in Progress account is for the new Transfer Center in Hesperia plus the security Cameras project in Hesperia, Barstow and Victorville Facilities, and the Landscaping in Hesperia and Barstow.

Investment of \$8,116,006 in Property and Equipment was purchased capital assets of five (5) Battery Electric Buses BEB New Flyer – XE Electric Urban buses used in Fixed Route operations, and (3) new services vehicles used to provide driver relief and supervisory support to the transit system. We also upgraded our ChargePoint bus chargers to accommodate the new BEB buses and completed the Demand Response system, and driver barriers were installed in all buses. Additionally, there were bus stop improvements with new and replacement bus shelters and shelter amenities, facility improvements, maintenance equipment, and computer equipment to support the Authority's transit facilities in Hesperia and Barstow, California.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

- **Total Liabilities slightly increased by \$726,607** when compared to FY 20/21 due to the increase in Unearned Revenues and Long-term liabilities (due within one year), offset by the decrease in accounts payable and accrued liabilities, compensated absences, and net pension liability.
- **Net position – Net Investment in capital assets in the amount of \$53,767,014.** This was a result of the net activity in capital asset and liability accounts including additions and retirements of Capital Assets as well as accumulated depreciation expense charges and increases or decreases in liabilities as explained earlier in this discussion.
- **Net position in the amount of \$2,870,709 is restricted for debt service on a long-term lease arrangement maturing in 2037.** These funds are reserved as required by finance lease documents 2016 COP and 2018 COP to provide security to the lessor for future lease payment obligations by the Authority. These funds will remain in this restricted status until the lease agreements mature in 2037.
- **Net position in the amount of \$23,509,586 is unrestricted.** Unrestricted net position, is the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

REVENUES – EXPENSES – AND CHANGES IN NET POSITION

While the Statement of Net Position shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

Table A-2
Statement of Revenues, Expenses and Changes in Net Position

Revenues	<u>30-Jun</u>		<u>Dollar</u>	<u>Percentage</u>
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
Program Revenues (operating):				
Charges for Services (Fares)	\$ 1,718,977	\$ 1,433,178	\$ 285,799	19.9%
Federal Grants-Operating	15,693,478	9,817,701	5,875,777	
State and Local Grants-Operating	18,795,413	16,416,459	2,378,954	
Other Revenues	3,379,020	2,607,163	771,857	
Capital Revenues:				
Federal Grants	4,307,724	4,677,520	(369,796)	
State and Local Grants	1,522,151	3,970,919	(2,448,768)	
Total Revenues	\$ 45,416,763	\$ 38,922,940	\$ 6,493,823	16.7%
Program Expenses				
Operations	27,544,766	24,074,955	3,469,811	14.4%
General and Administration	2,923,742	3,638,459	(714,717)	-19.6%
Depreciation and Amortization	6,396,584	5,984,099	412,485	6.9%
Capital Expenses:				
Capital Interest Expense:	1,203,832	1,237,111	(33,279)	
Total Expenses	\$ 38,068,924	\$ 34,934,624	\$ 3,134,300	9.0%
Changes in net position	\$ 7,347,839	\$ 3,988,316	\$ 3,359,523	
Net Position - Beginning of year	\$ 72,799,470	\$ 68,811,154	\$ 3,988,316	5.8%
Net Position - End of year	\$ 80,147,309	\$ 72,799,470	\$ 7,347,839	10.1%

As shown on Table A-2, **Fare Revenues** increased by \$285,799 or 20% in FY 21/22. This increase is due to the gradual back to normal after two years of the COVID – 19 pandemic impacts on FY 19-20 and FY 20-21.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

Program Revenues to support operations received from Federal increased by \$5,875,777 or 60% as compared to the prior year. The Federal operating grants increased due to the Federal COVID-19 CARES ACT Funds that were received to support the operating expenses.

Other Program Revenues for FY21/22 totaled \$3,379,020 increased by \$771,857 when compared to the prior year, this increase is due to the receiving of the HVIP credits, plus using some of the CNG Credits that was restricted by the Board for specific projects, and these projects started in FY21-22.

Capital revenues contributed by Federal, State and Local agencies totaled \$5,829,875, decreased by \$2,818,564. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year depending on the needs and objectives of the Authority. The funds received were enough to meet the capital needs of the agency for FY 21/22 which are detailed in this report's discussion of "Net Position".

Total Revenues increased by \$6,493,823 or 16.7% from \$38,922,940 in FY 20-21 to \$45,416,763 in FY 21/22, mainly due to the increase of the Federal and State Operating Funds to meet the increase of the Operating Expenses for the reasons mentioned above.

Program Expenses shows an increase in operating expenses of \$3,469,811 or 14% due the annual increase of the Operations and Maintenance contractor rates, plus the increase of the fuel market prices as mentioned above and the high increase in inflation which impacted and increased all supplies and services market prices. The General and Administration Expenses decreased by of \$714,717 or 20%. Depreciation expense increased \$412,485 or 7% due to the increase in the investment in capital assets as mentioned above.

FINANCIAL CONDITION

Overall, the Authority's financial condition remained strong and stable as a result of various planned program activity growth along with continued capital investment. The Authority continues to enjoy strong financial support from a variety of sources including Federal, State and Local funding sources as well as continuing an aggressive program of growing other projects such as Hydrogen fueling station infrastructure to support the plan for transitioning rolling stock to Hydrogen Fueled Battery Electric. Additionally, the Federal government has pledged increased and stable support for transit overall, from which the Authority will continue to benefit. This strong financial condition is evidenced in Table A-1, which shows the Authority's total ending net position of **\$80,147,309**, of more than last year by \$7,347,839.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

Some specific activities that have led to the Authority's financial condition as of June 30, 2022, include:

- ❑ This fiscal year, the authority invested \$8 million in new capital asset acquisitions including vehicles and equipment. This robust investment demonstrates that the Authority's access to capital funding through Federal, State, and local sources remains strong. The Authority's investment strategy is based on need for expansion, innovation, technology upgrades and maintenance of its existing services. Capital asset investment in FY21/22 is forecasted to remain strong from investment in new rolling stock including Hydrogen Electric Buses, as well as continued capital investments in its facilities.
- ❑ The Authority continued its extensive program for increasing the number of Battery Electric Buses, bus shelters, benches, solar lights, and other passenger amenities. This program of bus stop improvements will continue into the next fiscal year. Also continuing into the next fiscal year is the infrastructure needed to support VVTA's battery electric buses and hydrogen fuel stations plus the new transfer hub in Hesperia.
- ❑ In June 2015, the Authority was designated as a Consolidated Transportation Services Agency (CTSA) for the High and North Desert regions of San Bernardino County. This represented an expanding role and commitment to the Authority's already established Mobility Management department and increased the VVTA service area from 425 to 950 square miles. Through the CTSA designation, the Authority has locked in Federal and Local funding and increased other funding opportunities through local non-profit partnerships. Throughout FY21/22 and despite the COVID-19 pandemic, the Authority continued to maintain and support these programs and expanded these services.
- ❑ The Authority continued to invest in its Vanpool program operated under the management of its CTSA Division and the direction of the COO. This program provides support for residents of the Authority's service area who must commute out of the service area for work as well as for those commuting into our service area for employment. These vanpools serve to reduce traffic congestion and improve the environment through the lowering of carbon emissions. Additionally, the Authority reports the passenger miles produced by these vanpools which continues to generate additional federal apportionment funding. These additional Federal funds are used for capital and operating support and expansion of VVTA's other transportation services. During the pandemic year the Authority has continued and maintained its commitment to the Vanpool program in FY21/22 with further plans to market and grow the program.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2022

- FY 21/22 VVTA continued its agreement with Trillium CNG which replaced the BP agreement effective October 1st, 2020. This natural gas is used to create Compressed Natural Gas (CNG) fuel for the Authority's fleet of vehicles. The contract with Trillium has now provided the Authority with a source of renewable natural gas (RNG), which has resulted in substantial reductions in greenhouse emissions. Additionally, the Authority generated \$804k in LCFS credits plus \$517K of RINS Credits as a direct result of the RNG sourcing. The Authority will continue to source this valuable and environmentally friendly fuel in FY22/23.
- The overall financial outlook for the Authority's programs and services remains strong, with a continued commitment to investment in capital assets, technologies and services coupled with fiscally responsible management that protects the investments of the Authority, its' member jurisdictions, and its investors while providing the highest quality public transportation services to the communities it serves.

CONTACTING THE AUTHORITY

This financial report is designed to provide our citizens and customers with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions regarding this report or require additional financial information, please contact Mr. Maged Azer, CFO at: Victor Valley Transit Authority, 17150 Smoke Tree St., Hesperia, California 92345.

Victor Valley Transit Authority
Statement of Net Position
June 30, 2022

Assets

Current Assets

Cash	\$ 21,127,531
Cash and investments with fiscal agent - restricted	2,870,709
Cash and investments - Board reserved	6,214,317
Receivables	
Federal, State, and other local grants	4,268,038
Other	249,398
Leases	110,516
Interest	452
Prepaid expenses	546,506
Fuel inventory	88,885
Total current assets	<u>35,476,352</u>

Noncurrent Assets

Net pension asset	<u>143,469</u>
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Capital Assets

Capital assets not being depreciated	2,472,297
Capital assets, net of accumulated depreciation	81,225,448
Right to use leased assets, net of accumulated amortization	<u>157,523</u>
Capital assets, net	<u>83,855,268</u>
Total assets	<u>119,475,089</u>

Deferred Outflows of Resources

Deferred amounts related to pensions	552,745
Deferred amounts related to debt refunding	<u>871,616</u>
Total deferred outflows of resources	<u>1,424,361</u>

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	2,554,779
Unearned revenues	6,955,422
Compensated absences	161,901
Long-term liabilities - due within one year	<u>1,114,803</u>
Total current liabilities	<u>10,786,905</u>

Noncurrent Liabilities

Long-term liabilities - due in more than one year	<u>29,845,067</u>
Total liabilities	<u>40,631,972</u>

Deferred Inflows of Resources

Deferred amounts related to pensions	16,089
Lease related	<u>104,080</u>
Total deferred inflows of resources	<u>120,169</u>

Net Position

Net investment in capital assets	53,767,014
Restricted for	
Debt service	2,870,709
Unrestricted	<u>23,509,586</u>
Total net position	<u>\$ 80,147,309</u>

Victor Valley Transit Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

Operating Revenues	
Fares	\$ 1,651,197
Special transit fares	67,780
Total operating revenues	<u>1,718,977</u>
Operating Expenses	
Operations	27,544,766
General and administration	2,923,742
Depreciation and amortization	6,396,584
Total operating expenses	<u>36,865,092</u>
Operating Loss	<u>(35,146,115)</u>
Non-Operating Revenues and Expenses	
Operating Assistance	
Federal Transit Administration Section 5307, operating	14,236,254
Federal Transit Administration Section 5310	22,511
Federal Transit Administration Section 5311	1,416,350
Federal Transit Administration Section 5316	1,611
Federal Transit Administration Section 5317	16,752
Local Transportation Fund, operating	15,172,670
Measure I	1,785,157
AB 2766	250,000
Gain on disposal of assets	70,147
Interest income	108,628
LCFS credit sales	612,780
State - LCTOP	1,587,586
Miscellaneous	482,135
HVIP credits	900,000
CNG credits	1,205,330
Interest expense	(1,203,832)
Total non-operating revenues and expenses	<u>36,664,079</u>
Income (Loss) Before Capital Contributions	<u>1,517,964</u>
Capital Contributions	
Federal Transit Administration Section 5307, capital	4,240,941
Federal Transit Administration Section 5339, capital	66,783
Local Transportation Fund, capital	1,013,321
State Transit Assistance Fund	202,419
Proposition 1B	152,149
State of Good Repair	154,262
Total capital contributions	<u>5,829,875</u>
Change in Net Position	7,347,839
Net Position, Beginning of Year	<u>72,799,470</u>
Net Position, End of Year	<u>\$ 80,147,309</u>

Victor Valley Transit Authority
Statement of Cash Flows
Year Ended June 30, 2022

Operating Activities

Cash received from fares	\$ 1,718,977
Payments to employees	(653,649)
Payments to vendors for services	<u>(32,181,348)</u>

Net Cash used in Operating Activities	<u>(31,116,020)</u>
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Non-Capital Financing Activities

Operating grants received	<u>42,052,034</u>
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Capital and Related Financing Activities

Capital grants received	6,085,643
Purchase of capital assets	(7,731,148)
Principal payments	(875,000)
Interest paid	(1,300,468)
Cash paid for lease liabilities - principal portion	(24,359)
Cash paid for lease liabilities - interest portion	(6,585)
Cash received on lease receivables	11,726
Cash received for interest on lease receivables	3,927
Proceeds from disposal of capital assets	<u>70,147</u>

Net Cash used in Capital and Related Financing Activities	<u>(3,766,117)</u>
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Investing Activities

Interest received	<u>104,249</u>
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Net Cash from Investing Activities	<u>104,249</u>
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Net Increase in Cash and Cash Equivalents	7,274,146
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Cash and Cash Equivalents, Beginning of Year	<u>22,938,411</u>
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Cash and Cash Equivalents, End of Year	<u>\$ 30,212,557</u>
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Reconciliation of Cash and Cash Equivalents to Statement of Net Position

Cash	\$ 21,127,531
Cash and investments with fiscal agent	2,870,709
Cash and investments Board reserved	<u>6,214,317</u>

Total cash and cash equivalents	<u>\$ 30,212,557</u>
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Victor Valley Transit Authority

Statements of Cash Flows

Year Ended June 30, 2022

Reconciliation of Operating Loss to Net Cash used in Operating Activities

Operating Loss	<u>\$ (35,146,115)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash used in Operating Activities	
Depreciation expense and amortization	6,396,584
Changes in assets and liabilities	
(Increase) decrease in assets	
Accounts receivable	(108,852)
Fuel inventory	(65,164)
Net pension asset	(143,469)
Increase (decrease) in liabilities	
Accounts payable and accrued liabilities	(1,538,824)
Compensated absences	(90,952)
Net pension liability	(265,609)
Deferred outflows of resources related to pension	(167,814)
Deferred inflows of resources related to pension	14,195
Total adjustments	<u>4,030,095</u>
Net Cash used in Operating Activities	<u><u>\$ (31,116,020)</u></u>

Schedule of Non-Cash Investing, Capital and Financing Activities

Lease liability for the acquisition of a right to use leased asset	\$ (185,321)
Lease receivable and deferred inflows recognized on lessor lease transaction	122,242
Gain on disposal of assets	70,147
Lease revenue recognized	6,436

Note 1 - Organization

Victor Valley Transit Authority (VVTa) is a joint powers authority whose members are the cities of Adelanto, Barstow, Hesperia, Victorville, the Town of Apple Valley and the County of San Bernardino First and Third district. VVTa provides bus services to these cities, as well as the communities of Lucerne Valley, Phelan, Pinon Hills, Wrightwood, Helendale, Oro Grande, Fort Irwin, Hinkley, Newberry Springs, and Yermo, as a means of meeting the transit needs of various transit-dependent groups within their 950-square mile geographic service area. The bus services VVTa provides includes fixed route services, deviated route services, County deviated routes, ADA para-transit routes, and commuter services. Additionally, VVTa is designated as a Consolidated Transportation Services Agency (CTSA) for the High Desert and North Desert regions of San Bernardino County and provides a variety of services to support transit dependent groups that are unable to access its standard transit services. Through direct contracts with vendor providers as well as cooperative agreements with various non-profit organizations, VVTa's CTSA supports a Vanpool Program, Car Share program, Travel Reimbursement Incentive Program (TRIP), and directly provides Travel Training services. CTSA services are provided for rural areas of the North Desert, the communities of Trona and Big River in addition to the communities listed above. VVTa is governed by a Board of Directors comprised of seven (7) representatives. Five Board members are elected council members each appointed by the cities they represent as well as the San Bernardino County Supervisors representing the First and Third County districts.

Note 2 - Summary of Significant Accounting Policies

The Financial Reporting Entity – VVTa meets the criteria as a stand-alone government, and accordingly, is accounted for and reported as though it were a primary government.

Basis of Accounting – VVTa's proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows.

Cash and cash equivalents includes demand deposits and amounts invested in savings and trustee accounts. For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term deposits with original maturities of three months or less from the date of acquisition.

Cash and investments with fiscal agent restricted – Certain VVTa accounts are restricted by debt agreements to fund specified debt service requirements. At June 30, 2022, the balance held with fiscal agent pursuant to this agreement was \$2,870,709.

Fair Value Measurements – Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. All fair values are determined by external consultants. Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Grants for operating assistance and capital acquisitions are included in revenue in the period in which the grant was earned. Federal capital grant funds claimed on a reimbursement basis have receivables for grant funds recorded as the related obligations are incurred. Capital grant funds advanced but not yet earned are treated as unearned revenues. Also, operating funds advanced from San Bernardino County Transit Authority (SBCTA) for working capital are treated as unearned revenues until earned. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable, and the related expenses are incurred. Revenue earned under capital grants are recorded as capital contributions.

Prepaid Expenses – Prepaid expenses include inventories and costs for certain payments to vendors that reflect costs applicable to future accounting periods. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Fuel Inventory – Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel for VVTA vehicles. The cost of such inventories is recorded as expenses when consumed rather than purchased. The value of fuel held at the transit facility on June 30, 2022, was \$88,885.

Capital assets are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	5 to 40 years
Operations equipment	3 to 12 years
Furniture and office equipment	3 to 10 years

VVTA's capitalization threshold is \$1,500. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the useful lives are not capitalized.

Right to use leased assets are recognized at the lease commencement date and represent VVTA's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Operating and Non-Operating Revenue – VVTA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from directly providing services in connection with VVTA's principal operation of bus transit services. These revenues are primarily passenger fares. Non-operating revenues consist of federal, state and local operating grants, fuel tax credits, and investment income.

Operating Expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as Non-Operating Expenses.

Capital Contributions consist of grants that are legally restricted for capital expenses by federal, state, or local law that established those charges.

When both restricted and unrestricted resources are available for use, it is VVTA's policy to use restricted resources first, and then unrestricted resources as they are needed.

Lease Receivables are recorded by VVTA as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate VVTA charges the lessee.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of VVTA's participation in the California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported to CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. VVTA reports a deferred outflow related to pensions. VVTA also reports a deferred amount related to debt refunding which represents the remaining unamortized balance of the difference between the carrying value of the refunded debt and the reacquisition price.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. VVTA reports deferred inflows related to pensions. The second item is deferred inflows related to leases where VVTA is the lessor and is reported in the statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Long-Term Obligations – In the statement of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Lease Liabilities represent VVTA's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by VVTA.

New Accounting Pronouncements

Effective in Current Year

GASB Statement No. 87 – As of July 1, 2021, VVTA adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 9 and 10.

Effective in Future Years

VVTA is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. VVTA has not determined the effect on the financial statements.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022. VVTA has not determined the effect of this statement.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022. VVTA has not determined the effect of this Statement.

GASB Statement No. 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. The requirements of this Statement related to leases, Public-Private and Public-Public Partnerships (PPPs), and Subscription-Based Information Technology Arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. VVTA has not determined the effect on the financial statements.

GASB Statement No. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. VVTA has not determined the effect on the financial statements.

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. VVTA has not determined the effect on the financial statements.

Note 3 - Legal Settlement, Solar Panel Rebates, and CNG Tax Credits

During the fiscal year ending June 30, 2014, VVTA received a legal settlement from the insurance companies of the primary contractor of the Administrative Office Facility in the amount of \$1,622,018. VVTA's Board of Directors approved to set aside these funds for future major repairs and renovation of the facility into an Administration/Maintenance Facility Reserve. The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position.

VVTA has received SCE Solar Panel Rebates totaling \$115,808 in prior years. VVTA's Board of Directors has approved to allocate these rebates to the Administration/Maintenance Facility Reserve. The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position.

VVTA has accumulated unspent CNG tax credits totaling \$234,166. VVTA's Board of Directors has approved to allocate these tax credits to a Capital Reserve for Battery Electric Bus (BEB) Infrastructure project. The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position. VVTA also received \$1,205,330 of CNG credits during the year ended June 30, 2022. Since VVTA buses used Compressed Natural Gas CNG, and per the Taxpayer Certainly and Disaster Tax Relief Act of 2020, (Public Law 116-260) enacted on December 27, 2020 as part of the Consolidated Appropriations Act 2021, which extended the fuel tax (Excise Tax) credits through December 31, VVTA received \$1,205,330 of CNG Compressed Natural Gas Credits from the IRS during the year ended June 30, 2022.

VVTA has received Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) credits totaling \$900,000. VVTA's Board of Directors has approved to allocate these the purchase of five Battery Electric Bus's (BEB's). The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position.

San Bernardino County Transportation Authority (SBCTA) has agreed that these funds are available to be retained and expended based upon the direction provided by VVTA's Board in accordance with existing Board Resolutions.

Note 4 - Federal, State, and Local Grants*Federal Assistance*

Under the provision of the Federal Transit Administration (FTA), funds are available to VVTA for operating assistance, security, and various capital costs. Total FTA assistance provided during the fiscal year ended June 30, 2022 was \$20,001,202.

Transportation Development Act

VVTA is subject to the provisions pursuant to Section 6634 of the California Code of Regulations and Sections 99268.4 and 99313.3 of the Public Utilities Code. VVTA receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within San Bernardino County and are distributed based on annual claims filed by VVTA and approved by SBCTA.

A. Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's costs less the sum of fares received, local support required to meet the fare ratio, federal operating assistance, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

The computation of unearned revenue as of June 30, 2022 is as follows:

	Operating Funds	Capital Funds	Total
Beginning Balance, July 1, 2022	\$ -	\$ 3,458,063	\$ 3,458,063
Gross Receipts			
Local Transportation Fund			
Article 4	18,892,278	330,721	19,222,999
Federal Transportation Administration			
Section 5307	-	3,819,527	3,819,527
Section 5307 CARES ACT	14,236,254	-	14,236,254
Section 5310	22,511	-	22,511
Section 5316	1,611	-	1,611
Section 5317	16,752	-	16,752
Section 5339	-	66,783	66,783
State Transportation Fund, Article 6.5	-	200,208	200,208
Measure I	1,781,059	-	1,781,059
AB2766	250,000	-	250,000
LCTOP	-	514,750	514,750
Prop 1B (PTMISEA/CTAF)	-	2,788	2,788
State of Good Repair	-	909,503	909,503
Fares	1,718,977	-	1,718,977
RINS Credits & LCFS Credits	-	521,983	521,983
Total gross receipts	<u>36,919,442</u>	<u>6,366,263</u>	<u>43,285,705</u>
Operating Expenses, Less Depreciation	31,672,340	-	31,672,340
Capital Acquisitions	-	8,116,006	8,116,006
Receipts Over (Under) Expenses In Current Period	<u>5,247,102</u>	<u>(1,749,743)</u>	<u>3,497,359</u>
Amount Unearned at June 30, 2022	<u>\$ 5,247,102</u>	<u>\$ 1,708,320</u>	<u>\$ 6,955,422</u>

B. Section 99268.4 and 99405

Section 99268.4 indicates that in the case of an operator which is providing services using vehicles for the exclusive use of elderly and handicapped persons, the operator shall be eligible for the Local Transportation Funds commencing with claims for the 1980-81 fiscal year if it maintains, for the fiscal year, a ratio of fare revenue to operating costs at least equal to 10-percent for the elderly and handicapped service or a ratio of fare revenue to combined operating costs at least equal to 18-percent.

Section 99405(c) indicates that the 50-percent limitation shall not apply to the allocation to a city, county, or transit district for services under contract pursuant to subdivision (c) or (d) of Section 99400. The city, county or transit district shall be subject to Sections 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, and shall be deemed an operator for purposes of those sections, or shall be subject to regional, countywide, or county subarea purposes of those sections, or shall be subject to regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for those services.

Pursuant to Section 99405, VVTA was granted a fare ratio requirement of 18-percent by SBCTA in September 2017 however these requirements have been waived in the current year as a result of the ongoing COVID-19 pandemic.

The fare ratio as of June 30, 2022, is calculated as follows:

	Motor Bus Routes	Handicapped Demand Response	Total
Operating Expenses	\$ 33,079,397	\$ 4,989,527	\$ 38,068,924
Less: Depreciation	(5,697,601)	(698,983)	(6,396,584)
Less: Exemptions	(3,086,448)	-	(3,086,448)
Adjusted Operating Expenses	<u>\$ 24,295,348</u>	<u>\$ 4,290,544</u>	<u>\$ 28,585,892</u>
Fare Revenue	\$ 1,503,690	\$ 215,287	\$ 1,718,977
Fare Ratio	6.2%	5.0%	6.0%
Local Funds (Measure I) used by the operator to supplement fare box revenues to satisfy the fare ratio as permitted by section 99268.19	<u>1,785,157</u>	<u>-</u>	<u>1,785,157</u>
Adjusted Fare Revenue	<u>\$ 3,288,847</u>	<u>\$ 215,287</u>	<u>\$ 3,504,134</u>
Adjusted Fare Ratio	<u>13.5%</u>	<u>5.0%</u>	<u>12.3%</u>
Total fare ratio pursuant to P.U.C. Sections 99405(c) and 99268.4	18.0%	11.0%	18.0%

Proposition 1B

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund and the California Transit Assistance Fund (CTAF) are a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the Proposition 1B fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety, security, disaster response or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement. Proposition 1B cash receipts and cash disbursements were as follows:

	PTMISEA
Unspent Prop 1B Funds as of July 1, 2021	\$ 754,276
Prop 1B funds interest earned fiscal year ended June 30, 2022	2,788
Prop 1B expenses incurred during fiscal year ended June 30, 2022	<u>(152,149)</u>
Unearned Balance, June 30, 2022	<u>\$ 604,915</u>

Low Carbon Transit Operations Program

The Low Carbon Transit Operations Program (LCTOP) provides funds for approved projects to support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. The unearned balance of LCTOP funds as of June 30, 2022, was \$242,647.

State of Good Repair

The State of Good Repair (SGR) program is a part of the Road Repair and Accountability Act of 2017, Senate Bill (SB) 1, signed by the Governor on April 28, 2017 in order to provide additional revenues for transit infrastructure repair and services improvements. These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects. SGR cash receipts, cash disbursements, and unearned balance were as follows:

	SGR
Unspent SGR Funds as of July 1, 2021	\$ 635,483
SGR Funds funds received & interest earned during fiscal year ended June 30, 2022	906,073
SGR funds interest earned fiscal year ended June 30, 2022	3,430
SGR expenses incurred during fiscal year ended June 30, 2022	<u>(154,262)</u>
Unearned Balance, June 30, 2022	<u>\$ 1,390,724</u>

Note 5 - Cash and Investments

Cash and Investments are classified in the accompanying financial statements as follows:

Cash	\$ 21,127,531
Cash and investments with fiscal agent - restricted	2,870,709
Cash and investments - Board reserved	<u>6,214,317</u>
Total	<u>\$ 30,212,557</u>

**Cash balance includes \$604,915 of unspent Prop 1B grant funds which are restricted by grant covenants for specific capital projects and are not available for operating expenses or liabilities related to operating costs.

Cash and Investments consist of the following:

Deposits with Financial Institutions	\$ 27,341,848
Cash and Cash Equivalents Held with Fiscal Agent	<u>2,870,709</u>
Total	<u>\$ 30,212,557</u>

Policies and Practices

VVTA is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations as specified in Section 53600. VVTA does not have a formal policy for investments that is more restrictive than the noted Government Code.

Investments of cash within the new facility project and accompanying funds held by the lease trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. VVTA does not have a formal policy related to its investments interest rate risk.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Holdings held by the trustee are insured by the trust agreement. VVTA does not have a formal policy related to its investments credit risk.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, VVTA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. VVTA does not have a policy of custodial credit risk for deposits. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2022, VVTA holds cash deposits with Desert Community Bank \$27,336,934 in excess of FDIC insurance limits. These amounts are collateralized by securities held by the bank.

Fair Value Hierarchy

VVTA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Various inputs are used in determining the value of VVTA's investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 - quoted prices in active markets for identical investments, Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 - significant unobservable inputs (including VVTA's own assumptions in determining the fair value of investments).

Note 6 - Capital Assets

Capital asset activity for the fiscal years ended June 30, 2022, is as follows:

	Beginning Balance July 1, 2021	Transfers	Additions	Retirements	Ending Balance June 30, 2022
Capital Assets not Being Depreciated					
Land-Hesperia facility	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Land-Barstow facility	193,350	-	-	-	193,350
Land-Parking & office	-	-	237,400	-	237,400
Land-Hydrogen station	-	172,030	-	-	172,030
Construction in progress	556,888	(172,030)	1,265,000	(1,280,341)	369,517
Total capital assets not being depreciated	2,250,238	-	1,502,400	(1,280,341)	2,472,297
Capital Assets Being Depreciated					
Bus facility-Hesperia	51,557,723	-	611,840	-	52,169,563
Bus facility-Barstow	11,856,166	-	1,385,231	(110,000)	13,131,397
Operations equipment	51,124,912	-	5,452,654	(2,114,886)	54,462,680
Furniture and office equipment	3,904,226	-	59,364	(24,486)	3,939,104
Total capital assets being depreciated	118,443,027	-	7,509,089	(2,249,372)	123,702,744
Less Accumulated Depreciation					
Bus facility-Hesperia	(10,794,000)	-	(1,380,804)	-	(12,174,804)
Bus facility-Barstow	(553,842)	-	(416,810)	110,000	(860,652)
Operations equipment	(23,540,975)	-	(4,451,775)	2,114,886	(25,877,864)
Furniture and office equipment	(3,469,065)	-	(119,397)	24,486	(3,563,976)
Total accumulated depreciation	(38,357,882)	-	(6,368,786)	2,249,372	(42,477,296)
Net depreciable assets	80,085,145	-	1,140,303	-	81,225,448
Right to use Leased Assets Being Amortized					
Right to use leased land	-	-	185,321	-	185,321
Total right to use leased assets being amortized	-	-	185,321	-	185,321
Less Accumulated Amortization for					
Right to use leased land	-	-	(27,798)	-	(27,798)
Total accumulated amortization	-	-	(27,798)	-	(27,798)
Net right to use leased assets	-	-	157,523	-	157,523
Total capital assets, net	\$ 82,335,383	\$ -	\$ 2,800,226	\$ (1,280,341)	\$ 83,855,268

Note 7 - Risk Management

VVTA is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-two participating member agencies: twenty-two cities, four transit agencies and six special districts. VVTA participates in the general liability, property, and business auto physical damage programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. VVTA participates in risk sharing pools for losses of up to \$1 million followed by PERMA's membership in the CSAC Excess Insurance Agency (EIA) for \$49 million excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis, eliminating the traditional commercial "named peril" policy.

The business auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Business auto physical damage is written on an agreed amount basis.

VVTA has not had any settlements that exceeded coverage within the last three (3) years and there have been no significant changes in insurance policies or coverage amounts.

Note 8 - Commitments

VVTA has a 5-year contract with their service provider for operations, Keolis Transit Services. The contract includes services for the Fixed Routes, Demand Response, and commuter routes for Fort Irwin, and County connector routes. This contract is due to expire September 30, 2025. During the year ended June 30, 2022, VVTA paid \$22,153,822 under this contract. Future contracted expenses under this Keolis agreement are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 25,416,351
2024	27,089,242
2025	28,023,600
2026	<u>7,052,630</u>
Total	<u><u>\$ 87,581,823</u></u>

VVTA currently contracts through ADA Ride for its ADA eligibility certification process. This contract provides ADA certifications for all disabled transit riders seeking transportation services within ADA guidelines. The current contract was established in 2008 and was renewed on July 20, 2015 for a three-year period plus two one-year extension periods that are added by mutual agreement of the parties. During the year ended June 30, 2022, VVTA paid \$31,883 under this contract. The contract renewed from July 20, 2020 to July 30, 2023 with two 1-year options for extension. The maximum cost under this agreement is \$400,000 during the contract term, based on services provided each year.

Note 9 - Long-Term Liabilities

The following is a summary of the changes in the principal balance of long-term liabilities for the year ended June 30, 2022:

	Balance at July 01, 2021	Additions	Deletions	Balance at June 30, 2022	Due within One year	Due beyond One year
Governmental Activities						
2016 Refunding Certificates of Participation	\$ 18,960,000	\$ -	\$ (675,000)	\$ 18,285,000	\$ 710,000	\$ 17,575,000
Premium on 2016 Certificates of Participation	2,498,874	-	(146,993)	2,351,881	146,993	2,204,888
2018 Certificates of Participation	9,975,000	-	(200,000)	9,775,000	210,000	9,565,000
Premium on 2018 Certificates of Participation	401,363	-	(14,336)	387,027	14,337	372,690
Leases	-	185,321	(24,359)	160,962	33,473	127,489
Total long-term debt	\$ 31,835,237	\$ 185,321	\$ (1,060,688)	\$ 30,959,870	\$ 1,114,803	\$ 29,845,067

Certificates of Participation - 2016

In 2016, VVTA sold Certificates of Participation in the amount of \$23,300,000 to refund the 2007 Lease/Trust Agreement Certificates of Participation. As a result, the 2007 Lease/Trust Agreement Certificates of Participation were retired and the liability for those bonds has been removed from the Statement of Net Position. Proceeds were used to continue to finance the construction of the transit facility located in Hesperia, California. Proceeds were also used to pay delivery costs of the certificates.

Certificates began maturing on July 1, 2016 with semi-annual interest payments due January 1 and July 1 at various interest rates from 2.00 to 5.00 percent. Principal payments are due annually, July 1 at various amounts from \$675,000 to \$4,335,000. The final principal payment of the certificates is scheduled for July 1, 2037.

As part of the refunding, VVTA pledged farebox revenues as collateral for the issuance. Additionally, debt service payments were to be made from all legally available revenues, including farebox revenues, Federal Transit Assistance Funds, Local Transportation Funds, and State Transit Assistance Funds.

The future lease payment requirements for the refunding are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 710,000	\$ 827,550	\$ 1,537,550
2024	750,000	792,050	1,542,050
2025	785,000	754,550	1,539,550
2026	825,000	715,300	1,540,300
2027	865,000	674,050	1,539,050
2028-2032	5,015,000	2,677,000	7,692,000
2033-2037	9,335,000	1,290,500	10,625,500
Total	<u>\$ 18,285,000</u>	<u>\$ 7,731,000</u>	<u>\$ 26,016,000</u>

Certificates of Participation - 2018

In 2018, VVTA sold Certificates of Participation in the par amount of \$10,475,000 to finance the construction of a new Bus Maintenance Facility on its property in Barstow, California. The debt payment schedule is set for thirty (30) years ending in 2048 with an average annual debt service payment of \$640,000. The total amount of debt payments will be \$18,163,050. VVTA has pledged its fare box revenues as collateral against the debt. In the event of default by VVTA under the Lease/Trust agreement, the Trustee has the right to exercise any remedy available under law or equity, including declaring all principal components of the unpaid lease payments, together with accrued interest at the rate or rates specified in the respective Outstanding Certificates from the immediately preceding Certificate Payment Date on which payment was made, to be immediately due and payable.

Certificates began maturing on July 1, 2019 with semi-annual interest payments due January 1 and July 1 at various interest rates from 4.00 to 5.00 percent. Principal payments are due annually, July 1 at various amounts from \$200,000 to \$615,000. The final principal payment of the certificates is scheduled for July 1, 2048.

The future lease payment requirements for the refunding are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 210,000	\$ 428,650	\$ 638,650
2024	225,000	418,150	643,150
2025	235,000	406,900	641,900
2026	245,000	395,150	640,150
2027	260,000	382,900	642,900
2028-2032	1,500,000	1,707,000	3,207,000
2033-2037	1,490,000	1,296,750	2,786,750
2038-2042	2,255,000	948,600	3,203,600
2043-2047	2,740,000	460,400	3,200,400
2048	615,000	24,900	639,900
Total	<u>\$ 9,775,000</u>	<u>\$ 6,469,400</u>	<u>\$ 16,244,400</u>

Lessee Activities

During the current year, VVTA entered into a lease agreement to lease land for 60 of months, beginning October 2021. VVTA is required to make monthly payments of \$3,365, increasing 2.0% annually on the anniversary of the agreement through September 2026. The lease liability was valued using a discount rate of 5.15%, which is VVTA's incremental borrowing rate.

At June 30, 2022, VVTA has recognized a lease liability of \$160,962 related to this agreement. During the fiscal year, VVTA recorded \$27,798 in amortization expense and \$6,585 in interest expense for the right to use the land.

VVTA subleases certain portions of the right to use leased asset to third parties. VVTA's lease for this right to use leased asset is included above as land leases. These subleases represent right to use leased asset of \$185,321 as of June 30, 2022. These agreements result in lease receivables of \$110,516 and deferred inflows of resources of \$104,080 as of June 30, 2022, which are included in the lease receivables tables below.

Remaining obligations associated with these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 33,473	\$ 7,375
2024	36,063	5,595
2025	38,835	3,647
2026	41,756	1,567
2027	<u>10,835</u>	<u>50</u>
Total	<u>\$ 160,962</u>	<u>\$ 18,234</u>

Note 10 - Lease Receivable

VVTA has accrued a receivable for two land leases. The remaining receivable for these leases was \$110,516 for the year ended June 30, 2022. Deferred inflows related to these leases were \$104,080 as of June 30, 2022. Interest revenue recognized on these leases was \$3,927 for the year ended June 30, 2022. Principal receipts of \$11,726 were recognized during the fiscal year. The interest rate on the leases was 5.15%. Final receipt is expected in fiscal year 2027.

Remaining principal and interest payments on leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	\$ 24,217	\$ 5,084
2024	29,124	3,657
2025	31,180	2,093
2026	20,851	664
2027	5,144	33
	<u>110,516</u>	<u>11,531</u>
Total	<u>\$ 110,516</u>	<u>\$ 11,531</u>

Note 11 - Compensated Absences

Accumulated unpaid personal leave consisting of vacation pay, has been accrued at June 30, 2022 in the amount of \$161,901. VVTA's liability for compensated absences is typically liquidated within one year. Compensated absences at the beginning of the year were \$252,853, with \$250,186 accrued by employees, and \$341,138 used by employees during the year. VVTA reports the entire balance within current liabilities, as they expect employees to use annually.

Note 12 - Employees' Retirement Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. VVTA sponsors two tiers within the miscellaneous plans. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Classic	New Member
Hire Date	Prior to	On or After
Formula	January 1, 2013	January 1, 2013
Benefit Vesting Schedule	2.7% @ 55	2% @ 62
Benefit Payments	5 Years of Service	5 Years of Service
Retirement Age	Monthly for Life	Monthly for Life
Monthly Benefits, as a % of Annual Salary	55	62
Required Employee Contribution Rates	2.7%	2%
Required Employer Contribution Rates	8%	6.75%
	13.35% plus \$26,057	7.59% plus \$5,064

Contributions

Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following the notice of change in rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. VVTA is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. During the year, VVTA paid 3-percent of the employee contribution rate for classic members, which are classified as employee contributions. Employer contributions to the pension plan were \$231,346 for the year ended June 30, 2022.

Pension Assets, Pension Credit and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, VVTA reported an asset of \$143,469 for its proportionate share of the collective net pension liability (asset).

VVTA's net pension asset is measured as the proportionate share of the net pension asset. The net pension asset is measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. VVTA's net pension asset for the Plan was measured as the total pension asset, less the pension plan's fiduciary net position.

VVTA's proportionate share of the net pension liability (asset), measured as of June 30, 2020 and 2021, is as follows:

Proportion- June 30, 2021	0.00244 %
Proportion- June 30, 2022	<u>(0.00265) %</u>
Change- Increase (Decrease)	<u>(0.00509) %</u>

For the year ended June 30, 2022, VVTA recognized pension credit of \$311,334. At June 30, 2022, VVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 16,089
Net difference between projected and actual earnings on pension plan investments	125,241	-
Difference between VVTA's contributions and proportionate share of contributions	101,819	-
Change in employer's proportion	94,339	-
Contributions subsequent to the measurement date	<u>231,346</u>	<u>-</u>
Total	<u>\$ 552,745</u>	<u>\$ 16,089</u>

The amount of \$231,346 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	
2023	\$ 119,379
2024	90,544
2025	60,778
2026	<u>34,609</u>
Total	<u>\$ 305,310</u>

Actuarial Assumptions

The June 30, 2020 actuarial valuation was rolled forward to determine the June 30, 2021 total pension asset, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% ⁽¹⁾
Mortality	Derived using CalPERS' Membership data

⁽¹⁾ Net of pension plan investment, includes inflation

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 1997 to 2015. Further details of the experience study can be found on the CalPERS website.

Discount rate

The discount rate used to measure the total pension asset was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and employee rates. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

In determining the long-term expected 7.15 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees' Retirement Fund, CalPERS indicated that a 19-year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the fund. The expected rate of return was set by calculating the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table on the next page:

Asset Class (1)	Target Allocation	Real Rate of Return Years 1 - 10 (2)	Real Rate of Return Years 11+ (3)
Public Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Equity	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

- (1) In the System's comprehensive annual financial report, fixed income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (2) An expected inflation of 2.00% used for this report
- (3) An expected inflation of 2.92% used for this report

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents VVTA's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.15 percent, as well as what VVTA's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease Net Pension Liability	6.15% \$ 284,344
Current Discount Rate Net Pension Liability (Asset)	7.15% \$ (143,469)
1% Increase Net Pension Liability (Asset)	8.15% \$ (497,137)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 13 - Deferred Compensation Plan

VVTA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all non-represented VVTA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

VVTA has adopted the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. Management believes that VVTA has no fiduciary role under the plan, and plan funds are not available to VVTA's general creditors. Accordingly, VVTA has not reported plan assets in the accompanying financial statements.

Required Supplementary Information
June 30, 2022

Victor Valley Transit Authority

Victor Valley Transit Authority
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last Ten Years*
Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective net pension liability (asset)	-0.00265%	0.00244%	0.00204%	0.00169%	0.00181%	0.00159%	0.00177%	0.00244%
Proportionate share of the collective net pension liability (asset)	\$ (143,469)	\$ 265,609	\$ 208,643	\$ 162,489	\$ 179,958	\$ 137,916	\$ 121,552	\$ 151,936
Covered payroll	\$ 1,854,850	\$ 1,800,825	\$ 1,800,825	\$ 1,517,121	\$ 1,253,046	\$ 1,039,065	\$ 902,643	\$ 690,387
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-7.73%	14.75%	11.59%	10.71%	14.36%	13.27%	13.47%	22.01%
Plan fiduciary net position as a percentage of the total pension liability	90.49%	77.71%	77.73%	77.69%	73.31%	74.06%	78.40%	79.82%

Note to Schedule:

*Historical information is required only for measurement for which GASB 68 is applicable.
Fiscal Year 2015 was the first year of implementation; therefore, only eight years are shown.

Changes of Assumption

The discount rate changed from 7.5 percent used for the June 30, 2014 measurement date to 7.65 percent used for the June 30, 2015 measurement date.
The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

Victor Valley Transit Authority
Schedule of Contributions
Last Ten Years*
Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions - Miscellaneous	\$ 231,346	\$ 213,449	\$ 156,614	\$ 166,440	\$ 137,899	\$ 118,569	\$ 97,561	\$ 142,248
Contributions in relation to the actuarially determined contribution	<u>231,346</u>	<u>213,449</u>	<u>156,614</u>	<u>166,440</u>	<u>137,899</u>	<u>118,569</u>	<u>97,561</u>	<u>142,248</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,910,495	\$ 1,854,850	\$ 1,800,825	\$ 1,800,825	\$ 1,517,121	\$ 1,253,046	\$ 1,039,065	\$ 902,643
Contributions as a percentage of covered payroll	12.11%	11.51%	8.70%	9.24%	9.09%	9.46%	9.39%	15.76%

* Fiscal year 2015 was the first year of implementation; therefore, only eight years are shown.

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DAILY PRESS

NEWS

San Bernardino County transit agencies totally led by women



Rene Ray De La Cruz

Victorville Daily Press

Published 9:15 a.m. PT Jan. 27, 2023

San Bernardino County Transportation Authority officials are celebrating a “historic first” in the county.

With the selection of Nancie Goff as CEO of the Hesperia-based Victor Valley Transit Authority, all transit agencies in the nation’s most prominent geographic county are now led by women.

“This is an important moment for our county and the communities we serve as we celebrate the accomplishments and contributions of women in transportation,” said Vice President of the SBCTA Board and Chair of the County Board of Supervisors Dawn Rowe

Rowe added that SBC is recognized as an innovation hub for commuter and transit solutions, “and the women who run each of these agencies are providing bold leadership and visioning for the future.”

In the SBC, Goff joins Erin Rogers of Omnitrans, which serves San Bernardino Valley, Cheryl Sallis with the City of Needles Transit Services, Cheri Holsclaw with Basin Transit, and Sandy Benson with Mountain Transit.

Never before have all five had women in the top leadership or managerial role simultaneously, SBCTA officials said.

“It’s an honor to serve VVTA and be grouped alongside these remarkable women. I look forward to building on our momentum for delivering outstanding transit service,” Goff said.

“It sends a powerful message that women now lead all five transit agencies in one of the fastest-growing population centers in the country,” said Rogers, named CEO and general manager of Omnitrans in 2020.

Rogers was named “Woman of the Year” by the Women’s Transportation Seminar IE Chapter earlier this month.

“The doors have been opened to women in leadership positions, and we’re excited about what that means for the communities we serve,” said Sallis.

“The future of mobility is directly tied to the future of transit. The five of us love what we do and are proud to represent our communities and women in transportation,” said Holsclaw, named GM of Basin Transit in 2022.

“This is an exciting time in the world of transit, and our job is to make sure we are serving our community and to make our services available to as many riders as possible,” said Benson.

Daily Press reporter Rene Ray De La Cruz may be reached at 760-951-6227 or RDeLaCruz@VVDailyPress.com. Follow him on Twitter @DP_ReneDeLaCruz