



**VICTOR VALLEY TRANSIT AUTHORITY
REGULAR MEETING OF
THE BOARD OF DIRECTORS
TUESDAY, January 16, 2024, 9:30 A.M.**

**Victor Valley Transit Authority
17150 Smoke Tree Street
Hesperia, CA 92345**

Victor Valley Transit Authority Board of Directors

Liz Becerra, Chair, City of Victorville
James Noble, 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 will be available and posted: Monday, January 8, 2024.

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.

ACTION ITEM NUMBER ONE

- Pg. 9 ***Item #1: Election of Chair and Vice-Chair for Calendar year 2024.***
Recommendation: Pursuant to Section 1.0024, nominate and elect a Chair and Vice Chair to fill the terms of office through December 31, 2024.
Presented by: N/A.

CONSENT CALENDAR

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

- Pg. 13 ***Item #2: Minutes from Regular Meeting of The Board of Directors Conducted November 20, 2023.***
Recommendation: Move for approval.
Presented by: None.
- Pg. 23 ***Item #3: Warrants, October and November 2023.***
Recommendation: Move for approval.
Presented by: None.

REPORTS

- Pg. 31 ***Item #4: Management Reports for Hesperia and Barstow Divisions – Verbal Report from Executive Director.***
Recommendation: Information item only.
Presented by: Nancie Goff, CEO.
- Including a Presentation from Stuart Geltman from TDM with an update to the COA (Comprehensive Operations Analysis) progress.
- Pg. 49 ***Item #5: Victor Valley Transit Authority Sheriff's Division Unit Verbal Report.***
Recommendation: Information item only.
Presented by: VVTA, Sheriff Division Unit.

ACTION ITEMS

- Pg. 53 ***Item #6: Notice of Completion for the Hesperia Perimeter Fence and Gates.***
Recommendation: Approve the Notice of Completion for the Construction and Installation of the Perimeter Gate and Fence at the VVTA Hesperia Operations and Maintenance Facility.
Presented by: Christine Plasting, Procurement Manager.
- Pg. 57 ***Item #7: Release of RFP 2024-05 VVTA Compensation and Benefits Study.***
Recommendation: Approve the Release of RFP 2024-05 VVTA Compensation and Benefits Study.
Presented by: Maged Azer, CFO.
- Pg. 65 ***Item #8: Release RFP 2024-06 ADA and MicroLink Dispatching Software Solution.***
Recommendation: Approve the release of RFP 2024-06 ADA and MicroLink Dispatching Software Solution.
Presented by: Christine Plasting, Procurement Manager.
- Pg. 91 ***Item #9: VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2023, Completed by Brown Armstrong Accountancy Corporation.***
Recommendation: Receive and file.
Presented by: Maged Azer, CFO.

BOARD OF DIRECTORS COMMENTS

DATE OF NEXT MEETING

Tuesday, February 20, 2024, at 9:30 AM
At Barstow City Council Chambers
220 East Mountain View Street
Barstow, 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
IJA	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
TSP	Transit Signal Priority
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.

THIS PAGE INTENTIONALLY LEFT BLANK

**AGENDA ITEM
ONE**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Election of Chair and Vice Chair.

SUMMARY STATEMENT

The process for election of a Chair and Vice Chair are outlined in the VVTA Administrative Rules and Guidelines, Section 1.0024 below:

1.0024 CHAIR; ELECTION AND TERM; DUTIES GENERALLY. The Chair shall be elected by the Board. He/she shall be elected to such office for a term of one (1) year. No Board Director may hold the office of Chair for more than two (2) successive terms of one (1) year each. The election for Chair shall be held at the meeting which occurs in January. Pursuant to Administrative Guidelines, the Chair and Vice-Chair are selected at the January meeting to serve a one (1) year term. The Chair may only serve two (2) consecutive one (1) year terms.

Chair Becerra has served one term and Vice-Chair Noble has now served two terms and a new Vice-Chair will need to be elected.

RECOMMENDED ACTION

Pursuant to Section 1.0024, nominate and elect a Chair and Vice Chair to fill the terms of office and select Personnel Committee.

PRESENTED BY
Nancie Goff,
CEO

FISCAL IMPACT

None

MEETING DATE

January 16, 2024

ITEM NUMBER

1

THIS PAGE INTENTIONALLY LEFT BLANK

**AGENDA ITEM
TWO**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Minutes from the Regular Meeting of the Board of Directors Conducted on November 20, 2023.

SUMMARY STATEMENT

Following are copies of the minutes from the Regular Meeting of the Board of Directors conducted on November 20, 2023.

RECOMMENDED ACTION

Move for approval.

PRESENTED BY
Debi Albin,
Clerk of the Board

FISCAL IMPACT

N/A

MEETING DATE

January 16, 2024

ITEM NUMBER

2

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

**November 20, 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 Becerra.

ROLL CALL

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

Staff Members Present:

Juan Robinson, City of Victorville	Lt. Ryan Smith, SBCOSD
Julie Ryan, Town of Apple Valley	Sgt. Simon Demuri, SBCOSD
Paul Courtney, City of Barstow	Marilyn Kruse, City of Barstow
Nancie Goff, VVTA	Rod Goldman, VVTA
Debi Albin, VVTA	Adam Ebright, County Counsel
Barbara Miller, VVTA	Dana Curtis, VVTA
Christine Plasting, VVTA	Shelly Cable, VVTA
Marie Downing, VVTA	Brandon Johnson, VVTA
Angelina Calderon, Keolis	Dustin Strandberg, VVTA
Jeff Guidry, Keolis	Jonathan McDowell, Keolis
Richard Montgomery, Keolis	Megan Christian, VVTA

PLEDGE OF ALLEGIANCE

Clerk of the Board Albin led the audience in the pledge of allegiance.

ANNOUNCEMENTS

Ms. Goff informed the Board that several VVTA staff participated in emergency planning and CPR training; at the recent CalAct conference, VVTA's Director of Operations, Rod Goldman noticed a Board member choking and acted quickly performing the Heimlich maneuver.

Director Jeannette thanked Mr. Goldman for saving her life.

Ms. Goff stated that there are no actionable items for the December Board meeting and asked the Board to consider going dark in December if they wished to. Mr. Ebright suggested discussing this matter during Board comments.

PUBLIC COMMENTS

Mr. Paul Courtney, Mayor of Barstow, presented a Proclamation to the Board in recognition of VVTA's 30th Anniversary.

CONSENT CALENDAR

1. **Minutes from the Regular Meeting of the Board of Directors Conducted on September 18, 2023.**
Recommendation: Move for approval.
Presented by: None.
2. **Warrants, August and September 2023.**
Recommendation: Move for approval.
Presented by: None.
3. **Calendar of Meetings, 2024.**
Recommendation: Move for approval.
Presented by: None.

A MOTION WAS MADE BY Director Jeannette to approve the Consent Calendar. Seconded by Alternate-Director Mesen. The motion passed unanimously.

REPORTS

4. **Management Reports for Hesperia and Barstow Divisions – Verbal Report from Chief Executive Officer.**
Recommendation: Information item only.
Presented by: Nancie Goff, CEO.

Ms. Goff shared that VVTA's 30th Anniversary event was very successful with Sultana's Culinary Arts student providing the refreshments. Additionally, Ms. Goff said that the TDA Triennial Review is in process with the interviews being completed and documents were submitted at the end of September and VVTA is waiting to receive the draft report.

Reviewing the management reports, Ms. Goff continued, the last two months of Keolis invoices continue the trend of being over budget for Direct Access and under budget for Subscription and MicroLink. Also, the on-time performance pages have been updated in an easier to read format. Ms. Goff stated that ridership for motorbus has increased almost 54% compared to the same month last year and Direct Access is up 10%, while Commuter Bus is down slightly. System-wide all services for August increased 45% compared to August of 2022.

Mr. Goldman presented an update for MicroLink to the Board. MicroLink, a door-to-door service, started as a pilot program in October of 2022 as an avenue for residents that live in outlying areas to have access to VVTA's fixed routes; the one-year pilot program was initiated for testing ridership and cost effectiveness. The first month of the service, ridership averaged around ninety (90) passengers and in October of 2023 that number

has increased to 1,250. Mr. Goldman shared that many students are utilizing this service as it offers a certain comfort level to parents. VVTA's next step VVTA made was to make the MicroLink service a permanent program, due to its popularity. The Comprehensive Operations Analysis will address any future plans to expand the service and possibly adding another vehicle. Mr. Goldman also mentioned that this service is not part of the free ride program for K-12.

Director Jeannette asked if VVTA has any Ambassadors on the MicroLink; Mr. Goldman stated that VVTA is in process of re-vamping the Ambassador program and there are none on this service at this time.

Chair Becerra mentioned that it may be a good idea for VVTA to approach schools about purchasing MicroLink tickets. Ms. Goff shared that the program has been heavily marketed throughout the Valley.

Ms. Goff shared that SBCTA, as the Regional Transportation Planning Agency (RTPA), had drafted a recommendation for the Transit Committee on their November 9th agenda to apportion funds from SB125 to the Valley and Mountain/Desert agencies. During this meeting, there was a suggestion to form an Ad Hoc Committee to revisit the staff recommendations. Ms. Goff reported that from the recent CTA conference there were a lot of concerns from transit agencies about having a voice in how these funds were to be allocated.

5. Victor Valley Transit Authority Sheriff's Division Unit Verbal Report.

Recommendation: Information item only.

Presented by: VVTA, Sheriff Division Unit.

Sgt. Simon Demuri gave an update to the Board. He shared that there were twenty-three (23) reports and fifteen (15) arrests. Additionally, two hundred twenty-five (225) bus stop checks were made, and nine (9) times uniformed officers were randomly riding buses.

ACTION ITEMS

6. Award of VVTA RFP 2023-04 Construction Manager – Hydrogen Fueling Station to AECOM, Los Angeles, CA.

Recommendation: Approve the recommendation for Award of RFP 2023-04 Construction Manager – Hydrogen Fueling Station, to AECOM, Los Angeles, CA.

Presented by: Christine Plasting, Procurement Manager.

Ms. Plasting stated that after the release of the RFP, the process took about one (1) year; after a few rounds of BAFO negotiations, AECOM received the high score. VVTA recommends the contract be awarded to AECOM.

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

7. Amend the VVTA Fiscal Year 2023-24 Budget to Expend American Rescue Plan Act Emergency Relief Funds.

Recommendation: Amend the VVTA Fiscal Year 2023-24 Budget to Expend American Rescue Plan Act Emergency Relief Funds.

Presented by: Marie Downing, Grants Manager.

Ms. Downing shared that VVTA was awarded \$740,100 of American Rescue Plan Act Emergency Relief Funds (ARPA). The award end date is June 30, 2028.

A recent email from CalTrans encouraged agencies to expend any unused emergency relief funds sooner rather than later, as the funds had become a topic of discussion at the federal level. These funds are the last of the emergency relief funds VVTA needs to obligate. ARPA funds are allocated by FTA to Caltrans and made available to local agencies through CalTrans.

Lastly, Ms. Downing stated that recognizing the importance of expending these funds promptly to avoid any potential loss of funds, staff recommend expending the funds for FY24 operating costs which were budgeted with LTF and amending the budget.

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

8. Adopt Resolutions 23-06 and 23-07 of the Board of Directors of the Victor Valley Transit Authority, Hesperia, California, Authorizing Submittal of Claims to the San Bernardino County Transportation Authority for Transportation Development Act Article 3 Funds on behalf of the Town of Apple Valley and City of Victorville Projects.

Recommendation: Adopt Resolutions 23-06 and 23-07 Authorizing Submittal of Claims to the San Bernardino County Transportation Authority for Transportation Development Act 3 Funds on behalf of the Town of Apple Valley and City of Victorville Projects.

Presented by: Marie Downing, Grants Manager.

Ms. Downing explained SBCTA awarded VVTA Article 3 funds in the amount of \$86,442 for development of the City of Victorville Sunhill Drive and Nevada Ave Projects and \$128,002 for the bus stop improvement projects in the Town of Apple. These funds are provided on a reimbursement basis; once the projects are completed, VVTA will submit requests for reimbursement to SBCTA.

Also, Ms. Downing said, this item is to adopt resolutions 23-06 and 23-07 authorizing VVTA to submit claims to SBCTA for Article 3 funds on behalf of the Town of Apple Valley and the City of Victorville. Available FY23 STA funds of \$53,611 will be used as local match for the projects.

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

9. **Amend the VVTA Fiscal Year 2023-24 Budget for Fuel Cell Electric Buses (11).**

Recommendation: Amend the VVTA Fiscal Year 2023-24 Budget for Fuel Cell Electric Buses (11).

Presented by: Marie Downing, Grants Manager.

Ms. Downing stated that VVTA staff had applied for competitive Low or No Emission Program funding to cover the federal costs associated with purchasing eleven (11) hydrogen fuel cell electric buses. In a debriefing with FTA, VVTA's proposal was recognized as being highly recommended, but with a limited availability of funds compared to the number of excellent proposals received for this oversubscribed program, VVTA was not one of the proposals awarded funding.

Also, Ms. Downing explained, LTF funds were budgeted as a local match for the competitive application. Staff proposes completing the funding for this capital project by adding \$8,992,046 of unprogrammed Federal Section 5307 to the already budgeted LTF matching funds.

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

10. **Consider Additional Non-Operating Holidays to VVTA's Service Schedule.**

Recommendation: Approve the Addition of Two Non-Operating Federal Holidays, Martin Luther King Jr. and Juneteenth, beginning January 1, 2024.

Presented by: Rod Goldman, Director of Operations.

Mr. Goldman explained that Keolis, VVTA's third party contractor for Operations and Maintenance, signed a new Collective Bargaining Agreement (CBA) in October. Part of that agreement is to provide three (3) additional holidays for the drivers and dispatchers. These holidays are Martin Luther King Day, Juneteenth, and the Friday after Thanksgiving. Mr. Goldman shared that comparing MLK, Jr., day 2022 to 2023, ridership was down 40%, Juneteenth ridership was down 10% year over year. However, ridership increased quite a bit on the Friday following Thanksgiving.

VVTA is recommending the addition of two non-operating Federal holidays, Mr. Goldman stated. He also added that this will offer better morale as well as an improvement in the employees' quality of life.

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

11. **Release of RFP 2024-04 Operations and Maintenance Services.**
Recommendation: Approve the release of RFP 2024-04 Operations and Maintenance Services.
Presented by: Christine Plasting, Procurement Manager.

Ms. Plasting explained to the Board that the 3rd party Contractor for Operations and Maintenance services, Keolis North America, recently signed a new union agreement also known as a Collective Bargaining Agreement (CBA). The new agreement includes increases in salaries and benefit costs for contracted employees such as coach operators, dispatchers, and maintenance staff. Keolis has estimated this equates to almost a 40% cost increase. This estimated 40% increase cannot be sustained within the current contract and per Caltrans's advice, VVTA will need to release a new RFP for Operations and Maintenance services.

This will ensure a fair proposal that matches current market conditions and aligns with industry standards for transit operations and maintenance contracts. This RFP could lead to a more cost-effective and competitive arrangement and allow staff to fine tune the scope of work to reflect current practices, standards, and requirements.

Further, VVTA receives FTA 5311 rural pass-through funds from Caltrans. Therefore, as a subrecipient of Caltrans, VVTA is required to get pre-approval by its Department of Rail and Transportation (DRMT) prior to release of the RFP.

Chair Becerra asked for the timeline, Ms. Plasting said that once approved by the Board, the RFP is then submitted to CalTrans with the expectation of releasing the RFP in January for an award in March.

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

BOARD COMMENTS

All of the Board members expressed their thanks for all the hard work staff does. Additionally, all Board Members agreed to go dark in December, making the next Board meeting in January.

DATE OF NEXT MEETING

The next Board meeting will be on Tuesday, January 16, 2024, at 9:30 am at Victor Valley Transit Authority, located at 17150 Smoke Tree Street, Hesperia, CA 92345

ADJOURNMENT

The meeting was adjourned at 10:42 am.

APPROVED: _____
Liz Becerra, Chair

ATTEST: _____
Debi Albin, Clerk of the Board

**AGENDA ITEM
THREE**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for October 2023.

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>
10/06/2023	\$99,500.81	PR363-10-23
10/20/2023	\$100,472.01	PR364-10-23
Total Payroll	\$ 199,972.82	

Agency's Register of Warrants

<u>Register Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Register #</u>
10/12/2023	\$ 199,171.14	15130-15080	AP04714AAAGXS
10/19/2023	\$ 251,445.25	15081-15098	AP04717AAAGXV
10/26/2023	\$ 2,115,099.42	15099-15119	AP04731AAAGYJ
	\$2,565,715.81		

RECOMMENDED ACTION

Approve VVTA's expenditures for October 2023.

PRESENTED BY Maged Azer CFO	FISCAL IMPACT \$ 2,765,688.63	MEETING DATE January 16,2024	ITEM NUMBER 3
--	---	--	-----------------------------

Bank Register Report
Victor Valley Transit Authority

OCTOBER 2023

Check Number	Date	Payee Name	Amount
15130	10/03/2023	VOID	\$0.00
15131	10/03/2023	American Express	\$7,281.62
15120	10/10/2023	VOID	\$0.00
15121	10/10/2023	VOID	\$0.00
15122	10/10/2023	VOID	\$0.00
15123	10/10/2023	US BANK	\$17,957.08
15046	10/12/2023	ADArise.com	\$3,485.00
15047	10/12/2023	American Public Transportation Asso	\$7,500.00
15048	10/12/2023	AVCOM Services, Inc.	\$495.00
15049	10/12/2023	Charter Communications	\$150.25
15050	10/12/2023	Charter Communications	\$166.16
15051	10/12/2023	Charter Communications	\$749.00
15052	10/12/2023	Charter Communications	\$1,149.00
15053	10/12/2023	Spectrum Business-Sec	\$319.98
15054	10/12/2023	Charter Communications	\$206.23
15055	10/12/2023	Charter Communications	\$269.98
15056	10/12/2023	Clean Energy	\$18,980.63
15057	10/12/2023	DIGI VUE Advertising	\$177.00
15058	10/12/2023	Diversified Glass Inc	\$433.00
15059	10/12/2023	Ecolane USA, Inc.	\$14,475.65
15060	10/12/2023	Southern California Edison	\$30,093.74
15061	10/12/2023	FRONTIER-OFFICE LINES	\$62.99
15062	10/12/2023	Frontier	\$164.75
15063	10/12/2023	HI-Desert Communications	\$1,308.00
15064	10/12/2023	Konica Minolta Business Solutions	\$805.62
15065	10/12/2023	M. Brey Electric Incorporated	\$3,054.00
15066	10/12/2023	Ring Central, Inc.	\$2,532.20
15067	10/12/2023	Special District Risk Management	\$3,267.73
15068	10/12/2023	Shred Your Docs	\$78.00
15069	10/12/2023	Southwest Gas Corporation	\$1,009.96
15070	10/12/2023	Southwest Gas	\$11.00
15071	10/12/2023	Southwest Gas Corporation	\$26.78
15072	10/12/2023	Southwest Gas Corporation	\$145.28
15073	10/12/2023	Spectrum	\$820.00
15074	10/12/2023	State Compensation Insurance Fund	\$865.91
15075	10/12/2023	Syncromatics Corporation	\$64,597.35
15076	10/12/2023	Trona Community Senior Center	\$2,663.93
15077	10/12/2023	Type-Set-Go	\$576.46
15078	10/12/2023	Verizon-Security Phones	\$8,672.04
15079	10/12/2023	Verizon Connect Fleet USA LLC	\$1,119.82
15080	10/12/2023	Zebra	\$3,500.00
15081	10/19/2023	Abundant Living Family Church HD	\$3,162.00
15082	10/19/2023	Apple Valley Communications, Inc.	\$1,340.85
15083	10/19/2023	UTILITY BILLING	\$443.42
15084	10/19/2023	Clean Energy	\$13,569.61
15085	10/19/2023	Diamond Environmental Services LP	\$541.05

15086	10/19/2023	Federal Express Corp.	\$41.97
15087	10/19/2023	Foothill AIDS Project	\$1,822.00
15088	10/19/2023	HEARTSMART - Cardio Partners Inc	\$3,140.92
15089	10/19/2023	KnowBe4, Inc.	\$2,754.00
15090	10/19/2023	Loomis	\$895.84
15091	10/19/2023	Patterson Ink	\$2,965.98
15092	10/19/2023	PETCAM Engineering Inc	\$3,942.78
15093	10/19/2023	SONIC SYSTEMS Inc	\$8,950.00
15094	10/19/2023	Southwest Gas Corporation - CNG	\$136,380.17
15095	10/19/2023	Timberline Tree Works	\$1,400.00
15096	10/19/2023	Transportation Management & Design	\$45,588.25
15097	10/19/2023	Triton Global Services, Inc.	\$24,490.04
15098	10/19/2023	Verizon	\$16.37
EFT047240001	10/23/2023	Keolis Transit Services, LLC	\$1,831,717.42
EFT047250001	10/25/2023	Keolis Transit Services, LLC	\$1,425.91
15099	10/26/2023	AMAZON	\$1,414.27
15100	10/26/2023	AVR Vanpool	\$3,563.00
15101	10/26/2023	Beck Oil	\$46,884.26
15102	10/26/2023	Commute With Enterprise	\$114,545.00
15103	10/26/2023	City Of Hesperia Water District	\$4,203.32
15104	10/26/2023	Inter-Con Security Systems, Inc.	\$37,286.15
15105	10/26/2023	Labor Finders	\$5,064.96
15106	10/26/2023	Ring Central, Inc.	\$2,851.13
15107	10/26/2023	SOUTHWEST GAS CORPORATION	\$579.56
15108	10/26/2023	Southwest Gas BAT - CNG	\$29,344.76
15109	10/26/2023	Syncromatics Corporation	\$1,080.30
15110	10/26/2023	Southern California Edison	\$4,327.14
15111	10/26/2023	Southern California Edison	\$1,891.05
15112	10/26/2023	Southern California Edison	\$7,960.56
15113	10/26/2023	Acacia's Country Florist	\$113.03
15114	10/26/2023	Clean Energy	\$12,509.85
15115	10/26/2023	Golden State Water Company	\$1,530.17
15116	10/26/2023	Grant Writing	\$990.00
15117	10/26/2023	Principal Life Insurance Company	\$2,555.08
15118	10/26/2023	Protected Pest Control. Inc	\$125.00
15119	10/26/2023	Southwest Gas	\$14.90
EFT047270001	10/30/2023	Type-Set-Go	\$3,122.60
Totals			\$2,565,715.81

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for November 2023.

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>
11-03-2023	\$100,430.95	PR365-11-23
11-17-2023	\$100,263.67	PR366-11-23
Total Payroll	\$ 200,694.62	

Agency's Register of Warrants

<u>Register Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Register #</u>
11/06/2023	\$ 134,188.52	15132-15154	AP04755AAAGZH
11/14/2023	\$ 321,842.11	15155-15198	AP04761AAAGZN
11/22/2023	\$ 428,828.64	15200-15235	AP04780AAAHAG
	\$884,859.27		

RECOMMENDED ACTION

Approve VVTA's expenditures for November 2023.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer CFO	\$ 1,085,553.89	January 16,2024	3

**Bank Register Report
Victor Valley Transit Authority
Nov-23**

Check Number	Date	Payee Name	Amount
EFT047410001	11/03/2023	Oracle America, Inc.	\$10,399.99
15132	11/06/2023	Allied Universal Security Services	\$4,527.46
15133	11/06/2023	Bear Valley Rentals	\$320.55
15134	11/06/2023	Bonnie Baker Senior Center	\$2,134.98
15135	11/06/2023	Clean Energy	\$15,542.16
15136	11/06/2023	DIGI VUE Advertising	\$177.00
15137	11/06/2023	Southern California Edison	\$8,494.82
15138	11/06/2023	FRONTIER-OFFICE LINES	\$63.40
15139	11/06/2023	Frontier	\$169.62
15140	11/06/2023	High Desert Laser Graphics	\$64.17
15141	11/06/2023	Labor Finders	\$1,055.20
15142	11/06/2023	PETCAM Engineering Inc	\$13,036.48
15143	11/06/2023	San Bernardino County	\$1,435.00
15144	11/06/2023	SONIC SYSTEMS Inc	\$8,950.00
15145	11/06/2023	Source Graphics	\$217.57
15146	11/06/2023	Spectrum	\$820.00
15147	11/06/2023	Transit Consulting Strategies	\$2,687.50
15148	11/06/2023	Trillium Solutions, Inc.	\$651.00
15149	11/06/2023	Triton Global Services, Inc.	\$810.00
15150	11/06/2023	Trona Community Senior Center	\$3,178.55
15151	11/06/2023	Verizon-Security Phones	\$7,998.48
15152	11/06/2023	Southern California Edison	\$8,155.38
15153	11/06/2023	Southern California Edison	\$8,280.21
15154	11/06/2023	American Express	\$20,230.74
EFT047540001	11/08/2023	Oracle America, Inc.	\$14,788.26
15155	11/14/2023	Abundant Living Family Church HD	\$3,502.00
15156	11/14/2023	ADArde.com	\$4,616.00
15157	11/14/2023	Barstow College Foundation	\$250.00
15158	11/14/2023	Charter Communications	\$150.25
15159	11/14/2023	Charter Communications	\$166.16
15160	11/14/2023	Charter Communications	\$749.00
15161	11/14/2023	Charter Communications	\$2,082.33
15162	11/14/2023	Spectrum Business-Sec	\$319.98
15163	11/14/2023	Charter Communications	\$212.57
15164	11/14/2023	Charter Communications	\$269.98
15165	11/14/2023	City Of Victorville - Utility Bill	\$1,279.32
15166	11/14/2023	Clean Energy	\$7,771.08
15167	11/14/2023	Diamond Environmental Services LP	\$541.05
15168	11/14/2023	Southern California Edison	\$1,709.31
15169	11/14/2023	Foothill AIDS Project	\$2,029.00
15170	11/14/2023	HI-Desert Communications	\$1,308.00
15171	11/14/2023	Inter-Con Security Systems, Inc.	\$40,838.03
15172	11/14/2023	Labor Finders	\$1,055.20
15173	11/14/2023	M. Brey Electric Incorporated	\$52,158.30
15174	11/14/2023	Optibus INC - TRILLIUM SOLUTIONS INC	\$5,000.00
15175	11/14/2023	Patterson Ink	\$1,215.42
15176	11/14/2023	Ring Central, Inc.	\$2,554.76
15177	11/14/2023	Special District Risk Management	\$3,201.37
15178	11/14/2023	Southwest Gas Corporation	\$929.74
15179	11/14/2023	Southwest Gas Corporation	\$3,636.24
15180	11/14/2023	Southwest Gas Corporation	\$305.09
15181	11/14/2023	State Compensation Insurance Fund	\$865.91
15182	11/14/2023	Sulta Pepper Cafe	\$800.00
15183	11/14/2023	Timberline Tree Works	\$1,600.00
15184	11/14/2023	Transit Consulting Strategies	\$2,531.25
15185	11/14/2023	Transtrack Systems, Inc.	\$9,350.00
15186	11/14/2023	Verizon Connect Fleet USA LLC	\$1,119.82
15187	11/14/2023	Greater High Desert Chamber Of Commerce	\$500.00
15188	11/14/2023	VOID	\$0.00
15189	11/14/2023	VOID	\$0.00
15190	11/14/2023	VOID	\$0.00
15191	11/14/2023	VOID	\$0.00
15192	11/14/2023	VOID	\$0.00
15193	11/14/2023	VOID	\$0.00
15194	11/14/2023	VOID	\$0.00
15195	11/14/2023	VOID	\$0.00
15196	11/14/2023	VOID	\$0.00
15197	11/14/2023	VOID	\$0.00
15198	11/14/2023	US BANK	\$11,192.19
EFT047600001	11/16/2023	Sunrise Ford	\$156,032.76
15200	11/22/2023	UTILITY BILLING	\$443.42
15201	11/22/2023	Southern California Edison-CNG	\$17,587.28
15202	11/22/2023	Southern California Edison	\$7,977.64
15203	11/22/2023	Southwest Gas Corporation - CNG	\$139,467.89
15204	11/22/2023	Southwest Gas BAT - CNG	\$22,134.09
15199	11/23/2023	AMAZON	\$1,309.87

15205	11/30/2023	AVR Vanpool	\$4,363.00
15206	11/30/2023	Beck Oil	\$17,145.13
15207	11/30/2023	Bonnie Baker Senior Center	\$1,821.20
15208	11/30/2023	Bank Of New York Mellon	\$2,200.00
15209	11/30/2023	City Of Victorville - Utility Bill	\$1,392.95
15210	11/30/2023	Clean Energy	\$27,384.24
15211	11/30/2023	Commute With Enterprise	\$116,951.73
15212	11/30/2023	HI DESERT ALARM	\$196.20
15213	11/30/2023	High Desert Lock & Safe	\$20.00
15214	11/30/2023	Konica Minolta Business Solutions	\$1,092.98
15215	11/30/2023	Labor Finders	\$4,716.65
15216	11/30/2023	Learn CPR 4 Life	\$2,375.00
15217	11/30/2023	Loomis	\$775.63
15218	11/30/2023	Mojave Desert AQMD	\$497.67
15219	11/30/2023	Patterson Ink	\$2,060.00
15220	11/30/2023	Pinnacle Petroleum, Inc.	\$31,836.55
15221	11/30/2023	Printmart	\$208.44
15222	11/30/2023	Ring Central, Inc.	\$2,851.13
15223	11/30/2023	San Bernardino County	\$256.25
15224	11/30/2023	SOUTHWEST GAS CORPORATION	\$2,239.85
15225	11/30/2023	Trona Community Senior Center	\$2,842.00
15226	11/30/2023	West Coast Fleet Services. Inc.	\$1,114.32
15227	11/30/2023	Lawrence Bird	\$200.00
15228	11/30/2023	Golden State Water Company	\$884.99
15229	11/30/2023	Kimberly Mesen	\$200.00
15230	11/30/2023	James Noble	\$200.00
15231	11/30/2023	Protected Pest Control. Inc	\$125.00
15232	11/30/2023	Southwest Gas	\$71.26
15233	11/30/2023	Southwest Gas BAT - CNG	\$8,510.00
15234	11/30/2023	VOID	\$0.00
15235	11/30/2023	American Express	\$5,376.28
TOTALS			\$884,859.27

**AGENDA ITEM
FOUR**

THIS PAGE INTENTIONALLY LEFT BLANK

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 October and November 2023.
- 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
Nancie Goff,
CEO

FISCAL IMPACT

N/A

MEETING DATE

January 16, 2024

ITEM NUMBER

4

**Keolis Transit Services**17150 Smoke Tree St.
Hesperia Calif. 92345**INVOICE NO. 0060227-IN****BILL TO** Victor Valley Transit Authority
17150 Smoke Tree St.
Hesperia, CA 92345**DATE** 12/6/2023**CONTRACT NAME:**
Victor Valley TransitAttention: Mrs. Nancie Goff
Chief Executive Officer**MONTH** November 2023**BILLING PERIOD** 11/01/2023 - 11/30/2023

	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	2,326.30	2,679.43		\$226,325.73	\$260,681.74	\$34,356.02	\$1,143,196.65	\$1,394,858.81	\$251,662.16
Subscription	944.20	1,069.18		\$91,861.22	\$104,020.52	\$12,159.30	\$450,273.02	\$446,983.86	(\$3,289.16)
MicroLink	882.00	493.65		\$85,809.78	\$48,027.21	(\$37,782.57)	\$420,623.28	\$205,499.28	(\$215,124.00)
Regional Fixed Rt	10,401.50	10,377.01	(25.26)	\$938,527.35	\$936,317.61	(\$2,209.73)	\$4,777,703.41	\$4,743,017.51	(\$34,685.90)
Route 15	696.50	690.90	(5.57)	\$62,845.20	\$62,339.91	(\$505.29)	\$319,874.82	\$317,980.70	(\$1,894.12)
Fort Irwin	482.20	482.16	-	\$52,256.01	\$52,251.68	(\$4.33)	\$255,722.93	\$254,099.32	(\$1,623.61)
SUBTOTALS	15,732.70	15,792.33	(30.83)	\$1,457,625.28	\$1,463,638.67	\$6,013.39	\$7,367,394.11	\$7,362,439.48	-\$4,954.63

TOTAL INVOICE**\$1,463,638.67****Please REMIT TO:**
Keolis Transit Services, LLC
53 State Street, 11th Floor
Boston, MA 02109
ARDept@keolisna.com

Manager's Signature and Business Phone



INVOICE NO. 0060228-IN

Keolis Transit Services17150 Smoke Tree St.
Hesperia Calif. 92345

BILL TO

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

DATE 12/6/2023

CONTRACT NAME:
Victor Valley TransitAttention: Mrs. Nancie Goff
Chief Executive Officer

MONTH November 2023

BILLING PERIOD 11/01/2023 - 11/30/2023

	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	1,830.10	1,827.71	(2.37)	\$165,129.92	\$164,914.27	(\$215.65)	\$843,708.96	\$840,463.01	(\$3,245.95)
Barstow-Fixed Route	1,791.70	1,791.69	-	\$161,665.09	\$161,664.19	(\$0.90)	\$824,187.86	\$824,186.96	(\$0.90)
Barstow-County	744.50	738.73	-	\$67,176.24	\$66,655.61	(\$520.63)	\$342,096.64	\$341,143.20	(\$953.44)
Barstow-DAR	325.80	387.81		\$31,697.08	\$37,730.03	\$6,032.95	\$160,115.45	\$185,850.49	\$25,735.04
SUBTOTALS	4,692.10	4,745.94	(2.37)	\$425,668.33	\$430,964.10	\$5,295.77	\$2,170,108.91	\$2,191,643.66	\$21,534.75

TOTAL INVOICE

\$430,964.10

Please REMIT TO:
Keolis Transit Services, LLC
53 State Street, 11th Floor
Boston, MA 02109
ARDept@keolisna.com

Manager's Signature and Business Phone

**Keolis Transit Services**17150 Smoke Tree St.
Hesperia Calif. 92345**INVOICE NO. 0060225-IN****BILL TO** Victor Valley Transit Authority
17150 Smoke Tree St.
Hesperia, CA 92345**DATE** 11/9/2023**CONTRACT NAME:**
Victor Valley Transit**Attention:** Mrs. Nancie Goff
Chief Executive Officer**MONTH** **October 2023****BILLING PERIOD** 10/01/2023 - 10/31/2023

	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 Para Transit	2,486.70	3,151.50		\$241,931.04	\$306,609.44	\$64,678.39	\$916,870.92	\$1,134,177.07	\$217,306.15
Subscription	989.10	1,010.58		\$96,229.54	\$98,319.33	\$2,089.79	\$358,411.80	\$342,963.34	(\$15,448.46)
Microlink	924.00	532.86		\$89,895.96	\$51,841.95	(\$38,054.01)	\$334,813.50	\$157,472.07	(\$177,341.43)
Regional Fixed Rt	11,003.90	10,972.28	(31.62)	\$992,881.90	\$990,028.82	(\$2,853.07)	\$3,839,176.06	\$3,806,699.90	(\$32,476.16)
Route 15	733.46	730.52	(2.94)	\$66,180.10	\$65,914.82	(\$265.28)	\$257,029.62	\$255,640.79	(\$1,388.83)
Fort Irwin	505.12	499.77	(5.35)	\$54,739.85	\$54,160.07	(\$579.78)	\$203,466.92	\$201,847.64	(\$1,619.28)
SUBTOTALS	16,642.28	16,897.51	(39.91)	\$1,541,858.39	\$1,566,874.43	\$25,016.04	\$5,909,768.82	\$5,898,800.81	-\$10,968.01

TOTAL INVOICE**\$1,566,874.43****Please REMIT TO:**
Keolis Transit Services, LLC
53 State Street, 11th Floor
Boston, MA 02109
ARDest@keolisna.com

Manager's Signature and Business Phone



INVOICE NO. 0060226-IN

Keolis Transit Services17150 Smoke Tree St.
Hesperia Calif. 92345

BILL TO

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

DATE 11/9/2023

CONTRACT NAME:
Victor Valley TransitAttention: Mrs. Nancie Goff
Chief Executive Officer

MONTH October 2023 BILLING PERIOD 10/01/2023 - 10/31/2023

	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	1,940.98	1,933.89	(7.09)	\$175,134.63	\$174,494.89	(\$639.73)	\$678,579.04	\$675,548.74	(\$3,030.30)
Barstow-Fixed Route	1,904.32	1,904.32	-	\$171,826.79	\$171,826.79	\$0.00	\$662,522.77	\$662,522.77	\$0.00
Barstow-County	790.58	786.83	(3.75)	\$71,334.03	\$70,995.67	(\$338.36)	\$274,920.40	\$274,487.59	(\$432.81)
Barstow-DAR	348.30	433.18		\$33,886.11	\$42,144.08	\$8,257.98	\$128,418.37	\$148,120.46	\$19,702.09
SUBTOTALS	4,984.18	5,058.22	(10.84)	\$452,181.56	\$459,461.44	\$7,279.88	\$1,744,440.58	\$1,760,679.56	\$16,238.98

TOTAL INVOICE

\$459,461.44

Please REMIT TO:
Keolis Transit Services, LLC
53 State Street, 11th Floor
Boston, MA 02109
ARDept@keolisna.com

Manager's Signature and Business Phone



FY 2024 -- Monthly Performance Statistics by Mode
Systemwide Summary
All Routes

Performance Statistics for October

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)	113,120	16,314.3	\$2,063,205	\$28,384	6.9	\$18.24	\$126.47	\$0.25	\$1.74	1.38%
Commuter Bus	3,417	499.8	\$75,773	\$11,836	6.8	\$22.18	\$151.61	\$3.46	\$23.68	15.62%
Demand Response	12,642	4,851.3	\$592,924	\$55,873	2.6	\$46.90	\$122.22	\$4.42	\$11.52	9.42%
System Total	129,179	21,665.3	\$2,731,901	\$96,093	6.0	\$21.15	\$126.10	\$0.74	\$4.44	3.52%



Monthly Ridership Report

October, FY 2024

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)	104,665	113,120	6.5	6.9	2.04%	1.38%
Commuter Bus	3,101	3,417	6.4	6.8	51.48%	15.62%
Demand Response	9,987	12,642	2.5	2.6	4.11%	9.42%
System Total	117,753	129,179	5.7	5.9	4.29%	3.52%



FY 2024 -- Monthly Performance Statistics by Mode
Systemwide Summary
All Routes

Performance Statistics for November

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)	86,728	15,411.7	\$1,899,347	\$89,879	5.6	\$21.90	\$123.24	\$1.04	\$5.83	4.73%
Commuter Bus	2,787	482.2	\$75,847	\$25,349	5.8	\$27.21	\$157.31	\$9.10	\$52.57	33.42%
Demand Response	10,649	4,359.6	\$518,153	\$14,825	2.4	\$48.66	\$118.85	\$1.39	\$3.40	2.86%
System Total	100,164	20,253.5	\$2,493,348	\$130,053	4.9	\$24.89	\$123.11	\$1.30	\$6.42	5.22%



Monthly Ridership Report

November, FY 2024

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)	58,906	86,728	3.8	5.6	5.88%	4.73%
Commuter Bus	2,861	2,787	5.9	5.7	55.03%	33.42%
Demand Response	8,916	10,649	2.4	2.4	5.80%	2.86%
System Total	70,683	100,164	3.6	4.9	7.41%	5.22%

ADA Dispatch Denial Report For the Month of October 2023

[illegible]

ADA Dispatch Denial Report For the Month of November 2023

[illegible]

October
Major and Non-Major
Miles Between Road Calls

Total Miles	FY 2023	FY 2024
Demand Response	61,416	71,048
Commuter Bus	18,553	19,392
Motor Bus	285,459	292,706
Total Miles	365,428	383,146

Total Road Calls	FY 2023	FY 2024
Demand Response	13	3
Commuter Bus	2	3
Motor Bus	33	28
Total Road Calls	48	34

Miles Between Road Calls	FY 2023	FY 2024
Demand Response	4,724	23,683
Commuter Bus	9,277	6,464
Motor Bus	8,650	10,454
Total System	22,651	40,600

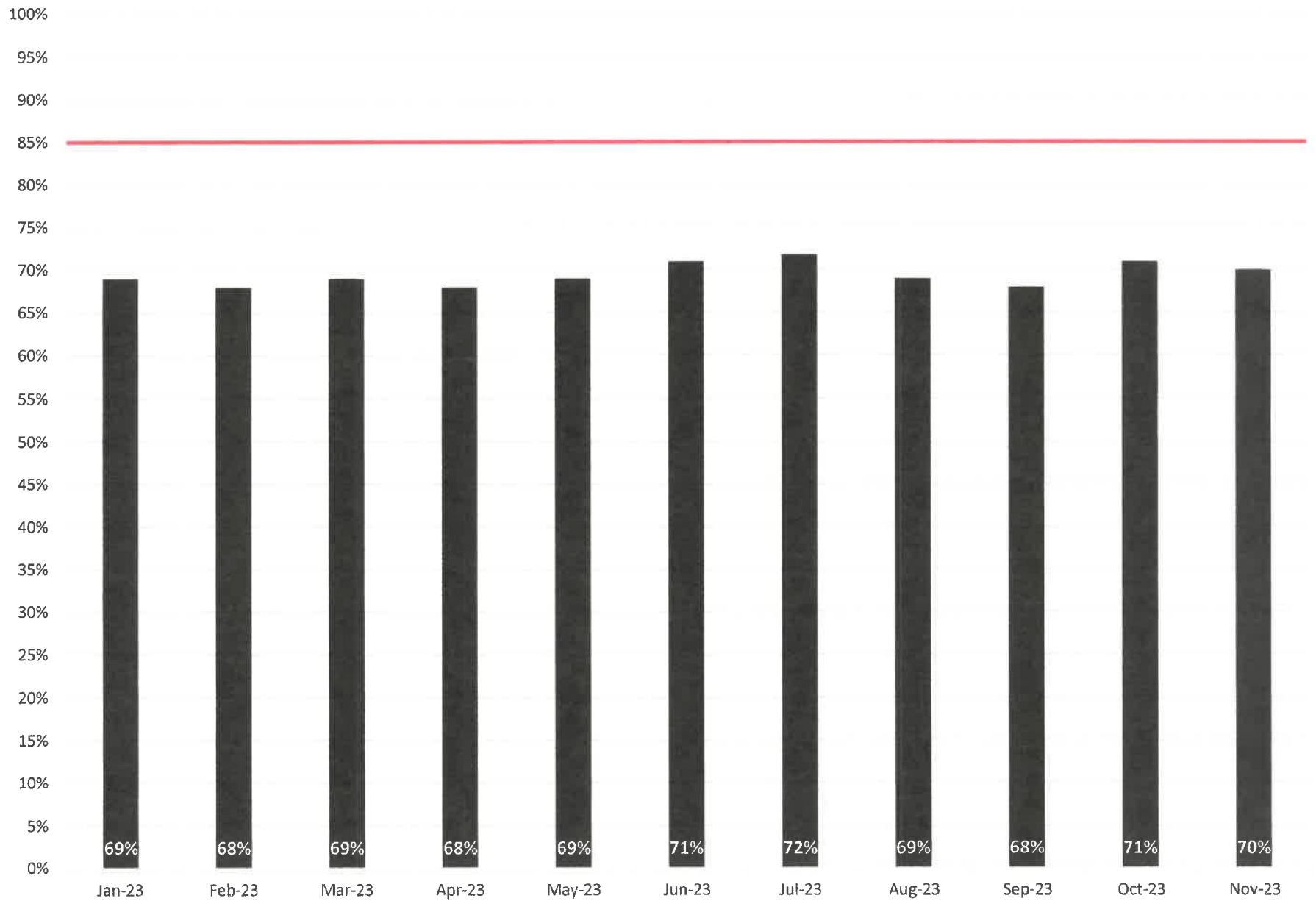
November
Major and Non-Major
Miles Between Road Calls

Total Miles	FY 2023	FY 2024
Demand Response	55,383	62,127
Commuter Bus	18,572	18,685
Motor Bus	271,704	275,595
Total Miles	345,659	356,407

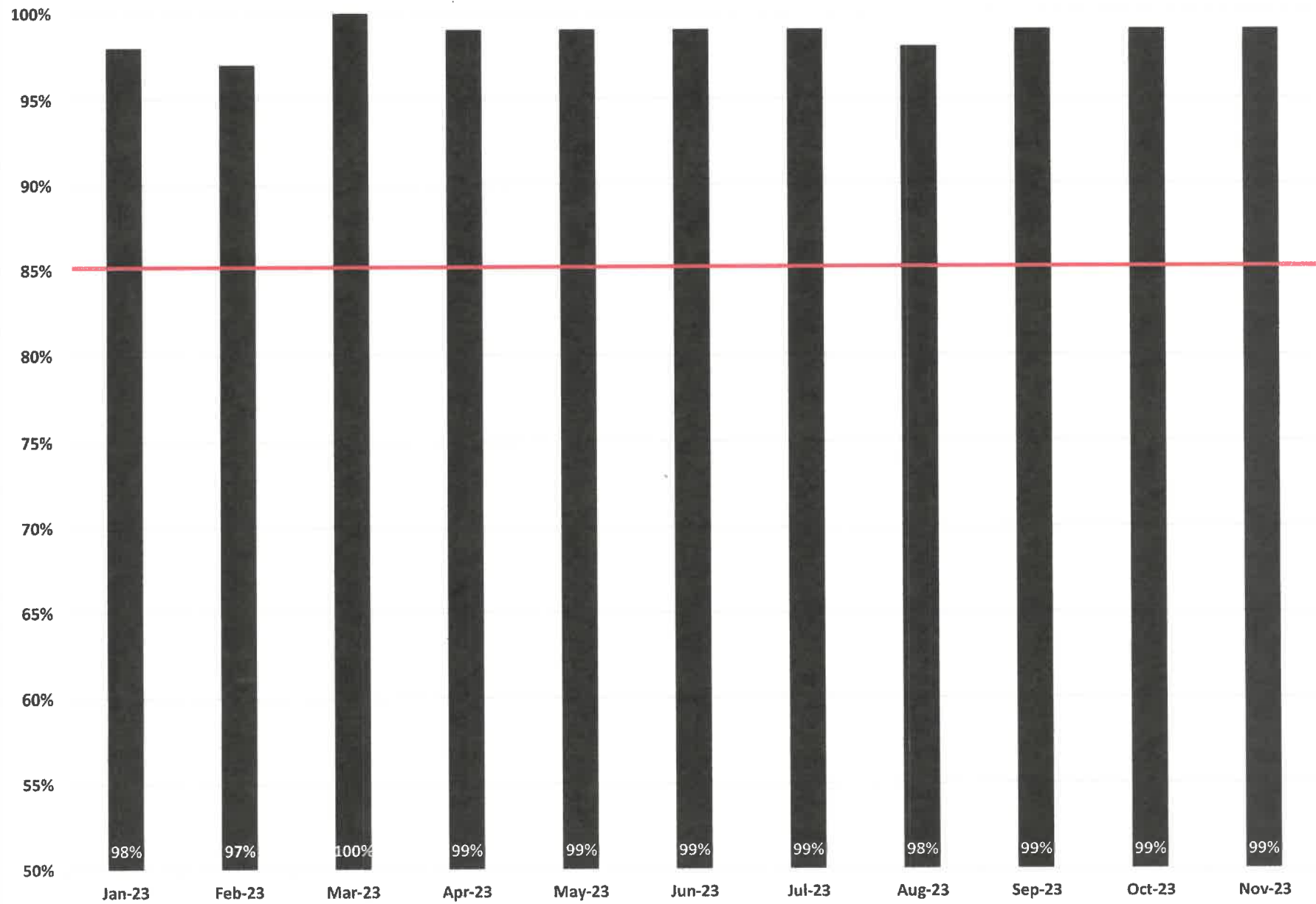
Total Road Calls	FY 2023	FY 2024
Demand Response	7	4
Commuter Bus	2	0
Motor Bus	35	24
Total Road Calls	44	28

Miles Between Road Calls	FY 2023	FY 2024
Demand Response	7,912	55,156
Commuter Bus	9,286	18,685
Motor Bus	7,763	11,483
Total System	24,961	85,324

OTP - Fixed Route



OTP - Direct Access



THIS PAGE INTENTIONALLY LEFT BLANK

**AGENDA ITEM
FIVE**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Victor Valley Transit Sheriff's Division Unit Report.

SUMMARY STATEMENT

At this time, a representative of the VVTA Sheriff Division will present highlights and statistics from the last report.

RECOMMENDED ACTION

Information item only.

PRESENTED BY VVTA Sheriff Division Unit	FISCAL IMPACT N/A	MEETING DATE January 16, 2024	ITEM NUMBER 5
--	---------------------------------	---	-----------------------------

THIS PAGE INTENTIONALLY LEFT BLANK

**AGENDA ITEM
SIX**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Notice of Completion for the Hesperia Perimeter Fence and Gates.

SUMMARY STATEMENT

At the May 15, 2023 Board meeting, the VVTA Board of Directors approved the award of Contract 2023-02 for the construction of the Hesperia Perimeter Fence and Gate to All American Fence.

The project has been satisfactorily completed in the amount of \$471,587.00 and the final inspection occurred on December 14, 2023. Thirty (30) days after the recordation of the Notice of Completion, VVTA will release the final retention monies withheld on this project, provided that there are no claims or unreleased liens against the contract. After the filing of the Notice of Completion, the warranty period shall begin on equipment installed in the facility.

VVTA Staff recommends acceptance of the project and requests the Board to also delegate authority to VVTA's Chief Executive Officer to execute the Notice of Completion for recordation with the County of San Bernardino.

RECOMMENDED ACTION

Approve the Notice of Completion for the Construction and Installation of the Perimeter Gate and Fence at the VVTA Hesperia Operations and Maintenance Facility.

PRESENTED BY
Christine Plasting
Procurement Manager

FISCAL IMPACT

None

MEETING DATE

January 16, 2024

ITEM NUMBER

6

RECORDING REQUESTED BY:

VICTOR VALLEY TRANSIT AUTHORITY

WHEN RECORDED MAIL TO:

VISTOR VALLEY TRANSIT AUTHORITY
ATTN: CLERK OF THE BOARD
17150 SMOKE TREE STREET
HESPERIA, CA 92345

Recording of this document is fee-exempt under Government
Code Section 6103. No Document Transfer Tax is due on
this document pursuant to Revenue Taxation code Section 11922.

SPACE ABOVE THIS LINE FOR RECORDERS USE

**PUBLIC CONTRACT 2023-02
NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is OWNER or agent of the OWNER of the interest or estate stated below in the property hereinafter described.
2. The FULL NAME of the OWNER is: VICTOR VALLEY TRANSIT AUTHORITY, A JOINT POWERS AUTHORITY
3. The FULL ADDRESS of the OWNER is 17150 SMOKE TREE STREET, HESPERIA, CA 92345
A work of improvement on the property hereinafter described was COMPLETED December 14, 2023.
4. The work of improvement completed is described as follows: Hesperia Operations and Maintenance Facility Perimeter Fence and Gates.
5. The NAME OF THE ORIGINAL CONTRACTOR, if any, for such work of improvement is Dantin Enterprises, dba All American Fence Erectors, Hesperia, CA.
6. The street address of said property is 17150 SMOKE TREE STREET, HESPERIA, CA 92345.
7. Assessor's Parcel Number
8. The property on which said work of improvement was completed is in the City of HESPERIA, County of SAN BERNARDINO, State of CALIFORNIA.

Verification of NON-INDIVIDUAL owner: I, Nancie Goff, the undersigned, declare upon penalty of perjury un the laws of the State of California that I am the Chief Executive Officer of the aforesaid interest or estate in the property described in the above notice; that I have read said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

_____ at Hesperia, California.
Date

Nancie Goff, Chief Executive Officer
VICTOR VALLEY TRANSIT AUTHORITY

**AGENDA ITEM
SEVEN**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Release of RFP 2024-05 VVTA Compensation and Benefits Study.

SUMMARY STATEMENT

The last salary study was conducted in June 2017, with the final report completed in January 2018 - about six years ago. Given the economic fluctuations in recent years, it has been hard for staff to keep up with the evolving landscape of salaries and wages within the transit industry. It is becoming more and more challenging to monitor and analyze these changes effectively.

VVTA's compensation policy recommends evaluating the compensation structure, programs, and policies every three to seven years:

8. COMPENSATION PROGRAM EVALUATION

Approximately every three years and no more than every seven years, VVTA will evaluate its compensation structure, programs, and policies to assess market competitiveness, effectiveness, and compliance with State Law. Adjustments to the compensation structure may be made as a result of this periodic evaluation and will be brought to the Board Chair and any ad hoc committee created by the Board Chair to address personnel issues for review and the VVTA Board for final approval.

Considering the significant time elapsed since the last study and the dynamic nature of the economy, staff believes this study will contribute to maintaining fair and competitive compensation for our administration staff. Further, releasing the RFP in January will be a good fit with budgeting for the next fiscal year.

RECOMMENDED ACTION

Approve the Release of RFP 2024-05 VVTA Compensation and Benefits Study.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer, CFO	N/A	January 16, 2024	7

VVTA RFP 2024-05 COMPENSATION AND BENEFITS STUDY

ATTACHMENT A – SCOPE OF WORK

I. BACKGROUND

Victor Valley Transit Authority (VVTA or “authority”) is a Joint Powers Authority (JPA) created in 1992. VVTA is also the Consolidated Transportation Service Agency (CTSA) for the North Desert of San Bernardino County and is responsible for coordinating transit services throughout the approximate 950 square mile service area. VVTA is governed by a board of directors comprised of 7 elected officials from 5 cities (Adelanto, Apple Valley, Barstow, Hesperia, and Victorville) in San Bernardino County and 2 members of the San Bernardino County Board of Supervisors. VVTA operates from two facilities which are located in the City of Hesperia and the City of Barstow.

II. PURPOSE

Public transit, especially in California, is a competitive employment market. In order to remain competitive in recruiting and particularly in retaining qualified personnel, VVTA must periodically review the organization's compensation and benefits plans against those of other transit agencies of similar size and with similar positions.

The objective of the study is to ensure that VVTA has properly classified positions performing similar work with essentially the same level of complexity, responsibility, and knowledge, skills and ability are classified together; clearly outlines promotional opportunities and provides recognizable growth; provides justifiable pay differential between individual classes; maintains currency with relevant labor markets. VVTA seeks recommendations on staff alignments, reporting relationships and organizational structure. With respect to duties performed and appropriate compensation ranges, VVTA desires to remain competitive in attracting and retaining the most qualified and talented staff in the marketplace.

In other words, the study should answer the following questions:

- How competitively are VVTA's positions paid in relation to the marketplace based on the market wage and salary practices with similar size organizations in the industry?
- What would be appropriate pay ranges for each position given prevailing current rates and internal equity factors?
- How do the benefit practices and employer and employee contributions compare with industry and are specific changes needed given market trends?

VVTA is soliciting for a consultant firm to provide services which include but are not limited to:

- reviewing and recommending a new, where appropriate, nomenclature for VVTA position titles;

VVTA RFP 2024-05 COMPENSATION AND BENEFITS STUDY ATTACHMENT A – SCOPE OF WORK

- a review of current position descriptions and responsibilities and to make recommendations for updates so VVTA remains compliant with all applicable laws, rules and regulations.
- develop a new job description and salary range for a planned HR Specialist (or similar) and other vacant positions to fit the level of VVTA's current and near future needs; and
- review and update the current comp class structure.

In essence, VVTA is interested in receiving proposals from qualified Consultants to conduct a Compensation and Executive Benefits Review of Administrative Positions with the following objectives:

III. SCOPE OF SERVICES

1. The Consultant shall conduct a salary survey of other California transit properties (of comparable size) and/or other governmental/public agencies located within and tangent to San Bernardino and Riverside Counties. The transit agencies should be JPAs. Further, Munis or city run transit operations should not be used as comparators.
2. The Consultant shall collaborate with executive staff to identify the criteria and rationale to be used for the selection of the representative agencies.
3. The Consultant shall review VVTA's existing (Thirty) 30 unique administrative job descriptions, job titles and salary structure and provide a comprehensive comparison of similar or like job functions to those agencies surveyed. There are twenty-eight (28) full-time positions and two (2) part-time positions. The comparison shall identify any major differences in job functions for similarly titled positions. (For example, a Chief Financial Officer position at another transit agency may not manage Procurement, Information Technology (IT) and oversee Human Resources as it does at VVTA.) By contrast, the Consultant should identify positions with different titles, but that have similar responsibilities and like placement in the organizations' hierarchy (For example, the CEO at VVTA may be similar to an Executive Director at another organization.) Additionally, the consultant should identify any job functions or job titles which are unique to VVTA as an agency. (For example, while a number of transit agencies throughout California are designated as CTSAs, in many instances do not operate at the same level as VVTA in accordance with this designation. Consequently, it may be difficult to find a CTSA Program Manager with duties similar to those of VVTA's.

VVTA RFP 2024-05 COMPENSATION AND BENEFITS STUDY ATTACHMENT A – SCOPE OF WORK

4. The Consultant shall identify employee and any executive benefits programs that are offered by the agencies surveyed, e.g., deferred compensation contributions, vacation, Holidays, paid time off, health benefits, pension contributions, life insurance and formulas i.e. California Public Employees' Retirement System-CalPERS, etc.
5. There are currently four (4) Executive level positions, one (1) Senior Manager level position and five (5) Manager level positions.
6. The Consultant shall analyze the data collected and "Normalize" that survey data for a new VVTA pay structure; comparing the findings with VVTA's salaries and benefits packages and, make specific recommendations to ensure that VVTA remains competitive within the marketplace, attracting and retaining the most qualified and talented staff in the marketplace.
7. . The analysis shall take into account:
 - A) the differences in the cost of living in nearby counties such as, Riverside County, Orange County, Los Angeles County, San Diego County, etc.
 - B) the size of those transit or governmental/public agencies being compared.
 - C) the differences in job responsibilities for similar positions being compared.
8. The Consultant's recommended strategy should improve VVTA's ability to recruit and retain qualified employees.
9. There is a belief that most employment positions in the Victor Valley area can be less compensated for than their like positions in the San Bernardino Valley and other parts of the state. It has been said that this opinion is based on the significantly lower cost of real estate and homeownership in the Victor Valley. The consultant shall address this opinion with an objective analysis and recommendations as there have been many changes in the last several years. To this end, the consultant should examine the concept of human capital flight and regional intellectual drainage, more commonly referred to as "regional brain drain," and the negative effects that the abovementioned view has in this respect.
10. The job analysis VVTA is looking for is to identify each current position and find comparative positions at other transit agencies of similar size and composition. If that is not possible for any specific position, then the consultant shall develop some form of a **labor**

VVTA RFP 2024-05 COMPENSATION AND BENEFITS STUDY ATTACHMENT A – SCOPE OF WORK

market equivalent or comparable for those specific positions. In doing so, the consultant would source positions at agencies and businesses that have major comparable business factors similar to VVTA. Such factors optimally would include similarities such as, financials and annual budgets, and comparable business' that contracts out a major portion yet maintains Director level integrated insight; a transit agency or business which includes within it a CTSA or a mobility management division; a transit agency that provides similar types of services (fixed route, commuter, complementary paratransit, microtransit services, as well as has a similar service area size (950 sq mi), with fewer than 50 direct employees, etc. Non-transit agencies and businesses may be considered within a labor market equivalent providing the weighting is reasonable.

IV. PROJECT DELIVERABLES

1. The Consultant shall submit a detailed report that contains at a minimum:
 - A) the methodology or criteria used in conducting the survey,
 - B) the survey results,
 - C) the Consultant's specific proposed recommendations and the justifications as to appropriate salary ranges for each position classification.
 - D) The Consultant should update the Steps and Range chart and methodology that VVTA will maintain for salaries, annual increases and promotions.

The report shall be written in a clear and concise manner that will facilitate review and evaluation by the VVTA Policy Board as well as VVTA management.

2. The Consultant will present the completed report along with overall and specific recommendations to VVTA's management team and Policy Board.

V. MISCELLANEOUS

Management interviews, job descriptions and any other relevant information will be made available to Consultant upon request.

THIS PAGE INTENTIONALLY LEFT BLANK

**AGENDA ITEM
EIGHT**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

RFP 2024-06 ADA and MicroLink Dispatching Software Solution.

SUMMARY STATEMENT

In 2015, the VVTA Board of Directors approved Contract 2015-02 to Ecolane for the Demand Response Dispatching Software. The system was sufficient for VVTA's needs at that time, however, with the expansion of services through the Non-Profit Partners and the MicroLink service, an updated solution is needed.

This procurement is to purchase a new system that must provide and integrate VVTA's Direct Access, Non-Profit Brokerage, and the new MicroTransit route and vehicle information in real-time via a web interface to schedulers, dispatchers, supervisory personnel and managerial personnel. The primary purpose of the system is to facilitate daily demand-response service and must be equipped with reporting capabilities to accurately data stream operational service information (e.g., route timing, passenger wait time, trip counts, operator performance, vehicle speed and movement.)

Staff recommends the Board authorize the release of the RFP.

RECOMMENDED ACTION

Approve the release of RFP 2024-06 ADA and MicroLink Dispatching Software Solution.

PRESENTED BY
Christine Plasting
Procurement Manager

FISCAL IMPACT

N/A

MEETING DATE

January 16, 2024

ITEM NUMBER

8

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

SCOPE OF WORK

A. General

VVTA is seeking proposals from qualified firms to provide a paratransit dispatching/Microtransit software solution design that would best benefit VVTA and provide the most efficient and effective method of transportation for its paratransit service and current Micro-Link demand response service.

The contract will be a two-year (24-month) base contract with three, one-year optional years (12 months each). The option years shall be exercised at VVTA's discretion, subject to evaluation, including but not limited to the Contractor's performance and passenger satisfaction with Microtransit.

Qualified PROPOSERS shall have substantial recent experience in providing similar services on a scale equal or greater than what VVTA is requesting, and must meet the following requirements:

1. The PROPOSER shall have completed three on-demand real-time system implementations in the last seven years at bus agencies with a fleet size similar to or larger than VVTA.
2. The PROPOSER shall demonstrate the proposed on-demand system can comeingle with VVTA's paratransit program by creating sample trips using current VVTA data and paper manifests, provided at the discretion of VVTA. VVTA does not presently operate comingled paratransit and microtransit services but may in the future.

B. Service Scenario/Models

Service Scenarios/Models shall display how PROPOSER'S Microtransit software service can be implemented to VVTA's current Paratransit and Micro-Link services. Presently, VVTA's Paratransit and Microtransit services operate as separate vehicle fleets with both services supported by one scheduling/dispatch software platform. The required service model will also support both Paratransit and Microtransit riders with one technology. VVTA is interested in exploring the potential for a fully comingled service model in which one vehicle fleet could serve both Paratransit and Microtransit riders. VVTA intends to work with the successful PROPOSER to devise the optimal solution.

PROPOSERS shall utilize the following data to suggest a plan of action of how VVTA can successfully plan and operate Microtransit in the most efficient and cost-effective way, with the current service as a base of the system. Service scenarios must include the same jurisdictional areas, but can provide alternative number of vehicles, service hours, revenue hours, cost, eligibility, and other requirements. PROPOSER and VVTA shall coordinate to refine and approve the service model, including specific stops, schedules, service coverage areas and fare structure.

1. **Paratransit Service:** VVTA's Paratransit services (Direct Access) operate within the jurisdictional service areas of Victorville, Hesperia, Apple Valley, Adelanto, and Barstow. Direct Access service is operated utilizing VVTA vehicles. VVTA also provides supplementary Paratransit services through the use of third-party non-contract partners through its Brokerage program. Brokerage paratransit trips are also scheduled through the VVTA scheduling/dispatch platform. Details of Paratransit services are outlined below:

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

Weekly Boardings Per Revenue Hour

Year	Passengers	Revenue Hours	Passenger Per Revenue Hour
FY22	74,112	26,037	2.85
FY23	86,277	33,487	2.58

Service Hours

Days of Service	Hours of Service
Monday – Friday	6:00 AM – 9:00 PM
Saturday	7:00 AM – 7:00 PM
Sunday and Holidays*	8:00 AM – 5:00 PM

Holidays: New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Current service is provided by advance reservation only. Passengers must call at least one day in advance (No same-day service). For the purpose of Service Scenarios, PROPOSERS may use a combination of advance reservation and same-day service (real-time).

Cost

Passenger Type	Cost Per Ride	Comments
Regular Paratransit	\$2.50-6.00	3 zones with escalating fares.
IRC Programs	Variable	Set by IRC authorization.
Brokerage	\$1.00	Must be signed up by VVTA.
Aide/Escort for Handicapped Riders	Free	PCAs will need to be noted in profile rather than other forms of authorization.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

a. Paratransit Eligibility Requirements

- Any person with a disability who can use accessible fixed route transportation, but accessible transportation is not being used at the time, and on the route the person would travel. This category includes those persons who use wheelchairs, walkers or braces and others whose disabilities prevent them from utilizing an inaccessible vehicle or facility.
- Persons, who because of the nature of their disabilities, cannot navigate a transit system that is otherwise accessible. This category includes persons who cannot independently board, ride or disembark from an accessible fixed route.
- Persons with a specific impairment-related condition(s), which prevents them from getting to or from a boarding or disembarking location. This relates to an individual's particular functional disability. Examples of eligibility under this category include severe, chronic fatigue, a special sensitivity to temperature, and a lack of cognitive ability to remember to follow directions.

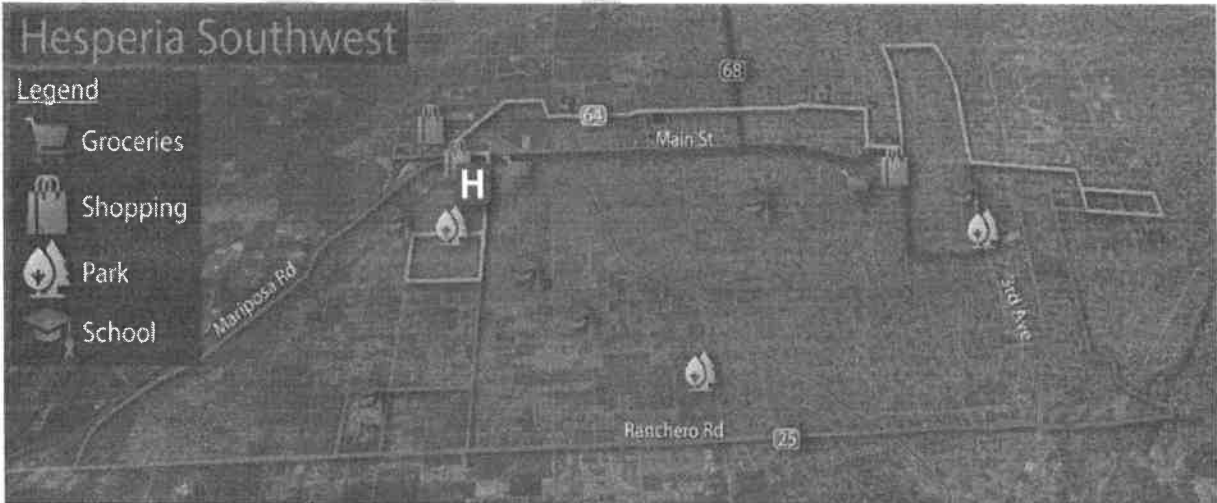
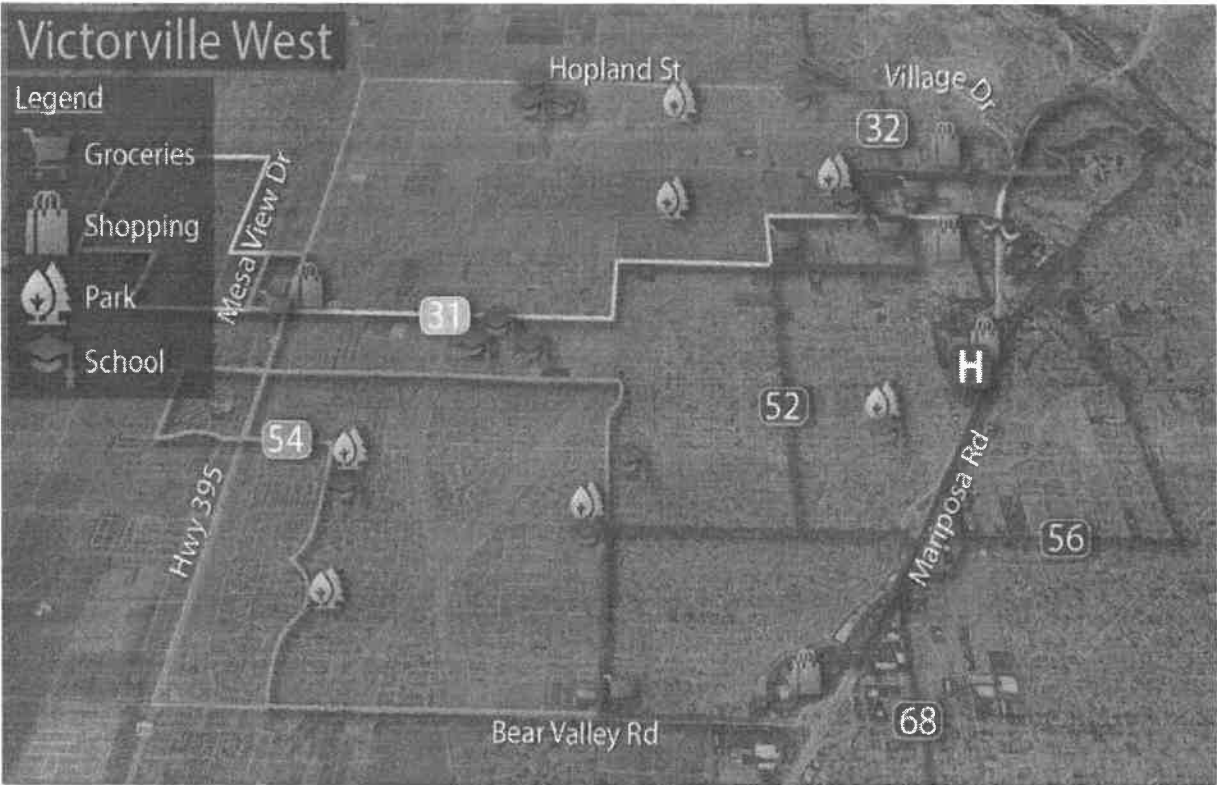
National Transit Database (NTD) Data (FY22)

Description	Information
Average Trip Length (PMT/UPT)	13.9 miles
Average Speed	15.4 mph
Average Time of Trip	54 minutes

2. Microtransit

In October 2022, VVTA began operation of a new Microtransit service (Micro-Link) Micro-Link was operated as a pilot demonstration project for one year and became a permanent service operation in October 2023. The purpose of Micro-Link service is to provide transportation services in low-density communities within the VVTA service area for short trips and to enhance the ability of residents to access and connect with VVTA fixed-route services. Micro-Link serves zones in western Victorville and southern Hesperia areas operating Monday – Friday from 6:00 am – 8:00 pm, with on-demand transportation services for the general public. Micro-Link riders may schedule trips up to 14 days in advance using a mobile application or may call VVTA to schedule a trip. Micro-Link service is only available within each designated service zone and trips cannot be scheduled to travel outside the zone boundaries.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE
ATTACHMENT A – SCOPE OF WORK



VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

Weekday Boardings Per Revenue Hour (FY23)

MONTH	PASSENGERS	REV HOURS	PASS/REV HR
TOTAL	2,320	2,848	0.8

Service Hours

Days of Service	Hours of Service
Monday – Friday	6:00 AM – 8:00 PM
Saturday	No Service
Sunday and Holidays	No Service

Cost

Passenger Type	Cost Per Ride	Comments
Regular	\$2.00	
Senior/Disabled	\$1.00	Senior is 60 years or older. Both types of passengers must have valid photo ID.
Student K-12	\$1.00	Must show school ID card for current school year.
Children 5 and Under	Free	Limit 3 with paying passenger.

3. Other Information for Service Scenario/Models

a. Vehicles

VVTA will provide up to 6 vehicles to service Microtransit zones. These vehicles may be used concurrently with VVTA's paratransit service if services are comingled in the future. Depending on ridership, more vehicles may be available for use.

All vehicles, drivers, fuel, insurance, and maintenance required for operation will be provided by VVTA.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

b. Proposed Service Hours

The proposed service hours can be changed at the discretion of VVTA based on the service models and needs of Microtransit services. Should PROPOSERS have different service hour suggestions based on their previous experience with other agencies, then those can be included in the Proposal for VVTA's review and approval.

Days of Service	Hours of Service
Monday through Friday	6:00 AM – 8:00 PM
Saturday	N/A
Sunday	N/A

C. Software Functional Requirements

VVTA is seeking a technology platform ("Platform") that can facilitate fully automated demand-responsive scheduling and dispatching for a current fleet of 38 VVTA-provided Paratransit and Microtransit vehicles, as well as vehicles operated by third-party partners operating within the VVTA Brokerage program. The number of vehicles operated may change during the course of the contract.

PROPOSERS shall also design and document processes and functionalities as they are to be implemented within the software component of the project. PROPOSERS shall also produce an analysis of key features of the software/technology platform and recommend software/technology platform that supports demand-responsive operations. Features shall include but not limited to the following.

1. General Specifications

- The platform shall be customizable for the comingling of multiple service models and passenger categories, including Microtransit (on-demand) and paratransit.
- Software shall follow Title VI of the Civil Rights Act of 1964 and the current VVTA Title VI program.
- The platform shall offer scalability of service, with the ability to modify existing zones and create new zones. These functions must be available to VVTA to perform on its own within the platform.
- The platform shall allow VVTA to customize branding elements of the passenger mobile application.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

- e. Platform shall be cloud-hosted solution. A full backup process shall take place during off-operation hours to minimize impact on the online operation. Should a PROPOSER propose a different type of solution, they must indicate it in their proposal.
- f. Access to source code and API layout must be provided to VVTA should PROPOSER's business is no longer in operation or closes.
- g. Platform shall have mechanism for bulk data transfer to/from revenue and nonrevenue miles, including the method(s) of preventing unauthorized access to the Microtransit system LAN and VVTA's LAN/WAN, if applicable. Include security measures proposed for the bulk data transfer interface.
- h. PROPOSERS shall identify and recommend commercially reasonable data security measures with respect to passenger personal information, including the use of multi-factor authentication and distinct access keys. The measures shall comply with applicable federal and state laws and regulations and VVTA's policies and procedures.
- i. PROPOSERS shall identify and recommend software improvements and customizations to ensure successful usage of the technology platform for the project implementation. The software platform should be flexible enough to accommodate VVTA's service and operational requirements, such as schedule points, spontaneous boardings and VVTA's operational rules.
- j. The platform shall be user-friendly and shall apply user experience (UX) and user interface (UI) principles such as ease of use, usefulness, visual design, and functionality.
- k. Customizations for riders with limited use of smartphone technology.
- l. Customizations for riders with advanced use of smartphone technology.
- m. Platform shall have GIS data import feature, vehicle location reporting using GPS location data, and AVL map display.
- n. Listing of service in trip-planning aggregators.
- o. ADA compliant features and enhancements for the mobile app and browser.
- p. Operator-facing application available for download in the Apple and Android stores.
- q. Passenger-facing application available for download in the Apple and Android stores.
- r. Routing and dispatch of vehicles in the form of a mobile application.
- s. Remote real-time monitoring and analytics for service operations.
- t. Survey mechanisms for passengers to complete at the end of each trip.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

- u. Any payment received through third-party payment processors (e.g., credit card, mobile application) shall be passed through directly to VVTA in a separate invoice.
- v. At the discretion of VVTA, the software shall allow VVTA to restrict the number of rides a passenger may take within a day, week, or month.

2. Passenger Management

Platform shall:

- a. Allow manual entry of passenger information by VVTA staff. When entering the data, system shall alert user if there is an existing passenger account entry.
- b. Allow VVTA to create accounts on behalf of passengers.
- c. Allow certification date and expiration date (as applicable) defining when passenger is authorized to begin receiving paratransit service.
- d. Automate passenger eligibility status correspondences by sending emails or other appropriate functions regarding passenger assessments, appeals, eligibility, denial, or approval.

3. Passenger Interface

The passenger application shall:

- a. Be available for free download from the Google Play Store and Apple App Stores. The application shall be compatible for Android and Apple devices and be compatible with the Android and iOS systems.
- b. Allow passengers to create and modify their account and store personal and payment information free of VVTA intervention.
- c. Provide an “opt-in” feature that will allow VVTA to use their email addresses to communicate related information.
- d. Allow the detection of passenger’s current location upon log-in.
- e. Prevent passengers from booking trips that do not meet pre-determined service criteria, including trips booked outside of a service area or span of service, or trips that do not meet minimum distance requirements.
- f. Display geographical boundaries of where service may take passengers based on their eligibility. For example, Paratransit passengers will have a map displayed of the paratransit zones, and On-Demand passengers will see a map displaying destinations within the Micro-Link boundaries.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

- g. Give passengers the option to pick-up and drop-off by either entering a street address into the search bar, searching for a Point of Interest, directly selecting locations displayed on the map, or selecting based on the user's current location.
- h. Prior to pick-up, display a map showing the current location of the requested vehicle, estimated time of arrival for pick-up, and descriptive information about the vehicle such as fleet number, make, or model. While a trip is in progress, the application shall display estimated time of arrival to the destination and current vehicle location.
- i. If enabled by the passenger, the application shall send notifications to the passenger's mobile device as the on-demand vehicle approaches the pick-up location.
- j. Allow messaging between dispatcher and passenger within the app. Include proposed approach for handling, storing, securing, and forwarding messages and any capacity limitations of the proposed design.
- k. Allow passengers to book advanced reservations by desired arrival or departure times within two hours of desired reservation time.
- l. Allow passengers to reserve multiple seats or seat types (regular or wheelchair), reserve trips up to 14 days in advance and reserve multiple trips at once (same trip for multiple days in a span of one week).
- m. Have a comment section for passengers to leave comments, notes, and improvements. Passengers have the discretion to leave a comment/note.
- n. Have the ability to hold credit card information, tokens/rides, cash, and tickets in a secure manner.
- o. Have a rating system for passengers to rate rides (e.g., 1 to 5 stars) and option to leave comments to explain their rating.
- p. Have a section for customer support, such as legal terms and conditions, Frequently Asked Questions (FAQs), and in-app requests and support via email and phone.

4. Dispatching/Dashboard Interface

The dispatching/dashboard interface on the Platform shall:

- a. Have a map-based user interface and shall display real-time vehicle location, vehicle load, schedule adherence, driver status, and vehicle status. VVTA will provide tablets for display in individual vehicles.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

- b. Allow for communication between the dispatcher and vehicle operator, with predetermined question and response options. The platform shall also allow the dispatcher to send custom messages to vehicle operators.
- c. Provide replay controls to view the entire sequence of reported locations for a given time frame.
- d. Include a searchable historical event log database. The database shall be searchable by driver, date, passenger, address, and any other key factors. The database shall be exportable to an interactive format such as Microsoft Excel and CSV at any time.
- e. Allow advanced booking functionality, including reserving multiple seats and seat types, reserve trips up to 14 days in advance, and reserve multiple trips at once.
- f. Have dashboard for analysis of service operations available to VVTA, including on time performance, daily and weekly scheduled trips, and recommended reports of service operations.
- g. Have the ability to enter client eligibilities, categories, disabilities, and equipment required. Have the ability to create profiles that will distinguish paratransit customers from on-demand customers.
- h. Have the ability to create multiple providers, funding sources, funding codes, and billing codes to facilitate the variety of programs that VVTA offers.
- i. Produce paper manifests should system ever become unavailable. Dispatch could save manifests or files the night before to a file location if necessary.
- j. Assign different user-level permissions and rights based on operator, seniority and/or role.
- k. Have the ability to identify time that a vehicle is between pick-ups for an extended period and flag vehicles that may be between pick-ups after a certain number of minutes, as determined by VVTA. Platform should allow the idle time threshold to be changed by VVTA at any time.

5. Vehicle Operator Interface

The vehicle operator interface application and platform shall:

- a. Be available for installation and be compatible with Apple or Android devices.
- b. Display turn-by-turn directions with street names and mileage until next movement while the operator is in-route to a passenger pick-up and/or while a trip is in progress. The application shall also include audible capabilities for drivers to utilize.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

- c. Provide dynamic routing capabilities to adjust vehicle allocation efficiently. If the platform adds a passenger pick-up mid-trip, then the directions will automatically update with minimal input from the operator.
- d. Display a map showing the current location of the vehicle alongside routing directions to the next pick-up or drop-off location.
- e. Have the ability to mark driver times such as sign-on and sign-off, standby and break times.
- f. Have an open API policy and where possible, integrate with external software platforms.
- g. The API provided by the operations software should include appropriately secured endpoints for:
 - Obtaining information about available services, such as configurations and zones.
 - Obtaining current vehicle location and status.
 - Obtaining information about upcoming, in progress and past trips (including service, passenger information, origin, destination, vehicle assignment and estimated/actual pick-up and drop-off time).
 - Ability to add/cancel trips manually and ability to keep a log to track such actions.
 - Ability for dispatcher to override booking algorithms and assign trips to specific vehicles as needed.
 - Ability to notify the driver whether a passenger's fare has already been paid, and allow drivers to record fare payments on vehicle via cash or an integrated fare app.
 - Ability to mark a pick-up as a no-show and have the system move onto the next scheduled pick-up.
- h. Able to replay the vehicle's trip assignment, routing, and drop-off locations for a minimum of 1 year.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

6. Reporting – Metrics

- a. PROPOSER shall provide a list of all reports available. PROPOSER shall also recommend and provide standard metrics for evaluating the performance of the project. VVTA requires that PROPOSER also have reporting metrics, such as Key Performance Indicators (KPI) and common industry metrics by vehicle, day, month, and route, as well as revenue and non-revenue services. VVTA shall be able to automatically export all reporting data to Adobe PDF, Microsoft Excel and/or CSV file at any time during the duration of the contract.
- b. Software shall have the ability to report all performance measures required by the National Transit Database (NTD) forms S-10, MR-20, and FFA-10.
- c. Software shall have the ability to generate a separate report for all data collected by each service scenarios/models listed under “Service Scenarios/Models,” i.e., paratransit data and general on-demand data, reportable to the Federal Transit Administration (FTA) and NTD.
- d. PROPOSER shall also be able to create custom reports as requested by VVTA. PROPOSER and VVTA shall agree to the format of reporting deliverables provided.
- e. PROPOSER shall provide reports of activities, key performance indicators, operational findings, viability of long-term service, recommendations, and other items every quarter (3-month periods) and annually (12-months) from the “go-live” date. The annual report should be a final report summarizing the previous 12-month period.
- f. VVTA requires PROPOSER’S software to include but not limited to, below reports:

Required Reports	Paratransit	General On-Demand
Ridership	Y	Y
Travel Times	Y	Y
Average Customer Wait Time	Y	Y
Counts of Unlinked Trips at Selected Locations	Y	Y
% of Trips Accommodated	Y	Y
Total # of Daily Trips	Y	Y
# of “No-Shows”	Y	Y
Vehicle Revenue Miles	Y	Y
Vehicle Revenue Hours	Y	Y
Passenger Miles	Y	Y
Deadhead Hours	Y	Y

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

Deadhead Miles	Y	Y
On-Time Performance	Y	Y
Passengers Per Hour	Y	Y
Passengers Per Trip	Y	Y
Farebox Recovery	Y	Y
ADA Trips	Y	Y
Rider Categories	Y	N/A
Trip Info: % of Trips Shared, Exclusive, Etc.	Y	Y
Destination	Y	Y
Customer Rating	Y	Y

7. Marketing

PROPOSER shall collaborate with VVTA on contents needed for VVTA to develop marketing materials and other promotional elements. VVTA will be responsible for procuring materials, marketing, outreach and advertising, and PROPOSER will be responsible for producing content, such as but not limited to: downloading the application, signing up for service, scheduling trips, Frequently Asked Questions, website links and helpful tools for VVTA to add to its website, diagrams on how to effectively use Microtransit, safety and security tips for VVTA operators and passengers, etc. VVTA will continue to develop a partnership, awareness, and service ridership with marketing materials throughout the service period.

PROPOSER shall also work with VVTA to provide content for and actively participate in various marketing sessions, such as community workshops, general rider information sessions, public hearings for community members and potential passengers/customers, and more. VVTA anticipates about six (6) sessions for in-person marketing and outreach, with 2 to 3 hours per session. VVTA will provide prior notification of date and location to awarded PROPOSER for scheduling purposes. VVTA anticipates this to be applied to only the base year of the contract.

D. Work Plan Summary – Base Year

Task 1: Timeline

PROPOSER shall develop a work plan for submission to VVTA's project management team. This plan shall include the schedule for submitting all draft and final documents and any other deliverables. This workplan shall contain the following elements but not limited to:

- a. Dates of milestones provided by PROPOSER and approved by VVTA.
- b. Work requirements separated into activities and phases.
- c. Plan outlining all tasks necessary to prepare VVTA for software installation.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

- d. Feasibility study including budgets and timelines that will determine parameters for service.

Task 2: Software Solution Design

Using the final agreed service model and description of work above as a basis, PROPOSER shall design and document processes and functionalities as they are to be implemented within the software solution of this project. PROPOSER shall document modules, platforms, application, and services that will be implemented to meet VVTA's needs, desired service model, and work rules.

Task 3: Progress Reports

Progress reports should be documented and provided to VVTA. Progress reports shall include but not limited to:

- a. Bi-Weekly Status Reports
 - i. Completed Tasks
 - ii. Expected Deliverables within 2-week period
 - iii. Status of Deliverables within 2-week period
- b. Monthly Project Status Reports
 - i. Project Status
 - ii. Updated Project Schedule
 - iii. Status of Deliverables
 - iv. Expected Deliverables
 - v. Red-Flag Issues
- c. Performance Measurement Plan
 - i. KPIs
- d. Data Collection
- e. Roll-Out Procedures
- f. Post-Go-Live Procedures
- g. Problem Resolution Procedures

Task 4: Installation

PROPOSER shall develop an installation plan that will be approved by VVTA's project management team. The installation plan will detail all of the necessary tasks and the schedule to complete the installation of software and hardware as well as all tasks included in the Software Solution Design (Task 2) document including:

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

- a. A plan outlining all tasks necessary to prepare for software installation.
- b. VVTA staff and resources required during the installation, testing and acceptance activities.
- c. Personnel from the PROPOSER'S team and resources assigned to the data-related tasks, installation, testing and acceptance activities.
- d. System implementation and installation: PROPOSER shall undergo a series of preproduction environments and function, system, and end-user testing prior to the final installation in the production environment. All software upgrades or changes required by PROPOSER shall be made in the VVTA test environment before they are approved by VVTA staff and implemented in the production environment.

Task 4-A: Preliminary Design Review

Preliminary design document shall include the following materials:

- a. A conceptual diagram illustrating all elements in the proposed system and data flows between those elements.
- b. A detailed system network diagram identifying all network intersections and connectivity.
- c. An overview of the equipment, system, and configuration proposed for implementation.
- d. Detailed technical documentation for each equipment item.
- e. Details on servers, workstation, and network infrastructure.
- f. Detailed technical documentation on all software, including functions of each module.
- g. Details on the formatting of all user interface screens.
- h. Format of all reports.

Task 4-B: Final Design Review

VVTA shall conduct the final design review after the final design has been submitted to VVTA. PROPOSER and VVTA will determine an appropriate timeline once the final design has been submitted. The final design document shall include the following materials:

- a. Updated Preliminary Design incorporating VVTA's feedback and comments.
- b. Final list of equipment needed for the success of implementation.
- c. Final design and configurations of the system to be installed including all customizations to be made to the system.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

PROPOSER shall review the final design data dashboard with VVTA staff on a weekly basis during the first month of revenue service operations and a monthly basis thereafter, during the project term. VVTA has the discretion to make changes, with PROPOSER revising the dashboard based on feedback, without any additional fees.

Task 4-C: Software and Hardware Installation – General Requirements

- a. PROPOSER shall provide a list of tablet and hardware recommendations to VVTA. Recommendations must include Apple and Windows devices as it is preferred by VVTA.
- b. PROPOSER must guarantee that older versions (4-5 previous versions) of any recommended tablets and hardware will **work with** the PROPOSER'S latest software.
- c. PROPOSER shall provide a document showing the overall system architecture. Document must show how their software will connect to (if any) networks (ex: vehicles, other networks, passenger interface). Diagram preferred.
- d. PROPOSER shall adhere to VVTA's general IT requirements for software and hardware installation. Requirements will be distributed during pre-installation.
- e. PROPOSER shall install and configure the entire system, including any computer hardware supplied by VVTA as well as integration with existing vehicles and VVTA' hardware and facilities. For vehicle installations, installation locations must be pre-approved by VVTA.
- f. PROPOSER shall provide all necessary personnel, tools, test equipment, transportation, hardware and supplies as required for complete installation.
- g. PROPOSER shall be responsible for its own and its sub-PROPOSERS' performance and safety.
- h. Installation **shall** be performed in accordance with all Federal, State, and local laws and regulations, including prevailing wage.
- i. PROPOSER shall supply all cabling necessary to operate system components.
- j. Existing VVTA infrastructure, affected by, or to be integrated into the new system (i.e., LAN/WAN networks) shall not be reduced at any time during system implementation.
- k. PROPOSER shall be authorized to undertake installations only after VVTA approval of a pre-installation inspection for each installation site.
- l. PROPOSER shall document and notify VVTA of any existing infrastructure that may be affected by the new installation.
- m. Upon completion, PROPOSER shall be responsible for restoring the condition of any affected existing infrastructure to their pre-installation condition.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

- n. PROPOSER shall be responsible for the security of their equipment prior and during the installation. VVTA will be responsible for equipment after the final installation.
- o. PROPOSER shall provide a step-by-step installation training manual for any software and hardware components of this project.

Task 4-D: Acceptance Testing

a. Testing Procedures

- i. PROPOSER shall submit an Acceptance Test Procedures (ATP) document for VVTA' approval prior to undertaking any testing. ATP will indicate specific tests to be completed as well as the date and time.
- ii. ATP shall be submitted to VVTA prior to any testing. VVTA shall approve all ATPs prior to the start of any test procedure.
- iii. PROPOSER shall be required to reschedule testing if VVTA representatives cannot be present or other circumstances prevent testing from taking place.
- iv. ATP shall clearly address:
 - How each specification requirement will be validated, including the method for performing the test.
 - Results that constitute success for each test.
 - Responsibilities for both PROPOSER and VVTA during each test.
 - A cross-reference to which contract requirements are being addressed by each test procedure.
 - Test stage at which each contract requirement will be demonstrated.
 - Incorporation of following testing stages for the proposed system: installation acceptance test, user acceptance test, and burn-in testing.
- v. VVTA may authorize PROPOSER to proceed to the next testing stage with certain deficiencies not yet resolved. To do so, VVTA shall sign to approve of an action plan provided by PROPOSER to resolve all outstanding issues from the previous test stage.
- vi. PROPOSERS must provide their standard process of tracking and resolving issues. PROPOSERS must also acknowledge that it is their general responsibility to resolve all issues before the completion of all acceptance tests.

b. Installation Acceptance Test

Installation Acceptance Test (IAT) shall be conducted to demonstrate the system functionalities through a test database. Any custom data integration procedures must be documented, reviewed, and approved by VVTA' technical staff prior to moving to the next stage. Any deficiencies identified during the IAT shall be resolved before the start of User Acceptance Testing.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

c. User Acceptance Testing

User Acceptance Testing (UAT) shall be conducted on the system using the live VVTA database to demonstrate system functionalities in real-world operation. UAT shall be witnessed in-person by both the deploying PROPOSER and VVTA representatives. VVTA staff shall be fully trained in the system prior to UAT. Any deficiencies identified through the UAT shall be corrected before initiation of the Burn-in Test. Once UAT has been accepted, the system shall be approved to “Go Live.”

d. Burn-In Test

Burn-In Test will be performed at a modular level over a 30-day period after completion of the UAT. Deficiencies will be corrected before VVTA authorizes final approval. During the Burn-In Test, VVTA staff will record a punch list of identified issues that will be reported to the PROPOSER. VVTA will perform data and report audits during the Burn-In Test to determine compliance and accuracy with the new system. These issues will be included in the punch list and will be reported to PROPOSER for resolution. PROPOSER will resolve all issues on the punch list before acceptance will be granted by VVTA.

e. Acceptance Criteria

PROPOSER shall provide written test results documentation after completion of each testing phase. The test results document will authenticate the results of each ATP procedure and an updated list will be provided by PROPOSER indicating which contract requirements have been established.

The requirements list shall be used as a punch list to track which contract requirements have not yet been established at each stage of testing.

System Acceptance will not be granted until all contract requirements have been formally demonstrated through the Burn-In Test. The test results document shall be approved by VVTA before System Acceptance will be granted.

f. Documentation

PROPOSER shall provide an As-Built Document (ABD) to VVTA for approval. Once approved, the ABD shall be provided both electronically and as hard copies to VVTA. ABD shall include:

- i. All reference and user manuals for system components, including those components supplied by 3rd party vendors.
- ii. All warranty documentation, including component supplies by 3rd party vendors.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE ATTACHMENT A – SCOPE OF WORK

- iii. The version number of all software and license counts, including those supplied by 3rd party vendors.
- iv. A user manual for the system components and other relevant applications.
- v. A systems manual documenting the following:
 - The configuration and topology of the central systems hardware and software.
 - Central systems software operations and functions.
 - Scheduled maintenance required for the central systems.
 - Complete item number listing of all hardware.
 - Database structure and data dictionary.

Task 5: Project Management and Account Management

Project management will be a continuous and key responsibility of the PROPOSER. PROPOSER's Project Manager assigned to the project shall have the authority to make commitments and decisions that are binding on the PROPOSER and any sub-PROPOSERS. VVTA will designate a project manager to coordinate all of VVTA' project activities. All communication between VVTA and PROPOSER shall be coordinated through their respective Project Managers. In the area of project management, the PROPOSER shall:

- a. Maintain and update the work plan as approved by VVTA' Project Manager.
- b. Coordinate project resources and work so that milestones are met in an efficient manner. Tasks will be laid out to minimize implementation time and cost while taking into consideration resource and time constraints such as VVTA' staff availability. PROPOSER and VVTA' Project Managers will ensure that individuals performing tasks have appropriate skill levels and credentials.
- c. Coordinate sub-PROPOSER's activities, if any. PROPOSER's Project Manager will ensure that individuals performing tasks have appropriate skills levels and credentials.
- d. Coordinate all required deliverables, including installation and configuration of software and hardware, documentation, and training, as required by the contract.

After the implementation of Microtransit, PROPOSERS shall appoint an Account Manager who will provide the same coordination and management work throughout the duration of ADA/Microtransit Project service. Account Manager can be the same staff as Project Manager, or PROPOSER may designate different personnel. Should Account Manager or anyone in the support team change, the PROPOSER must notify VVTA.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

Task 6: Technical Support

PROPOSER shall provide ongoing technical support for the duration of the project. PROPOSER should indicate the level of technical support and ongoing monitoring that will be provided to ensure the system is functioning properly. Software upgrades should be provided without additional charge as soon as they are available.

During the cutover process for a new set of data, PROPOSER shall minimize the impact to all online operations and take actions to not create any downtime in the system (e.g., implementing updates and maintenance on off-operational hours).

Technical support could include but is not limited to:

a. Application and User Support

- Phone and email responses to software failures or questions within 24 hours.
- Assistance with questions related to use of approved software configuration and software version.
- Availability of experts to confer on software new release installation and fixes to newly identified bugs.
- Software upgrades.
- System maintenance

b. Hardware Support

- Troubleshooting hardware or network failure.
- Availability of hardware experts to support VVTA's network engineers charged with maintenance, upgrade, or replacement tasks.
- Assistance with technical recommendations focused on improving system performance.

Technical support escalation process shall follow the procedure mutually agreed by both parties.

Task 7: System and User Training

PROPOSER shall provide software training and manuals for VVTA staff as needed to implement the project. This shall include a list, description, and step-by-step written instructions for users on how to use the system, guide customers to use the application/website, to generate canned reports from the system, etc. PROPOSER shall work with VVTA to determine the most effective method of training on the software as well as the most cost-effective method for training requisite users. Training may be conducted in-person at VVTA' facility and/or remotely, at VVTA' discretion. PROPOSER must be available at minimum 120 hours to attend such training courses,

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

and PROPOSERS shall provide a breakdown of training hours and cost in PROPOSER's cost proposal form.

Training should include the following:

a. Software/Technology Training:

PROPOSERS shall identify and produce training materials, along with a training plan, required for preparing VVTA staff, employees, and key personnel to utilize the equipment and features of the technology platform. The training plan shall also include time to test the system on the road prior to launch. Training materials shall be provided electronically and as hard copies to VVTA. PROPOSERS shall provide inhouse training documents along with training plans and materials but not limited to:

- Vehicle Equipment Familiarization
- Passenger Service
- Dispatch/Scheduling
- Trip Analytics

b. Driver Training

Develop and conduct driver training with key VVTA personnel that includes, at a minimum, training on:

- Passenger Service
- Driver Safety
- Maintenance
- Safety Procedures

c. Customer/Passenger Training

VVTA will hold public, in-person training sessions for customers and residents. PROPOSER shall be available at the dates and times set by VVTA, and VVTA will give PROPOSER proper notice of dates and times. Training for the public shall include, but are not limited to:

- Signing up for Service
- How to Ride/General Rider FAQs
- Details of Service – Information Session: Locations and Boundaries, Hours of Service, Fare, Accessibility, etc.

VVTA RFP 2024-06 ADA/MICROTRANSIT DISPATCHING SOFTWARE

ATTACHMENT A – SCOPE OF WORK

E. Work Plan Summary – Option Years

Option Year Task 1: Account Management

PROPOSER's Account Manager shall continue to provide the same coordination work through all the option years as they are exercised each year. Account Manager shall have the same authority to make commitments and decisions that are binding on the PROPOSER and any Sub-Proposer. Account Manager will continue to be the point of contact for VVTA staff regarding any issues regarding Microtransit software. Should Account Manager change, PROPOSER shall notify VVTA of replacing Account Manager.

Option Year Task 2: Maintenance and Technical Support

PROPOSER shall continue to provide technical and maintenance support to VVTA as indicated in Base Year Task 6. PROPOSER shall respond to VVTA within 24 hours of receiving notification. VVTA may notify the PROPOSER via email, text, work order ticket, and/or any other method of communication as mutually agreed by both parties. Maintenance and technical support shall be provided in-person and/or remote, as needed. After the issue has been resolved, PROPOSER shall submit a report including identification of the issue and resolution procedure. Technical support escalation process shall follow the procedure mutually agreed by both parties.

Option Year Task 3: Training

PROPOSER shall be available to provide software training, including training for new VVTA staff, new customers, and refresher training for existing staff. Upon VVTA's request, PROPOSER shall provide updates to the training manual based on the new changes implemented in the software, as completed in Option Year Task 3, "Software Changes and Improvements." Training and manual requirements shall comply with the details listed under Base Year Task 7, "System and User Training." For each option year, PROPOSER shall be available to provide a minimum of twenty (20) training hours, but the usage of training hours shall be VVTA's discretion.

THIS PAGE INTENTIONALLY LEFT BLANK

**AGENDA ITEM
NINE**

THIS PAGE INTENTIONALLY LEFT BLANK

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2023,
Completed by Brown Armstrong Accountancy Corporation.**

SUMMARY STATEMENT

VVTA received its audited Annual Financial Report for the fiscal year ending June 30, 2023, along with the required Single Audit for Federal Award Programs. In the management's opinion it was an "exemplary" audit. There were no audit findings, no material misstatements, and no management recommendations were noted. 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.

HIGHLIGHTS

- ❑ Net Position: Overall net position for fiscal year (FY) 22/23 is \$83,721,984 and was largely impacted by an increase in net investment in capital assets of \$1,796,171, as well as an increase in unrestricted net position of \$1,684,082. These changes are explained in detail in the Management's Discussions and Analysis.
- ❑ The value of the Authority's capital assets (net of deletions, depreciation, and amortization) increased by \$1,552,986 or 1.9%. This increase was caused by investment in new assets of \$8,487,407 offset by depreciation, amortization, and asset retirement costs totaling \$6,934,421. This increase in depreciable asset value also had a significant impact on the overall ending net position as in detail in the Management's Discussions and Analysis.
- ❑ Operating Expenses increased by \$2,971,047 or 10.8% 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. Additionally, in October 2022 VVTA started the new pilot program Micro-Link. This new program provides on-demand services for the riders to reach the Fixed Routes Bus stops.

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer CFO	N/A	January 16, 2024	9

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2023, Completed by Brown Armstrong Accountancy Corporation.

- ❑ Program Revenues to support operations received from Federal decreased by \$9,985,608 or -64% as compared to the prior year. The Federal operating grants decreased due to the Federal COVID-19 CARES Act funds that support the operating expenses 100% with no match is not available in FY22/23. Other program revenues for FY 22/23 totaled \$2,942,195 slightly decreased by \$436,825 when compared to the prior year, this is due to the decrease of the LCFS Credits earned plus there is no RINS Credit Revenue earned in FY22/23.
- ❑ Capital revenues contributed by Federal, State, and local agencies totaled \$9,296,623. 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 22/23.
- ❑ Total revenues increased by 4.7% from \$45,416,763 in FY 21/22 to \$47,544,391 in FY 22/23 largely due to the increase of the State and local grants in both Operating and Capital Revenues.
- ❑ Total expenses including depreciation and interest, for the fiscal year totaled \$43,414,468, representing an increase of \$5,345,544 or 14.0% compared to the prior fiscal year. This was impacted by the increase in operating expenses by 10.8% or \$2,971,047 due to the increase of the operations and maintenance contract annual rate, plus the implementation of the new Micro-Link program, 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 an increase in general and administrative costs of \$1,887,513, compared to the prior year. The increase is due to several significant factors, including a rise in pension expenses resulting from the latest actuarial report. This necessitated an adjustment to the pension contributions to ensure the long-term sustainability of the pension plan. Additionally, the costs associated with travel and meetings have increased notably as activities have resumed to more typical levels following the period of reduced activity due to the COVID-19 pandemic. The remainder of the increase can be attributed to several other factors. The Authority hired two new positions for the Grants department that the Board of Directors (Board) approved in the FY 22/23 Budget. Additionally, there was a significant increase in the market insurance and health insurance rates. The Marketing expenses also increased due to the implementation of the new Micro-Link program. Lastly, the high inflation rate impacted all administrative services and supplies.

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2023 Completed by Brown Armstrong Accountancy Corporation.

- ❑ Cash and equivalents at the end of the year were \$38,647,380. Of this amount, \$30,301,286 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects, including purchasing rolling stock, capital improvements, repairs, and equipment for the Authority's facilities.

Included in this cash position is \$2,965,131 which is restricted by a debt agreement in connection with the 2016 Certificates of Participation (COP), which funded the construction of the Authority's Hesperia facility, and the 2018 COP for the construction of the Barstow Facility. \$382,910 is in Proposition 1B funds, \$1,469,317 is in Low Carbon Transit Operations Program (LCTOP) funds, and \$1,143,315 is in State of Good Repair (SGR) funds. These funds are restricted by grant agreements for certain capital projects, as well as \$5,380,963 restricted by the Authority's Governing Board for specific capital projects.

**VICTOR VALLEY TRANSIT AUTHORITY
A JOINT POWERS AUTHORITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

**VICTOR VALLEY TRANSIT AUTHORITY
SINGLE AUDIT REPORT**

TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i> , Section 6667 of Title 21 of the California Code of Regulations, the Transportation Development Act, Allocation Instructions of the San Bernardino County Transportation Authority, and California Government Code §8879.50 et seq.	1
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	3
Schedule of Expenditures of Federal Awards.....	6
Notes to the Schedule of Expenditures of Federal Awards	7
 <u>Findings and Questioned Costs Section</u>	
Schedule of Findings and Questioned Costs	
Section I – Summary of Auditor's Results.....	8
Section II – Financial Statement Findings.....	8
Section III – Federal Award Findings and Questioned Costs	8
Summary Schedule of Prior Year Audit Findings	9

**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, SECTION 6667 OF TITLE 21 OF THE CALIFORNIA
CODE OF REGULATIONS, THE TRANSPORTATION DEVELOPMENT ACT, ALLOCATION
INSTRUCTIONS OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY,
AND CALIFORNIA GOVERNMENT CODE §8879.50 ET SEQ.**

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, 2023, and the related notes to the financial statements, which collectively comprise VVTA's basic financial statements, and have issued our report thereon dated December 28, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

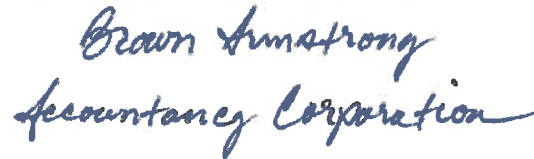
As part of obtaining reasonable assurance about whether VVTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Title 21 of the California Code of Regulations,

the allocation instructions of the San Bernardino County Transportation Authority, the Transportation Development Act, and the 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, the Transportation Development Act, or the California Government Code §8879.50 et seq.

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 VVTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VVTA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 28, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Victor Valley Transit Authority's (VVTa) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on VVTa's major federal programs for the year ended June 30, 2023. VVTa's major federal programs are 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 programs for the year ended June 30, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 programs. 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 programs.

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 auditing standards generally accepted in the United States of America, *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 auditing standards generally accepted in the United States of America, *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, 2023, and the related notes to the financial statements, which collectively comprise VVTA's basic financial statements. We issued our report thereon dated December 28, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 28, 2023

**VICTOR VALLEY TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Identifying Number	Expenditures
U.S. Department of Transportation			
Direct Grants			
Federal Transit Cluster			
		CA-2018-105-00, CA-2021-025, CA-2022-049, CA-2023-028, CA-2020-272, CA-2022-050	
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507		\$ 7,545,988
		CA-2017-092, CA-2018-105, CA 2020-237, CA-2022-049	
Bus and Bus Facilities Formula Program (Bus Program)	20.526		<u>2,988,253</u>
Total Federal Transit Cluster			<u>10,534,241</u>
Transit Services Programs Cluster			
Job Access and Reverse Commute Program	20.516	CA-37-X178	<u>7,188</u>
Total Transit Services Program Cluster			<u>7,188</u>
Passed Through California Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64RO21-01668, 64BA-22-02100	<u>1,125,644</u>
Total Formula Grants for Rural Areas			<u>1,125,644</u>
Total U.S. Department of Transportation			<u>11,667,073</u>
Total Expenditures of Federal Awards			<u><u>\$ 11,667,073</u></u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

**VICTOR VALLEY TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. The information is presented in accordance with the 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). 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.

FINDINGS AND QUESTIONED COSTS SECTION

**VICTOR VALLEY TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

____ Yes X No

Significant deficiencies identified that are not considered
to be material weaknesses?

____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness identified?

____ Yes X No

Significant deficiencies identified that are not considered
to be material weaknesses?

____ Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance?

____ Yes X No

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Clusters

20.507/20.526
20.509

Federal Transit Cluster
Formula Grants for Rural Areas
and Tribal Transit Program

Dollar threshold used to distinguish Type A and B programs:

\$750,000

Auditee qualified as low risk auditee?

____ Yes X No

II. Financial Statement Findings

None identified.

III. Federal Award Findings and Questioned Costs

None identified.

**VICTOR VALLEY TRANSIT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

2022-001 – Financial Reporting and 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 accounting principles generally accepted in the United States of America. 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

Victor Valley Transit Authority's (VVTA) 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.

Current Year Status

The management has undertaken all actions necessary to remediate any gaps and mitigate control weaknesses that may have resulted in audit findings in fiscal year 2022.

Below is a description of the audit findings and corrective actions taken:

1. An error was reported on the unearned revenue report due to double additions of \$895 thousand. An error was related to an incorrect presentation of asset additions that were previously accounted for in construction in process accounts. The new process accounts for asset additions as "transfers" from the CIP account and, accordingly, are not counted as asset additions in the period the asset is placed in service. Moreover, any Excel-based work now includes built-in control checks and is being reviewed by different finance team members. Additionally, the implementation of the new Enterprise Oracle NetSuite System has enabled us to use advanced reports and replace most of the Excel reports previously used.
2. An accrual of \$100 thousand was incorrectly posted on July 1 due to accounting and payroll system Cougar Mountain constraints. The new Oracle system has eliminated the potential for such errors.

A vacation accrual of \$80 thousand that belongs to fiscal year 2021(prior year adjustment) and was corrected by management in fiscal year 2022 was caused by a formula error in the spreadsheets. The potential of such errors is significantly reduced by the implementation of the new Oracle system. Additionally, any Excel-based work is now reviewed by different team members to avoid the risk of errors.

**VICTOR VALLEY TRANSIT AUTHORITY
A JOINT POWERS AUTHORITY**

**BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2023

**VICTOR VALLEY TRANSIT AUTHORITY
JUNE 30, 2023**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Statement of Net Position.....	12
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows	15
Notes to the Basic Financial Statements.....	17
Required Supplementary Information:	
Schedule of VVTA's Proportionate Share of the Net Pension Liability	39
Schedule of Pension Plan Contributions	40

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Victor Valley Transit Authority
Hesperia, 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, 2023, and the related notes to the basic 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, 2023, 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. 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's 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 auditing standards generally accepted in the United States of America 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 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 VVTA's proportionate share of the net pension liability, and the schedule of pension plan 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.

Report on Summarized Comparative Information

The financial statements of VVTA as of and for the year ended June 30, 2022, were audited by other auditors. Those auditors expressed an unmodified opinion on those audited financial statements in their report dated February 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent in all material respects with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 28, 2023

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

This discussion and analysis of the Victor Valley Transit Authority's (VVTa or the Authority) financial performance for the year ended June 30, 2023, 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 basic 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 year ended June 30, 2023. It is a separate but 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 creditworthiness 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 operating, investing, and financing activities. It accounts for the cash and cash equivalents balance available at the beginning of the year and at year end. It displays cash received, cash expended, and the net change in the amount of cash and cash equivalents.

HIGHLIGHTS

- Net Position: Overall net position for fiscal year (FY) 22/23 is \$84,277,232 and was largely impacted by an increase in net investment in capital assets of \$1,796,171, as well as an increase in unrestricted net position of \$2,239,330. 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 \$1,552,986 or 1.9%. This increase was caused by investment in new assets of \$8,487,407, offset by depreciation, amortization, and asset retirement costs totaling \$6,934,421. This increase in depreciable asset value also significantly impacted 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 in 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, in October 2022, VVTa started the new pilot program Micro-Link; this new program provides on-demand services for the riders to reach the Fixed Route Bus stops. Fiscal year 22/23 continued to show significant increases in fuel expenses due to the increase of fuel market prices countrywide. Additionally, there have been increases of supplies and service prices due to the rising inflation rate and transportation costs.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- Program revenues: Passenger fares increased by 12.3% or \$211,467 compared to the prior year. This 12.3% increase is due to the gradual return to normal after the previous three years of the COVID-19 pandemic, plus VVTA returned the Bus Operations to full-service effective October 1, 2022. Other program revenues for FY 22/23 totaled \$2,942,195, representing a decrease of \$436,825 compared to the prior year's other program revenues. This decrease is mainly due to no RINS Credit Revenue earned in FY 22/23 plus the decrease of the LCFS Credits earned, offset by the increase of the interest revenue due to the rise in the market bank interest rates and the increase of the CNG credits revenue. Federal grants for operating significantly decreased by \$9,985,608 compared to last year. Last year was higher due to the support of the COVID-19 Coronavirus Aid, Relief, and Economic Security (CARES) Act Federal funds for operating expenses. This year, Operating Expenses are supported by the Federal Funds Section 5307 with 50% local match. No local match was required for the Federal CARES Act funds.
- Capital revenues contributed by Federal, State, and local agencies totaled \$9,296,623. These sources were provided by grants to support specific capital purchases. Capital purchases vary significantly 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 22/23.
- Total revenues increased by 4.7% from \$45,416,763 in FY 21/22 to \$47,544,391 in FY 22/23, largely due to increased State and local grants in both Operating and Capital Revenues.
- Total expenses, including depreciation and interest, for the fiscal year totaled \$43,414,468, representing an increase of \$5,345,544 or 14.0% compared to the prior fiscal year. This was impacted by the increase in operating expenses by 10.8% or \$2,971,047 due to the increase of the operations and maintenance contract annual rate, plus the implementation of the new Micro-Link program, 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 an increase in general and administrative costs of 65%, or \$1,887,513, compared to the prior year. The increase is due to several significant factors, including a rise in pension expenses resulting from the latest actuarial report. This necessitated an adjustment to the pension contributions to ensure the long-term sustainability of the pension plan. Additionally, the costs associated with travel and meetings have increased notably as activities have resumed to more typical levels following the period of reduced activity due to the COVID-19 pandemic. The remainder of the increase can be attributed to several other factors. The Authority hired two new positions for the Grants department that the Board of Directors (Board) approved in the FY 22/23 Budget. Additionally, there was a significant increase in the market insurance and health insurance rates. The Marketing expenses also increased due to the implementation of the new Micro-Link program. Lastly, the high inflation rate impacted all Administrative services and supplies.
- Cash and equivalents at the end of the year were \$38,647,380. Of this amount, \$30,301,286 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects, including purchasing rolling stock, capital improvements, repairs, and equipment for the Authority's facilities.

Included in this cash position is \$2,965,131 that is restricted by a debt agreement in connection with the 2016 Certificates of Participation (COP), which funded the construction of the Authority's Hesperia facility, and the 2018 COP for the construction of the Barstow Facility. \$382,910 is in Proposition 1B funds, \$1,469,317 is in Low Carbon Transit Operations Program (LCTOP) funds, and \$1,143,315 is in State of Good Repair (SGR) funds. These funds are restricted by grant agreements for certain capital projects, as well as \$5,380,963 restricted by the Authority's Governing Board for specific capital projects.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- In FY14/15, VVTA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, which had implications on costs and the net position of the Authority. Statement No. 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 the California Public Employees Retirement System (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 the collective net pension liability (NPL), pension expense, and deferred inflows/outflows of resources from CalPERS managed funds. Prior to GASB Statement No. 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 FY 22/23 financial statements, VVTA has reported its proportionate share of the collective net pension liability (NPL), pension expense, and deferred inflows/outflows of resources. These requirements had a very minor impact on VVTA's overall financial statements. Ending proportionate share of NPL for VVTA in FY 22/23 was \$408,716 or 0.9% of total liabilities.

Additional information pertaining to the specific impact of these statements and the treatment of the Authority's financial statements are detailed in the "notes to the basic financial statements" and in the "required supplementary information" section following the notes.

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, Expenses, and Changes in Net Position 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.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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**

	June 30, 2023	June 30, 2022	Dollar Change	Percentage Change
Assets				
Capital Assets, Net	\$ 85,408,254	\$ 83,855,268	\$ 1,552,986	1.9%
All Other Assets	41,538,452	35,619,821	5,918,631	16.6%
Total Assets	<u>126,946,706</u>	<u>119,475,089</u>	<u>7,471,617</u>	6.3%
Deferred Outflows of Resources				
Pension	859,624	552,745	306,879	55.5%
Refunding	813,508	871,616	(58,108)	-6.7%
Total Deferred Outflows of Resources	<u>1,673,132</u>	<u>1,424,361</u>	<u>248,771</u>	17.5%
Total Assets and Deferred Outflows of Resources	<u>\$ 128,619,838</u>	<u>\$ 120,899,450</u>	<u>\$ 7,720,388</u>	6.4%
Liabilities				
Current Liabilities	\$ 15,178,875	\$ 10,786,905	\$ 4,391,970	40.7%
Noncurrent Liabilities	29,081,393	29,845,067	(763,674)	-2.6%
Total Liabilities	<u>44,260,268</u>	<u>40,631,972</u>	<u>3,628,296</u>	8.9%
Deferred Inflows of Resources				
Pension	5,497	16,089	(10,592)	-65.8%
Leases	76,841	104,080	(27,239)	-26.2%
Total Deferred Inflows of Resources	<u>82,338</u>	<u>120,169</u>	<u>(37,831)</u>	-31.5%
Net Position				
Net Investment in Capital Assets	55,563,185	53,767,014	1,796,171	3.3%
Restricted for Debt Service	2,965,131	2,870,709	94,422	3.3%
Unrestricted	25,748,916	23,509,586	2,239,330	9.5%
Total Net Position	<u>84,277,232</u>	<u>80,147,309</u>	<u>4,129,923</u>	5.2%
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 128,619,838</u>	<u>\$ 120,899,450</u>	<u>\$ 7,720,388</u>	6.4%

Table A-1 shows the Authority's total net position increased from \$80,147,309 in FY 21/22 to \$84,277,232 in FY 22/23 or 5.2% because of the current year's activities, as explained further in this report.

- All other assets increased by \$5,918,631 or 16.6%. The increase is mainly due to the increase of the cash and cash equivalents due to the increase in the State operating funds to meet the required actual increase in operating expenses.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- Total capital assets (net of depreciation) increased by \$1,552,986. 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 1.9% compared to the prior year.

	FY 2023	FY 2022
Land	\$ 3,262,834	\$ 2,102,780
Construction in Progress	557,066	369,517
Total Non-Depreciable	3,819,900	2,472,297
Capital Assets, Net	81,467,895	81,225,448
Right-to-Use Leased Assets, Net	120,459	157,523
Total Depreciable and Amortizable	81,588,354	81,382,971
Total Capital and Leased Assets, Net	\$ 85,408,254	\$ 83,855,268

The ending balance of \$557,066 in the construction in progress account is for the new transfer center in Hesperia, plus the Landscaping projects in the Hesperia and Barstow facilities, and the NetSuite - Oracle Enterprise Software that VVTA will implement in FY 23-24.

- A total of \$8,487,407 in property and equipment capital assets was invested in acquiring capital assets encompassing a variety of items. These assets comprise four (4) Eldorado EZ-Rider and five (5) Eldorado Axes buses specifically designated for Fixed Route operations. Additionally, thirteen (13) new service vehicles were procured to offer driver relief and supervisory support to the transit system, and three (3) Ram Pro-Master vehicles were obtained for our new Micro-Link program service.

Facility enhancements were also undertaken, including the upgrade of camera systems at our Hesperia and Barstow facilities, as well as at the Victor Valley Transit Center. The investment further facilitated improvements in bus stops, involving the installation of new and replacement bus shelters and shelter amenities. Additionally, facility improvements encompassed maintenance equipment and computer equipment that were implemented to support the transit facilities in Hesperia and Barstow.

- Total liabilities increased by \$3,628,296 compared to FY 21/22, mainly due to increased unearned revenues and accrued expenses.
- Net position – net investment in capital assets in the amount of \$55,563,185. 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 capital-related debt, as explained earlier in this discussion.
- Net position in the amount of \$2,965,131 is restricted for debt service on a long-term lease arrangement maturing in 2037. These funds are reserved as required by the finance lease documents of the 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.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- Net position in the amount of \$25,748,916 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.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Statement of Net Position shows the change in the 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
Condensed Statement of Revenues, Expenses, and Changes in Net Position**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Revenues				
Program Revenues (Operating):				
Charges for Services (Fares)	\$ 1,930,444	\$ 1,718,977	\$ 211,467	12.3%
Federal Grants - Operating	5,707,870	15,693,478	(9,985,608)	-63.6%
State and Local Grants - Operating	27,667,259	18,795,413	8,871,846	47.2%
Other Revenues	2,942,195	3,379,020	(436,825)	-12.9%
Capital Revenues (Operating):				
Federal Grants	4,517,203	4,307,724	209,479	4.9%
State and Local Grants	4,779,420	1,522,151	3,257,269	214.0%
Total Revenues	<u>47,544,391</u>	<u>45,416,763</u>	<u>2,127,628</u>	<u>4.7%</u>
Expenses				
Program Expenses:				
Operations	30,515,813	27,544,766	2,971,047	10.8%
General and Administration	4,811,255	2,923,742	1,887,513	64.6%
Depreciation and Amortization	6,934,421	6,396,584	537,837	8.4%
Capital Expenses:				
Capital Interest Expense	1,152,979	1,203,832	(50,853)	-4.2%
Total Expenses	<u>43,414,468</u>	<u>38,068,924</u>	<u>5,345,544</u>	<u>14.0%</u>
Change in Net Position	<u>4,129,923</u>	<u>7,347,839</u>	<u>(3,217,916)</u>	<u>-43.8%</u>
Net Position - Beginning of Year	<u>80,147,309</u>	<u>72,799,470</u>	<u>7,347,839</u>	<u>10.1%</u>
Net Position - End of Year	<u>\$ 84,277,232</u>	<u>\$ 80,147,309</u>	<u>\$ 4,129,923</u>	<u>5.2%</u>

As shown in Table A-2, fare revenues increased by \$211,467 or 12.3% in FY 22/23. This increase is due to the gradual return back to normal after three years of the COVID-19 pandemic impacts on FY 19-20 and FY 20-21 plus returning to full-service effective October 1, 2022.

Program revenues to support operations received from Federal grants decreased by \$9,985,608 or 63.6% compared to the prior year. The Federal operating grants decreased due to the Federal COVID-19 CARES Act funds that provided 100% support for operating expenses without requiring any match, which was not be available in FY 22/23.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Other program revenues for FY 22/23 totaled \$2,942,195, slightly decreasing by \$436,825 compared to the prior year. This is due to the decrease of the LCFS Credits earned, plus there is no RINS Credit Revenue earned in FY 22/23.

Capital revenues contributed by Federal, State, and local agencies totaled \$9,296,623, an increase of \$3,466,748. 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 22/23, which are detailed in this report's discussion of "net position."

Total revenues increased by \$2,127,628 or 4.7% from \$45,416,763 in FY 21/22 to \$47,544,391 in FY 22/23, mainly due to the increase of the State operating funds to meet the increase of the operating expenses for the reasons mentioned above.

Program expenses show an increase in operating expenses of \$2,971,047 or 10.8% due to 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, plus the implementation of the new Micro-Link program. As mentioned above, the general and administration expenses increased by \$1,887,513, or 64.6%. Depreciation expense increased by \$537,837 or 8.4% 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 the 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 \$84,277,232, more than last year by \$4,129,923.

Some specific activities that have led to the Authority's financial condition as of June 30, 2023, include:

- This fiscal year, the Authority invested \$8.5 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 the need for expansion, innovation, technology upgrades, and maintenance of its existing services. Capital asset investment in FY 22/23 is forecasted to remain strong from investment in new rolling stock, including Hydrogen Electric Buses, to comply with the Zero Emission Bus Transition ZEB and continued capital investments in its facilities.
- In October 2022, VVTA implemented a Micro transit service as a pilot demonstration to test the potential for on-demand transportation service. The demonstration was named "Micro-Link," with service objectives to increase transit ridership by providing connections to fixed-route bus service from neighborhoods without convenient access to fixed-route bus service and to provide circulator service for local short trips. Micro-Link operated a 1-year pilot service to evaluate the feasibility of permanently operating these services and assess the potential for additional communities for expansion. Micro-Link service zones were in the southwest area of Hesperia and two zones in Victorville west of I-15. During the pilot period, Micro-Link ridership increased from 90 passengers in Oct 2022 to 1,250 in October 2023. Based on the impact on ridership, Micro-Link was made a permanent service effective October 1, 2023.

**VICTOR VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- The Authority continued its extensive program for increasing the number of buses, bus shelters, benches, solar lights, and other passenger amenities. Also continuing into the next fiscal year is the infrastructure needed to support the ZEB 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 Authority 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 FY 22/23 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, which is operated under the management of its CTSA Division and the direction of the Chief Operating Officer (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 continue to generate additional Federal apportionment funding. These additional Federal funds are used for capital and operating support and expansion of the Authority's other transportation services. After the pandemic, the Authority has continued and maintained its commitment to the Vanpool Program in FY 22/23 with further plans to market and grow the program.
- FY 22/23 VVTA continued its agreement with Trillium CNG, which replaced the BP agreement effective October 1, 2020. This natural gas is used to create Compressed Natural Gas (CNG) fuel for the Authority's fleet of vehicles. The contract with Trillium CNG to provide the Authority with a source of renewable natural gas (RNG) has resulted in substantial reductions in greenhouse emissions. Additionally, the Authority generated \$504,000 in LCFS credits plus \$434,281 received from the RINS credits as a direct result of the RNG sourcing. The Authority will continue to source this valuable and environmentally friendly fuel in FY 22/23.

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, Chief Financial Officer (CFO) at Victor Valley Transit Authority, 17150 Smoke Tree St., Hesperia, California, 92345.

BASIC FINANCIAL STATEMENTS

VICTOR VALLEY TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS:

Cash	\$ 30,301,286
Cash and investments with fiscal agent - restricted	2,965,131
Cash and investments - Board reserved	5,380,963
Receivables	
Federal, State, and other local grants	1,939,809
Other	304,475
Leases	29,124
Prepaid expenses	510,881
Fuel inventory	49,607
	<hr/>
Total Current Assets	41,481,276

NONCURRENT ASSETS:

Receivables	
Leases	57,176
Capital assets, not being depreciated	3,819,900
Capital assets, net of accumulated depreciation	81,467,895
Right-to-use leased assets, net of accumulated amortization	120,459
	<hr/>
Total Noncurrent Assets	85,465,430
	<hr/>
Total Assets	126,946,706

DEFERRED OUTFLOWS OF RESOURCES:

Deferred pension	859,624
Deferred debt refunding	813,508
	<hr/>
Total Deferred Outflows of Resources	1,673,132

See accompanying notes to the basic financial statements.

VICTOR VALLEY TRANSIT AUTHORITY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2023

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	4,845,893
Unearned revenues	9,010,535
Compensated absences	150,055
Lease liability	36,063
Certificates of participation, net	<u>1,136,329</u>

Total Current Liabilities	<u>15,178,875</u>
----------------------------------	-------------------

NONCURRENT LIABILITIES:

Lease liability	91,426
Certificates of participation, net	28,581,251
Net pension liability	<u>408,716</u>

Total Noncurrent Liabilities	<u>29,081,393</u>
-------------------------------------	-------------------

Total Liabilities	<u>44,260,268</u>
--------------------------	-------------------

DEFERRED INFLOWS OF RESOURCES:

Deferred pension	5,497
Deferred leases	<u>76,841</u>

Total Deferred Inflows of Resources	<u>82,338</u>
--	---------------

NET POSITION:

Net investment in capital assets	55,563,185
Restricted for debt service	2,965,131
Unrestricted	<u>25,748,916</u>

Total Net Position	<u><u>\$ 84,277,232</u></u>
---------------------------	-----------------------------

See accompanying notes to the basic financial statements.

VICTOR VALLEY TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES:

Fares	\$ 1,830,214
Special transit fares	100,230
Total operating revenues	<u>1,930,444</u>

OPERATING EXPENSES:

Operations	30,515,813
General and administration	4,811,255
Depreciation and amortization	<u>6,934,421</u>
Total operating expenses	<u>42,261,489</u>

OPERATING LOSS	<u>(40,331,045)</u>
-----------------------	---------------------

NONOPERATING REVENUES (EXPENSES):

Operating assistance	
Federal Transit Administration - Section 5307, operating	4,575,038
Federal Transit Administration - Section 5311	1,125,644
Federal Transit Administration - Section 5316	7,188
Local Transportation Fund, operating	25,596,294
Measure I	1,800,782
AB 2766	250,000
Gain on disposal of assets	11,268
Interest income	1,078,787
LCFS credit sales	504,000
State - LCTOP	20,183
Miscellaneous	242,542
CNG credits	1,105,598
Interest expense	<u>(1,152,979)</u>
Total nonoperating revenues (expenses)	<u>35,164,345</u>

Loss before capital contributions	<u>(5,166,700)</u>
-----------------------------------	--------------------

Capital contributions:

Federal Transit Administration - Section 5307, capital	1,528,950
Federal Transit Administration - Section 5339, capital	2,988,253
Local Transportation Fund, capital	1,820,710
State Transit Assistance Fund	226,813
Proposition 1B	232,697
State of Good Repair	1,057,200
CMAQ	<u>1,442,000</u>

Total capital contributions	<u>9,296,623</u>
-----------------------------	------------------

Change in net position	<u>4,129,923</u>
-------------------------------	------------------

NET POSITION:

Net position, beginning of year	<u>80,147,309</u>
Net position, end of year	<u><u>\$ 84,277,232</u></u>

See accompanying notes to the basic financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from fares	\$ 1,875,367
Cash payments to employees	(4,552,762)
Cash payments to vendors for services	<u>(28,185,421)</u>
Net Cash Used by Operating Activities	<u>(30,862,816)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Operating grants received	36,674,268
Other noncapital financing	<u>215,303</u>
Net Cash Provided by Noncapital Financing Activities	<u>36,889,571</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants received	11,990,424
Purchase of capital assets	(8,487,407)
Proceeds from disposal of capital assets	11,268
Principal payments on capital debt	(1,081,328)
Interest paid	(1,094,871)
Payment of lease liabilities - principal portion	(33,473)
Payment of lease liabilities - interest portion	(6,854)
Cash received as lessor - principal portion	24,668
Cash received as lessor - interest portion	<u>4,731</u>
Net Cash Provided by Capital and Related Financing Activities	<u>1,327,158</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	<u>1,080,910</u>
Net Cash Provided by Investing Activities	<u>1,080,910</u>

Net Increase in Cash, Cash Equivalents, and Investments	8,434,823
--	-----------

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Beginning balance	<u>30,212,557</u>
Ending balance	<u><u>\$ 38,647,380</u></u>

RECONCILIATION OF CASH, CASH EQUIVALENTS, AND INVESTMENTS TO THE STATEMENT OF NET POSITION

Cash	\$ 30,301,286
Cash and investments with fiscal agent - restricted	2,965,131
Cash and investments - Board reserved	<u>5,380,963</u>
Total Cash, Cash Equivalents, and Investments	<u><u>\$ 38,647,380</u></u>

See accompanying notes to the basic financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

**RECONCILIATION OF OPERATING LOSS TO NET
CASH USED BY OPERATING ACTIVITIES**

Operating loss	<u>\$ (40,331,045)</u>
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization expense	6,934,421
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:	
(Increase) in other receivables	(55,077)
Decrease in prepaid expenses	35,625
Decrease in inventory	39,278
Increase in accounts payable and accrued liabilities	2,291,114
(Decrease) in compensated absences	(11,846)
Increase in net pension asset (liability)	552,185
(Decrease) in deferred pension	<u>(317,471)</u>
Total adjustments	<u>9,468,229</u>
Net Cash Used by Operating Activities	<u><u>\$ (30,862,816)</u></u>

SCHEDULE OF NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Gain on disposal of assets	\$ 11,268
Lease revenue recognized	\$ 31,970

See accompanying notes to the basic financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – ORGANIZATION

Victor Valley Transit Authority (VVTA or the Authority) is a joint powers authority whose members are the cities of Adelanto, Barstow, Hesperia, and Victorville; the Town of Apple Valley; and the County of San Bernardino (the County) 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 its 950-square mile geographic service area. The bus services VVTA provides includes fixed route services, deviated route services, County deviated routes, Americans with Disabilities Act (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 the 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, and Travel Reimbursement Incentive Program (TRIP), and directly provides Travel Training services. CTSA services are provided for rural areas of the North Desert and the communities of Trona and Big River in addition to the communities listed above. VVTA is governed by a Board of Directors (the Board) comprised of seven (7) representatives. Five Board members are elected council members each appointed by the cities they represent as well as the County Supervisors representing the First and Third County districts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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.

C. Cash and Cash Equivalents

Cash and cash equivalents include 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.

D. Cash and Investments with Fiscal Agent Restricted

Certain VVTA accounts are restricted by debt agreements to fund specified debt service requirements. At June 30, 2023, the balance held with fiscal agent pursuant to this agreement was \$2,965,131.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 nonoperating 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.

F. Prepaid Expenses

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

G. Fuel Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel for VVTA vehicles. The costs of such inventories are recorded as expenses when consumed rather than purchased. The value of fuel held at the transit facility on June 30, 2023, was \$49,607.

H. Capital Assets

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

Buildings 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 life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

I. Use of Estimates

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Operating and Nonoperating Revenue

VVTA distinguishes operating revenues and expenses from nonoperating 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. Nonoperating revenues consist of Federal, State, and local operating grants, fuel tax credits, and investment income.

K. Operating Expenses

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

L. Capital Contributions

Capital contributions consist of grants that are legally restricted for capital expenses by Federal, State, or local law that established those charges.

M. Net Position

VVTA reports its financial position in accordance with GASB Statement No. 34, which requires the presentation of net position instead of retained earnings as previously reported. The net position is categorized and reported under the following classifications:

Net Investment in Capital Assets indicates the value of land, buildings, infrastructure, vehicles, and equipment that is representative VVTA's equity in those capital assets.

Restricted Net Position indicates the value of the restricted assets on hand in excess of the related and recognized liabilities. It is expected that future liabilities will be recognized to match the restricted assets on hand. These monies are reserved by Federal and State legislation or third party agreements for particular use within their particular categories.

Unrestricted Net Position is the remaining amount of assets greater than liabilities available for operations and other organizational activities.

When an expense is incurred for which both restricted and unrestricted net position is available, VVTA shall first apply restricted resources, and then unrestricted resources. When restricted resources are depleted, only then shall unrestricted resources be considered for use.

N. Lease Receivables

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.

O. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. 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 of resources related to pensions. VVTA also reports a deferred outflow of resources 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 of resources related to pensions. The second item is deferred inflows of resources 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.

Q. 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.

R. Software Subscriptions

VVTA accounts for software subscriptions as operating expenses. In alignment with the provisions of GASB Statement No. 96, software subscription costs are recognized in the financial statements as expenses in the period in which they are incurred. This accounting treatment applies to subscriptions that do not meet the criteria for recognition as right-to-use assets under subscription-based information technology arrangements (SBITAs) liabilities, typically characterized by their annual or short-term renewal terms.

S. New Accounting Pronouncements

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. This statement does not impact the financial statements or disclosures of VVTA as VVTA does not have these types of transactions.

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). This statement does not impact the financial statements or disclosures of VVTA as VVTA does not have these types of transactions.

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 SBITAs for government end users (governments). The statement is effective for reporting periods beginning after June 15, 2022. VVTA has evaluated its existing software subscriptions and determined that none of them meet the criteria to be recognized as a right-of-use asset and a corresponding SBITA liability under the statement. See Note 1 for VVTA's policy regarding software subscriptions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. New Accounting Pronouncements (Continued)

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, PPPs, and 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. This statement does not impact the financial statements or disclosures of VVTA as VVTA does not have these types of transactions.

T. Future Accounting Pronouncements

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 year ending June 30, 2014, VVTA received a legal settlement totaling \$1,622,018 from the insurance companies of the primary contractor for the Administrative Office Facility. The VVTA Board designated these funds for future major repairs and renovations, creating an Administration/Maintenance Facility Reserve. The reserve balance is tracked annually and is reported as part of the unrestricted net position in the Statement of Net Position.

VVTA has accumulated unspent Compressed Natural Gas (CNG) tax credits totaling \$234,166. The Board has approved the allocation of these credits to establish a Capital Reserve for the Battery Electric Bus (BEB) Infrastructure project. This reserve balance is tracked separately and is reported as part of the unrestricted net position in the Statement of Net Position. During the year ended June 30, 2023, in line with the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Public Law 116-260) enacted as part of the Consolidated Appropriations Act 2021, which extended the fuel tax credits through December 31, VVTA received additional CNG tax credits. These credits were received pursuant to VVTA's usage of CNG for its bus fleet. The total CNG tax credit amount earned for the year ended June 30, 2023, was \$1,105,598. These funds are intended to support VVTA's commitment to a clean energy fleet and are included in the unrestricted net position on the Statement of Net Position.

NOTE 3 – LEGAL SETTLEMENT, SOLAR PANEL REBATES, AND CNG TAX CREDITS (Continued)

VVTA has received Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) credits totaling \$900,000. VVTA's Board has approved to allocate these the purchase of five BEBs. 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.

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 provisions 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 year ended June 30, 2023, was \$10,225,073.

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 (PUC). VVTA receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within the 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.

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS (Continued)

A. Section 6634 (Continued)

The computation of unearned revenue as of June 30, 2023, is as follows:

	Operating Funds	Capital Funds	Total
Beginning balance, July 1, 2022	\$ 5,247,102	\$ 1,708,320	\$ 6,955,422
Gross receipts			
Local Transportation Fund			
Article 3	-	12,591	12,591
Article 4	27,546,826	1,786,921	29,333,747
Federal Transit Administration			
Section 5307	-	1,479,363	1,479,363
Section 5307 CARES Act	4,572,434	-	4,572,434
Section 5311 CARES Act	172,932	-	172,932
Section 5316	3,248	-	3,248
Section 5339	-	2,988,253	2,988,253
CMAQ	-	1,442,000	1,442,000
State Transit Assistance Fund - Article 6.5	-	187,289	187,289
Measure I	1,650,312	-	1,650,312
AB2766	250,000	-	250,000
LCTOP	-	1,246,854	1,246,854
Proposition 1B (PTMISEA/CTAF)	-	10,693	10,693
State of Good Repair	-	809,791	809,791
Fares	1,930,441	-	1,930,441
Gain on disposal of capital assets	11,268	-	11,268
LCFS credits	504,000	-	504,000
RINS credits	-	417,351	417,351
Total gross receipts	36,641,461	10,381,106	47,022,567
Operating expenses, less depreciation and amortization	(36,480,047)	-	(36,480,047)
Capital acquisitions	-	(8,487,407)	(8,487,407)
Receipts over/(under) expenses in current period	161,414	1,893,699	2,055,113
Amount unearned at June 30, 2023	\$ 5,408,516	\$ 3,602,019	\$ 9,010,535

B. Sections 99268.4 and 99405

Section 99268.4 indicates that in the case of an operator that 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.

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS (Continued)**B. Sections 99268.4 and 99405** (Continued)

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. This waiver, in line with Section 99268.9 of the Public Utilities Code, will remain in effect until the end of the 2023-24 fiscal year, with the provisions set to become inoperative on January 1, 2025.

The fare ratio as of June 30, 2023, is calculated as follows:

	Motor Bus Routes	Handicapped Demand Response	Total
Operating expenses	\$ 37,611,222	\$ 5,803,246	\$ 43,414,468
Less: depreciation and amortization	(6,323,191)	(611,230)	(6,934,421)
Less: exemptions	(3,728,543)	-	(3,728,543)
Adjusted operating expenses	<u>\$ 27,559,488</u>	<u>\$ 5,192,016</u>	<u>\$ 32,751,504</u>
Fare revenue	\$ 1,569,346	\$ 361,098	\$ 1,930,444
Fare ratio	5.7%	7.0%	5.9%
Local funds used by the operator to supplement fare box revenues to satisfy the 10% fare ratio as permitted by Section 99268.19:			
Measure I	1,800,782	-	1,800,782
CNG stations sales	164,119	-	164,119
LCFS credits	504,000	-	504,000
Interest income	926,582	-	926,582
Adjusted fare revenue	<u>\$ 4,964,829</u>	<u>\$ 361,098</u>	<u>\$ 5,325,927</u>
Adjusted fare ratio	<u>18.0%</u>	<u>7.0%</u>	<u>16%</u>
Total fare ratio requirements pursuant to PUC Sections 99405(c) and 99268.4	<u>18%</u>	<u>10%</u>	<u>18%</u>

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.

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS (Continued)**B. Sections 99268.4 and 99405** (Continued)*Proposition 1B* (Continued)

Proposition 1B activity during the year ended June 30, 2023, was as follows:

	<u>PTMISEA</u>
Unspent Proposition 1B funds as of July 1, 2022	\$ 604,915
Proposition 1B funds interest earned during year ended June 30, 2023	10,693
Proposition 1B expenses incurred during year ended June 30, 2023	<u>(232,698)</u>
Unearned balance, June 30, 2023	<u>\$ 382,910</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 and 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. LCTOP activity during the year ended June 30, 2023, was as follows:

	<u>LCTOP</u>
Unspent LCTOP as of July 1, 2022	\$ 242,647
LCTOP funds received during year ended June 30, 2023	1,208,597
LCTOP funds interest earned year ended June 30, 2023	38,257
LCTOP expenses incurred during year ended June 30, 2023	<u>(20,184)</u>
Unearned balance, June 30, 2023	<u>\$ 1,469,317</u>

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 activity during the year ended June 30, 2023, was as follows:

	<u>SGR</u>
Unspent SGR funds as of July 1, 2022	\$ 1,390,724
SGR funds received during year ended June 30, 2023	785,169
SGR funds interest earned during year ended June 30, 2023	24,622
SGR expenses incurred during year ended June 30, 2023	<u>(1,057,200)</u>
Unearned balance, June 30, 2023	<u>\$ 1,143,315</u>

NOTE 5 – CASH AND INVESTMENTS

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

Cash*	\$ 30,301,286
Cash and investments with fiscal agent - restricted	2,965,131
Cash and investments - Board reserved	<u>5,380,963</u>
Total	<u>\$ 38,647,380</u>

* Cash balance includes \$382,910 of unspent Proposition 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	\$ 35,682,249
Cash and cash equivalents held with fiscal agent	<u>2,965,131</u>
Total	<u>\$ 38,647,380</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.

Information about the sensitivity of the fair value of VVTA's investments to market interest rate fluctuations is provided the following table that shows the distribution of VVTA's investment by maturity as of June 30, 2023.

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>
		<u>12 Months or Less</u>
Money market fund	\$ 2,965,131	\$ 2,965,131
Total	<u>\$ 2,965,131</u>	<u>\$ 2,965,131</u>

NOTE 5 – CASH AND INVESTMENTS (Continued)

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's investments are in money market funds, which are typically diversified and carry lower credit risk compared to individual securities. These funds are not separately rated but are managed to maintain a high credit quality. 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.

Fair Value Hierarchy

VVTA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

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: Investment reflected prices quoted in active markets;
- Level 2: Investments reflected prices that are similar observable asset either directly or indirectly, including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.; and
- Level 3: Investments reflected based on significant unobservable inputs (including VVTA's own assumptions in determining the fair value of investments).

VVTA has the following recurring fair value measurements as of June 30, 2023:

June 30, 2023	Fair Value	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market fund	\$ 2,965,131	\$ 2,965,131	\$ -	\$ -
Total	\$ 2,965,131	\$ 2,965,131	\$ -	\$ -

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Transfers	Additions	Retirements/ Adjustments	Balance June 30, 2023
Capital assets, not being depreciated					
Land - Hesperia facility	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Land - Barstow facility	193,350	-	-	-	193,350
Land - Parking and office	237,400	-	-	-	237,400
Land - Hydrogen station	172,030	-	-	-	172,030
Land - 10 acres - Hesperia	-	-	1,160,054	-	1,160,054
Construction in progress	369,517	(183,514)	371,063	-	557,066
Total capital assets, not being depreciated	2,472,297	(183,514)	1,531,117	-	3,819,900
Capital assets, being depreciated					
Bus facility - Hesperia	52,169,563	-	-	-	52,169,563
Bus facility - Barstow	13,131,397	-	-	(6,205)	13,125,192
Operations equipment	54,462,680	42,932	6,764,829	(198,730)	61,071,711
Furniture and office equipment	3,939,104	140,582	191,461	(232,571)	4,038,576
Total capital assets being depreciated	123,702,744	183,514	6,956,290	(437,506)	130,405,042
Less accumulated depreciation					
Bus facility - Hesperia	(12,174,804)	-	(1,541,202)	-	(13,716,006)
Bus facility - Barstow	(860,652)	-	(466,299)	6,205	(1,320,746)
Operations equipment	(25,877,864)	-	(4,712,475)	198,730	(30,391,609)
Furniture and office equipment	(3,563,976)	-	(177,381)	232,571	(3,508,786)
Total accumulated depreciation	(42,477,296)	-	(6,897,357)	437,506	(48,937,147)
Net depreciable assets	81,225,448	183,514	58,933	-	81,467,895
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)	-	(37,064)	-	(64,862)
Total accumulated amortization	(27,798)	-	(37,064)	-	(64,862)
Net right-to-use leased assets	157,523	-	(37,064)	-	120,459
Total capital assets, net	\$ 83,855,268	\$ -	\$ 1,552,986	\$ -	\$ 85,408,254

Depreciation and amortization for the year ended June 30, 2023, was 6,934,421.

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 Public Risk Innovation, Solutions, and Management (PRISM) for \$49 million excess liability coverage.

NOTE 7 – RISK MANAGEMENT (Continued)

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.

Additionally, VVTA benefits from a range of specialized insurance programs. These include an Employment Practices Liability Program with a coverage limit of \$1,000,000 and a member retention of \$25,000, and a Business Auto Physical Damage Program with coverage up to \$10,000,000 and a member deductible of \$5,000. The Crime Coverage Program, managed by National Union Fire Insurance Company, safeguards against various risks such as employee theft and fraud up to \$1,000,000, subject to a deductible of \$2,500 per occurrence. Cybersecurity risks are addressed through a Cyber Liability Program, providing up to \$12,000,000 in coverage with a deductible of \$2,500 per claim. Lastly, the Alliant Deadly Weapon Response Program offers a coverage limit of \$500,000 with a \$10,000 deductible per event.

Over the previous three years, VVTA has not encountered any settlements exceeding these coverage limits, and there have been no significant changes in either the insurance policies or the coverage amounts during this period.

NOTE 8 – COMMITMENTS

VVTA has entered into a 5-year contract with Keolis Transit Services for operational services, which encompass Fixed Routes, Demand Response, commuter routes for Fort Irwin, and County connector routes. This contract is scheduled to expire on September 30, 2025. For the fiscal year ended June 30, 2023, the total expenses recognized under this contract amounted to \$24,735,343. The following schedule outlines the future expenses VVTA has committed to under this agreement:

Year Ending June 30	
2024	\$ 27,089,242
2025	28,023,600
2026	<u>7,052,630</u>
Total	<u>\$ 62,165,472</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, 2023, VVTA paid \$40,469 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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due Beyond One Year
Governmental activities						
2016 Refunding Certificates of Participation	\$ 18,285,000	\$ -	\$ (710,000)	\$ 17,575,000	\$ 750,000	\$ 16,825,000
Premium on 2016 Certificates of Participation	2,351,881	-	(146,992)	2,204,889	146,993	2,057,896
2018 Certificates of Participation	9,775,000	-	(210,000)	9,565,000	225,000	9,340,000
Premium on 2018 Certificates of Participation	387,027	-	(14,336)	372,691	14,336	358,355
Leases	160,962	-	(33,473)	127,489	36,063	91,426
Compensated absences	161,901	127,324	(139,170)	150,055	150,055	-
Net pension liability (asset)	(143,469)	552,185	-	408,716	-	408,716
Total long-term liabilities	\$ 30,978,302	\$ 679,509	\$ (1,253,971)	\$ 30,403,840	\$ 1,322,447	\$ 29,081,393

Certificates of Participation – 2016

In July 2016, VVTA issued Certificates of Participation, series 2016, valued at \$23,300,000, to refund the 2007 Lease/Trust Agreement Certificates of Participation with an outstanding principal of \$31,375,000. The funds raised from this issuance were used to continue financing the construction of a transit facility in Hesperia, California, and to cover the delivery costs of the certificates. As a result of this advance refunding, a deferred outflow of resources of \$1,278,370 was recognized, to be amortized over the life of the new debt. The refinancing transaction resulted in substantial economic benefits, yielding a present value of savings from the cash flow calculated at \$10,479,681. After adjusting for prior funds on hand of \$(9,267,645), the economic gain was \$1,212,036. The terms for the repayment of the principal and interest on these certificates are set on a semi-annual basis, beginning from July 1, 2016, with the interest rates ranging from 2.00% to 5.00%. Principal payments are scheduled annually every July 1, in varying amounts ranging from \$675,000 to \$4,335,000, with the final principal payment set for July 1, 2037.

To secure this issuance, VVTA pledged farebox revenues as collateral. In accordance with GASB Statement No. 48, VVTA has pledged its farebox revenues as collateral against the debt. The farebox revenues, pledged in the approximate amount equivalent to the remaining debt service, will be dedicated to servicing this debt through its maturity in 2037. For the fiscal year 2023, VVTA generated \$1,930,441 in farebox revenues. Of this revenue, VVTA allocated a total of \$1,537,550 to service the certificates' debt, with \$710,000 covering principal repayments and \$827,550 applied to interest payments. This allocation represents approximately 79.6% of the annual farebox revenue being directed towards debt service for the year. The debt service payments were arranged to be fulfilled using all legally available revenues, including farebox revenues, Federal Transit Assistance Funds, Local Transportation Funds, and State Transit Assistance Funds. As of the last reported period, the outstanding balance of the certificates, which includes the unamortized premium, is to be determined based on the most recent financial statements.

The future debt service payment requirements for the refunding are as follows:

Year Ending June 30	Principal	Interest	Total
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	910,000	630,800	1,540,800
2029-2033	5,265,000	2,426,250	7,691,250
2034-2037	8,175,000	910,450	9,085,450
Total	\$ 17,575,000	\$ 6,903,450	\$ 24,478,450

NOTE 9 – LONG-TERM LIABILITIES (Continued)*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. In accordance with GASB Statement No. 48, VVTA has pledged its farebox revenues as collateral against the debt. The farebox revenues, pledged in the approximate amount equivalent to the remaining debt service, will be dedicated to servicing this debt through its maturity in 2048. For the fiscal year 2023, VVTA generated \$1,930,441 in farebox revenues. Of this revenue, VVTA allocated a total of \$638,650 to service the certificates' debt, with \$210,000 covering principal repayments and \$428,650 applied to interest payments. This allocation represents approximately 33.08% of the annual farebox revenue being directed towards debt service for the year. In the event of default by VVTA under the Lease/Trust agreement, BNY Mellon (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 debt service payment requirements for the refunding are as follows:

Year Ending June 30	Principal	Interest	Total
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	270,000	369,900	639,900
2029-2033	1,575,000	1,632,000	3,207,000
2034-2038	1,560,000	1,226,250	2,786,250
2039-2043	2,345,000	858,400	3,203,400
2044-2048	2,850,000	350,800	3,200,800
Total	<u>\$ 9,565,000</u>	<u>\$ 6,040,450</u>	<u>\$ 15,605,450</u>

NOTE 10 – LEASES*Lessor Activities*

VVTA has two leasing arrangements as a lessor, including a sub-lease with Greyhound Line, Inc., for office space at the Victor Valley Transportation Center, and with Vegan Vato for a restaurant space. The lease terms are 28 to 40 months, including the noncancelable period of the lease and extensions VVTA is reasonably certain to exercise. The lease payments vary, ranging from \$1,225 to \$1,500 per month, depending on the specific agreement and period within the lease term. The remaining receivable for these leases was \$86,300 for the year ended June 30, 2023. Deferred inflows of resources related to these leases were \$76,841 as of June 30, 2023. Interest revenue recognized on these leases was \$4,731 for the year ended June 30, 2023. Principal receipts of \$24,216 were recognized during the year. The interest rate on the leases was 5.15%. Final receipt is expected in fiscal year 2027.

NOTE 10 – LEASES (Continued)*Lessor Activities* (Continued)

Remaining principal and interest payments on leases are as follows:

Year Ending June 30	Principal	Interest
2024	\$ 29,124	\$ 3,657
2025	31,180	2,093
2026	20,851	664
2027	5,145	33
Total	<u>\$ 86,300</u>	<u>\$ 6,447</u>

Lessee Activities

VVTA as a lessee, has entered into a land lease agreement initiated in October 2021, spanning a 60-month term. The lease commenced with a monthly payment of \$3,365, with an annual increment of 2.0% slated for each subsequent anniversary of the lease commencement date, extending through to September 2026. Reflective of the terms and conditions of the lease, the liability was assessed using VVTA's incremental borrowing rate of 5.15%. As of June 30, 2023, with 39 months remaining on the lease term, VVTA's monthly lease payments are \$3,571 per month.

At June 30, 2023, VVTA has recognized a lease liability of \$127,489 related to this agreement. During the year, VVTA recorded \$37,064 in amortization expense and \$6,854 in interest expense for the right-to-use the land.

VVTA subleases certain portions of the right-to-use leased asset to third parties. The sub-lease agreements VVTA holds as a lessor with Greyhound Line, Inc., and Vegan Vato, are both housed within the Victor Valley Transportation Center and come with an initial non-cancelable period that, along with extensions that VVTA is reasonably certain to exercise. These subleases represent a right-to-use leased asset of \$185,321 as of June 30, 2023. These agreements result in lease receivables of \$86,300 and deferred inflows of resources of \$76,841 as of June 30, 2023, which are included in the lease receivables tables above.

Remaining obligations associated with these leases are as follows:

Year Ending June 30	Principal	Interest
2024	\$ 36,063	\$ 5,595
2025	38,835	3,647
2026	41,756	1,567
2027	10,835	50
Total	<u>\$ 127,489</u>	<u>\$ 10,859</u>

NOTE 11 – COMPENSATED ABSENCES

Accumulated unpaid personal leave, consisting of vacation pay, has been accrued at June 30, 2023, in the amount of \$150,055. VVTA's liability for compensated absences is typically liquidated within one year. Compensated absences at the beginning of the year were \$161,901, with \$127,324 accrued by employees and \$139,170 used by employees during the year. VVTA reports the entire balance within current liabilities, as it expects employees to use it 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. Eligible employees hired after January 1, 2013, that are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments (COLA), and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service. Members with five years of total service are eligible to retire at age 55, or 62 if in the PEPRA Miscellaneous Plan, with statutorily reduced benefits. An optional benefit regarding sick leave was adopted. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit. The COLAs for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Classic	New Member
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7%@55	2%@62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a percentage of annual salary	2.7%	2%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	13.35% plus \$31,818	7.47% plus \$6,200

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms of the Plan:

	2023
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	5
Active employees	27
Total	35

NOTE 12 – EMPLOYEES' RETIREMENT PLAN (Continued)Contributions

Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers be 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.

For the year ended June 30, 2023, VVTA recognized contributions as part of pension expense for the Plan as follows:

	<u>June 30, 2023</u>
Miscellaneous Classic	\$ 138,647
Miscellaneous PEPR	<u>243,518</u>
	<u>\$ 382,165</u>

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, VVTA reported a liability of \$408,716 for its proportionate share of the collective net pension liability.

VVTA's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. VVTA's net pension liability for the Plan was measured as the total pension liability, less the pension plan's fiduciary net position.

VVTA's proportionate share of the net pension liability, measured as of June 30, 2021 and 2022, is as follows:

Proportion - June 30, 2021	-0.00756%
Proportion - June 30, 2022	<u>0.00873%</u>
Change - Increase/(Decrease)	<u>0.01629%</u>

For the year ended June 30, 2023, VVTA recognized pension expense of \$506,147. At June 30, 2023, 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	\$ 8,208	\$ 5,497
Net differences between projected and actual earnings on pension plan investments	74,866	-
Difference between VVTA's contributions and proportionate share of contributions	82,863	-
Change in employer's proportion	269,640	-
Contributions subsequent to the measurement date	382,165	-
Changes of assumptions	<u>41,882</u>	<u>-</u>
Total	<u>\$ 859,624</u>	<u>\$ 5,497</u>

NOTE 12 – EMPLOYEES’ RETIREMENT PLAN (Continued)Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
(Continued)

The amount of \$382,165 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 in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2024	\$ 216,658
2025	139,174
2026	70,338
2027	45,792
Total	<u>\$ 471,962</u>

Payable to the Pension Plan

At June 30, 2023, VVTA reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

Actuarial Assumptions

The June 30, 2021 actuarial valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

Reporting date	June 30, 2023	
Measurement date	June 30, 2022	
Valuation date	June 30, 2021	
Actuarial cost method	Entry Age Normal	
Actuarial assumptions:		
Discount rate	6.90%	
Inflation	2.30%	
Projected salary increase	Varies by entry age and service	(1)
Investment rate of return	6.90%	(2)
Mortality	Derived using CalPERS' membership data	(3)
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter	

(1) Depending on age, service, and type of employment.

(2) Net of pension plan investment and administrative expenses, including inflation.

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Preretirement and post retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

NOTE 12 – EMPLOYEES' RETIREMENT PLAN (Continued)

Actuarial Assumptions (Continued)

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period 2001 to 2019. Further details of the experience study can be found on the CalPERS website.

In determining the long-term expected 6.90 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:

Asset Class ^(a)	Target Allocation	Real Rate of Return Years 1 - 10 ^(b)
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

^(a) An expected inflation of 2.30% used for this period.

^(b) Figures are based on the 2021 Asset Liability Management Study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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 VVTA'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 liability.

NOTE 12 – EMPLOYEES' RETIREMENT PLAN (Continued)Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents VVTA's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what VVTA's proportionate share of the net pension liability 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:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
VVTA's proportionate share of the net pension liability (asset): Agent Multiple-Employer Plan	\$ 944,979	\$ 408,716	\$ (32,495)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$ 3,240,254	\$ 3,383,723	\$ (143,469)
Changes in the year:			
Service cost	229,667	-	229,667
Interest on total pension liability	653,965	-	653,965
Changes of benefit terms	1,733	-	1,733
Changes of assumptions	306,862	-	306,862
Differences between expected and actual experience	(40,278)	-	(40,278)
Net plan to plan resource movement	-	914	(914)
Contributions - employer	-	(95,023)	95,023
Contributions - employees	-	(22,845)	22,845
Net investment income	-	149,990	(149,990)
Benefit payments, including refunds of employee contributions	(458,291)	107,194	(565,485)
Administrative expense	-	1,243	(1,243)
Other miscellaneous income	-	-	-
Net changes	693,658	141,473	552,185
Balance at June 30, 2022	\$ 3,933,912	\$ 3,525,196	\$ 408,716

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.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 28, 2023, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**VICTOR VALLEY TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VVTA'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Proportion of the collective net pension liability (asset)	0.00873%	-0.00265%	0.00244%	0.00204%	0.00169%
Proportionate share of the collective net pension liability (asset)	\$ 408,716	\$ (143,469)	\$ 265,609	\$ 208,643	\$ 162,489
Covered payroll	\$ 2,511,111	\$ 1,910,495	\$ 1,854,850	\$ 1,800,825	\$ 1,800,825
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	16.28%	-7.51%	14.32%	11.59%	9.02%
Plan fiduciary net position as a percentage of the total pension liability	78.19%	90.49%	77.71%	77.73%	77.69%
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	
Proportion of the collective net pension liability (asset)	0.00181%	0.00159%	0.0177%	0.00244%	
Proportionate share of the collective net pension liability (asset)	\$ 179,958	\$ 137,916	\$ 121,552	\$ 151,936	
Covered payroll	\$ 1,517,121	\$ 1,253,046	\$ 1,039,065	\$ 902,643	
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	11.86%	11.01%	11.70%	16.83%	
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%	

* Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal year 2015 was the 1st year of implementation; therefore, only nine years are shown.

Changes of Assumptions

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.

The discount rate changed from 7.15 percent used for the June 30, 2017 measurement date to 6.90 percent used for the June 30, 2022 measurement date.

**VICTOR VALLEY TRANSIT AUTHORITY
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially determined contributions	\$ 382,165	\$ 231,346	\$ 213,449	\$ 156,614	\$ 166,440
Contributions in relation to the actuarially determined contributions	<u>(382,165)</u>	<u>(231,346)</u>	<u>(213,449)</u>	<u>(156,614)</u>	<u>(166,440)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,511,111	\$ 1,910,495	\$ 1,854,850	\$ 1,800,825	\$ 1,800,825
Contributions as a percentage of covered payroll	15.22%	12.11%	11.51%	8.70%	9.24%
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	
Actuarially determined contributions	\$ 137,899	\$ 118,569	\$ 97,561	\$ 142,248	
Contributions in relation to the actuarially determined contributions	<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>	
Covered payroll	\$ 1,517,121	\$ 1,253,046	\$ 1,039,065	\$ 902,643	
Contributions as a percentage of covered payroll	9.09%	9.46%	9.39%	15.76%	

* Fiscal year 2015 was the 1st year of implementation; therefore, only nine years are shown.

**CORRESPONDENCE
/PRESS CLIPS**

THIS PAGE INTENTIONALLY LEFT BLANK

NEWS

Victor Valley Transit Authority's 'Stuff the Bus' with toys event scheduled for December



Rene Ray De La Cruz

Victorville Daily Press

Published 9:54 a.m. PT Nov. 20, 2023 | Updated 9:55 a.m. PT Nov. 20, 2023

The Victor Valley Transit Authority will host its annual “Stuff the Bus” event to benefit the Rescue Mission Alliance Victor Valley’s annual Christmas toy giveaway.

Transit officials said residents can drop off new, unwrapped toys from 8 a.m. to 5 p.m. on Dec. 2 and 3, at one of three High Desert area Walmart locations, including the big box on Main Street in Hesperia, on Highway 18 in Apple Valley and Amargosa Road in Victorville.

The first 200 children who drop off a toy at any location will receive a free transit authority coloring book.

Collected toys will be given to the rescue mission for the nonprofit’s annual “Great Christmas Toy Giveaway” in December.

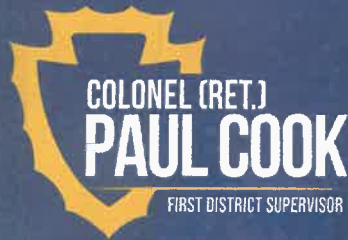
“We’re very appreciative of all that the Victor Valley Transit Authority has done for the rescue mission over the years,” Director Bill Edwards said. “It means a lot when an agency takes time and resources to help the kids of our community.”

For more information, visit facebook.com/Officialvvta.

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

THE 10TH ANNUAL

PROUDLY PRESENTED BY



DECEMBER 6, 2023
VALLEY MORNING INSIGHT
VICTORVILLE CONFERENCE CENTER



SPIRIT OF THE HIGH DESERT



VICTOR VALLEY TRANSIT AUTHORITY (VVTA)

Victor Valley Transit is honored to receive the Spirit of the High Desert Award, commemorating three decades of steadfast commitment to the region. From its inception, VVTA has transformed into a comprehensive transit provider, offering essential services like Fixed Route Bus Service, ADA Paratransit Service, specialized Commuter Service for Ft. Irwin Military personnel & staff, Micro-Link door-to-door transportation services, and the 11th largest Vanpool service in the nation. These services, crucial for accessing healthcare, education, food, and employment, highlight VVTA's pivotal role in the community.

VVTA's dedication extends beyond transit services, embracing community outreach through initiatives such as the Students Ride Free Program, Trona and Big River Senior Programs, and partnerships with the San Bernardino County Sheriff Department. Actively collaborating with local non-profits, VVTA annually partners with the Victor Valley Rescue Alliance for the "Stuff the VVTA Bus" campaign. Grounded in its core mission of delivering outstanding public transportation, VVTA exemplifies the enduring Spirit of the High Desert, upholding principles of quality, efficiency, responsiveness, readiness, and community.

SEATLINK
FREEDMAN
SEATING COMPANY
MONITOR & LOG
SEAT BELT STATUS

<https://buslinemag.com/linkout/13030>

Victor Valley Transit Authority Receives 'Spirit Of The High Desert' Award

December 12, 2023 | News & Headlines (<https://buslinemag.com/category/news-headlines/>), Transit Bus Systems (<https://buslinemag.com/category/features/transit-bus-systems/>)

Victor Valley Transit Authority (VVTa-Hesperia, CA) recently received the "Spirit of the High Desert" Award at the annual Accolade Awards, hosted by the Greater High Desert Chamber of Commerce. The award, presented to businesses actively contributing to the community's well-being, highlights VVTa's contributions and dedication to enhancing the quality of life in the High Desert region.

Greater High Desert Chamber of Commerce CEO Mark Creffield commented, "Victor Valley Transit has not only demonstrated exceptional growth and innovation, but their success reflects the dynamic and resilient spirit that defines our thriving business ecosystem. This Accolade Award for Spirit of the High Desert is well-deserved, and we applaud their leadership, vision, and impact on the business landscape."

Accepting the award on behalf of the agency, Victor Valley Transit CEO Nancie Goff expressed gratitude, stating, "This award is not just recognition of our Agency's achievements, but a celebration of the commitment to actively participate in the well-being and prosperity of our communities."

"As VVTa commemorates its 30th Anniversary this year, the agency reflects on three decades of steadfast commitment to the region. From its inception, VVTa has evolved into a comprehensive transit provider, offering essential services such as Fixed Route Bus Service, ADA Paratransit Service, specialized Commuter Service for Ft. Irwin Military personnel and staff, Micro-Link door-to-door transportation services, and the 11th largest Vanpool service in the nation," according to a press release. "These vital services underscore VVTa's pivotal role in providing access to health care, education, food, and employment, contributing significantly to the region's well-being."








(<https://buslinemag.com/wp-content/uploads/2023/12/Victor.jpg>)

Shown, left to right, are Keolis GM Jeff Guidry, Keolis Operations Manager Jonathan McDowell, VVTa Senior Marketing Manager/PIO Chris Ackerman, VVTa Chief Maintenance Officer Dustin Strandberg, VVTa Grants Manager Marie Downing, VVTa CEO Nancy Goff, VVTa Operations Manager Sylvia Harris, VVTa Director of Operations Roderick Goldman, and VVTa Procurement Manager Christine Plasting. (Photo courtesy of VVTa)

Beyond transit services, VVTA actively engages in community outreach initiatives, including the Students Ride Free Program, Trona and Big River Senior Programs, and partnership with the San Bernardino County Sheriff Department. The agency also annually partners with nonprofits like the Rescue Alliance of the Victor Valley for the "Stuff the VVTA Bus" campaign. Visit vvta.org (<http://vvta.org>).

Share on Socials!

-  **Facebook** (<https://www.facebook.com/sharer.php?u=https://buslinemag.com/news-headlines/victor-valley-transit-authority-receives-spirit-of-the-high-desert->)
-  **Twitter** (<https://twitter.com/intent/tweet?url=https://buslinemag.com/news-headlines/victor-valley-transit-authority-receives-spirit-of-the-high-desert->)
-  **LinkedIn** (<https://www.linkedin.com/shareArticle?mini=true&url=https://buslinemag.com/news-headlines/victor-valley-transit-authority-receives-spirit-of-the-high-desert->)
-  **Email** (<mailto:?body=https://buslinemag.com/news-headlines/victor-valley-transit-authority-receives-spirit-of-the-high-desert-award/>)
-  **Print**

■ Related Articles

Laketrans To Take Part In National Bike To Work Day (<https://buslinemag.com/news-headlines/laketrans-to-take-part-in-national-bike-to-work-day/>)

Ryan Adkins routinely rides his bike to a bus stop and continues to Lakeland Community College with the convenience of using Laketrans's on-board bike racks. On ...

Read More → (<https://buslinemag.com/news-headlines/laketrans-to-take-part-in-national-bike-to-work-day/>)

MCI Delivers 3 Zero-Emission J4500 CHARGE™ Coaches To Roberts Hawaii (<https://buslinemag.com/news-headlines/mci-delivers-3-zero-emission-j4500-charge-coaches-to-roberts-hawaii/>)

Motor Coach Industries (MCI), a subsidiary of NFI Group Inc. (NFI), has announced the delivery of three zero-emission, battery-electric MCI J4500 CHARGE™ coaches to Roberts Hawaii, ...

Read More → (<https://buslinemag.com/news-headlines/mci-delivers-3-zero-emission-j4500-charge-coaches-to-roberts-hawaii/>)

Raiders Foundation Teams Up With RTC Of Southern Nevada To Purchase, Distribute Transit Passes To Local Nonprofits (<https://buslinemag.com/features/transit-bus-systems/raiders-foundation-teams-up-with-rtc-of-southern-nevada-to-purchase-distribute-transit-passes-to-local-nonprofits/>)

The Raiders Foundation, the nonprofit and philanthropic arm of the Las Vegas Raiders, purchased and distributed 10,000 24-hour transit passes from the Regional Transportation Commission of ...

DAILY PRESS

ENVIRONMENT

California gas tax revenue will drop by \$6B due to electric car rules, threatening roads

Alejandro Lazo CalMatters

Published 4:01 p.m. PT Dec. 13, 2023 | Updated 4:05 p.m. PT Dec. 13, 2023

California's funding from gas taxes will drop by nearly \$6 billion in the next decade due to the state's electric car rules and other climate programs, "likely resulting in a decline in highway conditions for drivers," according to a new state analysis released on Wednesday.

As California phases in major policies aimed at reducing greenhouse gas emissions — such as the mandates for zero-emission cars and trucks — consumers buy less gasoline and diesel, and consequently pay less taxes.

Those declines in tax dollars will be partially offset by the state's road improvement fee, which drivers pay when they register their electric cars. But the Legislative Analyst's Office stressed that overall the state will still see a \$4.4 billion drop in funding, a 31% decline, over a decade, so the Legislature and governor must come up with substantial new funding sources.

Unless the drop is accounted for with new fees or other funding, there would be substantially less money for highway programs as well as local road maintenance, the analysts wrote. Work supporting buses, trains and other public transit options across the state also would face drops in funding.

"As the state tries to meet its ambitious climate goals through the adoption of zero emission vehicles, and greater fuel efficiency within conventional vehicles, the report finds that we'll see a decline in fuel tax revenues," said Frank Jimenez, a senior fiscal and policy analyst with the office.

Fuel taxes and vehicle fees fund about a third of state spending on transportation. This year's budget, passed in June, includes about \$14.2 billion in state funding for transportation.

The report projects declines of \$5 billion, or 64%, in the state's gasoline excise tax, \$290 million, or 20%, in the diesel excise tax and \$420 million, or 20%, in the diesel sales tax, over

the next decade.

Highway maintenance is funded primarily by the fuel taxes “and therefore will face significant funding declines,” the report says. “...We project funding for these programs will drop by roughly \$1.5 billion (26 percent) over the next decade, from \$5.7 billion to \$4.2 billion.”

The state’s transportation agency, Caltrans, declined to comment. “Caltrans is reviewing the report but does not comment on potential legislative proposals,” a spokesperson said.

Lawmakers could make up for the shortfalls in many of these programs by spending less on transportation, but that would likely mean worsening roads and highways, and also some public mass transit cuts. They might also consider further increasing gas taxes or vehicle fees. But that might have an outsized impact on the state’s lower-income communities, who are expected to adopt zero-emission vehicles more slowly as middle- or higher-income Californians.

Lawmakers also could consider using other state funds for transportation or implementing a road charge, which would tax people based on the number of miles they drive.

The report comes as California is bracing for a projected \$68 billion budget deficit next year. Gov. Gavin Newsom’s Finance Department on Tuesday ordered departments and agencies across government to reign in spending on everything from travel to office supplies.

California aims to reduce its greenhouse gas emissions by 85% below 1990 levels by 2045, when the state is expected to reach a statewide goal of net zero emissions. One of the most prominent ways the state is doing that is by banning the sale of all new gas-powered cars by 2035.

DAILY PRESS

NEWS

Elizabeth "Liz" Becerra appointed mayor of Victorville.



Rene Ray De La Cruz

Victorville Daily Press

Published 2:19 a.m. PT Dec. 20, 2023 | Updated 10:26 a.m. PT Dec. 20, 2023

On Tuesday night, during the last council meeting of the year, Elizabeth "Liz" Becerra was appointed the mayor of Victorville.

Becerra, the former mayor pro tem, takes the mayoral seat from now-Councilwoman Debra Jones, who was absent from the meeting due to her exposure to COVID-19 and having mild symptoms.

With Councilwoman Blanca Gomez also absent, Becerra's path to mayor began after Councilwoman Leslie Irving threw the mayoral nomination her way.

Becerra accepted the nomination and took the mayoral seat with votes from Irving, Councilman Bob Harriman, and herself.

"I'm glad I was appointed mayor in the city that I've served nearly all my life," Becerra told the Daily Press. "I'll continue to work with staff and the council as we work to make Victorville a better place to live."

Councilwoman Jones said she sent Mayor Becerra a congratulatory text that read, "Congratulations, Liz. You did well tonight, and I trust you will continue to do so."

Becerra responded with "Thank you," Jones said.

"I so enjoyed my three years as mayor of our beautiful city and hope that Liz finds as much joy as I did," Jones told the Daily Press.

The Victorville Council will close out 2023 with a vacant mayor pro tem seat. The council will nominate and vote for a new mayor pro tem in Jan. 2024.

Becerra told the Daily Press that she was catching a flight to Mexico that night to spend Christmas with family.

Mayoral term limit

On Tuesday, the council also approved an amendment, which includes a sitting mayor only being allowed to serve for two consecutive terms. A third term may be added if the mayor receives a majority vote.

Additionally, if the council does not reach a consensus on the appointment of a new mayor, then the mayor pro tem would automatically assume the position of mayor.

The amendment will go into effect in December 2024.

Jones' letter

City Attorney Andre De Bortnowsky read a letter to the council from Jones, who said, "While I am incredibly disappointed to miss tonight's City Council meeting, my recent COVID exposure necessitates I prioritize the health of those around me."

Jones added that she's staying informed on all agenda items and will remain fully committed to her duties.

"My warmest wishes to the council, staff, and our community for a Merry Christmas and healthy New Year," Jones said. "I look forward to returning soon and continuing to serve our city with dedication."

Council reorganization stalled

The annual council reorganization process began on Dec. 5. With insufficient votes, Mayor Jones, Mayor Pro Tem Becerra, and the other council members retained their seats.

The reorganization process began with Irving voting for Becerra, Gomez voting for herself, Harriman voting for Jones, and Jones voting for herself.

During the second round of voting, Irving voted for Becerra, and Gomez voted for Irving, who declined.

Also, Harriman voted for Jones, and Jones voted for herself. During the nomination process for mayor, Jones made no nominations.

Due to the insufficiency of votes for mayor, the council moved to revisit the reorganization process on Dec. 19.

Jones would have retained her mayoral seat for another year if the council had reached another stalemate on Tuesday night.

In 2022, the council voted for Jones to retain her mayoral title for at least one more year. Becerra was also appointed mayor pro tem

Becerra's roots

Becerra said her roots in Victorville date back to 1965 when her parents brought her home after being born at San Bernardino County Hospital.

Becerra lived on E Street, on the north side of the railroad tracks, a neighborhood many say was home to several long-standing Hispanic families that moved to the area in the early 1900s.

A public works supervisor with the city for 34 years, Becerra retired when she was elected in 2020.

Becerra studied public administration at Victor Valley College and served as a San Bernardino County Fair board member, a position she was appointed to in 2015 by former Gov. Edmund G. "Jerry" Brown.

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.