



RTA BOARD AGENDA

***** VIA ZOOM WEBINAR *****

**Wednesday, January 5, 2022 at approximately 10:00 AM
(following SLOCOG adjournment)**

The AGENDA is available/posted at: <http://www.slorta.org>

President: vacant

Board Members:

John Peschong (First District – SLO County)
Bruce Gibson (Second District – SLO County)
Dawn Ortiz-Legg (Third District – SLO County)
Lynn Compton (Fourth District – SLO County)
Debbie Arnold (Fifth District – SLO County)
Jimmy Paulding (Arroyo Grande)

Vice President: vacant

Heather Moreno (Atascadero)
Karen Bright (Grover Beach)
John Headding (Morro Bay)
Fred Strong (Paso Robles)
Ed Waage (Pismo Beach)
Andy Pease (San Luis Obispo)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency [LEP]) by contacting the RTA offices at 781-4833. Please note that 48 hours advance notice will be necessary to honor a request.

Important Notice Regarding COVID-19

Due to the continuing increase of Coronavirus (COVID-19) cases and in accordance with AB 361, which amends Government Code §54953 to allow local legislative bodies to hold virtual meetings after September 30, 2021, if certain criteria is met, the RTA Board meeting for January 5, 2022 will be virtual meetings held via Zoom webinar.

HOW TO WATCH:

1. **To Watch:** To watch the meeting online via livestream (on your computer or mobile device), go to: www.slo-span.org, or watch the meeting via Cable TV Public Access Channel 21.
2. **To Watch and Participate in Live Public Comment:** To provide public comment during the meeting, use the Zoom webinar link below. Please use the following link to register in advance of the webinar. After registering, you will receive a confirmation email with details about joining the webinar:

https://us02web.zoom.us/webinar/register/WN_CxoC0CvZRYeK9rlqwsyWtQ

HOW TO COMMENT:

The RTA is accepting general public comments for items on the RTA Board agenda as well as items of interest not on the agenda within the jurisdiction of the RTA Board.

Members of the public can submit comments by:

Zoom webinar – Verbal Public Comments

- See details on page 1 of this agenda under ‘How to Watch.’
- Phone – Verbal Public Comments – Call: (805) 781-4833 – State and spell your name, state the agenda item number you are calling about and leave your comment/s. Verbal comments must be received no later than 5:00 p.m. on January 4, 2022 (the day before the meeting) and will be limited to three (3) minutes.

Email – Written Public Comments to: info@slorta.org with the subject line “public comment.”

- Include the agenda item number you are referencing or type “general comment,” if it is about an item not on the agenda.
- **Emailed written comments must be submitted no later than 5:00 p.m. on Tuesday, January 4, 2022.**

Mail – Written Public Comments

- Mail to: Clerk of the Board, RTA
179 Cross Street
San Luis Obispo, CA 93401
- **Mailed written comments must be received by the RTA no later than 5:00 p.m. on Tuesday, January 4, 2022.**

CALL MEETING TO ORDER, ROLL CALL

TELECONFERENCED PUBLIC MEETINGS: Submittal of a Resolution authorizing the Executive Director to implement teleconferenced public meetings during the proclaimed local emergency related to COVID-19 pursuant to AB-361. (ROLL CALL - ADOPT RESOLUTION).

PUBLIC COMMENT: The Board reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

A. CONSENT AGENDA:

- A-1 Executive Committee Meeting Minutes of October 13, 2021 (Information)
- A-2 RTA Board Meeting Minutes of November 3, 2021 (Approve)
- A-3 RTA Board Meeting Minutes of December 8, 2021 (Approve)
- A-4 Paso Robles Bus Parking Yard CEQA Mitigations 4th Annual Monitoring Report (Receive)
- A-5 Authorize FTA Annual Certifications and Assurances Submittal (Approve)
- A-6 Authorize FTA Section 5311 Grant Application Submittal (Approve)
- A-7 Authorize Administration of FTA Sections 5307, 5539 and CMAQ Grant Programs (Approve)
- A-8 Authorize Rural Transit Funds Grant Application Submittal (Approve)
- A-9 Authorize SB-1 State of Good Repair Grant Application (Approve)
- A-10 Authorize Low-Carbon Transit Operations Program Grant Application (Approve)
- A-11 Annual Fiscal & Compliance Audit and Annual Single Audit (Accept)
- A-12 Declare Vehicles as Surplus – Paso Express (Approve)
- A-13 Declare Vehicle as Surplus – South County Transit (Approve)
- A-14 Declare Trade Fixtures as Surplus (Approve)
- A-15 Authorize Execution of Settlement Agreement with Cross Street 179, LLC (Approve)

B. INFORMATION AGENDA:

B-1 Executive Director's Report (Receive)

B-2 Bus Maintenance Facility (BMF) Progress and Change Order Update (Receive)

C. ACTION AGENDA:

C-1 Adopt FY21-22 Budget Amendment #2 (Approve)

D. CLOSED SESSION ITEMS: It is the intention of the RTA Board to meet in closed session concerning the following item: Executive Director Performance Evaluation (Govt. Code Section 54957)

E. BOARD MEMBER COMMENTS

Next regularly-scheduled RTA Board meeting on March 2, 2022

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 5, 2022
STAFF REPORT**

TOPIC: Teleconferenced Public Meetings

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Adopt Resolution

SUMMARY:

On March 4, 2020, California State Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic. That proclamation remains in effect to date. On March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting Law, the Brown Act (Government Code Section 54950 et seq.). On June 11, 2021, Governor Newsom issued Executive Order N-08-21, clarifying the suspension of the teleconferencing rules set forth in the Brown Act, noting that those provisions would remain suspended through September 30, 2021.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which allows legislative bodies subject to the Brown Act to continue meeting by teleconference, provided they make certain findings, including that meeting in person would present imminent risks to the health or safety of attendees. AB 361 requires that certain findings be made by the legislative body every 30 days.

This staff report is presented today for the RTA Board to consider the finding that holding in person meetings would present imminent risks to the health or safety of Board members, staff and all attendees of RTA public meetings. Staff recommends that the Board invoke the provisions of AB 361 related to the holding of teleconferencing/virtual public meetings, which would apply to public meetings held by the RTA and RTA legislative bodies, including all Brown Act committees.

RECOMMENDATION:

Adopt Resolution approving the following:

- a) Based on the recitals in the resolution, the RTA Board finds that holding in person meetings would present imminent risks to the health or safety of attendees; and
- b) RTA staff is directed to return at the next regularly scheduled Board meeting after adoption of this resolution with an item for the RTA Board to review and, if appropriate, renew, the findings required by AB 361 to continue to hold public meetings under its provisions.

BACKGROUND:

The RTA Board is asked to consider whether to approve the finding that holding in person public meetings would present imminent risks to the health or safety of attendees. As outlined in the summary above, the COVID-19 pandemic is still continuing, and the California Department of Public Health and the Federal Centers for Disease Control (CDC) and Prevention's guidance states that the Delta variant of COVID-19 is currently the dominant strain of the virus in the country, and that this variant is more transmissible than prior variants, may cause more severe illness, that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID1-19 cases and hospitalizations.

The CDC has established a "Community Transmission" metric with four (4) tiers designed to reflect a community's COVID-19 case rate and percent positivity. Currently, the County of San Luis Obispo has community transmission metric of "high" (<https://www.cdc.gov/TemplatePackage/contrib/widgets/covidcountycheck/>).

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 22- __**

**A RESOLUTION OF SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
ACKNOWLEDGING GOVERNOR NEWSOM'S PROCLAMATION OF A STATE OF
EMERGENCY AND AUTHORIZING VIRTUAL PUBLIC MEETINGS BY TELECONFERENCE
FOR A PERIOD OF THIRTY DAYS PURSUANT TO THE RALPH M. BROWN ACT**

The following resolution is now offered and read:

WHEREAS, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic; and

WHEREAS, the proclaimed state of emergency remains in effect; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting law, Government Code section 54950 et seq. (the "Brown Act"), provided certain requirements were met and followed; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 that clarified the suspension of the teleconferencing rules set forth in the Brown Act, and further provided that those provisions would remain suspended through September 30, 2021; and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361, allowing legislative bodies subject to the Brown Act to continue meeting by teleconference if the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees, and further requires that certain findings be made by the legislative body every thirty (30) days; and

WHEREAS, California Department of Public Health and the federal Centers for Disease Control and Prevention ("CDC") caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations (<https://www.cdc.gov/coronavirus/2019-ncov/variants/delta-variant.html>); and

WHEREAS, the CDC has established a "Community Transmission" metric with 4 tiers designed to reflect a community's COVID-19 case rate and percent positivity; and

WHEREAS, the County of San Luis Obispo currently has a Community Transmission metric of "high"; and

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the San Luis Obispo Regional Transit Authority (RTA) deems it necessary to find holding in person meetings would present imminent risks to the health or safety of attendees, and thus intends to invoke the provisions of AB 361 related to

teleconferencing.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the San Luis Obispo Regional Transit Authority that:

1. The recitals set forth above are true and correct.
2. The Proclamation of State of Emergency in response to the COVID-19 pandemic issued by Governor Newsom on March 4, 2020, remains in effect.
3. Based on the recitals above, the San Luis Obispo Regional Transit Authority (RTA) finds that meeting in person would present imminent risks to the health or safety of attendees.
4. These findings shall apply to all public meetings held by the RTA and its legislative bodies, including all Brown Act Committees.
5. Staff is directed to return at the next regularly scheduled Board meeting after the adoption of this resolution with an item for the RTA Board to consider and renew, if appropriate, the findings required by AB 361 to continue meeting under its provisions.

BE IT FURTHER RESOLVED, that the San Luis Obispo Regional Transit Authority does hereby adopt this resolution upon motion by Board Member _____, seconded by Board Member _____, and on the following roll call vote, the foregoing resolution is hereby adopted this 5th day of January 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

President, San Luis Obispo Regional Transit Authority

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

John Ansolabehere, RTA Legal Counsel

Date: _____



San Luis Obispo Regional Transit Authority
Executive Committee Meeting
Minutes 10/13/2021
A-1

Members Present: Ed Waage, City of Pismo Beach, **Vice President**
John Peschong, District 1 Supervisor, **President**
Fred Strong, City of Paso Robles

Members Absent: None

Staff Present: Geoff Straw, Executive Director
Tania Arnold, Deputy Director and CFO
Shelby Walker, Administrative Assistant
Nina Negranti, RTA Counsel
Pete Rodgers, SLOCOG

Call to Order and Roll Call: President John Peschong called the meeting to order at 10:04 a.m. and roll call was taken. A quorum was present.

Public Comment: None

1. Consent Items

A-1 Executive Committee Meeting Minutes of August 11, 2021 (Approve)

Vice President Ed Waage made a motion to approve consent agenda item A-1 and **Board Member Fred Strong** seconded the motion. The motion passed unanimously via voice vote.

2. Information Items

B-1 Executive Director's Report (Verbal, Receive)

Mr. Geoff Straw stated that we had one additional COVID-19 case since the September Board meeting report. Total of 15 cases so far. Since the last report the Biden administration has stated that employers who have a 100 or more employees will have to implement employee vaccination/testing requirements. It has not been officially pushed out and we are waiting for guidelines from OSHA. The RTA will be following County's lead on using a 3rd party employee vaccination/testing and tracking system. It will cost about \$10,000 per year; it is a platform that follows HIPPA rules.

We are in the 59th week of construction on the Bus Maintenance Facility. The Master Schedule calls for completion by February 8, 2022. The electrical bus duct was delivered last Friday, and installation will be

completed by this Friday. Inspection by PG&E should occur early next week, and then the 8-week process to actually turn on power begins.

Concrete paving is complete along the east and southeast portions of the bus drive aisles, and all asphalt paving is complete on the realigned Elks Lane roadway and the employee/visitor parking area. Concrete pours will continue every few days through the middle of November. The electric bus recharging dispensers and canopy will be installed in the first week of November. The large bus bay roll-up doors were delivered on Monday, and installation should be complete by the middle of next week. Most interior finishes, along with electrical, HVAC and plumbing, will be complete by the end of October.

We are planning an Open House / Scavenger Hunt on January 7th for employees and their families. As a reminder, the Ribbon-Cutting Ceremony is slated for Thursday January 20th at 10:00 a.m. and we hope that all RTA Board members can attend. Save-the-date invitations will be mailed later this month.

We promoted an employee from a Utility Worker to a Mechanic Apprentice, a position that we developed as part of the previous Union contract. We are currently reviewing applications for a new Utility Worker, and we are also actively recruiting for Bus Operator positions.

Public Comment: None

President Peschong stated that the committee will receive and file item B-1.

B-2 Decommissioning of Existing Leased Facility (Verbal, Receive)

Mr. Straw stated that the Board authorized RTA to go to bid for moving services and other services related to the project. Part of that work is some of the modifications we need to do to the current facility. We worked with a private company to develop an engineer's estimate on decommissioning. We will have an update on this at the November Board meeting.

Public Comment: None

President Peschong stated that the committee will receive and file item B-2.

3. Action Items

C-1 Budget Amendment (Accept)

Ms. Tania Arnold stated that the amendment includes a number of items that we will discuss. The amendment reduces the LTF required from the jurisdictions for the current fiscal year by \$550,440.

There are a number of changes to operating revenue of the budget. One is an increase in fare revenue, because we re-implemented full fares in July 2021 and it has been a stronger recovery than originally anticipated. There is also a small increase in STA funding as well as an increase in regular FTA 5307 apportioned within SLO County. We did not use our regular 5307 apportionments due to new COVID-19 emergency funding, so we are carrying over a portion over to the current fiscal year. There is a reduction of 5307 funds from the Santa Maria UZA 5307. Changes in TDA required an increase with the Rural Transit Fund/5311 Exchange and a decrease in LTF required.

There are a number of changes to capital revenue. There is a decrease in equipment replacement. Changes in non-TDA sources are carryover funding of Prop 1B, APCD AB 617, FTA Section 5307, FTA

Section 5339 and financing balance available from TIFIA. On the expenditure side is the annual payment related to the CalPERS settlement. There is also capital projects that are being carried over, including a radio project, bus stop improvements still being worked, Runabout vehicle replacements, and balance for the Bus Maintenance Facility.

Ms. Arnold advises that the Executive Committee recommend staff provide Budget Amendment #1 to the Board for approval at the November 3rd Board meeting. There will be additional budget amendments coming in the future, but we wanted to bring this one to the Board now.

Public Comment:

Mr. Pete Rodgers, SLOCOG, sees that RTA is requesting a reduction in LTF funding and that will trigger modifications from the local jurisdictions. He asked that the RTA consider hanging on to that funding in contingency to cover any unexpected expenditures that may occur during the building transition. There is a significant amount of administrative work that would need to be done by SLOCOG to modify all the jurisdiction distributions and we are already four months into the fiscal year. Please consider presenting the Board the option of holding steady with LTF funding in the current fiscal year.

Mr. Straw stated that it is certainly something we could consider as a modified recommendation from the Executive Committee, which we could further develop and bring to the Board at the November meeting. Mr. Straw agreed with Mr. Rodgers: there are still a lot of unknowns and we know there will need to be more budget amendments as the year progresses.

Ms. Arnold asked if the Executive Committee would like to adjust the amount identified in the offset reserve to carryover to future fiscal years and increase that dollar amount and hold the LTF flat if requested.

Mr. Straw stated that there was some interest from Board Members at the May meeting to decrease LTF funding from a couple of jurisdictions but that can be discussed separately with those individual cities.

Board Member Strong stated that we can give the Board two options and let them decide which one to approve. He asked if there is any change of funding at the federal level that could help with more equipment replacement.

Mr. Straw stated not yet, but we anticipate capital funding will be available with these infrastructure plans that have been partially adopted by Congress. That will be something we will bring to the Board once we know more.

Board Member Strong made a motion to accept agenda item C-1 as modified in the discussion and **Vice President Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
JOHN PESCHONG	X		
FRED STRONG	X		
ED WAAGE	X		

4. **November 3, 2021 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items.

Closed Session Item:

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.) It is the intention of the RTA Board to meet in closed session to have a conference with its Real Property Negotiator, Geoff Straw, concerning the following:
Property Description: 179 Cross Street, City of San Luis Obispo.
Parties with Whom Negotiating: LTC/SLO, LTD. L.P., a California limited partnership.
Instructions to Negotiator: Price, Terms and Conditions.

Consent Items

- A-1 Executive Committee Meeting Minutes of August 11, 2021 (Information)
A-2 RTA Board Meeting Minutes of September 1, 2021 (Approve)
A-3 RTA Board Meeting Minutes of October 6, 2021 (Approve)
A-4 Sixth Update on BMF Construction Change Orders (Approve)
A-6 Authorize Agreement for Janitorial Services (Approve)
A-7 Authorize Agreement for Landscaping Services (Approve)
A-8 Authorize Agreement for Lighting System Maintenance Services (Approve)
A-9 Authorize Agreement for Uniform & Linen Rental/Laundry Services (Approve)
A-9 Authorize Agreement for Supply of Oil and Lubricants (Approve)
A-10 Authorize Agreement for Moving Relocation Services (Approve)
A-11 Authorize Agreement for Engine Overhaul Services (Approve)

Information Items

- B-1 Executive Director's Report (Receive)
B-2 Update on Bus Maintenance Facility Construction (Receive)
B-3 Decommissioning of Existing Leased Facility (Receive)

Action Items

- C-1 FY21-22 Budget Amendment #1 (Approve)

Public Comment: None

Board Member Strong made a motion to approve the proposed agenda for September 1, 2021 and **Vice President Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
JOHN PESCHONG	X		
FRED STRONG	X		
ED WAAGE	X		

Board Member Comments: **Vice President Waage** stated that he just wanted to say he appreciates all the effort to get the Bus Maintenance Facility completed with all the supply issues and labor.

5. **Adjournment**

The meeting was adjourned at 10:28 a.m.

Next RTA Executive Committee Meeting: **December 8, 2021**

Respectfully Submitted,

Acknowledged by,

Shelby Walker
Administrative Assistant

John Peschong
RTA Board President 2021

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DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD MEETING MINUTES OF NOVEMBER 3, 2021
A-2

BOARD MEMBERS PRESENT:

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO (*arrived 9:44 AM*)
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
JOHN HEADDING, CITY OF MORRO BAY
HEATHER MORENO, CITY OF ATASCADERO
KAREN BRIGHT, CITY OF GROVER BEACH
DAWN ORTIZ-LEGG, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO (*arrived 9:42 AM*)
JIMMY PAULDING, CITY OF ARROYO GRANDE
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (President)
ANDY PEASE, CITY OF SAN LUIS OBISPO
FRED STRONG, CITY OF PASO ROBLES
ED WAAGE, CITY OF PISMO BEACH (Vice President)

BOARD MEMBERS ABSENT:

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, CFO/DEPUTY DIRECTOR
NINA NEGRANTI, SAN LUIS OBISPO COUNTY COUNSEL
SHELBY WALKER, ADMINISTRATIVE ASSISTANT

CALL MEETING TO ORDER, ROLL CALL: President John Peschong called the meeting to order at 9:30 AM and roll call was taken. There was a quorum present.

TELECONFERENCED PUBLIC MEETINGS: Ms. Nina Negranti stated that in light of Governor Newsom's Executive Order N-29-20, which suspends certain Brown Act requirements for public meetings, expiring on September 30, 2021 the Board will need to adopt findings for AB 361 allowing the Board to meet via teleconference. The findings being that the imminent risk of being public the Board has found the need to hold meeting via teleconference.

Board Member Fred Strong made a motion to approve the resolution, and **Board Member John Headding** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD			X
LYNN COMPTON	X		
BRUCE GIBSON	X		
DAWN ORTIZ-LEGG			X
JOHN PESCHONG (President)	X		
JOHN HEADDING	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG	X		
ED WAAGE (Vice President)	X		

Public Comment:

Mr. Eric Greening said he continues to be thankful for good service. He stated that he urges that there not be vaccine mandated if it is not required because organizations that have implemented a mandate are losing people and RTA cannot afford to lose Bus Operators. If there is one mandated, he hopes RTA would push back on it. He discussed a study that was related to the COVID vaccine. He would never dissuade someone from getting the vaccine, but hopes a mandate does not push away Bus Operators.

Mr. Bob Lloyd stated that due to the County having connection issues, this meeting is not being live streamed.

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.) It is the intention of the RTA Board to meet in closed session to have a conference with its Real Property Negotiator, Geoff Straw, concerning the following:

- a. Property Description: 179 Cross Street, City of San Luis Obispo.
- b. Parties with Whom Negotiating: LTC/SLO, LTD. L.P., a California limited partnership.
- c. Instructions to Negotiator: Price, Terms and Conditions.

Public Comment: None

The Board went into closed session at 9:44 AM and returned to open session at 10:04 AM.

Ms. Negranti stated there was no reportable action from closed session.

A. CONSENT AGENDA:

- A-1 Executive Committee Meeting Minutes of August 11, 2021 (Information)
- A-2 RTA Board Meeting Minutes of September 1, 2021 (Approve)
- A-3 RTA Board Meeting Minutes of October 6, 2021 (Approve)
- A-4 Amend Agreement for Design/Engineering Services (Approve)
- A-5 Authorize Agreement for Bulk Oils and Lubricants Services (Approve)
- A-6 Authorize Agreement for Janitorial Cleaning Services (Approve)
- A-7 Authorize Agreement for Landscape Maintenance Services (Approve)
- A-8 Authorize Agreement for Lighting System Maintenance Services (Approve)
- A-9 Authorize Agreement for Uniform Rental and Laundry Services (Approve)
- A-10 Authorize Agreement for Moving Relocation Services (Approve)
- A-11 Authorize Agreement for Bus Engine Replacement Services (Approve)
- A-12 Authorize Procurement of Furniture and Installation Services (Approve)

- A-13 Authorize Submittal of FTA Section 5339(b) Grant Application (Approve)
A-14 Transit Asset Management (TAM) Plan (Receive)

Public Comment: None

Board Member Karen Bright asked what the reasons were for non-submittal for many vendors for A-7 and A-9. **Mr. Straw** stated that staff did reach out to vendors who came to the site visits but did not submit. They stated they could not make the time commitment.

Board Member Strong made a motion to approve consent agenda items, and **Vice President Ed Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD	X		
LYNN COMPTON	X		
BRUCE GIBSON	X		
DAWN ORTIZ-LEGG	X		
JOHN PESCHONG (President)	X		
JOHN HEADDING	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG	X		
ED WAAGE (Vice President)	X		

B. INFORMATION AGENDA:

B-1 Executive Director's Report (Receive)

Mr. Geoff Straw we updated the Injury and Illness Prevention Plan. He stated that we had one additional COVID-19 case since the September Board meeting report. Since the last report, the Biden administration has stated that employers who have a 100 or more employees will have to implement employee vaccination and testing requirements. It has not been officially pushed out and we are waiting for guidelines from OSHA. The RTA will be following County's lead on using a 3rd party employee vaccination, testing and tracking system. It will cost about \$10,000 per year; it is a platform that follows HIPPA rules.

The wheelchair lift capacity that was questioned at the last Board meeting was addressed. Currently, there are no new candidates for Bus Operators, Utility Workers, and Mechanics. There are five full-time and seven part-time positions open. We have suspended some services due to the lack of Bus Operators. We will continue update the Board about where we are with hiring.

The RTA is working with SMAT to coordinate service changes, and the possibility of coordinating fares. Staff has focused on COVID-19 communications both internally and externally, and we continue to message about the TSA mask mandate that is in effect until January 18, 2022. Updates have been made to our Specialized Transit Guide, including presentation of alternatives to using Runabout. As part of the Bus Stop Improvement Plan, installation of 34 solar lights at our darkest bus stops has begun and will be wrapped up in a couple of weeks.

We would like to announce Brian Tanner as our Employee of the Quarter. He is a great asset and has helped fill shifts that are open do to Bus Operator shortages. Staff sent a save-the-date email for the new RTA Bus Maintenance Facility Grand Opening January 20, 2022; formal invitations will be

distributed closer to the date. We have a new Rider Alert feature on our website to give riders important route changes in real-time.

In regards to finance and administration, ridership for fixed-routed and Runabout services have increased by 24% from last year. The RTAC met in October and recommended adoption of the budget amendment that is being presented to your Board today. He also noted that we are 25% through the fiscal year and we are within our budget. Labor costs is our biggest line item.

Board Member Strong asked if the new licensing requirements is affecting the Bus Operators. **Mr. Straw** stated that the Real California license is the affecting the Bus Operators, who are required to have a Commercial Driver License. **Board Member Strong** also asked about mask mandates and if those who are unable to wear them due to health related issues were still able to ride the bus. **Mr. Straw** stated that yes, we make exceptions for those individuals.

Board Member Headding asked if we have seen an uptick in safety-related issues due to the lack of Bus Operators. **Mr. Straw** said that currently we have not, but we are making sure that the Bus Operators are getting the time off they need. **Board Member Headding** also asked if we know the percentage of staff that is vaccinated. **Mr. Straw** stated that we haven't surveyed our staff because of HIPPA, but we would estimate about 70%.

Public Comment:

Mr. Greening stated that he is thankful for the clarification on the safety of the wheelchair lifts.

President Peschong received and filed item B-1 on behalf of the Board.

B-2 Bus Maintenance Facility Progress and Change Order Update (Receive)

Mr. Straw stated that we have been concerned about delivery issues of the electrical bus duct. Fortunately, it was delivered and installation has been completed. He then explained some images that were in the PowerPoint and reminded everyone of the Grand Opening event date.

Board Member Jimmy Paulding asked if the Transportation Secretary has confirmed that he will be in attendance for the Grand Opening event. **Mr. Straw** said no, he has not yet confirmed.

Public Comment:

Mr. Greening stated that January 20th will be an RTAC meeting date, hopefully the meeting can take place the new facility after the Grand Opening event.

President Peschong received and filed item B-2 on behalf of the Board.

B-3 Strategic Business Plan Results (Receive)

Mr. Straw stated that the Board adopted the last Strategic Business Plan in 2018 and we are hopeful to update it in Spring 2022. There are two metrics that we will not be able to meet because of the pandemic's impacts to ridership, and those are productivity and farebox recovery ratio. He then went over the preventable collision rate metric and explained why that one was not met.

Board Member Heather Moreno stated that the preventable workers compensation metric has a significant increase in the last three years, she asked if the Bus Operators being stretched thin was part reason. **Mr. Straw** stated we do take things to the safety committee to see if there are ways to prevent certain incidents from happening. **Ms. Tania Arnold** stated that we do track those and we also track how many are open versus closed, and we did have a spike in FY 18-19 but those did close pretty quickly. She noted the dollar amount of those claims was also lower in comparison to previous years.

Public Comment:

Mr. Greening asked on the fixed route delivery, are we still at 99% and can we hope to continue at 99%. **Mr. Straw** stated most likely no, and that we will not be able to meet that 99% unless there are some real changes in our recruitment.

President Peschong received and filed item B-3 on behalf of the Board.

C. ACTION AGENDA:

C-1 FY21-22 Budget Amendment #1 (Approve)

Ms. Tania Arnold stated that the amendment includes a number of items that we will discuss. There are a number of changes to operating revenue of the budget, including an increase in offset reserve carryover to FY 2022-2023. There is also an increase in fare revenue, because we re-implemented full fares in July 2021 and it has been a stronger recovery than originally anticipated. There is also a small increase in STA funding as well as an increase in regular FTA 5307 apportioned within SLO County. We did not use our regular 5307 apportionments due to new COVID-19 emergency funding, so we are carrying over a portion over to the current fiscal year. There is a reduction of 5307 funds from the Santa Maria UZA 5307. Changes in TDA required an increase with the Rural Transit Fund/5311 Exchange and a decrease in LTF required.

There are also a number of changes to capital revenue. There is a decrease in equipment replacement. Changes in non-TDA sources are carryover funding of Prop 1B, APCD AB 617, FTA Section 5307, FTA Section 5339 and the financing balance available from TIFIA. On the expenditure side is the annual payment related to the CalPERS settlement. There are also capital projects that are being carried over, including a radio replacement project, bus stop improvements still being implemented, Runabout vehicle replacements, and the balance for the Bus Maintenance Facility. Staff's recommendations is to adopt Budget Amendment #1 as presented, and retain the \$550,440 LTF reduction as FY21-22 Contingency. Any subsequent expenditure of the Contingency funds requires prior approval by the RTA Board.

Board Member Paulding asked what the amount would be in contingency if the LTF is added. **Ms. Arnold** stated we approximately \$164,000 in contingency currently and the LTF would be added to that. **Board Member Paulding** asked if there is a limit to the amount of that is allowable to have in contingency. **Ms. Arnold** contingency is helping offset some of the fuel cost and it is a percentage of our service delivery budget expenditures. If we were to use the \$550,440 contingency, we would come to the Board first for approval.

Public Comment: None

Board Member Headding made a motion to approve agenda item C-1, and **Vice President Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD	X		
LYNN COMPTON	X		
BRUCE GIBSON	X		
DAWN ORTIZ-LEGG			X
JOHN PESCHONG (President)	X		
JOHN HEADDING	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		

FRED STRONG	X
ED WAAGE (Vice President)	X

C-2 Decommissioning of Existing Leased Facility (Receive)

Mr. Straw stated that the property owner notified us that we need to remove the building modifications of the current facility as part of a clause in our lease agreement. We worked with a private company to develop an engineer's estimate on decommissioning. **Mr. Straw** asked for authorization to execute an agreement with Kitchell CEM for decommissioning management services, and to seek demolition permits and bids for demolition.

Board Member Strong asked if any of the items recyclable. **Mr. Straw** stated yes, there are some things that can be.

Public Comment: None

Board Member Strong made a motion to approve consent agenda items, and **Board Member Paulding** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD	X		
LYNN COMPTON	X		
BRUCE GIBSON	X		
DAWN ORTIZ-LEGG			X
JOHN PESCHONG (President)	X		
JOHN HEADDING	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG	X		
ED WAAGE (Vice President)	X		

Board Member Comments:

Board Member Strong mentioned his 2022 appointments on transportation related committees.

The meeting was adjourned at 11:00 PM.

Next regularly-scheduled RTA Board meeting is January 5, 2022

Respectfully Submitted,

Acknowledged by,

Shelby Walker, Administrative Assistant

John Peschong, RTA President 2021

DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD MEETING MINUTES OF DECEMBER 8, 2021
A-3

BOARD MEMBERS PRESENT:

LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
JOHN HEADDING, CITY OF MORRO BAY
HEATHER MORENO, CITY OF ATASCADERO
KAREN BRIGHT, CITY OF GROVER BEACH
JIMMY PAULDING, CITY OF ARROYO GRANDE
ANDY PEASE, CITY OF SAN LUIS OBISPO
FRED STRONG, CITY OF PASO ROBLES
ED WAAGE, CITY OF PISMO BEACH (Vice President)

BOARD MEMBERS ABSENT:

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO
DAWN ORTIZ-LEGG, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (President)

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, CFO/DEPUTY DIRECTOR
NINA NEGRANTI, SAN LUIS OBISPO COUNTY COUNSEL
SHELBY WALKER, ADMINISTRATIVE ASSISTANT

CALL MEETING TO ORDER, ROLL CALL: Vice President Ed Waage called the meeting to order at 12:20 AM and roll call was taken. There was a quorum present.

TELECONFERENCED PUBLIC MEETINGS: Ms. Nina Negranti stated that in light of Governor Newsom's Executive Order N-29-20, which suspends certain Brown Act requirements for public meetings, expiring on September 30, 2021 the Board will need to adopt findings for AB 361 allowing the Board to meet via teleconference. The findings being that the imminent risk of being public the Board has found the need to hold meeting via teleconference.

Board Member Fred Strong made a motion to approve the resolution, and **Board Member Andy Pease** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD			X
LYNN COMPTON	X		
BRUCE GIBSON	X		
DAWN ORTIZ-LEGG			X
JOHN PESCHONG (President)			X
JOHN HEADDINNG	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG	X		
ED WAAGE (Vice President)	X		

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.) It is the intention of the RTA Board to meet in closed session to have a conference with its Real Property Negotiator, Geoff Straw, concerning the following:

- a. Property Description: 179 Cross Street, City of San Luis Obispo.
- b. Parties with Whom Negotiating: LTC/SLO, LTD. L.P., a California limited partnership.
- c. Instructions to Negotiator: Price, Terms and Conditions.

Public Comment: None

The Board went into closed session at 12:25 PM and returned to open session at 12:48 PM.

Ms. Negranti stated there was no reportable action from closed session.

A. CONSENT AGENDA: None

B. INFORMATION AGENDA: None

C. ACTION AGENDA:

C-1 179 Cross Street Decommissioning Project (Approve)

Mr. Straw stated that a few things need to happen in order for the 179 Cross Street building to be decommissioned. The Board needs to authorize demolition and removal of all tenant improvements within the existing leased facility and the surrounding site; and upon issuing of permits by the City of San Luis Obispo, authorize the contract to be advertised for demolition bids. Bids would be due 35 calendar days after issuance of permits; and the Board needs to provide the Executive Director the discretion to extend the bid opening date that is deemed more appropriate by the Executive Director, so long as such extension is in compliance with all applicable laws.

Board Member Fred Strong made a motion to approve the Agenda Item C-1, and **Board Member Heather Moreno** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD			X
LYNN COMPTON	X		
BRUCE GIBSON	X		
DAWN ORTIZ-LEGG			X
JOHN PESCHONG (President)			X
JOHN HEADDINNG			X
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG	X		
ED WAAGE (Vice President)	X		

The meeting was adjourned at 12:52 PM.

Next regularly-scheduled RTA Board meeting is January 5, 2021

Respectfully Submitted,

Acknowledged by,

Shelby Walker, Administrative Assistant

John Peschong, RTA President 2021

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-4

TOPIC: Paso Robles Bus Parking Yard CEQA Mitigations
Fourth Annual Monitoring Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

The RTA Board of Directors certified a Mitigated Negative Declaration (MND) report for the *RTA Use of County Yard for Bus Parking Facility in Paso Robles* project on September 14, 2016. The MND identified 19 mitigations¹ that were required to minimize to less-than-significant or completely avoid on-going/long-term environmental impacts that would occur as a result of the project.

As background, the purpose of the project is to provide storage for up to fourteen 40-foot and 45-foot fixed route coaches, five 25-foot cutaway vans, and 26 employee parking spaces, as well as placement of a modular office building. Construction of the project was completed in April 2018, and all North County transit operations were transitioned to the new facility on May 20, 2018. As denoted in the Mitigations Monitoring Report table at the end of this document, all construction-related mitigations were fully implemented and are now considered complete. One on-going monitoring issue is #10, which is cut/pasted below:

Mitigation Measure: BIO-7 – Operations-Related Erosion Control Measures.
Erosion control measures shall be implemented to prevent runoff to the Salinas River corridor and associated tributaries. Silt fencing, in conjunction with other methods, shall be used to prevent erosion and avoid and/or minimize silts and sediments from entering adjacent waterways.

To ensure that operations-related erosion control measures continue to be implemented and monitored, we continue to work with our landscaping contractor to help us monitor and document our efforts. In addition, if replacement of lighting or other future site maintenance requires changes that could impact a mitigation category, that action would be monitored and reported.

Finally, as required by our *Policy and Procedures for Environmental Evaluation of RTA Projects* adopted in May 2016, staff will report our compliance annually to the RTA

¹ Three of the mitigations were combined into one, resulting in 17 categories reported in the table below.

Board for a period of five years. This report represents the fourth of the five required annual reports.

Staff Recommendation

Accept and file this annual Mitigations Monitoring Report as an information item.

Bus Parking Yard in Paso Robles Mitigations Monitoring Report		
11-Jul-18		
#	Summary Description	Status
1	Mitigation Measure AES-1 – Exterior Lighting Controls and Site Screening. An exterior lighting plan will be developed, which will include the height, location, and intensity of all exterior lighting. All light poles, fixtures, and hoods shall be dark (non-reflective) colored. Lighting shall be designed to eliminate any off site glare. All exterior site lights shall utilize full cut-off, “hooded” lighting fixtures to prevent offsite light spillage and glare. In addition, the Project will implement a landscape buffer and other design features to screen the new modular office building, parked buses and parked employee automobiles from view by motorists traveling along the US101 corridor.	Completed.
2	Mitigation Measure AQ-1 – Construction Equipment Emission Control Measures. As identified in the APCD CEQA Air Quality Handbook, construction mitigation measures are designed to reduce emissions (ROG, NOx, DPM, PM10 and GHG) from heavy-duty construction equipment and may include emulsified fuels, catalyst and filtration technologies, engine replacement, and new alternative fueled trucks.	Completed.
3	Mitigation Measure AQ-2 – Construction-Related Dust Control Measures. Since the proposed Project site is within 1,000 feet of a sensitive receptor, dust generated by construction activities shall be kept to a minimum.	Completed.
4	Mitigation Measure (same for all three): BIO-1, GEO-1 & HWQ-1 – Construction Storm Water Plan and SWPPP. Prior to construction, RTA shall – in close consultation with San Luis Obispo County officials – prepare an operations-based Stormwater Pollution Prevention Plan (SWPPP) acceptable to the City of Paso Robles; this SWPPP will focus on the operations of RTA independent of County Corp Yard activities. RTA shall also develop in detail a Construction Storm Water Plan in conjunction with the Project’s final design and grading plan for implementation during construction activities. Specific details are provided in the City of Paso Robles Construction Site Storm Water Quality Requirements.	Completed.

5	Mitigation Measure: BIO-2 – Construction-Related Erosion Control BMPs. Prior to and during construction, the contractor shall implement erosion control best management practices. To reduce the potential for inadvertent release of sediment from construction area to adjacent stream, drainage, wetland, or other sensitive resource areas, the contractor shall install appropriate erosion control devices around the perimeter of areas that require disturbance of the ground surface. Storm drains and gutters leading to drainage and wetland areas shall be blocked to prevent water entry. Erosion control devices shall be checked on a daily basis to ensure proper function.	Completed.
6	Mitigation Measure: BIO-3 – Construction Outside Nesting Season. If feasible, construction activities will take place outside of the nesting bird season (i.e., March 15 to August 15). If construction activities occur within nesting bird season, a qualified biologist shall perform pre-activity nesting bird surveys to determine if breeding/nesting birds are present within the proposed Project site. If an active bird nest is identified, then CDFG and/or USWFS shall be consulted to determine appropriate buffer during construction activities.	Completed.
7	Mitigation Measure: BIO-4 – Qualified Biologist Preconstruction Survey. A qualified biologist shall be retained to conduct a preconstruction survey of the proposed Project site and the adjacent habitats. In the event that any special-status species are identified within the proposed Project area, all work shall cease and the appropriate agencies shall be contacted for further consultation.	Completed.
8	Mitigation Measure BIO-5 – Construction Worker Education Program. A construction worker education program shall be prepared and presented to all construction personnel at the beginning of the proposed Project. The program shall discuss sensitive species with potential to occur in the construction zone, with emphasis on special-status wildlife and plant species. The program shall explain the importance of minimizing disturbance and adhering to other disturbance minimizing measures.	Completed.
9	Mitigation Measure: BIO-6 – Defining Project Site Limits. The use of heavy equipment and vehicles shall be limited to the proposed Project limits, existing roadways, and defined staging areas/access points. The boundaries of each work area shall be clearly defined and marked with visible flagging and/or orange protective fencing.	Completed.

10	Mitigation Measure: BIO-7 – Operations-Related Erosion Control Measures. Erosion control measures shall be implemented to prevent runoff to the Salinas River corridor and associated tributaries. Silt fencing, in conjunction with other methods, shall be used to prevent erosion and avoid and/or minimize silts and sediments from entering adjacent waterways.	Occupancy on May 20, 2018. Continue to monitor and report annually to Board.
11	Mitigation Measure: BIO-8 – Protection of Salinas River. During construction, washing of concrete, paint, or equipment and refueling and maintenance of equipment shall occur only in designated areas a minimum of 50 feet from the Salinas River. Straw bales, sandbags, and sorbent pads shall be available to prevent water and/or spilled fuel from entering the stream channel. In addition, all equipment and materials shall be stored/stockpiled away from the swale. Construction equipment shall be inspected by the operator on a daily basis to ensure that equipment is in good working order and no fuel or lubricant leaks are present.	Completed.
12	Mitigation Measure: BIO-9 – Oak Tree Protection. Oak tree protection and replacement procedures shall be implemented during the Project. This includes procedures for protecting oak trees to remain in place during construction, and replacing oak trees that are impacted. Oak tree protections must comply with the City of Paso Robles Tree Ordinance No. 835 N.S.	Completed.
13	Mitigation Measure: BIO-10 – Exterior Lighting Controls. To minimize the effects of future exterior lighting on special status wildlife species, all outdoor lighting fixtures shall be positioned and/or shielded to avoid direct lighting to adjacent streams and surrounding habitat areas.	Completed.
14	Mitigation Measure: CUL-1 – Discovery of Human Remains. If human remains are uncovered during ground disturbing activities, RTA and its contractor(s) will immediately halt potentially damaging excavation in the area of the burial and will notify the SLO County Coroner and a professional archaeologist to determine the nature of the remains.	Completed.
15	Mitigation Measure: CUL-2 – Discovery of Prehistoric/Historic Deposits. If prehistoric or historic deposits or features are discovered during ground disturbing activities, activities in the area should cease and a qualified archaeologist shall inspect the discovery and prepare a recommendation for a further course of action.	Completed.
16	Mitigation Measure: NOI-1 – Construction-Related Noise Control. RTA shall ensure that the construction contractor employs noise reducing measures during construction activities.	Completed.

17	Mitigation Measure TRA-1 – Traffic Crossing Warning Sign. A Traffic Crossing Ahead warning sign will be installed on Paso Robles Street upstream from the entrance to the Project site.	Completed.
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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-5

TOPIC: FTA Certifications and Assurances

PRESENTED BY: Melissa Mudgett, Grants and Financial Manager

STAFF RECOMMENDATION: Authorize the Executive Director and RTA Legal Counsel to Execute and Submit the Federal Fiscal Year 2022 Certifications and Assurances

BACKGROUND/DISCUSSION:

Each year, the California Department of Transportation (Caltrans) and the San Luis Obispo Regional Transit Authority (RTA) must recertify to the Federal Transit Administration (FTA) that all applicable Federal requirements are adhered to when administering Federal grants. To this end, Caltrans and the RTA obtain certification from sub-recipient agencies that they too will comply with applicable Federal requirements.

The RTA is required to execute and submit the attached Federal Fiscal Year 2022 Certifications and Assurances documentation to the appropriate agencies to remain an eligible grantee and sub-recipient of FTA funds. The RTA fulfills this requirement annually and ensures that these Federal requirements are followed.

STAFF RECOMMENDATION:

Staff recommends the Board authorize the Executive Director and RTA Counsel to execute and submit the Federal Fiscal Year 2022 Certifications and Assurances and authorizations to the appropriate agencies on behalf of the RTA.

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Not every provision of every certification will apply to every applicant or award. If a provision of a certification does not apply to the applicant or its award, FTA will not enforce that provision. Refer to FTA's accompanying Instructions document for more information.

Text in italics is guidance to the public. It does not have the force and effect of law, and is not meant to bind the public in any way. It is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

CATEGORY 1. CERTIFICATIONS AND ASSURANCES REQUIRED OF EVERY APPLICANT.

All applicants must make the certifications in this category.

1.1. Standard Assurances.

The certifications in this subcategory appear as part of the applicant's registration or annual registration renewal in the System for Award Management (SAM.gov) and on the Office of Management and Budget's standard form 424B "Assurances—Non-Construction Programs". This certification has been modified in places to include analogous certifications required by U.S. DOT statutes or regulations.

As the duly authorized representative of the applicant, you certify that the applicant:

- (a) Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
- (b) Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- (c) Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- (d) Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- (e) Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728–4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).

- (f) Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:
 - (1) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin, as effectuated by U.S. DOT regulation 49 CFR Part 21;
 - (2) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681–1683, and 1685–1686), which prohibits discrimination on the basis of sex, as effectuated by U.S. DOT regulation 49 CFR Part 25;
 - (3) Section 5332 of the Federal Transit Law (49 U.S.C. § 5332), which prohibits any person being excluded from participating in, denied a benefit of, or discriminated against under, a project, program, or activity receiving financial assistance from FTA because of race, color, religion, national origin, sex, disability, or age.
 - (4) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps, as effectuated by U.S. DOT regulation 49 CFR Part 27;
 - (5) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101–6107), which prohibits discrimination on the basis of age;
 - (6) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - (7) The comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91–616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - (8) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - (9) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing;
 - (10) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,
 - (11) the requirements of any other nondiscrimination statute(s) which may apply to the application.
- (g) Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“Uniform Act”) (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases. The requirements of the Uniform Act are effectuated by U.S. DOT regulation 49 CFR Part 24.

- (h) Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§ 1501–1508 and 7324–7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
- (i) Will comply, as applicable, with the provisions of the Davis–Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327–333), regarding labor standards for federally assisted construction subagreements.
- (j) Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (k) Will comply with environmental standards which may be prescribed pursuant to the following:
 - (1) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;
 - (2) Notification of violating facilities pursuant to EO 11738;
 - (3) Protection of wetlands pursuant to EO 11990;
 - (4) Evaluation of flood hazards in floodplains in accordance with EO 11988;
 - (5) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.);
 - (6) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§ 7401 et seq.);
 - (7) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and
 - (8) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93–205).
- (l) Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- (m) Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§ 469a-1 et seq.).
- (n) Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- (o) Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§ 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded

- animals held for research, teaching, or other activities supported by this award of assistance.
- (p) Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
 - (q) Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR Part 200, Subpart F, “Audit Requirements”, as adopted and implemented by U.S. DOT at 2 CFR Part 1201.
 - (r) Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing the program under which it is applying for assistance.
 - (s) Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a sub-recipient from:
 - (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (2) Procuring a commercial sex act during the period of time that the award is in effect; or
 - (3) Using forced labor in the performance of the award or subawards under the award.

1.2. Standard Assurances: Additional Assurances for Construction Projects.

This certification appears on the Office of Management and Budget’s standard form 424D “Assurances—Construction Programs” and applies specifically to federally assisted projects for construction. This certification has been modified in places to include analogous certifications required by U.S. DOT statutes or regulations.

As the duly authorized representative of the applicant, you certify that the applicant:

- (a) Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency; will record the Federal awarding agency directives; and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Will comply with the requirements of the assistance awarding agency with regard to the drafting, review, and approval of construction plans and specifications.
- (c) Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work confirms with the approved plans and specifications, and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

1.3. Procurement.

The Uniform Administrative Requirements, 2 CFR § 200.324, allow a recipient to self-certify that its procurement system complies with Federal requirements, in lieu of submitting to certain pre-procurement reviews.

The applicant certifies that its procurement system complies with:

- (a) U.S. DOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, which incorporates by reference U.S. OMB regulatory guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, particularly 2 CFR §§ 200.317–200.326 “Procurement Standards; and
- (b) Federal laws, regulations, and requirements applicable to FTA procurements; and
- (c) The latest edition of FTA Circular 4220.1 and other applicable Federal guidance.

1.4. Suspension and Debarment.

Pursuant to Executive Order 12549, as implemented at 2 CFR Parts 180 and 1200, prior to entering into a covered transaction with an applicant, FTA must determine whether the applicant is excluded from participating in covered non-procurement transactions. For this purpose, FTA is authorized to collect a certification from each applicant regarding the applicant’s exclusion status. 2 CFR § 180.300. Additionally, each applicant must disclose any information required by 2 CFR § 180.335 about the applicant and the applicant’s principals prior to entering into an award agreement with FTA. This certification serves both purposes.

The applicant certifies, to the best of its knowledge and belief, that the applicant and each of its principals:

- (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily or involuntarily excluded from covered transactions by any Federal department or agency;
- (b) Has not, within the preceding three years, been convicted of or had a civil judgment rendered against him or her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction; violation of Federal or State antitrust statutes, including those proscribing price fixing between competitors, allocation of customers between competitors, and bid rigging; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or commission of any other offense indicating a lack of business integrity or business honesty;

- (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any offense described in paragraph (b) of this certification;
- (d) Has not, within the preceding three years, had one or more public transactions (Federal, State, or local) terminated for cause or default.

1.5. Coronavirus Response and Relief Supplemental Appropriations Act, 2021, and CARES Act Funding.

The applicant certifies that, to the maximum extent possible, and consistent with the Consolidated Appropriations Act, 2021 (Public Law 116–260):

- (a) Funds made available under title IV of division M of the Consolidated Appropriations Act, 2021 (Public Law 116–260), and in title XII of division B of the CARES Act (Public Law 116–136; 134 Stat. 599) shall be directed to payroll and operations of public transit (including payroll and expenses of private providers of public transportation); or
- (b) The applicant certifies that the applicant has not furloughed any employees.

CATEGORY 2. PUBLIC TRANSPORTATION AGENCY SAFETY PLANS

This certification is required of each applicant under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), each rail operator that is subject to FTA’s state safety oversight programs, and each State that is required to draft and certify a public transportation agency safety plan on behalf of a small public transportation provider pursuant to 49 CFR § 673.11(d). This certification is required by 49 CFR § 673.13.

This certification does not apply to any applicant that receives financial assistance from FTA exclusively under the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310), the Formula Grants for Rural Areas Program (49 U.S.C. § 5311), or combination of these two programs.

If the applicant is an operator, the applicant certifies that it has established a public transportation agency safety plan meeting the requirements of 49 CFR Part 673.

If the applicant is a State, the applicant certifies that:

- (a) It has drafted a public transportation agency safety plan for each small public transportation provider within the State, unless the small public transportation provider provided notification to the State that it was opting-out of the State-drafted plan and drafting its own public transportation agency safety plan; and
- (b) Each small public transportation provider within the state has a public transportation agency safety plan that has been approved by the provider’s Accountable Executive

(as that term is defined at 49 CFR § 673.5) and Board of Directors or Equivalent Authority (as that term is defined at 49 CFR § 673.5).

CATEGORY 3. TAX LIABILITY AND FELONY CONVICTIONS.

If the applicant is a business association (regardless of for-profit, not for-profit, or tax exempt status), it must make this certification. Federal appropriations acts since at least 2014 have prohibited FTA from using funds to enter into an agreement with any corporation that has unpaid Federal tax liabilities or recent felony convictions without first considering the corporation for debarment. E.g., Consolidated Appropriations Act, 2021, Pub. L. 116-260, div. E, title VII, §§ 744–745. U.S. DOT Order 4200.6 defines a “corporation” as “any private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association”, and applies the restriction to all tiers of subawards. As prescribed by U.S. DOT Order 4200.6, FTA requires each business association applicant to certify as to its tax and felony status.

If the applicant is a private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association, the applicant certifies that:

- (a) It has no unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
- (b) It has not been convicted of a felony criminal violation under any Federal law within the preceding 24 months.

CATEGORY 4. LOBBYING.

If the applicant will apply for a grant or cooperative agreement exceeding \$100,000, or a loan, line of credit, loan guarantee, or loan insurance exceeding \$150,000, it must make the following certification and, if applicable, make a disclosure regarding the applicant’s lobbying activities. This certification is required by 49 CFR § 20.110 and app. A to that part.

This certification does not apply to an applicant that is an Indian Tribe, Indian organization, or an Indian tribal organization exempt from the requirements of 49 CFR Part 20.

4.1. Certification for Contracts, Grants, Loans, and Cooperative Agreements.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or

- an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

4.2. Statement for Loan Guarantees and Loan Insurance.

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CATEGORY 5. PRIVATE SECTOR PROTECTIONS.

If the applicant will apply for funds that it will use to acquire or operate public transportation facilities or equipment, the applicant must make the following certification regarding protections for the private sector.

5.1. Charter Service Agreement.

To enforce the provisions of 49 U.S.C. § 5323(d), FTA's charter service regulation requires each applicant seeking assistance from FTA for the purpose of acquiring or operating any public transportation equipment or facilities to make the following Charter Service Agreement. 49 CFR § 604.4.

The applicant agrees that it, and each of its subrecipients, and third party contractors at any level who use FTA-funded vehicles, may provide charter service using equipment or facilities acquired with Federal assistance authorized under the Federal Transit Laws only in compliance with the regulations set out in 49 CFR Part 604, the terms and conditions of which are incorporated herein by reference.

5.2. School Bus Agreement.

To enforce the provisions of 49 U.S.C. § 5323(f), FTA's school bus regulation requires each applicant seeking assistance from FTA for the purpose of acquiring or operating any public transportation equipment or facilities to make the following agreement regarding the provision of school bus services. 49 CFR § 605.15.

- (a) If the applicant is not authorized by the FTA Administrator under 49 CFR § 605.11 to engage in school bus operations, the applicant agrees and certifies as follows:
 - (1) The applicant and any operator of project equipment agrees that it will not engage in school bus operations in competition with private school bus operators.
 - (2) The applicant agrees that it will not engage in any practice which constitutes a means of avoiding the requirements of this agreement, part 605 of the Federal Mass Transit Regulations, or section 164(b) of the Federal-Aid Highway Act of 1973 (49 U.S.C. 1602a(b)).
- (b) If the applicant is authorized or obtains authorization from the FTA Administrator to engage in school bus operations under 49 CFR § 605.11, the applicant agrees as follows:
 - (1) The applicant agrees that neither it nor any operator of project equipment will engage in school bus operations in competition with private school bus operators except as provided herein.
 - (2) The applicant, or any operator of project equipment, agrees to promptly notify the FTA Administrator of any changes in its operations which might jeopardize the continuation of an exemption under § 605.11.
 - (3) The applicant agrees that it will not engage in any practice which constitutes a means of avoiding the requirements of this agreement, part 605 of the Federal Transit Administration regulations or section 164(b) of the Federal-Aid Highway Act of 1973 (49 U.S.C. 1602a(b)).
 - (4) The applicant agrees that the project facilities and equipment shall be used for the provision of mass transportation services within its urban area and that any other

use of project facilities and equipment will be incidental to and shall not interfere with the use of such facilities and equipment in mass transportation service to the public.

CATEGORY 6. TRANSIT ASSET MANAGEMENT PLAN.

If the applicant owns, operates, or manages capital assets used to provide public transportation, the following certification is required by 49 U.S.C. § 5326(a).

The applicant certifies that it is in compliance with 49 CFR Part 625.

CATEGORY 7. ROLLING STOCK BUY AMERICA REVIEWS AND BUS TESTING.

7.1. Rolling Stock Buy America Reviews.

If the applicant will apply for an award to acquire rolling stock for use in revenue service, it must make this certification. This certification is required by 49 CFR § 663.7.

The applicant certifies that it will conduct or cause to be conducted the pre-award and post-delivery audits prescribed by 49 CFR Part 663 and will maintain on file the certifications required by Subparts B, C, and D of 49 CFR Part 663.

7.2. Bus Testing.

If the applicant will apply for funds for the purchase or lease of any new bus model, or any bus model with a major change in configuration or components, the applicant must make this certification. This certification is required by 49 CFR § 665.7.

The applicant certifies that the bus was tested at the Bus Testing Facility and that the bus received a passing test score as required by 49 CFR Part 665. The applicant has received or will receive the appropriate full Bus Testing Report and any applicable partial testing reports before final acceptance of the first vehicle.

CATEGORY 8. URBANIZED AREA FORMULA GRANTS PROGRAM.

If the applicant will apply for an award under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), or any other program or award that is subject to the requirements of 49 U.S.C. § 5307, including the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310); “flex funds” from infrastructure programs administered by the Federal Highways Administration (see 49 U.S.C. § 5334(i)); projects that will receive an award authorized by the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) (23 U.S.C. §§ 601–609) or State Infrastructure Bank Program (23 U.S.C. § 610) (see 49 U.S.C. § 5323(o)); formula awards or competitive awards to urbanized areas under the Grants for

Buses and Bus Facilities Program (49 U.S.C. § 5339(a) and (b)); or low or no emission awards to any area under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339(c)), the applicant must make the following certification. This certification is required by 49 U.S.C. § 5307(c)(1).

The applicant certifies that it:

- (a) Has or will have the legal, financial, and technical capacity to carry out the program of projects (developed pursuant 49 U.S.C. § 5307(b)), including safety and security aspects of the program;
- (b) Has or will have satisfactory continuing control over the use of equipment and facilities;
- (c) Will maintain equipment and facilities in accordance with the applicant's transit asset management plan;
- (d) Will ensure that, during non-peak hours for transportation using or involving a facility or equipment of a project financed under this section, a fare that is not more than 50 percent of the peak hour fare will be charged for any—
 - (1) Senior;
 - (2) Individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), cannot use a public transportation service or a public transportation facility effectively without special facilities, planning, or design; and
 - (3) Individual presenting a Medicare card issued to that individual under title II or XVIII of the Social Security Act (42 U.S.C. §§ 401 et seq., and 1395 et seq.);
- (e) In carrying out a procurement under 49 U.S.C. § 5307, will comply with 49 U.S.C. §§ 5323 (general provisions) and 5325 (contract requirements);
- (f) Has complied with 49 U.S.C. § 5307(b) (program of projects requirements);
- (g) Has available and will provide the required amounts as provided by 49 U.S.C. § 5307(d) (cost sharing);
- (h) Will comply with 49 U.S.C. §§ 5303 (metropolitan transportation planning) and 5304 (statewide and nonmetropolitan transportation planning);
- (i) Has a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation;
- (j) Either—
 - (1) Will expend for each fiscal year for public transportation security projects, including increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages), increased camera surveillance of an area in or adjacent to that system, providing an emergency telephone line to contact law enforcement or security personnel in an area in or adjacent to that system, and any other project intended to increase the security and safety of an existing or planned public transportation system, at least

- 1 percent of the amount the recipient receives for each fiscal year under 49 U.S.C. § 5336; or
- (2) Has decided that the expenditure for security projects is not necessary;
- (k) In the case of an applicant for an urbanized area with a population of not fewer than 200,000 individuals, as determined by the Bureau of the Census, will submit an annual report listing projects carried out in the preceding fiscal year under 49 U.S.C. § 5307 for associated transit improvements as defined in 49 U.S.C. § 5302; and
- (l) Will comply with 49 U.S.C. § 5329(d) (public transportation agency safety plan).

CATEGORY 9. FORMULA GRANTS FOR RURAL AREAS.

If the applicant will apply for funds made available to it under the Formula Grants for Rural Areas Program (49 U.S.C. § 5311), it must make this certification. Paragraph (a) of this certification helps FTA make the determinations required by 49 U.S.C. § 5310(b)(2)(C). Paragraph (b) of this certification is required by 49 U.S.C. § 5311(f)(2). Paragraph (c) of this certification, which applies to funds apportioned for the Appalachian Development Public Transportation Assistance Program, is necessary to enforce the conditions of 49 U.S.C. § 5311(c)(2)(D).

- (a) The applicant certifies that its State program for public transportation service projects, including agreements with private providers for public transportation service—
 - (1) Provides a fair distribution of amounts in the State, including Indian reservations; and
 - (2) Provides the maximum feasible coordination of public transportation service assisted under 49 U.S.C. § 5311 with transportation service assisted by other Federal sources; and
- (b) If the applicant will in any fiscal year expend less than 15% of the total amount made available to it under 49 U.S.C. § 5311 to carry out a program to develop and support intercity bus transportation, the applicant certifies that it has consulted with affected intercity bus service providers, and the intercity bus service needs of the State are being met adequately.
- (c) If the applicant will use for a highway project amounts that cannot be used for operating expenses authorized under 49 U.S.C. § 5311(c)(2) (Appalachian Development Public Transportation Assistance Program), the applicant certifies that—
 - (1) It has approved the use in writing only after providing appropriate notice and an opportunity for comment and appeal to affected public transportation providers; and
 - (2) It has determined that otherwise eligible local transit needs are being addressed.

**CATEGORY 10. FIXED GUIDEWAY CAPITAL INVESTMENT GRANTS AND THE
EXPEDITED PROJECT DELIVERY FOR CAPITAL INVESTMENT GRANTS
PILOT PROGRAM.**

If the applicant will apply for an award under any subsection of the Fixed Guideway Capital Investment Program (49 U.S.C. § 5309), including an award made pursuant to the FAST Act's Expedited Project Delivery for Capital Investment Grants Pilot Program (Pub. L. 114-94, div. A, title III, § 3005(b)), the applicant must make the following certification. This certification is required by 49 U.S.C. § 5309(c)(2) and Pub. L. 114-94, div. A, title III, § 3005(b)(3)(B).

The applicant certifies that it:

- (a) Has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award,
- (b) Has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.
- (c) Will maintain equipment and facilities acquired or improved under its Award in accordance with its transit asset management plan; and
- (d) Will comply with 49 U.S.C. §§ 5303 (metropolitan transportation planning) and 5304 (statewide and nonmetropolitan transportation planning).

**CATEGORY 11. GRANTS FOR BUSES AND BUS FACILITIES AND LOW OR NO
EMISSION VEHICLE DEPLOYMENT GRANT PROGRAMS.**

If the applicant is in an urbanized area and will apply for an award under subsection (a) (formula grants) or subsection (b) (competitive grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 8 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5339(a)(3) and (b)(6), respectively.

If the applicant is in a rural area and will apply for an award under subsection (a) (formula grants) or subsection (b) (competitive grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 9 for Formula Grants for Rural Areas (49 U.S.C. § 5311). This certification is required by 49 U.S.C. § 5339(a)(3) and (b)(6), respectively.

If the applicant, regardless of whether it is in an urbanized or rural area, will apply for an award under subsection (c) (low or no emission vehicle grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 8 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5339(c)(3).

Making this certification will incorporate by reference the applicable certifications in Category 8 or Category 9.

CATEGORY 12. ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAMS.

If the applicant will apply for an award under the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. § 5310), it must make the certification in Category 8 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5310(e)(1). Making this certification will incorporate by reference the certification in Category 8, except that FTA has determined that (d), (f), (i), (j), and (k) of Category 8 do not apply to awards made under 49 U.S.C. § 5310 and will not be enforced.

In addition to the certification in Category 8, the applicant must make the following certification that is specific to the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program. This certification is required by 49 U.S.C. § 5310(e)(2).

The applicant certifies that:

- (a) The projects selected by the applicant are included in a locally developed, coordinated public transit-human services transportation plan;
- (b) The plan described in clause (a) was developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers, and other members of the public;
- (c) To the maximum extent feasible, the services funded under 49 U.S.C. § 5310 will be coordinated with transportation services assisted by other Federal departments and agencies, including any transportation activities carried out by a recipient of a grant from the Department of Health and Human Services; and
- (d) If the applicant will allocate funds received under 49 U.S.C. § 5310 to subrecipients, it will do so on a fair and equitable basis.

CATEGORY 13. STATE OF GOOD REPAIR GRANTS.

If the applicant will apply for an award under FTA's State of Good Repair Grants Program (49 U.S.C. § 5337), it must make the following certification. Because FTA generally does not review the transit asset management plans of public transportation providers, this certification is necessary to enforce the provisions of 49 U.S.C. § 5337(a)(4).

The applicant certifies that the projects it will carry out using assistance authorized by the State of Good Repair Grants Program, 49 U.S.C. § 5337, are aligned with the applicant's most recent

transit asset management plan and are identified in the investment and prioritization section of such plan, consistent with the requirements of 49 CFR Part 625.

CATEGORY 14. INFRASTRUCTURE FINANCE PROGRAMS.

If the applicant will apply for an award for a project that will include assistance under the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Program (23 U.S.C. §§ 601–609) or the State Infrastructure Banks (“SIB”) Program (23 U.S.C. § 610), it must make the certifications in Category 8 for the Urbanized Area Formula Grants Program, Category 10 for the Fixed Guideway Capital Investment Grants program, and Category 13 for the State of Good Repair Grants program. These certifications are required by 49 U.S.C. § 5323(o).

Making this certification will incorporate the certifications in Categories 8, 10, and 13 by reference.

CATEGORY 15. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

If the applicant will apply for an award under FTA’s Urbanized Area Formula Grants Program (49 U.S.C. § 5307), Fixed Guideway Capital Investment Program (49 U.S.C. § 5309), Formula Grants for Rural Areas Program (49 U.S.C. § 5311), or Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339) programs, the applicant must make the following certification. The applicant must make this certification on its own behalf and on behalf of its subrecipients and contractors. This certification is required by 49 CFR § 655.83.

The applicant certifies that it, its subrecipients, and its contractors are compliant with FTA’s regulation for the Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations, 49 CFR Part 655.

CATEGORY 16. RAIL SAFETY TRAINING AND OVERSIGHT.

If the applicant is a State with at least one rail fixed guideway system, or is a State Safety Oversight Agency, or operates a rail fixed guideway system, it must make the following certification. The elements of this certification are required by 49 CFR §§ 659.43, 672.31, and 674.39.

The applicant certifies that the rail fixed guideway public transportation system and the State Safety Oversight Agency for the State are:

- (a) Compliant with the requirements of 49 CFR Part 659, “Rail Fixed Guideway Systems; State Safety Oversight”;
- (b) Compliant with the requirements of 49 CFR Part 672, “Public Transportation Safety Certification Training Program”; and
- (c) Compliant with the requirements of 49 CFR Part 674, “State Safety Oversight”.

CATEGORY 17. DEMAND RESPONSIVE SERVICE.

If the applicant operates demand responsive service and will apply for an award to purchase a non-rail vehicle that is not accessible within the meaning of 49 CFR Part 37, it must make the following certification. This certification is required by 49 CFR § 37.77.

The applicant certifies that the service it provides to individuals with disabilities is equivalent to that provided to other persons. A demand responsive system, when viewed in its entirety, is deemed to provide equivalent service if the service available to individuals with disabilities, including individuals who use wheelchairs, is provided in the most integrated setting appropriate to the needs of the individual and is equivalent to the service provided other individuals with respect to the following service characteristics:

- (a) Response time;
- (b) Fares;
- (c) Geographic area of service;
- (d) Hours and days of service;
- (e) Restrictions or priorities based on trip purpose;
- (f) Availability of information and reservation capability; and
- (g) Any constraints on capacity or service availability.

CATEGORY 18. INTEREST AND FINANCING COSTS.

If the applicant will pay for interest or other financing costs of a project using assistance awarded under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), the Fixed Guideway Capital Investment Grants Program (49 U.S.C. § 5309), or any program that must comply with the requirements of 49 U.S.C. § 5307, including the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310), “flex funds” from infrastructure programs administered by the Federal Highways Administration (see 49 U.S.C. § 5334(i)), or awards to urbanized areas under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the following certification. This certification is required by 49 U.S.C. §§ 5307(e)(3) and 5309(k)(2)(D).

The applicant certifies that:

- (a) Its application includes the cost of interest earned and payable on bonds issued by the applicant only to the extent proceeds of the bonds were or will be expended in carrying out the project identified in its application; and
- (b) The applicant has shown or will show reasonable diligence in seeking the most favorable financing terms available to the project at the time of borrowing.

CATEGORY 19. CONSTRUCTION HIRING PREFERENCES.

If the applicant will ask FTA to approve the use of geographic, economic, or any other hiring preference not otherwise authorized by law on any contract or construction project to be assisted with an award from FTA, it must make the following certification. This certification is required by the Consolidated Appropriations Act, 2021, Pub. L. 116-260, div. L, title I, § 199(b).

The applicant certifies the following:

- (a) That except with respect to apprentices or trainees, a pool of readily available but unemployed individuals possessing the knowledge, skill, and ability to perform the work that the contract requires resides in the jurisdiction;
- (b) That the grant recipient will include appropriate provisions in its bid document ensuring that the contractor does not displace any of its existing employees in order to satisfy such hiring preference; and
- (c) That any increase in the cost of labor, training, or delays resulting from the use of such hiring preference does not delay or displace any transportation project in the applicable Statewide Transportation Improvement Program or Transportation Improvement Program.

CATEGORY 20. CYBERSECURITY CERTIFICATION FOR RAIL ROLLING STOCK AND OPERATIONS.

If the applicant operates a rail fixed guideway public transportation system, it must make this certification. This certification is required by 49 U.S.C. § 5323(v), a new subsection added by the National Defense Authorization Act for Fiscal Year 2020, Pub. L. 116-92, § 7613 (Dec. 20, 2019). For information about standards or practices that may apply to a rail fixed guideway public transportation system, visit <https://www.nist.gov/cyberframework> and <https://www.cisa.gov/>.

The applicant certifies that it has established a process to develop, maintain, and execute a written plan for identifying and reducing cybersecurity risks that complies with the requirements of 49 U.S.C. § 5323(v)(2).

CATEGORY 21. PUBLIC TRANSPORTATION ON INDIAN RESERVATIONS FORMULA AND DISCRETIONARY PROGRAM (TRIBAL TRANSIT PROGRAMS).

Before FTA may provide Federal assistance for an Award financed under either the Public Transportation on Indian Reservations Formula or Discretionary Program authorized under 49 U.S.C. § 5311(c)(1), as amended by the FAST Act, (Tribal Transit Programs), the applicant must select the Certifications in Category 21, except as FTA determines otherwise in writing.

Tribal Transit Program applicants may certify to this Category and Category 1 (Certifications and Assurances Required of Every Applicant) and need not make any other certification, to meet Tribal Transit Program certification requirements. If an applicant will apply for any program in addition to the Tribal Transit Program, additional certifications may be required.

FTA has established terms and conditions for Tribal Transit Program grants financed with Federal assistance appropriated or made available under 49 U.S.C. § 5311(c)(1). The applicant certifies that:

- (a) It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
- (b) It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
- (c) It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, “Transit Asset Management,” 49 CFR Part 625. Its Award will achieve maximum feasible coordination with transportation service financed by other federal sources.
- (d) With respect to its procurement system:
 - (1) It will have a procurement system that complies with U.S. DOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, which incorporates by reference U.S. OMB regulatory guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, for Awards made on or after December 26, 2014,
 - (2) It will have a procurement system that complies with U.S. DOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR Part 18, specifically former 49 CFR § 18.36, for Awards made before December 26, 2014, or
 - (3) It will inform FTA promptly if its procurement system does not comply with either of those U.S. DOT regulations.
- (e) It will comply with the Certifications, Assurances, and Agreements in:
 - (1) Category 05.1 and 05.2 (Charter Service Agreement and School Bus Agreement),
 - (2) Category 06 (Transit Asset Management Plan),
 - (3) Category 07.1 and 07.2 (Rolling Stock Buy America Reviews and Bus Testing),
 - (4) Category 09 (Formula Grants for Rural Areas),
 - (5) Category 15 (Alcohol and Controlled Substances Testing), and
 - (6) Category 17 (Demand Responsive Service).

**FEDERAL FISCAL YEAR 2022 CERTIFICATIONS AND ASSURANCES FOR FTA
ASSISTANCE PROGRAMS**

(Signature pages alternate to providing Certifications and Assurances in TrAMS.)

Name of Applicant: SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

The Applicant certifies to the applicable provisions of categories 01–21. X

Or,

The Applicant certifies to the applicable provisions of the categories it has selected:

Category	Certification
01 Certifications and Assurances Required of Every Applicant	_____
02 Public Transportation Agency Safety Plans	_____
03 Tax Liability and Felony Convictions	_____
04 Lobbying	_____
05 Private Sector Protections	_____
06 Transit Asset Management Plan	_____
07 Rolling Stock Buy America Reviews and Bus Testing	_____
08 Urbanized Area Formula Grants Program	_____
09 Formula Grants for Rural Areas	_____
10 Fixed Guideway Capital Investment Grants and the Expedited Project Delivery for Capital Investment Grants Pilot Program	_____
11 Grants for Buses and Bus Facilities and Low or No Emission Vehicle Deployment Grant Programs	_____

12 Enhanced Mobility of Seniors and Individuals with Disabilities Programs

13 State of Good Repair Grants

14 Infrastructure Finance Programs

15 Alcohol and Controlled Substances Testing

16 Rail Safety Training and Oversight

17 Demand Responsive Service

18 Interest and Financing Costs

19 Construction Hiring Preferences

20 Cybersecurity Certification for Rail Rolling Stock and Operations

21 Tribal Transit Programs

FEDERAL FISCAL YEAR 2022 FTA CERTIFICATIONS AND ASSURANCES SIGNATURE
PAGE

(Required of all Applicants for federal assistance to be awarded by FTA in FFY 2022)

AFFIRMATION OF APPLICANT

Name of the Applicant: SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

BY SIGNING BELOW, on behalf of the Applicant, I declare that it has duly authorized me to make these Certifications and Assurances and bind its compliance. Thus, it agrees to comply with all federal laws, regulations, and requirements, follow applicable federal guidance, and comply with the Certifications and Assurances as indicated on the foregoing page applicable to each application its Authorized Representative makes to the Federal Transit Administration (FTA) in federal fiscal year 2022, irrespective of whether the individual that acted on his or her Applicant's behalf continues to represent it.

FTA intends that the Certifications and Assurances the Applicant selects on the other side of this document should apply to each Award for which it now seeks, or may later seek federal assistance to be awarded during federal fiscal year 2022.

The Applicant affirms the truthfulness and accuracy of the Certifications and Assurances it has selected in the statements submitted with this document and any other submission made to FTA, and acknowledges that the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 *et seq.*, and implementing U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR part 31, apply to any certification, assurance or submission made to FTA. The criminal provisions of 18 U.S.C. § 1001 apply to any certification, assurance, or submission made in connection with a federal public transportation program authorized by 49 U.S.C. chapter 53 or any other statute

In signing this document, I declare under penalties of perjury that the foregoing Certifications and Assurances, and any other statements made by me on behalf of the Applicant are true and accurate.

Signature _____ Date: _____

Name GEOFF STRAW, EXECUTIVE DIRECTOR Authorized Representative of Applicant

AFFIRMATION OF APPLICANT'S ATTORNEY

For (Name of Applicant): SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

As the undersigned Attorney for the above-named Applicant, I hereby affirm to the Applicant that it has authority under state, local, or tribal government law, as applicable, to make and comply with the Certifications and Assurances as indicated on the foregoing pages. I further affirm that, in my opinion, the Certifications and Assurances have been legally made and constitute legal and binding obligations on it.

I further affirm that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the validity of these Certifications and Assurances, or of the performance of its FTA assisted Award.

Signature _____ Date: _____

Name JOHN ANSOLABEHERE, ASSISTANT COUNTY COUNSEL & LEGAL COUNSEL FOR RTA Attorney for Applicant

Each Applicant for federal assistance to be awarded by FTA must provide an Affirmation of Applicant's Attorney pertaining to the Applicant's legal capacity. The Applicant may enter its electronic signature in lieu of the Attorney's signature within TrAMS, provided the Applicant has on file and uploaded to TrAMS this hard-copy Affirmation, signed by the attorney and dated this federal fiscal year.

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179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4472 Fax (805) 781-1291
www.slorta.org

January 5, 2022

Federal Transit Administration (FTA)
Mr. Ray Tellis, Regional Administrator
90 Seventh Street, Suite 15-300
San Francisco, CA 94103-6701

SLORTA EXECUTIVE AUTHORIZATION TO PIN IN TRAMS FFY22

Dear Mr. Tellis:

I, Geoff Straw, serving as the Executive Director for San Luis Obispo Regional Transit Authority (RTA), authorize Melissa Mudgett (Grants & Finance Manager) and Tania Arnold (Deputy Director/Chief Financial Officer) to pin the Federal Fiscal Year 2022 Certification and Assurances on my behalf for the RTA as it relates to the administering Federal Transit Administration (FTA) Sections 5307, 5339, 5311 and CMAQ in the TrAMS system.

I have reviewed the FFY 2022 Certifications and Assurances submitted by the grantee and apprised the grantee of FTA's regulatory requirements as described in the Certifications and Assurances.

Please do not hesitate to contact me if you have any further questions.

Sincerely,

Geoff Straw
RTA Executive Director

The Regional Transit Authority is a Joint Powers Agency serving residents and visitors of:

Arroyo Grande Grover Beach Morro Bay Paso Robles Pismo Beach San Luis Obispo and The County of San Luis Obispo

January 5, 2022

U.S. Department of Transportation
Federal Transit Administration, TRO-9
Attention: Mr. Ray Tellis, Regional Administrator
90 Seventh Street, Suite 15-300
San Francisco, CA 94103-6701

FFY 2022 LEGAL COUNSEL AUTHORIZATION TO PIN IN TRAMS

Dear Mr. Tellis:

I, Nina Negranti, serving as the Legal Counsel for the San Luis Obispo Regional Transit Authority (RTA), authorize Melissa Mudgett (Grants and Finance Manager) and Tania Arnold (Deputy Director/Chief Financial Officer) to PIN Certification and Assurances on my behalf for the RTA as it relates to the administering Federal Transit Administration (FTA) Sections 5307, 5339, 5311 and CMAQ in the TrAMS system.

I have reviewed the FFY2022 Certifications and Assurances submitted by the grantee and apprised the grantee of the FTA's regulatory requirements as described in the Certifications and Assurances.

Please do not hesitate to contact me if you have any further questions.

Sincerely,

John Ansolabehere, San Luis Obispo County Counsel
RTA Legal Counsel

FORM OF
OPINION OF COUNSEL

January 5, 2022

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority
179 Cross Street
San Luis Obispo, CA 93401

RE: Opinion of Counsel - Federal Transit Administration grant applications

Dear Mr. Straw:

As you know, the undersigned below is an attorney at law admitted to practice in the state of California and is legal counsel to San Luis Obispo Regional Transit Authority (the "Applicant"). This communication will serve as the requisite opinion of counsel to be filed with the Federal Transit Administration (FTA), United States Department of Transportation, in connection with the application of the Applicant for Federal transportation assistance authorized by Chapter 53 of title 49, United States Code and other Federal statutes authorizing activities administered by the Federal Transit Administration.

1. The Applicant is authorized by the San Luis Obispo Regional Transit Authority Joint Powers Agreement to own, operate and administer a county-wide public transportation system within the boundaries of the seven incorporated cities and unincorporated County of San Luis Obispo with the concurrence of the metropolitan planning organization (San Luis Obispo Council of Governments).
2. The authority of the Applicant to provide funds for the non-Federal share of Federal assistance for eligible transportation-related activities is set forth in Article IV, Section 1 of the San Luis Obispo Regional Transit Authority Joint Powers Agreement dated April 16, 2013.
3. I have reviewed the pertinent Federal, State, and local laws, and I have concluded that there is no legal impediment to your filing an application for Federal financial assistance for eligible transportation activities. Furthermore, as a result of my examination, I find that there is currently no pending or threatened litigation or other action which might in any way adversely affect the capability of the Applicant to carry out transportation-related activities.
4. The Applicant has received authority from the Designated Recipient (California State Department of Transportation) to apply for and receive Urbanized Area Formula Program assistance authorized by 49 U.S.C. 5307, 5339, 5311, CMAQ and any FTA discretionary funding.

5. The Applicant is hereby advised to seek and file with FTA a new Opinion of Counsel if there is a material change in circumstances affecting the matters contained herein and upon which this Opinion of Counsel is based.

Very truly yours,

RITA L. NEAL
County Counsel

By: John Anslabehere
RTA legal Counsel

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 5, 2022
STAFF REPORT**

AGENDA ITEM: A-6

TOPIC: FTA Section 5311 Grant Application

PRESENTED BY: Melissa C. Mudgett, Grants and Financial Manager

STAFF RECOMMENDATION: Adopt Resolution Authorizing Executive Director to Submit Application for FY2021-22 Formula Grants for Rural Areas Section 5311 Program Funds

BACKGROUND/DISCUSSION:

The Federal Transit Administration (FTA) formula grants for Rural Areas Section 5311 program, under 49 U.S.C. Chapter 53 as reauthorized under the FAST Act, provides capital, planning, and operating assistance to support public transportation in rural areas with populations less than 50,000.

Since FY03-04, the San Luis Obispo Council of Governments (SLOCOG) and the San Luis Obispo Regional Transit Authority (RTA) agreed to program all federal funding from the FTA Section 5311 Program to the RTA. In exchange, SLOCOG programs a similar amount of Transportation Development Act (TDA) funds for rural transit operators in the county. The resulting Rural Transit Funds (RTF) can be used by transit operators that provide public transportation services outside of the three small urbanized areas in San Luis Obispo County.

In connection with the RTF exchange program, the RTA must submit an annual grant application to Caltrans for the FTA Section 5311 funds. The grant application must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by Caltrans and the FTA.

Once approved, the attached resolutions will become part of the grant application for FTA Section 5311 funding for FY2021-22.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a grant application for the entire amount of FTA Section 5311 funds apportioned in FY2021-2022 for San Luis Obispo County for the purchase of various materials, supplies, equipment, and/or operations costs for rural bus routes.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 22-_____**

RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION, AN OPERATING ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL TRANSPORTATION ASSISTANCE (FTA) FUNDING UNDER FTA SECTION 5311 (49 U.S.C. SECTION 5311) FORMULA GRANTS FOR RURAL AREAS.

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support operating assistance projects for non-urbanized public transportation systems under Section 5311 of the Federal Transit Act (**FTA C 9040.1F**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for the rural transit and intercity bus; and

WHEREAS, the San Luis Obispo Regional Transit Authority desires to apply for said financial assistance to permit operation of service in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED that the San Luis Obispo Regional Transit Authority does hereby authorize the Executive Director, to file and execute applications on behalf of San Luis Obispo Regional Transit Authority with the Department to aid in the financing of capital/operating assistance projects pursuant to Section 5311 of the Federal Transit Act (**FTA C 9040.1F**) for the maximum funding available, as amended.

That the Executive Director or designee is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department; and

That the Executive Director or designee is authorized to execute and file such applications, assurances or any other documents for the purpose of complying with Title VI of the Civil Rights Act of 1964 required by the Department in connection with the application for the Section 5311 projects; and

That Executive Director is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5311 project(s).

On a motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority Board of Directors at a regular meeting held on the 5th day of January 2022.

President of the RTA Board of Directors

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
John Ansolabehere, Counsel
San Luis Obispo Regional Transit Authority

Date: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-7

TOPIC: FTA 5307, 5339 and CMAQ Grant Programs
Administration

PRESENTED BY: Melissa Mudgett, Grants and Financial Manager

STAFF RECOMMENDATION: Adopt Resolution Seeking Continued Access to
TRAMS in Order to Administer FTA Section 5307,
5339 and CMAQ Grants

BACKGROUND/DISCUSSION:

The cities of Atascadero and Paso Robles and certain limited populations of northern San Luis Obispo County were designated as an “urbanized area” based upon the results of the 2000 US Census. In addition, the cities of Arroyo Grande, Grover Beach and Pismo Beach and certain limited populations of southern San Luis Obispo County area were designated as an urbanized area based on the results of the 2010 US Census. The transit agencies in these two small urbanized areas and the San Luis Obispo Council of Governments developed two Operators Agreements relative to the governance and transit planning needs as they relate to Federal Transit Administration (FTA) Sections 5307, 5339 and CMAQ funding eligibility. These Agreements allow the transit agencies to use these FTA funding sources for capital, operating, and planning assistance. However, the FTA requires that there be a single “grant recipient” who will perform grant administration activities for each urbanized area. For the benefit of all transit agencies included in these two urbanized areas, the RTA has served the role of Grant Recipient.

For the RTA to continue serving as the administrator of FTA Section 5307, 5339 and CMAQ grant funding on behalf of the cities of Atascadero and Paso Robles, as well as for South County Transit, FTA requires the RTA (serving as the Grant Recipient) to have access to the electronic grants management program known as Transit Award Management System (TrAMS). The attached resolution grants the RTA Executive Director or designee access to TrAMS to administer FTA Section 5307, 5339 and CMAQ grants based on the Operators Agreement between SLOCOG, the cities of Atascadero and Paso Robles, and the RTA, as well as the Operator Agreement between SLOCOG, South County Transit and the RTA.

STAFF RECOMMENDATION:

Adopt Resolution seeking continued access to TRAMS in order to administer FTA Section 5307, 5339 and CMAQ grants.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 22-_____**

**A RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH THE
FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF
THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL
TRANSPORTATION ASSISTANCE AUTHORIZED BY 49 U.S.C CHAPTER 53 TITLE
23 UNITED STATES CODE AND OTHER FEDERAL STATUTES ADMINISTERED BY
THE FEDERAL TRANSIT ADMINISTRATION**

WHEREAS, the Federal Transit Administration (FTA) has been delegated authority by the United States Department of Transportation to award Federal financial assistance for transit projects; and

WHEREAS, a grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the San Luis Obispo Regional Transit Authority (RTA), and may require the RTA to provide the local share of the project cost; and

WHEREAS, the RTA has or will provide all annual certifications and assurances to the FTA required for the projects included in a grant application; and

WHEREAS, the RTA as the Grantee will file and execute applications on behalf of the cities of Atascadero and El Paso de Robles, the San Luis Obispo Council of Governments (SLOCOG), and for South County Transit, as sub-recipients of FTA Section 5307, 5339, and Congestion Mitigation and Air Quality (CMAQ) funds required for the identified projects.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the San Luis Obispo Regional Transit Authority:

1. Authorize the Executive Director or designee to execute and file applications for Federal assistance on behalf of RTA with the FTA for Federal Assistance authorized by 49.U.S.C. Chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the FTA and has received authority from the San Luis Obispo Council of Government, San Luis Obispo, California, the Designated Recipient, to apply for Urbanized Area Formula Program Assistance authorized by 49 U.S.C. 5307, 5339, and CMAQ transferred and administered as 5307.
2. Authorize the Executive Director or designee to execute and file with its application the annual Certifications and Assurances required by the FTA before awarding a Federal assistance grant or cooperative agreement.
3. Authorize the Executive Director or designee to execute and file such applications, assurances or any other documents required by FTA for the purpose of complying with Title VI of the Civil Rights Act of 1964.

4. Authorize the Executive Director or designee to furnish such additional information as the FTA may require in connection with the program of projects identified in applications.
5. The President of the RTA Board of Directors is authorized to execute grant and cooperative agreements with the FTA on behalf of the RTA.

On motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted at a regular meeting of said Board of Directors held on the 5th day of January 2022.

President of the RTA Board of Directors

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
John Ansolabehere, Counsel
San Luis Obispo Regional Transit Authority

Date: _____

January 5, 2022

DESIGNATION OF SIGNATURE AUTHORITY
for the
TRANSIT AWARD MANAGEMENT SYSTEM
(TrAMS)

The San Luis Obispo Regional Transit Authority hereby authorizes the Executive Director, the Deputy Director/Chief Financial Officer, the Grants and Financial Manager, and the RTA Legal Counsel to be assigned, and to use a Personal Identification Number (PIN) in TrAMS, for the execution of annual Certification and Assurances issued by the Federal Transit Administration (FTA), submission of all FTA grant applications, and the execution of all FTA grant awards, on behalf of the official below and on behalf of San Luis Obispo Regional Transit Authority. This Designation of Signature Authority serves only to authorize the above-referenced persons to take actions in TrAMS; original Certifications and Assurances and original FTA grant agreements must be executed by the Recipient's Designated Official, identified in its Authorizing Resolution, and its legal counsel, unless otherwise delegated in accordance with the Recipient's internal procedures.

Geoff Straw
RTA Executive Director

John Ansolabehere
RTA Legal Counsel

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SAN LUIS OBISPO REGIONAL TRANIST AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-8

TOPIC: Rural Transit Funds Grant Application

PRESENTED BY: Melissa C. Mudgett, Grants and Finance Manager

STAFF RECOMMENDATION: Approve Resolution Authorizing the Executive Director to Submit an RTF Grant Application of up to \$565,000 for Local Match Needed to Replace Vehicles and Related Equipment

BACKGROUND/DISCUSSION:

In 2003, the San Luis Obispo Council of Governments and the RTA agreed to exchange Federal Transit Administration (FTA) Section 5311 funds for Transportation Development Act (TDA) funds to create the local Rural Transit Fund (RTF) Program. The RTF program includes the same eligibility of public transportation recipients and projects as the Section 5311 program, and made the access and availability of funds much easier for the rural transit operators, including the RTA. The RTF program has consistently provided much needed funding for transit capital projects and operating revenue for rural public transit operators.

After deducting administrative costs for both SLOCOG and RTA, an estimated **\$565,000** in FY2022-23 RTF program funds is anticipated to be available for programming to rural transit operators. Eligible recipients of these rural formula funds include the RTA (rural Routes 12 and 15), the City of Morro Bay, San Luis Obispo County services (Nipomo Dial-A-Ride) and Runabout. RTF project applications are due to SLOCOG by February 7, 2022. SLOCOG will provide draft recommendations for RTF funds in March with SLOCOG Board adoption scheduled for April 6, 2022.

The RTA will be required to replace the current diesel-powered buses with zero-emission buses to meet the California Air Resources Board's Innovative Clean Transit rules. More specifically, 25% of the buses that transit agencies in California purchase in 2026 must be battery-electric or hydrogen powered, and all new bus purchases must be zero emission beginning in 2029. No internal combustion-powered buses can operate after 2040. Staff is recommending the replacement of the traditional diesel-powered buses with zero-emission battery-electric buses should additional federal funding be made available to support the cost differential.

Veh ID#	Year	Vehicle Type	Description	Diesel Local Match	Electric Local Match
1101	2010	Diesel 40 ft Bus	1 Vehicle Replacement - Local Match	\$ 125,000	\$ 188,333
1011	2010	Diesel 40 ft Bus	1 Vehicle Replacement - Local Match	\$ 125,000	\$ 188,333
1012	2010	Diesel 40 ft Bus	1 Vehicle Replacement - Local Match	\$ 125,000	\$ 188,333
1301- 1310	2013	Diesel 40 ft Bus	10 Engine Rehabilitations - Local Match	\$ 190,000	\$ -
				\$ 565,000	\$ 565,000

The RTA is seeking a total of the maximum amount available of **\$565,000** in RTF funds to use as the required 20% Capital project local match funding for planned vehicle replacements and engine rehabilitations for the RTA's fixed-route services.

STAFF RECOMMENDATION:

Approve resolution authorizing the Executive Director to submit an RTF grant application of up to **\$565,000** for local match needed to replace vehicles and related equipment.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 22-_____**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT
AUTHORITY BOARD OF DIRECTORS,
AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS
RURAL TRANSIT FUND PROGRAM FY2022-23**

WHEREAS, the San Luis Obispo Regional Transit Authority is under contract to fully administer transit services for the County of San Luis Obispo; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are eligible applicants for Rural Transit Program funds (RTF, formerly FTA Section 5311); and,

WHEREAS, it is anticipated that a total of **\$565,000** will be available in FY2022-23 RTF program funds for programming to rural transit operators; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are in need of various materials, supplies, and equipment, all of which are eligible for purchase under the Rural Transit Fund Program Policies and Procedures; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo will continue to provide transportation services, including complementary ADA paratransit service, in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are seeking grant funding to optimize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are requesting up to **\$565,000** for the local funding match in the purchase of replacement vehicles and related equipment;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director to submit a proposal to the San Luis Obispo Council of Governments for the Rural Transit Fund Program of up to **\$565,000** for the required capital project local match for the purchase of replacement vehicles and related equipment.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to submit said funding requests.

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 5th day of January 2022.

President of the RTA Board of Directors

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
John Ansolabehere, Counsel
San Luis Obispo Regional Transit Authority

Date: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-9

TOPIC: California SB-1 State of Good Repair (SGR) Grant Application

PRESENTED BY: Melissa C. Mudgett, Grants and Finance Manager

STAFF RECOMMENDATION: Approve Resolution Authorizing the Executive Director to Submit an SGR Grant Application of up to \$403,000 to Serve as Local Match for a Facility Photovoltaic System

BACKGROUND/DISCUSSION:

Senate Bill 1 (SB-1) is a 2017 transportation measure that provides over \$50 billion in through 2027 to maintain and improve California's transportation system. SB-1's State of Good Repair (SGR) program will provide approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects. The SGR is funded from Transportation Improvement Fees on vehicle registrations, as permitted under Public Utilities Code (PUC) Section 99312.1 and according to population and transit operator revenues. The SGR Program benefits the public by providing public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair and improvement of their agency's transportation infrastructure, and in turn to improve transportation services.

As a recipient agency and pursuant to Public Utilities Code 99312.1(d)(1), the RTA reports annually on all activities completed with SGR funds to the Caltrans and includes the SGR revenues and expenditures in its annual Transportation Development Act fiscal and compliance audit. The SGR program provides capital funding for transit operators to maintain the public transit systems in a state of good repair.

The regional discretionary and operator SGR are unknown at this time as the State Controller's Office has yet to release the FY2022-23 allocation list. However, based upon previous year allocations, the San Luis Obispo Council of Governments (SLOCOG) anticipates **\$403,000** in SGR regional discretionary funding will be available for programming in FY2022-23.

Applications for SGR funding are due to SLOCOG by February 7, 2022. Staff recommends applying SGR funding of **\$403,000** towards the installation of solar photovoltaic panels project at the new Bus Maintenance Facility located at 253 Elks Lanes in San Luis Obispo. The RTA continues to be a leading agency in sustainability

efforts and, as such, has set significant goals to reduce greenhouse gas (GHG) emissions with the installation of Battery Electric Bus chargers at the new facility and exclusive use of electricity for facility heating and other needs. The solar photovoltaic panels would be installed above the bus parking lot canopy and/or the building itself (both were designed to accommodate photovoltaic panels), and will provide the necessary power required to offset the use of electricity in the new Bus Maintenance Facility. It is noted that FY22-23 SGR funds are likely insufficient to fully fund the solar photovoltaic panel installation project. These FY22-23 funds are intended to be carried-over until feasible to do so and at the same time, secure additional funding sources to complete the project. It is anticipated that once full funding is secured, that the solar photovoltaic panel installation project could occur as early as in FY23 or FY24 after the RTA has operated the BMF to better determine overall kilowatt hours consumed.

STAFF RECOMMENDATION:

Approve resolution authorizing the Executive Director to submit an SGR grant application of up to **\$403,000** to serve as local match for a facility photovoltaic system.

**San Luis Obispo Regional Transit Authority
Resolution No. 22-_____**

**AUTHORIZATION FOR THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
(RTA) PROJECT LIST FOR THE CALIFORNIA STATE OF GOOD REPAIR (SGR)
FY2022-23 PROGRAM**

WHEREAS, the San Luis Obispo Regional Transit Authority, hereinafter referred to as the RTA, is a recipient of SB-1 SGR funds in the San Luis Obispo region; and

WHEREAS, it is anticipated that **\$403,000** in SGR regional discretionary funding will be available for programs in FY2022-23; and

WHEREAS, the RTA is an eligible project sponsor and may receive State Transit Assistance funding from the State of Good Repair (SGR) Account now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2017) named the Department of Transportation (Department) as the administrative agency for the SGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors; and

WHEREAS, the Department requires eligible SGR recipient agencies to submit an annual list of proposed SGR projects; and

WHEREAS, the RTA continues to be a leading agency in sustainability efforts and has set significant goals to reduce greenhouse gas (GHG); and

WHEREAS, the RTA is requesting up to **\$403,000** from the SGR program to fund the Solar Photovoltaic Panel Installation project located at new Bus Maintenance Facility at 253 Elks Lane San Luis Obispo to provide the necessary power required to charge offset use at the facility; and

NOW, THEREFORE, BE IT RESOLVED that the RTA acting as the recipient, does hereby authorize the RTA's FY 2022-23 SGR Project List to include the RTA Solar Photovoltaic Panel Installation Project.

On a motion by Delegate_____, seconded by Delegate _____, and on the following roll call vote, to wit: the foregoing resolution is hereby adopted this 5th day of January 2022.

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 5th day of January 2022.

President of the RTA Board of Directors

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
John Ansolabehere, Counsel
San Luis Obispo Regional Transit Authority

Date: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-10

TOPIC: Low-Carbon Transit Operations Program (LCTOP) Grant Application

PRESENTED BY: Melissa C. Mudgett, Grants and Finance Manager

STAFF RECOMMENDATION: Approve Resolution Authorizing the RTA Executive Director to Submit a Low-Carbon Transit Operations Program Grant Application of up to \$285,000 to Fund Routes 27 & 28 Operation

BACKGROUND/DISCUSSION:

Senate Bill (SB) 862, passed in 2014, establish the Low-Carbon Transit Operations Program (LCTOP) as a formulaic program instead of a state-level competitive program and establish LCTOP as a continuous appropriation with 5% of the annual auction proceeds from the California Air Resource Board's Cap-and-Trade Program, for LCTOP beginning in 2015. This program was created to provide operating and capital assistance for transit agencies to support new or expanded bus service and to reduce greenhouse gas (GHG) emissions and improve mobility along with other community benefits, with a priority on serving Disadvantaged Communities (DAC).

Eligible recipients of the LCTOP funds include South County Transit (operated by the RTA), the RTA, SLO Transit, Paso Express, Atascadero Dial-A-Ride and Morro Bay Transit. Eligible projects will support new or expanded bus services (up to five years) or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

The amount of LCTOP available for the San Luis Obispo County regional apportionment in FY21-22 has not yet been determined by the State Controller's Office. Based on prior year allocations, it is estimated that **\$285,000** in LCTOP funds will be available for the regional programming in FY2021-22.

Applications for LCTOP project nominations are due to the San Luis Obispo Council of Governments (SLOCOG) on January 7, 2022 with the SLOCOG Board of Directors awarding LCTOP funds at its February 2022 meeting.

As indicated in the *2020 Short Range Transit Plan* adopted by the South County Transit Board of Directors at its January 15, 2020 meeting, ridership demand and other operating data suggested that changes to the Routes 27/28 pair be considered. LCTOP

funds for FY20/21 were used to support route revisions that would better serve low-income passengers. Service operations remain the highest-priority LCTOP project.

Therefore, the RTA is seeking the maximum amount available in LCTOP program funds of **\$285,000** to support the continued operations of the revised Routes 27/28 in the south county.

STAFF RECOMMENDATION:

Approve resolution authorizing the RTA Executive Director to submit a Low-Carbon Transit Operations Program grant application of up to **\$285,000** to fund Routes 27 & 28 operations.

ATTACHMENT A
Resolution No. 22-_____

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT
AUTHORITY BOARD OF DIRECTORS, AUTHORIZATION SUBMITTAL OF A
GRANT APPLICATION TO THE STATE OF CALIFORNIA
LOW-CARBON TRANSIT OPERATIONS PROGRAM
FY2021-22**

WHEREAS, the San Luis Obispo Regional Transit Authority is under contract to fully administer transit services for the County of San Luis Obispo; and

WHEREAS, The San Luis Obispo Regional Transit Authority, on behalf of the South County Transit Committee, is an eligible applicant for Low-Carbon Transit Operations Program funds; and,

WHEREAS, it is anticipated that a total of **\$285,000** will be available in FY2021-22 Low-Carbon Transit Operations Program funds; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo will continue to provide fixed-route transportation services, including complementary ADA paratransit service, in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo is seeking grant funding to optimize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo is requesting up to **\$285,000** from the Low Carbon Transit Operations Program to support the expanded bus services for Routes 27 & 28.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director to submit a proposal to the State of California Low-Carbon Transit Operations Program of up to **\$285,000** for continued operations.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to submit said funding requests.

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 5th day of January, 2022.

President of the RTA Board of Directors

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
John Ansolabehere, Counsel
San Luis Obispo Regional Transit Authority

Date: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-11

TOPIC: Annual Fiscal & Compliance Audit and
Annual Single Audit

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION:

1. Review and Accept the FY2020-21 Annual Fiscal and Compliance Audit for South County Transit and the RTA
2. Review and Accept the FY2020-21 Annual Single Audit for South County Transit and the RTA

BACKGROUND/DISCUSSION:

The Transportation Development Act (TDA) requires an annual fiscal and compliance audit of each TDA recipient. The attached audit report was completed for South County Transit and the RTA by Brown Armstrong Accountancy Corporation. The annual single audit report was also completed by Brown Armstrong Accountancy Corporation.

Of particular interest to Board members is the Independent Auditor's Report at the beginning of the document, which provides summary findings of the audit team. In short, the auditors found our financial statements to fairly present the financial position of South County Transit and the RTA, and that we expressed our financial position and cash flows in accordance with generally accepted accounting principles. In addition, the auditor found no deficiencies in internal control or compliance with federal programs that might be considered material weaknesses or significant deficiencies.

Staff Recommendation

1. Staff recommends that the Board review and accept the Fiscal Year 2020-21 Annual Fiscal and Compliance Audit report for South County Transit and the RTA.
2. Staff recommends that the Board review and accept the Fiscal Year 2020-21 Annual Single Audit report for South County Transit and the RTA.

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**SAN LUIS OBISPO
REGIONAL TRANSIT AUTHORITY

BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2021 AND 2020**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JUNE 30, 2021 AND 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Luis Obispo Regional Transit Authority
San Luis Obispo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the San Luis Obispo Regional Transit Authority (the Authority) as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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 the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2021 and 2020, and the respective changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenses – Budget and Actual is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenses – Budget and Actual 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. Such 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 Expenses – Budget and Actual is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of the Authority'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 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 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 the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 10, 2021

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and investments	\$ 6,643,804	\$ 4,651,364
Accounts receivable	124,750	3,834
Deposits	2,000	-
Intergovernmental receivables	3,565,896	5,820,393
Prepaid items	153,695	138,726
Inventory at cost	225,134	228,748
Total Current Assets	10,715,279	10,843,065
Noncurrent Assets:		
Restricted - Cash	184,204	-
Total restricted assets	184,204	-
Capital Assets:		
Nondepreciable		
Land	1,512,602	1,512,602
Construction in progress	14,867,631	2,443,247
Depreciable		
Buildings and improvements	6,564,830	6,256,619
Equipment and vehicles	20,911,655	18,220,424
Less accumulated depreciation	(17,448,319)	(13,928,737)
Total Net Capital Assets	26,408,399	14,504,155
Total Noncurrent Assets	26,592,603	14,504,155
Total Assets	37,307,882	25,347,220
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension	2,910,978	222,959
Deferred OPEB	-	1,451
Total Deferred Outflows of Resources	2,910,978	224,410
LIABILITIES		
Current Liabilities:		
Accounts payable	1,957,094	455,126
Accrued payroll	250,801	220,787
Unearned revenue	5,582,922	7,767,414
Unearned revenue - State of Good Repair	706,382	146,836
Compensated absences	72,251	66,408
Total Current Liabilities	8,569,450	8,656,571
Noncurrent liabilities:		
Compensated absences	216,752	199,224
Total OPEB liability	32,501	38,645
Net pension liability	3,072,225	653,046
Pension plan exit liability	843,578	2,775,642
Loan payable	3,700,697	-
Total Noncurrent Liabilities	7,865,753	3,666,557
Total Liabilities	16,435,203	12,323,128
DEFERRED INFLOWS OF RESOURCES		
Deferred pension	310,316	25,970
Deferred OPEB	-	1,244
Total Deferred Inflows of Resources	310,316	27,214
NET POSITION		
Net investment in capital assets	22,707,702	14,504,155
Unrestricted	765,639	(1,282,867)
Total Net Position	\$ 23,473,341	\$ 13,221,288

The notes to the basic financial statements are an integral part of this statement.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES:		
Passenger fares	\$ 361,944	\$ 1,000,863
Other operating revenue	<u>137,597</u>	<u>184,884</u>
Total Operating Revenues	<u>499,541</u>	<u>1,185,747</u>
OPERATING EXPENSES:		
Transit operating expenses	9,364,771	8,835,914
Administration and financial services	2,000,233	1,831,712
Depreciation	<u>2,263,733</u>	<u>2,293,690</u>
Total Operating Expenses	<u>13,628,737</u>	<u>12,961,316</u>
Operating Loss	<u>(13,129,196)</u>	<u>(11,775,569)</u>
NON-OPERATING REVENUES (EXPENSES):		
Transportation Development Act funds	4,402,688	3,341,982
Federal and State grants	10,499,052	6,362,653
Interest income	27,062	29,485
Fees and reimbursements from other governmental agencies	63,330	122,650
Gain on disposal of capital assets	31,046	23,933
Interest expense	<u>(7,519)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>15,015,659</u>	<u>9,880,703</u>
CAPITAL CONTRIBUTIONS:		
Federal capital grants	5,916,552	469,970
State capital grants	1,895,009	1,299,530
Local capital grants	<u>226,804</u>	<u>-</u>
Total Capital Contributions	<u>8,038,365</u>	<u>1,769,500</u>
SPECIAL ITEMS:		
Transfers from the former South County Transit	2,423,998	-
CalPERS pension plan exit	<u>(2,096,773)</u>	<u>-</u>
Total Special Items	<u>327,225</u>	<u>-</u>
Change in Net Position	<u>10,252,053</u>	<u>(125,366)</u>
Net Position, Beginning of Fiscal Year	<u>13,221,288</u>	<u>13,346,654</u>
Net Position, End of Fiscal Year	<u><u>\$ 23,473,341</u></u>	<u><u>\$ 13,221,288</u></u>

The notes to the basic financial statements are an integral part of this statement.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ (1,246,321)	\$ 3,790,828
Payments to employees	(15,491,031)	(7,244,135)
Payments to suppliers	<u>1,648,757</u>	<u>(3,923,493)</u>
Net Cash Used by Operating Activities	<u>(15,088,595)</u>	<u>(7,376,800)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of operations	4,168,640	-
Principal paid - loan payable	3,700,697	-
Interest expense	(7,519)	-
Capital grants received	8,038,365	1,769,500
Acquisition and construction of property, plant, and equipment	(15,912,619)	(1,769,500)
Sale of capital assets	<u>31,046</u>	<u>23,933</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>18,610</u>	<u>23,933</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants received	17,156,237	7,352,683
Fees and reimbursements	<u>63,330</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>17,219,567</u>	<u>7,352,683</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>27,062</u>	<u>29,485</u>
Net Cash Provided by Investing Activities	<u>27,062</u>	<u>29,485</u>
Net Increase in Cash and Cash Equivalents	2,176,644	29,301
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>4,651,364</u>	<u>4,622,063</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 6,828,008</u></u>	<u><u>\$ 4,651,364</u></u>

The notes to the basic financial statements are an integral part of this statement.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (13,129,196)	\$ (11,775,569)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	2,263,733	2,293,690
Change in operating assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	(120,916)	222,033
Prepaid items	(14,969)	436
Inventory	3,614	(21,661)
Deposits	(2,000)	-
Deferred outflows of resources	(2,686,568)	85,393
Accounts payable	1,501,968	(393,503)
Accrued payroll	30,014	(188,750)
Unearned revenue	(1,624,946)	2,383,048
Total OPEB liability	(6,144)	(90,402)
Net pension liability	(1,609,658)	54,788
Compensated absences	23,371	56,771
Deferred inflows of resources	283,102	(3,074)
Net Cash Used by Operating Activities	<u>\$ (15,088,595)</u>	<u>\$ (7,376,800)</u>
 Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to the Statement of Net Position:		
Cash and investments	\$ 6,643,804	\$ 4,651,364
Restricted - Cash	<u>184,204</u>	<u>-</u>
Cash and Cash Equivalents per Statement of Cash Flows	<u>\$ 6,828,008</u>	<u>\$ 4,651,364</u>

The notes to the basic financial statements are an integral part of this statement.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – REPORTING ENTITY

San Luis Obispo Regional Transit Authority (the Authority) is a Joint Powers Authority created by a joint powers agreement among the Cities of San Luis Obispo, Morro Bay, Atascadero, Arroyo Grande, El Paso de Robles, Grover Beach, and Pismo Beach and the County of San Luis Obispo (the County).

The purpose of the Authority is to operate a fixed route public transportation system linking San Luis Obispo to the outlying communities of Morro Bay, Los Osos, Arroyo Grande, El Paso de Robles, Grover Beach, Pismo Beach, Atascadero, Cambria, San Simeon, Nipomo, Santa Maria, Templeton, Santa Margarita, and San Miguel, along with Cuesta College and California Men's Colony. The Authority also owns, operates, and administers a countywide public demand responsive transportation system that is fully accessible for disabled riders. On August 1, 2009, the Authority began in-house vehicle operations and maintenance. Prior to August 1, 2009, a private transportation company provided these services.

The Authority is governed by a Board of Directors comprised of twelve members representing each of the seven cities, in addition to the five members of the County Board of Supervisors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Authority are in conformity with accounting principles generally accepted in the United States of America applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the significant accounting policies:

A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing transportation services. The principal operating revenues of the Authority are charges to passengers for transportation services (passenger fares). Operating expenses include the cost of providing service, including general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B. Revenue Recognition

The Authority's primary source of revenues include passenger fares, State Transit Assistance funds, and Local Transportation Fund/Transportation Development Act (TDA) allocations made to the participating members, but assigned by the members to this Authority for its sole use. The San Luis Obispo Council of Governments administers the State Transit Assistance and Transportation Development Act funds, approves claims for such funds submitted by this Authority, and makes payments to the Authority based upon such claims.

Generally, amounts due from other governments are recorded as revenues when earned. However, when the expenditure of funds is the prime factor for determining eligibility for grants, revenue is accrued when the related expenditures have been made on an approved grant. The Authority recognizes as revenues the amounts allocated and approved to it by San Luis Obispo Council of Governments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.

D. Accounts Receivable

The Authority did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable are shown at full value.

E. Inventory

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method.

F. Capital Assets

Capital assets purchased by the Authority are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Capital assets are defined by the Authority as assets with initial, individual costs of more than \$1,000 and estimated useful life in excess of two years.

G. Depreciation

Capital assets purchased by the Authority are depreciated over their estimated useful lives (ranging from 3-15 years) under the straight-line method of depreciation.

H. Compensated Absences

Accumulated unpaid employee vacation leave benefits are recognized as liabilities of the Authority.

I. Net Position

In the Statement of Net Position, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation/amortization and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

J. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's pension plan with San Luis Obispo County Pension Plan (the Trust) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SLOCPT. 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.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

M. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Authority recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Authority that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time.

N. Reclassification

Certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

O. New Accounting Pronouncements – Implemented

GASB Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for periods beginning after December 15, 2019. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The requirements of this statement are effective for periods beginning after December 15, 2019. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

GASB Statement No. 87 – Leases. The requirements of this statement are effective for periods beginning after June 15, 2021. The Authority will implement GASB Statement No. 87 if and where applicable.

GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period. The requirements of this statement are effective for periods beginning after December 15, 2020. The Authority will implement GASB Statement No. 89 if and where applicable.

GASB Statement No. 91 – Conduit Debt Obligations. The requirements of this statement are effective for periods beginning after December 15, 2021. The Authority will implement GASB Statement No. 91 if and where applicable.

GASB Statement No. 92 – Omnibus 2020. The requirements of this statement are for paragraphs related to GASB Statement No. 87 and implementation guide 2019-3, reinsurance recoveries, to implement with GASB Statement No. 87; all others are effective periods beginning June 15, 2022. Early application is encouraged. The Authority will implement GASB Statement No. 92 if and where applicable.

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement are effective for periods beginning after June 15, 2022. Early application is encouraged. The Authority will implement GASB Statement No. 93 if and where applicable.

GASB Statement No. 94 – Public-Private and Public-Private Partnerships and Availability Payment Arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022, and all periods thereafter. The Authority will implement GASB Statement No. 94 if and where applicable.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022, and all reporting periods thereafter. The Authority will implement GASB Statement No. 96 if and where applicable.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans. The requirements in paragraph 4 as it applies to defined contribution plans, defined contribution OPEB plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for periods beginning after June 15, 2021. The Authority will implement GASB Statement No. 97 if and where applicable.

NOTE 3 – CASH AND INVESTMENTS

The Authority's cash and investments as of June 30, 2021, are classified in the statement of net position as follows:

Cash and investments	\$ 6,643,804
Restricted - Cash	<u>184,204</u>
Total Cash and Investments	<u>\$ 6,828,008</u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

On June 30, 2021, the Authority had the following cash and investments on hand:

Cash on hand and in banks	\$ 608,344
Investments	6,035,460
Restricted cash	<u>184,204</u>
Total Cash and Investments	<u><u>\$ 6,828,008</u></u>

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	10%	5%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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.

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County Investment Pool	\$ 6,035,460	\$ 6,035,460	\$ -	\$ -	\$ -
Total	<u>\$ 6,035,460</u>	<u>\$ 6,035,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, 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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority's investment policy, or debt agreements, and the actual rating as of fiscal year-end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year-End		
				AAA	AA	Not Rated
San Luis Obispo County Investment Pool	\$ 6,035,460	N/A	\$ -	\$ -	\$ -	\$ 6,035,460
Total	\$ 6,035,460		\$ -	\$ -	\$ -	\$ 6,035,460

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do 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 governmental 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Authority's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The Authority may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Balances in excess of the FDIC insurance amounted to \$357,038 at June 30, 2021.

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

The Authority's investments in the County investment pool are measured at amortized cost, and are not valued under Level 1, 2, or 3. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Adjustments	Balance June 30, 2021
Capital Assets Not Being Depreciated:					
Land	\$ 1,512,602	\$ -	\$ -	\$ -	\$ 1,512,602
Construction in progress	2,443,247	12,424,384	-	-	14,867,631
Total Capital Assets Not Being Depreciated	3,955,849	12,424,384	-	-	16,380,233
Capital Assets Being Depreciated:					
Buildings and improvements	6,256,619	28,683	-	279,528	6,564,830
Vehicles and equipment	18,220,424	960,362	(488,793)	2,219,662	20,911,655
Total Capital Assets Being Depreciated	24,477,043	989,045	(488,793)	2,499,190	27,476,485
Less Accumulated Depreciation For:					
Buildings, improvements, vehicles and equipment	13,928,737	2,263,733	(488,793)	1,744,642	17,448,319
Total Accumulated Depreciation	13,928,737	2,263,733	(488,793)	1,744,642	17,448,319
Total Capital Assets Being Depreciated, Net	10,548,306	(1,274,688)	-	754,548	10,028,166
Governmental Activities, Capital Assets, Net	\$ 14,504,155	\$ 11,149,696	\$ -	\$ 754,548	\$ 26,408,399

Depreciation expense for the fiscal year ended June 30, 2021, was \$2,263,733.

NOTE 5 – UNEARNED REVENUE

The Authority received the following TDA funds:

	2021
Local Transportation Funds	\$ 4,835,810
The Authority received an advance from developers for construction of bus stops as a condition imposed by the County Board of Supervisors. These funds are deferred until the bus stops have been constructed.	45,688
The Authority distributes Universal bus passes to Social Services and the general public as part of a "Welfare to Work Program." These funds are deferred revenue until they are tendered or redeemed.	33,763
Proposition 1B funding	199,722
State Transit Assistance (STA) Senate Bill (SB) 1 State of Good Repair funding	706,382
TDA Article 4.5 funds	180,761
Federal Transit Administration (FTA) Proceeds Carried Forward to Future Procurement	41,550
Low Carbon Transit Operator Program	245,628
Total Unearned Revenues	\$ 6,289,304

NOTE 6 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS

The Authority was allocated the following funds from the focal Transportation Fund (LTF) and State Transit Assistance Fund for the fiscal year ended June 30, 2021:

<u>Allocation Assigned By/Claimant</u>	<u>Article/Section</u>	<u>Amount</u> <u>2021</u>
Local Transportation Fund:		
City of Arroyo Grande	4/99260(a)	\$ 141,622
City of San Luis Obispo	4/99260(a)	482,850
County of San Luis Obispo	4/99260(a)	1,791,228
City of Grover Beach	4/99260(a)	107,216
City of Morro Bay	4/99260(a)	82,704
City of Atascadero	4/99260(a)	240,884
City of El Paso de Robles	4/99260(a)	247,532
City of Pismo Beach	4/99260(a)	65,275
Total LTF		3,159,311
State Transit Fund (STF):		
Regional Transit Authority	6.5/99313	1,094,837
Regional Transit Authority	6.5/99314	64,942
Total STF		1,159,779
Subtotal		4,319,090
Add: Recognition of prior fiscal year unearned revenues		5,455,860
Less: Current fiscal year unearned revenues		(4,835,810)
Total TDA Allocation		\$ 4,939,140

NOTE 6 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS (Continued)

Transit system operating subsidies are earned by the Authority to the extent that it has incurred eligible operating expenses. Eligible expenses compared to the subsidies received and accrued were as followed:

	<u>2021</u>
Operating and interest expenses	\$ 13,636,256
Add:	
Capital purchases with LTF and STF	874
California Public Employees Retirement System (CalPERS) pension plan exit	4,028,759
Less:	
Depreciation	(2,263,733)
Fare revenues	(361,944)
Special events and other revenues	(137,597)
Federal and state operating grants	<u>(10,499,052)</u>
Maximum Total Allocation Amount	4,403,563
TDA allocations received and accrued	4,319,090
Change in TDA transit allocations in unearned revenues	<u>84,473</u>
Allocation over/(under) maximum	<u><u>\$ -</u></u>

NOTE 7 – FARE REVENUE RATIO

The Authority had fare revenue ratios for the fiscal year ended June 30, 2021, computed as follows:

2021	<u>Fixed Route</u>	<u>Runabout</u>	<u>Paso Express</u>	<u>Paso Dial a Ride</u>
(a) Operating fare revenues	\$ 197,491	\$ 64,674	\$ 66,473	\$ 4,705
(b) Operating expenses, net of depreciation	<u>6,367,091</u>	<u>2,691,531</u>	<u>826,964</u>	<u>142,419</u>
(c) Fare revenue ratio [(a)/(b)]	3.1%	2.4%	8.0%	3.3%
Minimum ratio required	<u>15.8%</u>	<u>N/A</u>	<u>15.0%</u>	<u>N/A</u>
Under minimum ratio requirement	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>
	<u>Nipomo</u>	<u>Cambria Trolley</u>	<u>Avila Trolley</u>	<u>SoCo Transit</u>
(a) Operating fare revenues	\$ 6,373	\$ -	\$ -	\$ 22,228
(b) Operating expenses, net of depreciation	<u>446,488</u>	<u>5,862</u>	<u>-</u>	<u>853,797</u>
(c) Fare revenue ratio [(a)/(b)]	1.4%	0.0%	0.0%	2.6%
Minimum ratio required	<u>N/A</u>	<u>N/A</u>	<u>15.0%</u>	<u>15.0%</u>
Under minimum ratio requirement	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>

Due to COVID-19, the fare revenue ratio was waived for the year ended June 30, 2021.

NOTE 8 – LONG-TERM LIABILITIES

	Balance July 1, 2020	Increases	Decreases	Balance at June 30, 2021		
				Total	Current	Long-Term
Pacific Western Bank	\$ -	\$ 894,000	\$ -	\$ 894,000	\$ -	\$ 894,000
TIFIA loan	-	2,806,697	-	2,806,697	-	2,806,697
Compensation absences	265,632	336,058	(312,687)	289,003	72,251	216,752
OPEB	38,645	-	(6,144)	32,501	-	32,501
Net pension liability	653,046	2,419,179	-	3,072,225	-	3,072,225
Pension plan exit liability	2,775,642	-	(1,932,064)	843,578	-	843,578
Total long-term liabilities	<u>\$ 3,732,965</u>	<u>\$ 6,455,934</u>	<u>\$ (2,250,895)</u>	<u>\$ 7,938,004</u>	<u>\$ 72,251</u>	<u>\$ 7,865,753</u>

In September 3, 2020, the Authority entered into a loan agreement for a principal amount not to exceed \$13,080,000 to be used to pay a portion of eligible project costs. As of June 30, 2021, the Authority has drawn down \$2,806,697. The loan bears an interest rate of 0.7%. The maturity date is July 1, 2056.

In July 21, 2020, the Authority entered into a loan agreement for a principal amount not to exceed \$1,020,000 to be used to pay a portion of eligible project costs. As of June 30, 2021, the Authority has drawn down \$894,000. The loan bears an interest rate of 3.0%. The maturity date is July 1, 2025.

NOTE 9 – PENSION PLAN**A. General Information about the Pension Plan***Plan Description*

The Authority contributes to the San Luis Obispo County Employees Retirement Plan (the “Plan”), which is an independent multiple-employer cost sharing contributory defined benefit pension plan consisting of five employers: the County of San Luis Obispo (the “Employer”), the Superior Court in San Luis Obispo County, the San Luis Obispo Air Pollution Control District, the San Luis Obispo County Pension Trust, and the San Luis Obispo Local Agency Formation Commission. The Plan exists, operates, and is constituted under the authority of Section 53215 of Section 17 of Article XVI of the California Constitution and the Government Code Article 1.5 (Pension Trusts), of Chapter 2 (Officers and Employees), of Part 1 (Powers and Duties Common to Cities, Counties and Other Agencies), of Division 2 (Cities, Counties and Other Agencies), of Title 5 (Local Agencies) of the California Government Code.

Pursuant to the foregoing California Government Code provisions, the County Board of Supervisors established the San Luis Obispo County Pension Trust (the “Trust”) by the adoption of Chapter 2.56 of the San Luis Obispo County Code. Following the adoption of Chapter 2.56 of the County Code, the Board of Supervisors adopted the By-Laws of the Trust. The Plan is part of those By-Laws. The County Board of Supervisors has the sole authority to amend the Plan’s provisions. Participation in the Plan is mandatory for all regular employees. Participants are currently broken into three Tiers depending on date of hire:

Tier 1	Tier 1 generally includes members hired before January 1, 2011. As of December 31, 2020, there were 0 active Authority employed members in Tier 1.
Tier 2	Tier 2 generally includes members hired on or after January 1, 2011, but before January 1, 2013. Tier 2 only applies to members hired after the date each bargaining unit adopted Tier 2. Members hired in a bargaining unit that did not adopt Tier 2 are considered Tier 1 members. As of December 31, 2020, there were 6 active Authority employed members in Tier 2.
Tier 3	Tier 3 includes all members hired on or after January 1, 2013. As of December 31, 2020, there were 6 active Authority employed members in Tier 3.

NOTE 9 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Plan Description (Continued)

The Trust and the Plan are both administered by the San Luis Obispo County Pension Trust Board of Trustees (the “Trustees”). Separate stand-alone financial statements are issued for the Plan and are available at the County Auditor-Controller-Treasurer-Tax Collector’s office.

The Plan’s financial statements are prepared on the accrual basis of accounting. All assets are invested and held pursuant to, and in accordance with, the Investment Policy of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to formal commitments and statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

Benefit Provisions

Members terminating employment before accruing five years of Trust service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested members who terminate service are required to withdraw their accumulated contributions plus accrued interest. The employer contributions forfeited by non-vested members are absorbed back into the pension trust fund. Members who terminate after earning five years of Trust service credit may leave their contributions on deposit and upon reaching age eligibility elect to take a retirement. Differences between expected and actual experience for vested or non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Plan participants, upon vesting and attaining the minimum retirement age, are entitled to annual retirement benefits as defined in the Plan document. The applicable retirement formula, minimum retirement age, compensation base, post-retirement cost of living adjustment, cost of living adjustment carry over, and final compensation maximum may differ depending upon the Plan provisions in effect at the member’s date of hire, the member’s classification, the member’s age, and the member’s bargaining unit. Participants receive their accumulated plan benefits as a life annuity payable monthly upon retirement. In the event of total and permanent disability, participants, upon satisfaction of membership service requirements and other applicable provisions of the Plan, receive disability benefits as defined in the Plan document. The Plan also provides a death benefit of \$1,000 (one-thousand) paid to a beneficiary or estate if a member dies after retirement.

For members within Tier 1, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings and may include a compensation pickup for various management bargaining units. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings with no pickup.

The retirement benefit for Tier 1, Tier 2, and Tier 3 members includes post-retirement cost of living adjustments (COLAs) based upon the Consumer Price Index. Tier 1 member COLAs are limited to a maximum of 3% annually. For Tier 2 and Tier 3 members, COLAs are limited to a maximum of 2% annually. There is no minimum COLA requirement, and COLAs must be approved by the Board of Trustees annually.

NOTE 9 – PENSION PLAN (Continued)A. General Information about the Pension Plan (Continued)*Contributions*

Plan members are required by statute to contribute to the pension plan. Members' contribution rates are formulated based on age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Member and employer contribution rates for each plan are as follows:

<u>Plan</u>	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>
Miscellaneous Tier 1	0.00%	0.00%
Miscellaneous Tier 2	25.48%	11.79% - 18.56%
Miscellaneous Tier 3	24.99% - 28.99%	6.17% - 17.92%

Contributions to the pension plan from the Authority were \$254,132 for the fiscal year ended June 30, 2021.

The Plan establishes the basic obligations for employer and member contributions and benefits to and of the retirement system. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary that are approved by the Board of Trustees and adopted by the County Board of Supervisors.

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

At June 30, 2021, the Authority reported a liability of \$3,072,225 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of December 31, 2020.

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of January 1, 2020. The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2017. Measurements as of December 31, 2020, are based on the fair value of assets on that date, and the Total Pension Liability as of the valuation date, January 1, 2020. The actuarial assumptions were rolled forward to the Trust Plan's fiscal year-end of December 31, 2020. There were no significant events between the January 1, 2020 valuation date and the December 31, 2020 measurement date for the Pension Plan's GASB Statement No. 67 valuation.

The Authority's proportion of the net pension liability was based on the projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2019 and December 31, 2020, was as follows:

Proportion - June 30, 2019	0.01587%
Proportion - December 31, 2020	<u>0.45130%</u>
Change - Increase (Decrease)	<u><u>0.43543%</u></u>

For the fiscal year ended June 30, 2021, the Authority recognized pension expense of \$929,260. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9 – PENSION PLAN (Continued)**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**
(Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Authority contributions subsequent to measurement date	\$ 203,566	\$ -
Differences between actual and expected experience	110,519	1,203
Changes in assumptions	207,976	-
Net difference between projected and actual earnings on plan investments	-	309,113
Adjustment due to differences in proportions	2,388,917	-
Differences in actual contributions and proportionate share of contributions	-	-
Total	<u>\$ 2,910,978</u>	<u>\$ 310,316</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$203,566 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized the pension expense as follows:

Fiscal Year Ended June 30	Amount
2022	\$ (3,095)
2023	83,269
2024	(81,963)
2025	9,968
2026	<u>2,388,917</u>
	<u>\$ 2,397,096</u>

NOTE 9 – PENSION PLAN (Continued)**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**
(Continued)*Actuarial Assumptions*

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	January 1, 2020
Measurement Date	December 31, 2020
Actuarial Assumptions:	
Discount Rate	6.88%
Inflation	2.25%
Projected Salary Increase	2.75%, including inflation, additional merit component applicable to first 7 years of experience
Investment Rate of Return	6.88%, net of pension plan investment expense, including inflation
COLA Increases	3.00% for Tier 1 and 2.50% for Tier 2 and Tier 3
Post Retirement Benefit Increase	Based on the sex distinct Pub-2010 amount-weighted, above median income, with generationally morality improvements using scale MP-2019

Discount Rate

The discount rate used to measure the total pension liability was 6.88 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	New Strategic Allocation	Weighted Average Long-Term Expected Real Rate of Return
Cash Equivalents/Short Duration Government	10.00%	-1.50%
Equities - Public Market	30.00%	3.23%
Real Assets	15.00%	5.13%
Private Markets	30.00%	5.42%
US Treasury - Long Duration/TIPS	15.00%	-1.11%
Total	100.00%	

NOTE 9 – PENSION PLAN (Continued)**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**
(Continued)*Discount Rate* (Continued)

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.88 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.88%) or 1-percentage point higher (7.88%) than the current rate:

	1% Decrease 5.88%	Discount Rate 6.88%	1% Increase 7.88%
Agency's proportionate share of the net pension plan liability	\$ 4,468,329	\$ 3,072,225	\$ 1,929,714

NOTE 10 – INSURANCE

The Authority is exposed to various risks of loss related to torts; theft, damage to, or destruction of an asset; and errors or omissions. The Authority maintains comprehensive general liability including automobile insurance of \$25 million for buses, vans, equipment, and facilities. The Authority also purchases commercial Special Liability Insurance and Special Authority Property Insurance with limits of \$25 million per occurrence and \$100 million annual aggregate.

NOTE 11 – OPERATING LEASE

On September 1, 2006, the Authority entered into an operating lease for office facilities and bus yard with lease terms in excess of one year. The lease term is ten years and two months and commenced January 1, 2007, and expires on February 28, 2017. On March 5, 2015, the operating lease agreement was amended extending the operating lease term to February 28, 2022. Rent expense for the year ended June 30, 2021, was \$469,463. Future minimum lease payments under this agreement are budgeted at \$355,504 for the next fiscal year.

NOTE 12 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1 B in November 2006, included a program of funding in the amount of \$4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, \$3.6 billion in the PTMISEA was made available to project sponsors in California for allocation to eligible public transportation projects for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or rolling stock procurement, rehabilitation, expansion, or replacement.

PTMISEA eligibility is based on STA allocations to each project sponsor during the fiscal years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, and 2009-10, and 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and were made available during the 2016-17 fiscal year. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

During the fiscal year ended June 30, 2021, the Authority received \$138,763 in PTMISEA receipts. Interest was earned for the fiscal year ended June 30, 2021, for \$12,324. The Authority had qualifying expenditures incurred under this program from previous allocation totaling \$1,817,920 for the fiscal year ended June 30, 2021, which were used for bus replacements and electronic fare collection system and is included in State capital grants in the accompanying financial statements.

NOTE 12 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (Continued)

Schedule of PTMISEA Proposition 1B Funds For the Year Ended June 30, 2021	
Description	Amount
Balance - beginning of the year	\$ 1,866,555
Receipts:	
PTMISEA receipts	138,763
Interest accrued 7/1/2020 through 6/30/2021	12,324
Expenses:	
PTMISEA expenditures	1,817,920
Balance - end of year	\$ 199,722

NOTE 13 – SENATE BILL 1 – STATE OF GOOD REPAIR

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair (SGR) program. This program provides funding of approximately \$105 million annually to the STA Account. These funds are to be made available for eligible transit maintenance, rehabilitation, and capital projects.

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While SB 1 addresses a variety of transportation needs, this program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new transit vehicles, and maintenance and rehabilitation of transit facilities and vehicles. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

During the fiscal year ended June 30, 2021, the Authority received \$39,720 in SB1 SGR funds. In the fiscal year ended June 30, 2021, the Authority did not spend any SB1 SGR funds.

NOTE 14 – CONTINGENT LIABILITY FOR PENSION PLAN EXIT

The Authority had contracted with the California Public Employees' Retirement System (CalPERS) since 1994, and administrative, management and confidential employees were offered participation in the CalPERS defined benefit retirement program. To reduce potential future financial obligations, the Board adopted a Resolution of Intention to terminate the Authority's contract with CalPERS on January 9, 2019. Staff subsequently investigated the cost to terminate the contract and an ad hoc committee appointed by the Board has determined that joining the San Luis Obispo County Employees Retirement Plan provides an equivalent retirement program for employees currently enrolled in CalPERS.

The pension plan exit liability was determined to be \$843,578 as of June 30, 2021.

Payments made for the pension plan exit were \$4,028,759 during 2021. The remaining pension plan exit liability was determined to be \$843,578 as of June 30, 2021. The pension plan exit liability was reduced by \$1,931,986.

NOTE 15 – TRANSFER OF OPERATIONS

Effective January 1, 2021, South County Transit (the Agency) consolidated and transferred its operations to the Authority. Consolidation of the Agency's local-fixed route services into the Authority has significant net financial benefits. The principal benefit being that the consolidation would avoid a roughly \$70,000 annual penalty for failing to achieve the State of California 20% fare revenue ratio requirement, and to realize cost efficiencies. The Authority recognized \$2,423,998 as a special item. The following were recognized as January 1, 2021:

ASSETS

Current assets	\$ 1,931,847
Capital assets	<u>754,548</u>
Total Assets	<u>2,686,395</u>

LIABILITIES

Current liabilities	262,397
Non current liabilities	<u>-</u>
Total Liabilities	<u>262,397</u>

NET POSITION

Net investment in capital assets	754,548
Unrestricted	<u>1,669,450</u>
Total Net Position	<u>\$ 2,423,998</u>

NOTE 16 – CONTINGENCIES

The Authority has a potential unfunded liability of approximately \$1,500,000 arising from the expiration and surrender of its leased premises at 179 Cross Street, San Luis Obispo, California. The Authority is working out a funding plan for the potential unfunded liability.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 10, 2021, the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST TEN YEARS ENDED JUNE 30, 2021***

The following table provides required supplementary information regarding the Authority's Pension Plan.

	2021	2020	2019	2018
Proportion of the net pension liability	0.45130%	0.00637%	0.00621%	0.00633%
Proportionate share of the net pension liability	\$ 3,072,225	\$ 653,046	\$ 598,258	\$ 628,213
Covered payroll	\$ 980,914	\$ 925,276	\$ 1,030,066	\$ 932,784
Proportionate share of the net pension liability as a percentage of covered payroll	313.20%	70.58%	58.08%	67.35%
Plan's total pension liability	\$ 2,247,011,774	\$ 41,426,453,489	\$ 38,944,855,364	\$ 37,161,348,332
Plan's fiduciary net position	\$ 1,566,326,195	\$ 31,179,414,067	\$ 29,308,589,559	\$ 27,244,095,376
Plan's fiduciary net position as a percentage of the total pension liability	69.71%	75.26%	75.26%	73.31%
	2017	2016	2015	
Proportion of the net pension liability	0.00629%	0.60400%	0.00684%	
Proportionate share of the net pension liability	\$ 543,863	\$ 414,886	\$ 425,837	
Covered payroll	\$ 822,150	\$ 473,673	\$ 345,255	
Proportionate share of the net pension liability as a percentage of covered payroll	66.15%	87.59%	123.34%	
Plan's total pension liability	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631	
Plan's fiduciary net position	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515	
Plan's fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%	

Changes in assumptions

In 2020, inflation was changed from 2.50 percent to 2.75 percent.

In 2018, inflation was changed from 2.75 percent to 2.50 percent and individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In 2017, the discount rate was changed from 7.65 percent to 7.15 percent.

In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

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

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE LAST TEN YEARS ENDED JUNE 30, 2021***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution (actuarially determined)	\$ 245,132	\$ 81,697	\$ 121,671	\$ 120,722
Contribution in relation to the actuarially determined contribution	<u>(245,132)</u>	<u>(81,697)</u>	<u>(121,671)</u>	<u>(120,722)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 980,914	\$ 540,683	\$ 925,276	\$ 1,030,066
Contributions as a percentage of covered payroll	24.99%	15.11%	13.15%	11.72%

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 108,461	\$ 126,258	\$ 74,414
Contribution in relation to the actuarially determined contribution	<u>(108,461)</u>	<u>(126,258)</u>	<u>(74,414)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 832,784	\$ 822,150	\$ 473,673
Contributions as a percentage of covered payroll	13.02%	15.36%	15.71%

Notes to Schedule

Valuation date: January 1, 2020
Measurement date: December 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed market
Amortization payment growth method	Level percentage of payroll
Amortization policy	Unfunded actuarial liability (UAL) as of January 1, 2021 is amortized over a closed 30-year period (20 years as of January 1, 2020). As of January 1, 2019, future UAL changes are amortized over closed 20-year periods.
Discount rate	6.88%
Wage and amortization growth rate	2.75%
Inflation	2.75%
Salary increases	2.75% plus merit component based on years of service from 0.00% to 5.25%
Mortality	Sex distinct PUB-2020 Amount-Weighted, Above Median Income, adjusted by 0.99 for males and 1.01 for females, with generationally mortality improvements using scale MP-2019.

SUPPLEMENTARY INFORMATION

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL
AS OF JUNE 30, 2021**

	<u>Adopted Budget</u>	<u>Actual</u>	<u>County Services Actual</u>	<u>Variance with Budget</u>
Administration:				
Labor	\$ 1,042,550	\$ 1,009,239	\$ -	\$ 33,311
Labor - Administration Workers Comp	47,000	39,077	-	7,923
Office Space Rental	508,850	496,463	-	12,387
Property Insurance	28,490	30,154	-	(1,664)
Professional Technical Services	262,400	256,453	-	5,947
Professional Development	60,070	31,866	-	28,204
Operating Expense	365,150	308,451	-	56,699
Marketing and Reproduction	98,560	91,211	-	7,349
North County Management Contract	(44,440)	(44,440)	-	-
County Management Contract	(91,580)	(91,580)	99,450	-
SCT Management Contract	(126,660)	(126,660)	-	-
Total Administration	<u>2,150,390</u>	<u>2,000,234</u>	<u>99,450</u>	<u>150,156</u>
Service Delivery:				
Labor - Operations	5,927,310	4,904,973	214,087	1,022,337
Labor - Operations Workers Comp	355,290	311,496	11,995	43,794
Labor - Maintenance	1,287,250	1,372,675	56,690	(85,425)
Labor - Maintenance Workers Comp	97,290	80,889	3,148	16,401
Fuel	1,064,520	922,419	19,803	142,101
Insurance	764,160	688,980	10,199	75,180
Special Transportation (includes County Programs and Cuesta Evenings Avila Trolley)	48,340	15,253	22,254	33,087
Avila Trolley	68,460	-	-	68,460
Maintenance (Parts, Supplies, Materials)	708,380	581,675	44,719	126,705
Maintenance Contract Costs	143,200	76,948	856	66,252
Total Service Delivery	<u>10,464,200</u>	<u>8,955,308</u>	<u>383,751</u>	<u>1,508,892</u>
Capital/Studies:				
Computer System Maintenance/Upgrades	46,440	37,786	-	8,654
Miscellaneous Capital				
Maintenance Equipment	40,200	38,398	-	1,802
Radios	6,600	-	-	6,600
Bus Stop Improvements/Bus Stop				
Solar Lighting Vehicles	313,360	28,682	-	284,678
COVID Related Capital Items	453,060	256,031	-	197,029
Vehicles				
Support Vehicles	56,700	34,538	-	22,162
40' Coaches	631,800	-	-	631,800
Cutaway and Dial A Ride Vehicles	631,750	123,878	-	507,872
Runabout Vehicles and Equipment	261,300	469,732	-	(208,432)
Total Capital/Studies	<u>2,441,210</u>	<u>989,045</u>	<u>-</u>	<u>1,452,165</u>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL (Continued)
AS OF JUNE 30, 2021**

	<u>Adopted Budget</u>	<u>Actual</u>	<u>County Services Actual</u>	<u>Variance with Budget</u>
Contingency	147,240	146,780	-	460
Debt Service Reserve	203,960	208,136	-	(4,176)
Loan Repayments	24,010	7,519	-	16,491
Elks Lane Project	15,298,090	12,431,119	-	2,866,971
Management Contracts	<u>262,680</u>	<u>255,947</u>	<u>-</u>	<u>6,733</u>
TOTAL FUNDING USES	<u><u>\$ 30,991,780</u></u>	<u><u>\$ 24,994,088</u></u>	<u><u>\$ 483,201</u></u>	<u><u>\$ 5,984,917</u></u>
TOTAL EXPENSES, BUDGETARY BASIS		\$ 24,994,088		
ADD:				
DEPRECIATION		2,263,733		
LESS:				
LOAN REPAYMENT		(7,519)		
DEBT SERVICE RESERVE		(208,136)		
CAPITALIZED EXPENSES		<u>(13,413,429)</u>		
TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS		<u><u>\$ 13,628,737</u></u>		

Board of Directors
San Luis Obispo Regional Transit Authority
San Luis Obispo, California

We have audited the financial statements of the San Luis Obispo Regional Transit Authority (the Authority) for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities* and GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of the useful lives of capital assets for purposes of calculating annual depreciation expense. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of its net pension liability, and related deferred inflows of resources and deferred outflows of resources are based on actuarial valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the key factors and assumptions used to develop the estimate of the net pension liability, and related deferred inflows of resources and deferred outflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of Capital Asset and Depreciation and Pension in Notes 4 and 9 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule includes material misstatements detected as a result of audit procedures that have been corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenses – Budget and Actual, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
November 10, 2021

San Luis Obispo Regional Transit Authority
 Adjusting Journal Entries
 June 30, 2021

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 1			
To adjust prepaids to actual			
1750005	Prepaid Other	\$ 71,687	\$ -
5001599	Medical Premiums-Employer	-	71,687
Total		<u>\$ 71,687</u>	<u>\$ 71,687</u>

**SAN LUIS OBISPO REGIONAL
TRANSIT AUTHORITY**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JUNE 30, 2021

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
San Luis Obispo Regional Transit Authority
San Luis Obispo, California

We have audited, in accordance with the 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 San Luis Obispo Regional Transit Authority (the Authority), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 10, 2021

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
San Luis Obispo Regional Transit Authority
San Luis Obispo, California

Report on Compliance with Transportation Development Act Requirements

We have audited the San Luis Obispo Regional Transit Authority's (the Authority) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the Authority were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Santa Barbara County Association of Governments as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the fiscal year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the Authority's compliance requirements referred to in Section 6667, which requires that for a transit claimant, the independent auditor will perform at least the following tasks:

- a) Determine whether the claimant was an entity eligible to receive the funds allocated to it,
- b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234,
- c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000,
- d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions,
- e) Determine whether interest earned on funds received by the claimant pursuant to the TDA were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6,
- f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2,

- g) Verify the amount of the claimant's actual fare revenues for the fiscal year,
- h) Verify the amount of the claimant's actual local support for the fiscal year,
- i) Verify the amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649,
- j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1,
- k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273,
- l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251,
- m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7, and
- n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

Compliance with the requirements referred to above is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

Opinion on Transportation Development Act Compliance

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that are applicable to the Authority for the fiscal year ended June 30, 2021.

Purpose of this Report

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's compliance with the applicable bond act and state accounting requirements.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 10, 2021

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

Board of Directors
San Luis Obispo Regional Transit Authority
San Luis Obispo, California

Report on Compliance for Each Major Federal Program

We have audited the San Luis Obispo Regional Transit Authority's (the Authority) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the fiscal year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Authority as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 10, 2021, which contained unmodified opinions 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 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
November 10, 2021

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Identifying Number	Total Federal Expenditures
<u>U.S. Department of Transportation</u>			
Direct:			
CARES FTA Section 5307 - Operating Assistance	20.507	CA-2020-116-00	\$ 7,917,840
CARES FTA Section 5307 - Capital Assistance (COVID Capital Items)	20.507	CA-2021-047-02	257,722
FTA Section 5307 - Capital Assistance & Ops Assist FY 14/15 (Bus Stop Improvements)	20.507	CA-90-Z272-04	14,118
FTA Section 5307 - Capital Assistance ADA Vehicles	20.507	CA-2019-082-00	390,570
FTA Section 5307 - Capital Assistance (Veh Maint Equipment)	20.507	CA-2018-073-04	6,116
FTA Section 5307 - Capital Assistance (ADA Vehicles)	20.507	CA-2018-073-04	32,009
FTA Section 5307 - Capital Assistance (Bus Stop Impr)	20.507	CA-2018-073-03	1,891
FTA Section 5307 - Capital Assistance (Rolling Stock)	20.507	CA-2020-283-02	92,000
FTA Section 5307 - Capital Assistance (ADA Vehicles)	20.507	CA-2018-073-02	5,252
FTA Section 5307 - Capital Assistance (Veh Maint Equip)	20.507	CA-2017-100-004	1,312
Total FTA Section 5307			<u>8,718,830</u>
Total Federal Transit Cluster			<u>8,718,830</u>
FTA Section 5339 - Capital Assistance (Bus Stop Improvements)	20.509	CA-2016-064-02	11,719
FTA Section 5339 - Capital Assistance (BMF)	20.509	CA-2020-040-01	5,115,922
Total FTA Section 5339			<u>5,127,641</u>
Passed Through the State of California Department of Transportation			
FTA Section 5311 - Operating Assistance	20.509	64BO20-01449	564,632
CARES ACT - FTA Section 5311 - Operating Assistance	20.509	64VO20-01341	1,134,604
Total FTA Section 5311			<u>1,699,236</u>
Total U.S. Department of Transportation			<u>15,545,707</u>
Total Expenditures of Federal Awards, excluding federal loan balances			<u>\$ 15,545,707</u>
Federal Loan Balances			
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223		<u>2,806,697</u>
Total federal loan balances			<u>2,806,697</u>
Total Expenditures of Federal Awards, including federal loan balances			<u>\$ 18,352,404</u>

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

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all Federal award programs of the San Luis Obispo Regional Transit Authority (the Authority). All Federal awards received directly from Federal agencies as well as Federal awards passed through from other government agencies are included on the Schedule.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule is presented using the accrual basis of accounting, which is described in Note 2 of the Authority's financial statements.

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award monies are reported in the Authority's financial statements as revenues from Federal operating and capital assistance grants.

NOTE 4 – INDIRECT COST RATE

The Authority did not elect to use the 10 percent de minimus indirect cost rate.

NOTE 5 – LOANS OUTSTANDING

The following program had federally-funded loans outstanding at June 30, 2021:

Assistance Listing Number	Program Title	Amount Outstanding					June 30, 2021
		July 1, 2020	New Loans	Loan Payments	Forgiven		
20.223	TIFIA	\$ -	\$ 2,806,697	\$ -	\$ -		\$ 2,806,697

FINDINGS AND QUESTIONED COSTS SECTION

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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:

CFDA Number(s)

Name of Federal Program or Clusters

20.507

Federal Transit – Formula Grants (Urbanized Areas Formula Program)

20.509

Formula Grants for Rural Areas

Dollar threshold used to distinguish Type A and B programs:

\$750,000

Auditee qualified as low risk auditee?

X Yes ____ No

II. Findings Relating to Financial Statement Required Under Generally Accepted Government Auditing Standards (GAGAS)

None.

III. Federal Award Findings and Questioned Costs

None.

IV. State Award Findings and Questioned Costs

None.

V. Summary of Prior Audit (June 30, 2020) Findings and Current Status

None.

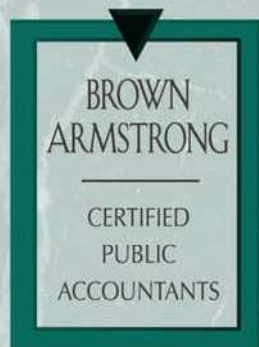
SOUTH COUNTY TRANSIT
FINANCIAL STATEMENTS
FOR THE FISCAL PERIOD ENDED
DECEMBER 31, 2020 AND
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

**SOUTH COUNTY TRANSIT
FOR THE FISCAL PERIOD ENDED DECEMBER 31, 2020 AND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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FINANCIAL SECTION



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
South County Transit
San Luis Obispo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of South County Transit (the Agency) as of and for the fiscal period ended December 31, 2020, and as of and for the fiscal year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements 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 the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of December 31, 2020, and June 30, 2020, and the respective changes in financial position, and cash flows thereof for the fiscal period and fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Schedules of Expenses - Budget and Actual, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Expenses - Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Schedules of Expenses - Budget and Actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021, on our consideration of the Agency'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 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 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 the Agency's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
June 16, 2021

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2020
AND JUNE 30, 2020**

	<u>December 31, 2020</u>	<u>June 30, 2020</u>
ASSETS		
Current Assets:		
Cash and investments	\$ -	\$ 949,571
Accounts receivable	-	16,862
Grants receivable	-	651,495
Prepaid items	-	3,198
Deposits	-	2,000
	<hr/>	<hr/>
Total Current Assets	-	1,623,126
	<hr/>	<hr/>
Capital Assets:		
Depreciable		
Buildings and improvements	-	152,006
Equipment and vehicles	-	2,347,183
Less accumulated depreciation	-	(1,658,431)
	<hr/>	<hr/>
Total Net Capital Assets	-	840,758
	<hr/>	<hr/>
Total Assets	-	2,463,884
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities:		
Accounts payable	-	39,950
Accrued payroll	-	21,200
Unearned revenue	-	230,860
	<hr/>	<hr/>
Total Current Liabilities	-	292,010
	<hr/>	<hr/>
Noncurrent liabilities:		
Compensated absences	-	2,878
	<hr/>	<hr/>
Total Noncurrent Liabilities	-	2,878
	<hr/>	<hr/>
Total Liabilities	-	294,888
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	-	840,758
Unrestricted	-	1,328,238
	<hr/>	<hr/>
Total Net Position	\$ -	\$ 2,168,996
	<hr/>	<hr/>

The notes to the basic financial statements are an integral part of this statement.

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL PERIOD ENDED DECEMBER 31, 2020 AND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>December 31, 2020</u>	<u>June 30, 2020</u>
OPERATING REVENUES:		
Passenger fares	\$ 24,745	\$ 103,139
Advertising and other income	-	1,547
Total Operating Revenues	<u>24,745</u>	<u>104,686</u>
OPERATING EXPENSES:		
Salaries and benefits	326,831	715,951
Maintenance and operation	285,588	624,799
Administration and financial services	51,285	102,320
Depreciation	86,210	176,272
Total Operating Expenses	<u>749,914</u>	<u>1,619,342</u>
Operating Loss	<u>(725,169)</u>	<u>(1,514,656)</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	4,295	16,596
Transportation Development Act funds	44,828	701,649
Low Carbon Transit Operations Program	133,500	304,571
Fees and reimbursements from other governmental agencies	-	45,953
Federal grants	795,279	1,107,859
Gain on sale of assets	1,530	-
Planning expense	(7,222)	(47,177)
Total Non-Operating Revenues (Expenses)	<u>972,210</u>	<u>2,129,451</u>
CAPITAL CONTRIBUTIONS:		
Federal capital grants	<u>7,961</u>	<u>35,558</u>
Total Capital Contributions	<u>7,961</u>	<u>35,558</u>
Change in Net Position before Special Item	255,002	650,353
SPECIAL ITEM		
Loss from Dissolution	<u>(2,423,998)</u>	<u>-</u>
Change in Net Position	(2,168,996)	650,353
Net Position, Beginning of Fiscal Year	<u>2,168,996</u>	<u>1,518,643</u>
Net Position, End of Fiscal Year	<u>\$ -</u>	<u>\$ 2,168,996</u>

The notes to the basic financial statements are an integral part of this statement.

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
STATEMENTS OF CASH FLOWS
FOR THE FISCAL PERIOD ENDED DECEMBER 31, 2020 AND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>December 31, 2020</u>	<u>June 30, 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 25,425	\$ 108,136
Payments to employees	(349,791)	(728,942)
Payments to suppliers	<u>(325,831)</u>	<u>(1,009,697)</u>
Net Cash Used by Operating Activities	<u>(650,197)</u>	<u>(1,630,503)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Gain on capital assets	1,530	-
Capital grants received	7,961	35,558
Disposal of operations	<u>(1,929,848)</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,920,357)</u>	<u>35,558</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidies	1,623,910	1,576,192
Fees, grants, and reimbursements received	-	45,953
Settlement payments	<u>(7,222)</u>	<u>(47,177)</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,616,688</u>	<u>1,574,968</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>4,295</u>	<u>16,596</u>
Net Cash Provided by Investing Activities	<u>4,295</u>	<u>16,596</u>
Net Decrease in Cash and Cash Equivalents	(949,571)	(3,381)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>949,571</u>	<u>952,952</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ -</u></u>	<u><u>\$ 949,571</u></u>

The notes to the basic financial statements are an integral part of this statement.

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
STATEMENTS OF CASH FLOWS (Continued)
FOR THE FISCAL PERIOD ENDED DECEMBER 31, 2020 AND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>December 31, 2020</u>	<u>June 30, 2020</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (725,169)	\$ (1,514,656)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	86,210	176,272
Change in operating assets and liabilities:		
Accounts receivable	680	3,450
Prepaid items	3,198	804
Deposits	-	-
Accounts payable	7,844	(283,382)
Accrued payroll	(21,200)	(8,691)
Compensated absences	(1,760)	(4,300)
	<u>(1,760)</u>	<u>(4,300)</u>
Net Cash Used by Operating Activities	<u>\$ (650,197)</u>	<u>\$ (1,630,503)</u>

**NONCASH CAPITAL AND RELATED FINANCING
ACTIVITIES:**

Effective January 1, 2021, the Agency consolidated and transferred its operations to San Luis Obispo Regional Transit Authority (SLORTA). The Agency recognized a loss of \$2,423,998, reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

The notes to the basic financial statements are an integral part of this statement.

**SOUTH COUNTY TRANSIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL PERIOD ENDED DECEMBER 31, 2020 AND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – REPORTING ENTITY

South County Transit (the Agency) is a Joint Powers Agency created by a joint powers agreement among the Cities of Arroyo Grande, Grover Beach, and Pismo Beach and the County of San Luis Obispo (the County). The Agency's accounting and financial management affairs are maintained by San Luis Obispo Regional Transit Authority (SLORTA), as an agent of the Agency.

The purpose of the Agency is to operate a fixed route transit system within the southern part of San Luis Obispo County with services to the participating member communities.

Effective January 1, 2021, the Agency consolidated and transferred its operations to SLORTA. As of December 31, 2020, the Agency did not report any balance sheet items. Consolidation of the Agency's local-fixed route services into SLORTA has significant net financial benefits for the Agency. The principal benefit being that the consolidation would avoid a roughly \$70,000 annual penalty for failing to achieve the State of California 20% farebox recovery ratio requirement, and to realize cost efficiencies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Agency are in conformity with accounting principles generally accepted in the United States of America applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the significant accounting policies:

- A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Agency distinguishes operating revenues and expenses result from non-operating items. Operating revenues and expenses generally result from providing transportation services. The principal operating revenues of the Agency are charges to passengers for transportation services (passenger fares). Operating expenses include the cost of providing service, including general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

- B. Fund Financial Statements – An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Agency reported its enterprise fund as a major fund in the accompanying basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- C. Revenue Recognition – The Agency's primary source of revenues includes passenger fares, Low Carbon Transit Operations Program (LCTOP), Federal Grants, State Transit Assistance (STA) funds, and Transportation Development Act (TDA) allocations made to the participating members, but assigned by the members to this Agency for its sole use. The San Luis Obispo Council of Governments administers the STA and TDA funds, approves claims for such funds submitted by this Agency, and makes payments to the Agency based upon such claims.

Generally, amounts due from other governments are recorded as revenues when earned. However, when the expense of funds is the prime factor for determining eligibility for grants, revenue is accrued when the related expenses have been made on an approved grant. The Agency recognizes as revenues the amounts allocated and approved to it by San Luis Obispo Council of Governments.

- D. Cash and Investments – For purposes of the Statement of Cash Flows, cash and investments include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.
- E. Accounts Receivables – The Agency did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable are shown at full value.
- F. Capital Assets – Capital assets purchased by the Agency are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Capital assets are defined by the Agency as assets with initial, individual costs of more than \$1,000 and estimated useful life in excess of two years.
- G. Depreciation – Capital assets purchased by the Agency are depreciated over their estimated useful lives (ranging from 3-15 years) under the straight-line method of depreciation.
- H. Compensated Absences – Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the Agency.
- I. Net Position – In the Statement of Net Position, net position is classified in the following categories:
- Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."
- J. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

On December 31, 2020, the Agency did not have any cash and investments. On June 30, 2020, the Agency had the following cash and investments on hand:

	<u>June 30, 2020</u>
Cash on hand and in banks	\$ 44,171
Investments	<u>905,400</u>
Total Cash and Investments	<u>\$ 949,571</u>

Cash and investments listed above are presented on the accompanying basic financial statements as follows:

	<u>June 30, 2020</u>
Cash and investments, Statement of Net Position	<u>\$ 949,571</u>
Total Cash and Investments	<u>\$ 949,571</u>

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where most restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where most restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	10%	5%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTE 3 – CASH AND INVESTMENTS (Continued)Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the Agency's investments on June 30, 2020, (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table, that shows the distribution of the Agency's investments by maturity:

June 30, 2020 Investment Type	Carrying Amount	Remaining Maturity			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
County Investment Pool	\$ 833,647	\$ 833,647	\$ -	\$ -	\$ -
LAIF	71,753	71,753	-	-	-
Total	<u>\$ 905,400</u>	<u>\$ 905,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Generally, 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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type at June 30, 2020.

June 30, 2020 Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
County Investment Pool	\$ 833,647	N/A	\$ -	\$ -	\$ -	\$ 833,647
LAIF	71,753	N/A	-	-	-	71,753
Total	<u>\$ 905,400</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,753</u>

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do 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 governmental 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

The Agency may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Cash held by the County).

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurements

The Agency categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Agency's investment in the County investment pool is measured at amortized cost, and is not valued under Level 1, 2, or 3. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal period ended December 31, 2020, and fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance December 31, 2020
Capital Assets Being Depreciated:				
Buildings and improvements	\$ 152,006	\$ -	\$ (152,006)	\$ -
Vehicles and equipment	2,347,183	-	(2,347,183)	-
Total Capital Assets Being Depreciated	2,499,189	-	(2,499,189)	-
Less Accumulated Depreciation For:				
Buildings and improvements	150,897	3,542	(154,439)	-
Vehicles and equipment	1,507,534	82,668	(1,590,202)	-
Total Accumulated Depreciation	1,658,431	86,210	(1,744,641)	-
Total Capital Assets Being Depreciated, Net	\$ 840,758	\$ (86,210)	\$ (754,548)	\$ -
	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital Assets Being Depreciated:				
Buildings and improvements	\$ 152,006	\$ -	\$ -	\$ 152,006
Vehicles and equipment	2,650,914	-	(303,731)	2,347,183
Total Capital Assets Being Depreciated	2,802,920	-	(303,731)	2,499,189
Less Accumulated Depreciation For:				
Buildings and improvements	149,873	1,024	-	150,897
Vehicles and equipment	1,636,017	175,248	(303,731)	1,507,534
Total Accumulated Depreciation	1,785,890	176,272	(303,731)	1,658,431
Total Capital Assets Being Depreciated, Net	\$ 1,017,030	\$ (176,272)	\$ -	\$ 840,758

Depreciation expense for the fiscal period ended December 31, 2020, was \$86,210. Depreciation expense for the fiscal year ended June 30, 2020, was \$176,272.

NOTE 5 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS

The Agency was allocated the following funds from the Local Transportation Fund (LTF) and STA Fund for the fiscal period ended December 31, 2020, and fiscal year ended June 30, 2020:

Allocation Assigned By/Claimant	Article/Section	Amount	
		December 31, 2020	June 30, 2020
Local Transportation Fund:			
City of Arroyo Grande	4/99260(a)	\$ -	\$ 172,087
City of Grover Beach	4/99260(a)	-	130,549
City of Pismo Beach	4/99260(a)	-	78,968
County of San Luis Obispo	4/99260(a)	-	74,860
Total Article 4 - LTF		-	456,464
STA Fund:			
Regional Transit Authority	6.5/99313	40,637	230,000
Regional Transit Authority	6.5/99314	4,191	15,185
Total Article 6.5 - STA Fund		44,828	245,185
Total TDA Revenue		\$ 44,828	\$ 701,649

Transit system operating subsidies are earned by the Agency to the extent that it has incurred eligible operating expenses. Eligible expenses compared to the subsidies received and accrued were as followed:

	December 31, 2020	June 30, 2020
Operating expenses	\$ 749,914	\$ 1,619,342
Plus/(minus)		
Depreciation	(86,210)	(176,272)
Fare revenues	(24,745)	(103,139)
Other operating revenues	-	(1,547)
Maximum total allocation amount	638,959	1,338,384
TDA operating allocations received and accrued	44,828	701,649
Allocation over/(under) maximum	\$ (594,131)	\$ (636,735)

NOTE 6 – FARE REVENUE RATIO

The Agency had fare revenue ratios for the fiscal period ended December 31, 2020, and fiscal year ended June 30, 2020, as computed as follows:

	<u>December 31, 2020</u>	<u>June 30, 2020</u>
(a) Operating fare revenues	\$ 24,745	\$ 104,686
(b) Operating expenses, net of depreciation	<u>663,704</u>	<u>1,443,070</u>
(c) Fare revenue ratio [(a)/(b)]	3.73%	7.25%
Minimum ratio required	<u>20.00%</u>	<u>20.00%</u>
Under minimum ratio requirement	<u>N/A</u>	<u>N/A</u>

Due to COVID-19, the compliance requirement for the farebox recovery ratio was waived for the fiscal period ended December 31, 2020, and fiscal year ended June 30, 2020.

NOTE 7 – LONG-TERM DEBT – COMPENSATED ABSENCES

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2020</u>
Compensated absences	<u>\$ 2,878</u>	<u>\$ 8,241</u>	<u>\$ (11,119)</u>	<u>\$ -</u>

	<u>Balance July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>
Compensated absences	<u>\$ 7,178</u>	<u>\$ 14,788</u>	<u>\$ (19,088)</u>	<u>\$ 2,878</u>

NOTE 8 – UNEARNED REVENUE

Unearned revenue at December 31, 2020, and June 30, 2020, consisted of the following:

	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Bus pass sales	\$ -	\$ 11,452
Interest	-	7,710
LCTOP funding	<u>-</u>	<u>211,698</u>
Total Unearned Revenues	<u>\$ -</u>	<u>\$ 230,860</u>

NOTE 9 – INSURANCE

The Agency is exposed to various risks of loss related to torts; theft, damage to, or destruction of an asset; and errors or omissions. The Agency maintains comprehensive general liability including automobile insurance of \$25 million for buses, vans, equipment, and facilities. The Agency also purchases commercial Special Liability Insurance and Special District Property Insurance with limits of \$10 million per occurrence and \$100 million annual aggregate.

NOTE 10 – LCTOP

LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services; expand intermodal transit facilities; and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund (Fund) for LCTOP, beginning in fiscal year 2015-16.

Interest earned on funds were \$7,594 and \$12,647 as of the fiscal period ended December 31, 2020, and fiscal year ended June 30, 2020, respectively. The Agency had qualifying expenditures incurred under this program from previous allocations totaling \$133,500 and \$304,571, as of the fiscal period ended December 31, 2020, and fiscal year ended June 30, 2020, respectively, which were used for operating expenses for the new routes 27 and 28 service and are included in State operating grants in the accompanying financial statements.

NOTE 11 – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County of San Luis Obispo, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring certain non-essential businesses to temporarily close to the public. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

Effective January 1, 2021, the Agency consolidated and transferred its operations to SLORTA.

Subsequent events have been evaluated through June 16, 2021, the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL
FOR THE FISCAL PERIOD ENDED DECEMBER 31, 2020**

	<u>Adopted Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Administration:			
Insurance			
Liability and Physical Damages	\$ 123,310	\$ 56,108	\$ 67,202
Workers Compensation	70,710	31,614	39,096
Property Insurance	880	947	(67)
Rent	31,060	15,300	15,760
Utilities	11,590	7,255	4,335
Radio Expense	1,360	680	680
Legal Services	1,590	-	1,590
Payroll Processing	690	334	356
Administration - Staff Time	82,390	41,195	41,195
Finance	14,560	7,280	7,280
Marketing	5,620	2,810	2,810
Office Expense/Miscellaneous	4,580	933	3,647
Audit	11,420	8,320	3,100
Marketing/Community Relations/Printing	17,180	2,646	14,534
Uniforms/Laundry/Physicals/Ads	10,040	3,423	6,617
Operating Expenses			
Salaries/Benefits	647,050	256,666	390,384
Salaries/Benefits - Road Supervision	140,330	70,165	70,165
Maintenance	250,940	84,512	166,428
Dispatch	24,090	12,045	12,045
SoCo Bus Fuel	191,190	61,471	129,719
Contingency	16,370	-	16,370
Total Administration and Operating Expenses	<u>1,656,950</u>	<u>663,704</u>	<u>993,246</u>
Capital Outlay and Non-Operating Expenses			
Short Range Transit Plan	-	7,222	(7,222)
Support Vehicle	50,000	-	50,000
Facility Improvements/Bus Stop Amenities	47,860	-	47,860
Computer Upgrades	1,500	-	1,500
Vehicles/ITS	631,750	-	631,750
Total Capital Outlay and Non- Operating Expenses	<u>731,110</u>	<u>7,222</u>	<u>723,888</u>
Total Expenses, Budgetary Basis	<u>\$ 2,388,060</u>	<u>\$ 670,926</u>	<u>\$ 1,717,134</u>
TOTAL EXPENSES, BUDGETARY BASIS		\$ 670,926	
ADD:			
DEPRECIATION		86,210	
LESS:			
CAPITALIZED EXPENSES		<u>(7,222)</u>	
TOTAL EXPENSES PER FINANCIAL STATEMENTS		<u>\$ 749,914</u>	

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Adopted Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Administration:			
Insurance			
Liability and Physical Damages	\$ 118,990	\$ 115,134	\$ 3,856
Workers Compensation	59,710	56,864	2,846
Property Insurance	740	735	5
Rent	30,600	30,600	-
Utilities	11,270	12,924	(1,654)
Radio Expense	1,240	1,329	(89)
Legal Services	1,590	550	1,040
Payroll Processing	450	476	(26)
Administration - Staff Time	82,190	82,190	-
Finance	14,520	14,520	-
Marketing	5,610	5,610	-
Office Expense/Miscellaneous	6,450	4,352	2,098
Audit	3,380	6,630	(3,250)
Marketing/Community Relations/Printing	16,050	8,763	7,287
Uniforms/Laundry/Physicals/Ads	8,270	8,069	201
Operating Expenses			
Salaries/Benefits	586,200	592,061	(5,861)
Salaries/Benefits - Road Supervision	123,890	123,890	-
Maintenance	211,530	185,775	25,755
Dispatch	24,030	24,030	-
SoCo Bus Fuel	191,310	168,568	22,742
Contingency	14,980	-	14,980
Total Administration and Operating Expenses	<u>1,513,000</u>	<u>1,443,070</u>	<u>69,930</u>
Capital Outlay and Non-Operating Expenses			
Support Vehicle	33,000	-	33,000
Short Range Transit Plan	54,265	47,177	7,088
Facility Improvements/Bus Stop Amenities	89,000	-	89,000
Transit Center Improvements	93,750	-	93,750
Total Capital Outlay and Non- Operating Expenses	<u>270,015</u>	<u>47,177</u>	<u>222,838</u>
Total Expenses, Budgetary Basis	<u>\$ 1,783,015</u>	<u>\$ 1,490,247</u>	<u>\$ 292,768</u>
TOTAL EXPENSES, BUDGETARY BASIS		\$ 1,490,247	
ADD:			
DEPRECIATION		<u>176,272</u>	
TOTAL EXPENSES PER FINANCIAL STATEMENTS		<u>\$ 1,666,519</u>	

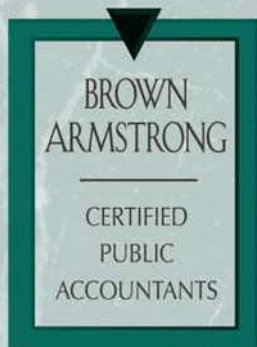
**SOUTH COUNTY TRANSIT
COMPLIANCE REPORTS
FOR THE PERIOD ENDED
DECEMBER 31, 2020**

SOUTH COUNTY TRANSIT

DECEMBER 31, 2020

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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We have audited, in accordance with the 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 South County Transit (the Agency), as of and for the period ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

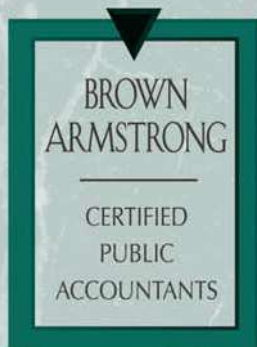
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this report 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
June 16, 2021



BROWN ARMSTRONG

Certified Public Accountants

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

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Report on Compliance for Each Major Federal Program

We have audited the South County Transit's (the Agency) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the period ended December 31, 2020. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

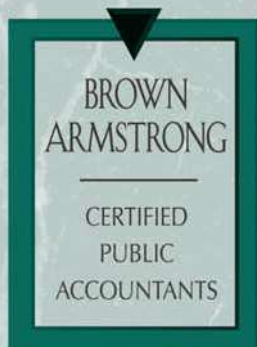
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Agency as of and for the period ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated June 16, 2021, which contained unmodified opinions 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 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

A handwritten signature in blue ink that reads "Brown Armstrong" on the first line and "Accountancy Corporation" on the second line.

Bakersfield, California
June 16, 2021



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
South County Transit
San Luis Obispo, California

Report on Compliance with Transportation Development Act Requirements

We have audited the South County Transit's (the Agency) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the Agency were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the San Luis Obispo Council of Governments as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the period ended December 31, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the Agency's compliance requirements referred to in Section 6667, which requires that for a transit claimant, the independent auditor will perform at least the following tasks:

- a) Determine whether the claimant was an entity eligible to receive the funds allocated to it,
- b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234,
- c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99313.3 for operators receiving funds under Article 6.5,
- d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions,
- e) Determine whether interest earned on funds received by the claimant pursuant to the TDA were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6,
- f) Verify the amount of the claimant's operating cost for the fiscal period, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2,

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- g) Verify the amount of the claimant's actual fare revenues for the fiscal period,
- h) Verify the amount of the claimant's actual local support for the fiscal period,
- i) Verify the amount the claimant was eligible to receive under the TDA during the fiscal period in accordance with Sections 6634 and 6649,
- j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1,
- k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273,
- l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251,
- m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7, and
- n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

Opinion on Transportation Development Act Compliance

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable to the Agency for the period ended December 31, 2020.

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
June 16, 2021

FINANCIAL STATEMENTS

**SOUTH COUNTY TRANSIT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Identifying Number	Total Federal Expenditures
U.S. Department of Transportation/ Federal Transit Administration			
Federal Transit Cluster			
Operating Grants:			
CARES FTA Section 5307	20.507	CA-2020-116	\$ 496,754
FTA Section 5307 (Operating Assistance)	20.507	CA-2020-283	298,525
Capital Grants:			
FTA Section 5307 (SCT SRTP)	20.507	CA-2018-041	7,961
Total Federal Transit Cluster			803,240
Total Federal Transit Administration			803,240
Total Expenditures of Federal Awards			\$ 803,240

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

**SOUTH COUNTY TRANSIT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED DECEMBER 31, 2020**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all Federal award programs of the South County Transit (the Agency). All Federal awards received directly from Federal agencies as well as Federal awards passed through from other government agencies are included on the Schedule.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as a reimbursement.

NOTE 3 – INDIRECT COST RATE

The Agency has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

NOTE 4 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award monies are reported in the Agency's financial statements as revenues from Federal grants.

FINDINGS AND QUESTIONED COSTS SECTION

**SOUTH COUNTY TRANSIT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED DECEMBER 31, 2020**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ☐ Yes ☒ No

Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

Material weakness identified? ☐ Yes ☒ No

Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ 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 ☒ No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.507

Federal Transit Cluster
Formula Grants

Dollar threshold used to distinguish Type A and B programs: \$750,000

Auditee qualified as low risk auditee? ☒ Yes ☐ No

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards (GAGAS)

None.

III. Federal Award Findings and Questioned Costs

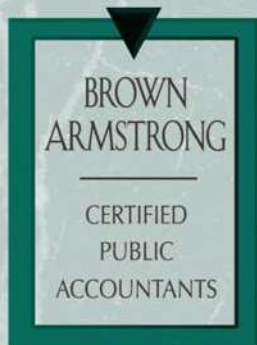
None.

IV. State Award Findings and Questioned Costs

None.

V. Summary of Prior Audit (June 30, 2020) Findings and Current Period Status

None.



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BROWN ARMSTRONG

Certified Public Accountants

Board of Directors
South County Transit
San Luis Obispo, California

We have audited the financial statements of South County Transit (the Agency) as of and for the period ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 13, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the period ended December 31, 2020. We noted no transactions entered into by the Agency during the period for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the Agency's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Agency’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the Schedule of Expenses – Budget and Actual, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
June 16, 2021

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-12

TOPIC: Declare Vehicles as Surplus – Paso Express

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Declare Four Vehicles Formerly Used for Paso Express Services as Surplus, and Authorize the Executive Director to Dispose of These Vehicles

BACKGROUND/DISCUSSION:

On January 8, 2020, the Board authorized staff to procure two (2) 40-foot low-floor heavy-duty buses to replace four (4) high-floor medium-duty Cutaway style vehicles currently used to provide fixed-route services to the City of Paso Robles. The RTA took delivery of the two (2) replacement heavy duty buses in mid-December. Staff is now seeking the Board's direction on disposing of the replaced vehicles.

The RTA Purchasing Policy requires staff to determine if surplus equipment has a per-unit fair market value greater than \$5,000. If a piece of equipment, transportation vehicle or bus has a value greater than \$5,000 and it was originally purchased using Federal Transit Administration (FTA) funds, staff is directed to obtain pre-approval from FTA staff to determine how any FTA remaining value should be addressed. A fair market value assessment of these vehicles indicate the vehicle values to be less than \$5,000.

Following a declaration of surplus, the Purchasing Policy permits the RTA Board to transfer surplus demand-response vehicles to other transportation providers in SLO County in the following order of priority:

1. Local governmental entities;
2. Local 501(c)3 non-profit transportation providers; and
3. Private for-profit transportation providers.

Staff will seek out other local transportation providers to determine if there is a need for these vehicles. All of the vehicles (#725, #726, #727 and #730) have met the useful vehicle life of 5 years and are nearing the 150,000 miles as determined by the FTA. For the past year and a half, these vehicles have experienced significant operational issues, repairs, maintenance costs and have been removed from frontline operations as a

result. Continuing to maintain these vehicles to provide dependable transportation services for the community has resulted in higher-cost repairs, making the vehicles no longer economically prudent to maintain. The RTA currently has no practical, efficient or appropriate use for these four Cutaways as presented in the table below, nor will it have such a use for it in the near future.

Fleet #	Mileage as of 11/5/21	Model		Year	Vehicle ID #	In-Service Date	Seating Capacity
725	123,070	INTERNATIONAL	EL DORADO	2013	5WEASAAM3DH361877	6/1/2014	26 + 2 w/c
726	108,199	INTERNATIONAL	EL DORADO	2013	5WEASAAM3DH361878	6/1/2014	26 + 2 w/c
727	114,818	INTERNATIONAL	EL DORADO	2013	5WEASAAM3DH361879	6/1/2014	26 + 2 w/c
728	127,642	INTERNATIONAL	EL DORADO	2013	5WEASAAM3DH361880	6/1/2014	26 + 2 w/c

Should no local transportation provider opt to receive these vehicles, staff then recommends the vehicles remaining be sold through our contract with Ken Porter Auctions or be salvaged if the auction company refuses to accept it. Any vehicle auction proceeds would be deposited in the Paso Express capital reserve account for future vehicle replacements.

Staff Recommendation

Declare four vehicles formerly used for Paso Express services as surplus, and authorize the Executive Director to dispose of these vehicles.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-13

TOPIC: Declare Vehicle as Surplus – South County Transit

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Declare Vehicle 204 as Surplus and Authorize the Executive Director to Dispose of It

BACKGROUND/DISCUSSION:

On January 5, 2021, the Board approved the Federal Transportation Improvement Program (FTIP), later adopted by both the State of California and the Federal Transit Administration (FTA) on March 8, 2021 and April 16, 2021 respectively. In this FTIP, funds identified for the future replacement of vehicles #201 and #204 were amended to allow for the purchase of three (3) low-floor cutaways and vehicle engine replacements of ten (10) heavy-duty buses that provided services to south county. The San Luis Obispo Regional Transit Authority (RTA) has begun the procurement of the replacement vehicles and the engine rehabilitations. The Board previously authorized disposal of vehicle #201 at its January 22, 2020 meeting. Staff is now seeking the Board's direction on disposing of vehicle #204.

The 2003 35-foot heavy duty diesel bus (vehicle #204) has exceeded the Federal Transit Administration (FTA) useful vehicle life of 12 years or 500,000 miles. Vehicle #204 has recently been used in a back-up role and has experienced engine failures. The high-cost of continued repairs to this vehicle is not economically prudent and it has been removed from frontline operations as a result. Continuing to maintain this vehicle to provide dependable transportation services for the community has resulted in higher-cost repairs; making the vehicle no longer economically prudent to maintain. The RTA currently has no practical, efficient or appropriate use for this vehicle as presented in the table below.

Fleet #	Mileage as of 11/24/2021	Model		Year	Vehicle ID #	In-Service Date	Seating Capacity
204	525,541	GILLIG	PHANTON	2003	15GCB201931112332	7/30/2003	35 + 2 W/C

The RTA Purchasing Policy requires staff to determine if surplus equipment has a per-unit fair market value greater than \$5,000. If a piece of equipment, transportation vehicle or bus has a value greater than \$5,000 and it was originally purchased using Federal Transit Administration (FTA) funds, staff is directed to obtain pre-approval from FTA staff to determine how any FTA remaining value should be addressed. A fair market value assessment of this vehicle indicated the vehicle value to be less than \$5,000.

Following a declaration of surplus, the Purchasing Policy permits the RTA Board to transfer surplus demand-response vehicles to other transportation providers in SLO County in the following order of priority:

1. Local governmental entities;
2. Local 501(c)3 non-profit transportation providers; and
3. Private for-profit transportation providers.

Staff will seek out other local transportation providers to determine if there is a need for this vehicle. Should no local transportation provider opt to receive this vehicle, staff then recommends the vehicles remaining be sold through our contract with Ken Porter Auctions or be salvaged if the auction company refuses to accept it.

Staff Recommendation

Declare Vehicle 204 surplus and authorize the Executive Director to dispose it.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-14

TOPIC: Declare Trade Fixtures as Salvage

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Declare Trade Fixtures as Salvage, and Authorize the Executive Director to Procure Removal and Disposal Services

BACKGROUND/DISCUSSION:

The trade fixtures used at the current leased facility at 179 Cross Street were procured as part of the tenant improvements in 2009 through state contract pricing agreements serviced by local vendors. The trade fixtures include but are not limited to bulk fluid tanks (engine oil, engine coolant, transmission fluid, etc.) and conveyance piping, and pallet/storage racks.

As part of the construction of the new Bus Maintenance Facility at 253 Elks Lane location, new trade fixtures have been installed – making the existing trade fixtures obsolete. The RTA currently has no practical, efficient or appropriate use for these fixtures.

With the planned move to the new Bus Maintenance Facility, the existing trade fixtures will need to be removed from our current leased facility. Where possible, the trade fixtures will be sold through a local auction vendor to offset costs of removal. Staff recommends working with local vendors for the removal and proper disposal of these fixtures, and to complete any related repairs to the facility, in a net amount not to exceed the Executive Director's purchasing authority of \$30,000.

Staff Recommendation

Declare trade fixtures as salvage, and authorize the Executive Director to procure removal and disposal services.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 5, 2022

STAFF REPORT

AGENDA ITEM: A-15

TOPIC: Settlement Agreement with Cross Street 179, LLC

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Authorize the RTA Executive Director to Sign the Settlement Agreement and Release Document with Cross Street 179, LLC, and to Implement the Steps Identified in the Agreement

BACKGROUND/DISCUSSION:

At its December 8th meeting, the RTA Board authorized decommissioning of the RTA's leased administration, operations and maintenance facility located at 179 Cross Street in San Luis Obispo. In the intervening weeks, staff and the property owner continued to discuss the possibility of paying a lump sum in exchange for releasing the RTA from its contractual obligation to remove all tenant improvements, which were originally designed for and constructed at the RTA's expense in 2007-08.

The attached final draft Settlement Agreement and Release is a public document, and its execution would release the RTA from its obligation to remove all modifications included in the original owner-authorized engineering/design documents. The Agreement also specifies which trade fixtures and other personal property must be removed and those items that the owner wishes to keep, as well as the manner of making payment and conveying keys / security systems upon closeout.

The Settlement Agreement has been reviewed by RTA Counsel Nina Negranti, and it has been executed by the property owner on December 21st. Staff is seeking the Board's authorization to execute the Settlement Agreement on behalf of the RTA subject to ratification of the Budget Amendment included as Agenda Item C-1.

Staff Recommendation

Authorize the RTA Executive Director to sign the Settlement Agreement and Release document with Cross Street 179, LLC, and to implement the steps identified in the Agreement.

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SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Mutual Release ("**Agreement**") is made this _____ day of December, 2021 (the "**Effective Date**") by and between Cross Street 179, LLC, a California limited liability company and successor-in-interest to LTC/SLO, LTD, L.P. (hereinafter, "**Cross Street**"), and San Luis Obispo Regional Transit Authority, a California Joint Powers Authority (hereinafter, "**RTA**"). Cross Street and RTA are sometimes referenced herein as a "**Party**" or collectively referenced as the "**Parties**."

RECITALS

WHEREAS, Cross Street owns certain real property commonly referred to as 179 Cross Street, San Luis Obispo, CA, which includes, without limitation, approximately 22,801 square feet of industrial space and is further defined in the Lease as the "**Premises**"; and

WHEREAS, RTA leases the Premises from Cross Street pursuant to: (a) that certain Standard Industrial/Commercial Single-Tenant Lease-Net, dated September 1, 2006, and fully executed on October 18, 2006, and (b) that certain First Amendment to Lease, dated March 5, 2015 (collectively, the "**Lease**"); and

WHEREAS, pursuant to the terms of the Lease, RTA constructed various tenant improvements which are defined by the Lease as either Alterations, Lessee Owned Alterations and/or Utility Installations (collectively the "**Modifications**"). RTA's use of the Premises is for the operation of a regional transportation repair and maintenance facility by RTA, including office space. The term of the Lease expires on February 28, 2022 (the "**Expiration Date**"); and

WHEREAS, Cross Street instructed RTA to remove the Modifications pursuant to Section 7.4(b) of the Lease as set forth in the letter from Cross Street to RTA, dated August 27, 2021; and

WHEREAS, the Parties recognize that removal of the Modifications will be of significant expense to RTA and the permitting, bidding, demolition, and restoration of the Premises to its original condition would extend many months beyond the Lease Expiration Date; and

WHEREAS, by this Agreement, the Parties wish to avoid the expenses, uncertainty, waste and delays associated with RTA's removal of the Modifications by, instead, allowing RTA to pay Cross Street a lump sum in the amount of One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000) (the "**Payment**") in exchange for releasing RTA from its obligation to remove the Modifications, as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants, and promises as set forth below, the Parties to this Agreement agree as follows:

1. The above recitals are true and correct and incorporated herein by this reference.

Initials:  _____

2. On or before the Expiration Date, RTA shall remit to Cross Street the Payment in immediately available funds. RTA's failure to timely make the Payment for any reason shall constitute a holdover under the Lease, and RTA shall be liable for all the sums Cross Street is entitled to recover for a holdover pursuant to Section 26 of the Lease until the Payment is made, without, however, extending RTA's right to occupy the Premises beyond the Expiration Date.

3. Subject to the terms hereof, Cross Street hereby elects to own the Modifications pursuant to Section 7.4(a) of the Lease. RTA shall have no obligation whatsoever to remove the Modifications. Prior to the Expiration Date, RTA, at its sole expense and otherwise in compliance with the provisions of the Lease, shall remove from the Premises (a) all personal property, desks, chairs, filing cabinets, white boards, office furniture, cubicles, trash cans, racking and storage systems, plus the entire lubrication/fluids delivery and storage system, and all associated fluids/lubricants located in Storage 2 and Service Area 1B, and (b) the fare vault from Room 118 (and restore the storefront through which it protrudes). RTA will not remove (i) any fixtures or other items from bathrooms, (ii) the plans/construction documents for the Project that are currently in Room 226, (iii) compressor located in Storage 2 and associated compressed air distribution piping, and (iv) the gun safe in Room 118. Within one (1) week after the Effective Date, RTA will provide Cross Street with a list of, and contact information for, the current vendors providing services to the Premises (whose contracts shall terminate by the Expiration Date), with authorization for such vendor(s) to be engaged by Cross Street, at the sole expense of Cross Street. During the first week of February, 2022, Cross Street and RTA shall conduct another walk through of the Premises in an effort to resolve any issues relating to the foregoing. At this walk through, RTA, at no cost to Cross Street, will provide Cross Street with five (5) full access key cards to the access control system for the Premises (which shall be left in good operating condition). As a general statement, except as otherwise set forth in this Agreement, the parties agree that, by the Expiration Date, RTA remove from the Premises all items installed by RTA that are "not bolted down and attached in a permanent fashion (other than for earthquake safety)". To the extent that RTA obtains or receives environmental/hazardous materials reports in connection with the Premises, RTA shall, within three (3) business days after receipt, deliver copies of such reports to Cross Street. Subject to the foregoing provisions of this paragraph 3, RTA shall surrender the Premises to Cross Street in accordance with Section 7.4(c) of the Lease. Cross Street hereby acknowledges that, to its actual knowledge, the condition of the Premises as of the Effective Date constitutes ordinary wear and tear.

4. Subject to (a) RTA complying with the Payment provision of paragraph 2 above, and (b) RTA complying with the provisions of paragraph 3 above, Cross Street hereby releases RTA, its individual members, officials and employees from any and all claims, demands and liability under Section 7.4(b) of the Lease that RTA failed to remove the Modifications. The foregoing provisions of this paragraph 4 do not modify or excuse any of RTA's other obligations under the Lease.

5. Cross Street hereby waives as to those matters described in paragraph number 4 of this Agreement, the provisions of section 1542 of the Civil Code of the State of California and understands that said section provides:

Initials:  _____

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

This Agreement represents a compromise of disputed claims related to RTA's obligation to remove the Modifications, and nothing in this Agreement shall be construed as an admission of liability or wrongdoing by any Party hereto.

6. The Parties shall each bear their own attorneys' fees and costs in connection with this Agreement; provided, however, that if RTA fails to timely deliver the Payment and Cross Street brings an action or suit against RTA in connection therewith prior to the delivery of the Payment, then the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to recover from the other party all costs and expenses of suit, including reasonable attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including reasonable attorneys' fees incurred in enforcing, perfecting and executing such judgment.

7. The Parties agree that this Agreement shall be binding upon them and upon each of their respective successors and assigns.

8. Each person who signs this Agreement warrants and represents to each other Party that he or she is authorized to make and execute this Agreement on behalf of the Party for whom the signature is provided.

9. The Parties agree that this Agreement, when fully executed, shall constitute the full agreement of the parties, and shall supersede all previous written and/or oral agreements between them related to the removal of the Modifications. Except as modified herein, the terms and provisions of the Lease shall remain in full force and effect. The parties to this Agreement further agree that this Agreement may not be modified except by a writing signed by the Party against whom enforcement of such modification is sought.

10. The Parties agree that, unless expressly stated in this Agreement, this Agreement and its terms and conditions are not intended to, and do not, give any right or rights to any third party whatsoever, nor do they create any duty by any of the parties to this Agreement to third parties.

11. The Parties acknowledge that they are each represented by counsel, and each represent that their respective counsel has read this Agreement and that each Party has had the meaning and effect of this document explained fully by legal counsel, or has affirmatively waived any such counsel, that each Party has read and understood the contents of this Settlement Agreement and Mutual Release, and that each Party executes this document voluntarily, knowingly and without duress or undue influence.

12. The rule of construction that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and the provisions of Civil Code section 1654 are expressly waived.

13. This Agreement shall be governed and construed in accordance with the laws of the State of California.

14. This Agreement may be executed in counterparts, and a facsimile signature shall be deemed binding upon the Party as though a signed original had been presented.

[Signatures on following page]

Initials:  _____


THE PARTIES EXECUTING THIS AGREEMENT BELOW HEREBY AGREE TO BE BOUND BY THE AFORESAID TERMS AND CONDITIONS AS OF THE EFFECTIVE DATE:

"CROSS STREET":

CROSS STREET 179, LLC,
a California Limited liability company

By: RSPaul Company, Inc.,
a California corporation

Its: Manager

By: 
Richard H. Paul, Jr. President

"RTA":

SAN LUIS OBISPO REGIONAL
TRANSIT AUTHORITY,
a California Joint Powers Authority

By: _____

Name Printed: _____

Title: _____

ATTEST:

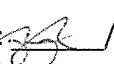
Geoff Straw
RTA Executive Director

APPROVED AS TO FORM:

Rita Neal
County Counsel

By: 
Nina Negranti
Assistant County Counsel

Date: December 22, 2021

Initials:  _____

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 5, 2022
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Receive and File

BACKGROUND/DISCUSSION:

Update on COVID-19 Pandemic Impacts:

Since the November 3rd RTA Board meeting, one additional employee tested positive for COVID-19, bringing the number of positive cases to 16 since the beginning of the pandemic.

In late December, the California Occupational Safety and Health Standards Board readopted Cal/OSHA's COVID-19 Prevention Emergency Temporary Standard (ETS). The readopted ETS makes a series of substantive changes to the previously adopted ETS and will go into effect on January 14, 2022. The readopted ETS will remain in effect until April 14, 2022. Under the readopted ETS, a fully vaccinated employee with close contact to a COVID-19 case who does not develop COVID-19 symptoms may return to work if they wear a face covering and maintain six feet of distance from others at the workplace for 14 days following the last date of close contact.

I continue to participate in SLO County Vaccination Task Force meetings. I continue to share pertinent information with my staff through internal memoranda and with our transit agency partners.

Operations & Maintenance:

Our staff continues to focus our efforts on recruiting new Bus Operators. One new Bus Operator candidate has started training since I last provided an Executive Director Report in November, and one will be starting January 10th. Two more Bus Operator candidates are in the background / medical / permitting phase. We are still seeking to fill an open Utility position, after the selected candidate ultimately failed to follow-through with the pre-employment background check and drug testing steps.

The RTA continues to experience an uncomfortably large number of unfilled Bus Operator bids: five full-time bids, and seven (out of 19) part-time bids. As reported at the last RTA Board meeting, we are incurring higher than normal overtime costs by extending the hours of full-timers to help fill open bids, as well as asking part-time

employees to cover shifts when possible, requiring Supervisors on occasion to fill an open shift, asking some employees to delay time-off requests, and we have temporarily suspended Paso Express Route A service on Saturdays. These on-going requests of our staff continue to stress the work group, and we fully understand that these patchwork solutions are not sustainable in the long-term.

Due to supply chain issues, we are still awaiting shipping advice for five replacement vehicles. Specifically, the purchase order for three low-floor Arboc mid-size buses for South County Transit services was issued in May 2021, and the purchase order for two standard mid-size Eldorado cutaway vans for Route 15 services was issued in April 2021. Two replacement Gillig 40-foot low-floor buses ordered in January 2021 are slated for delivery in late-December 2021 (awaiting delayed delivery of two-way radios); these two buses will be used primarily in Paso Express service.

Marketing & Communications:

Our primary marketing efforts continue to be focused on service levels and reminding our passengers of the Transportation Security Administration's current mask mandate that has been extended until March 18, 2022.

Some other on-going marketing projects include:

- New partnership with Cuesta College where students will ride fare-free for all of calendar year 2022. Costs will be covered by \$65k in Cuesta's COVID grant money, including covering the cost of resulting fare-free Runabout to/from the main Cuesta College campus on Highway 1. Students will show Cuesta College ID car to ride fare-free.
- Communicating new, reduced-service Holiday Schedules.
- Surveying employees for feedback about our hiring and onboarding process. We will launch a new recruitment campaign that integrates Google ads and YouTube videos in January 2022
- Posted new signs in the buses touting our ionizer system that "scrubs" the air inside the bus to remove airborne viruses
- Communicating the BMF Ribbon-Cutting Ceremony on January 20th to our agency partners and decision-makers. Also communicating our Employee Open House on January 6th.
- Published an Agency Update newsletter: big picture update for employees, a copy of which is included at the end of this staff report.

Finance and Administration:

At its December 8th, meeting the SLOCOG Board considered a letter opposing the United States Department of Labor's (USDOL) October 28th decision on California's Public Employee Pension Reform Act (PEPRA) making California ineligible for Federal transit grants. On December 20th, the United States District Court for the Eastern District of California issued an order granting the State of California's motion to stay implementation of the USDOL's October 28th determination. As a result, the USDOL is enjoined from failing to process and certify grant applications by California transit agencies or from relying on PEPRA as a basis to deny, withhold, delay, or otherwise limit the certification of such grants under Section 13(c) of Urban Mass Transit Act. Most importantly, the order granting the stay does not include any language that would compel rescission of grant funds if California ultimately fails to prevail in its cross-complaint. I have shared this news with our transit agency partners and urged them to quickly submit pending grant applications (including the RTA's grant applications in Agenda Items A-6 and A-7) to avoid possible grant execution delays in the intervening months.

Our unaudited operating and financial results for the first five months of FY21-22 are presented in the tables beginning on page B-1-5. This year-to-date information is summarized as follows:

- RTA core fixed-route ridership totaled 152,632. In comparison, the ridership for the same period in FY20-21 was 121,023, which represents an increase of 26.1%. The pre-pandemic total was 301,439 – so we still have a lot of ground to make up.
- Runabout ridership totaled 8,220, which is an increase of 14.5% compared to the same period last year (7,178). The pre-pandemic total was 17,918.
- Trends over the past five years for ridership and productivity (which is defined as the average number of passenger-boardings per service hour), are provided in the graphs beginning on page B-1-7. The graphs illustrate the significant drop in ridership beginning in March 2020 corresponding with the onset of the pandemic, as well as the indications of ridership recovery beginning in January 2021.
- In terms of year-to-date financial results, staff worked hard to keep operating and capital costs within budget in light of the recovering ridership and other financial challenges. Some important takeaways include:
 - In terms of overall non-capital expenses, we were below budget – 35.3% through 42% of the budget year. The largest single line-item in our annual budget is for *Labor – Operations*, although we came in lower (32.7%) due to slightly lower service levels actually operated due to staff shortages and despite higher than anticipated overtime. The third-greatest line-item is for *Fuel*, and the recent upticks in prices resulted in a significant overage –

49.6% through 42% of the year. We continue to monitor these costs closely, but do not believe a budget adjustment is warranted at this time.

- Not surprisingly, the farebox recovery ratio for core fixed-route services continues to suffer due to lower ridership compared to pre-pandemic periods at only 8.7% – but it is significantly better than our FY20-21 result (only 2.6%). Runabout achieved a ratio of 2.7%, which is better than the FY20-21 result of 2.4%. The results will remain below our standards until such time that ridership fully recovers.
- The YTD subsidy per passenger-trip on core fixed-route services is improving at \$15.43 (\$22.13 in FY20-21). Runabout also improved at \$126.50 (\$147.66 in FY20-21).

STAFF RECOMMENDATION:

Accept this as an information item.

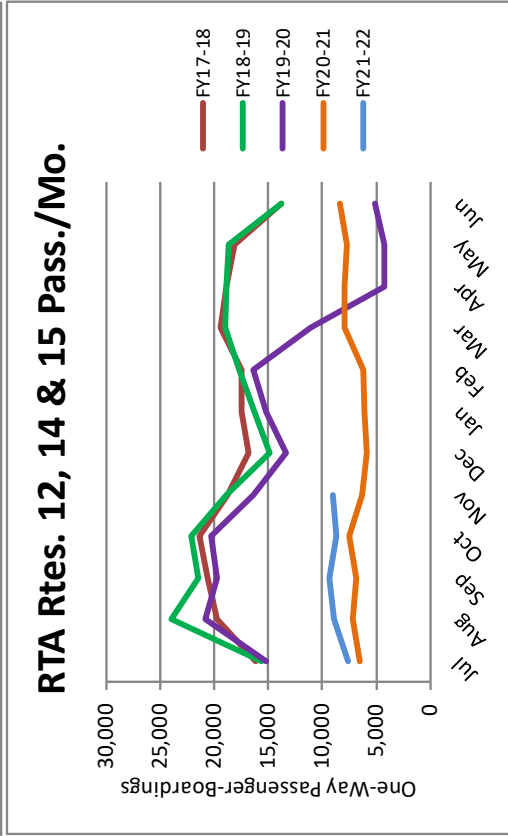
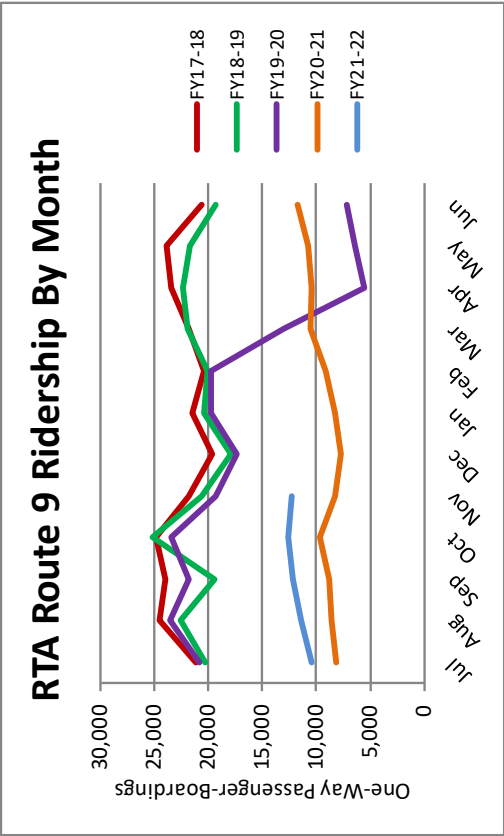
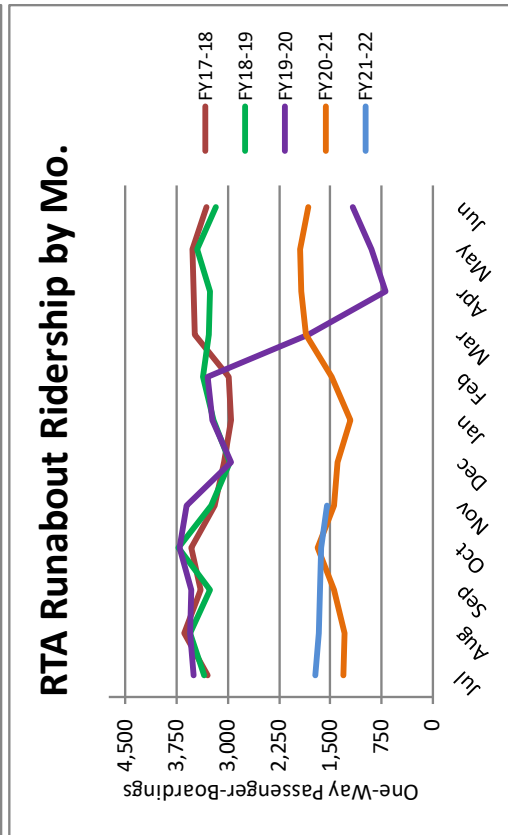
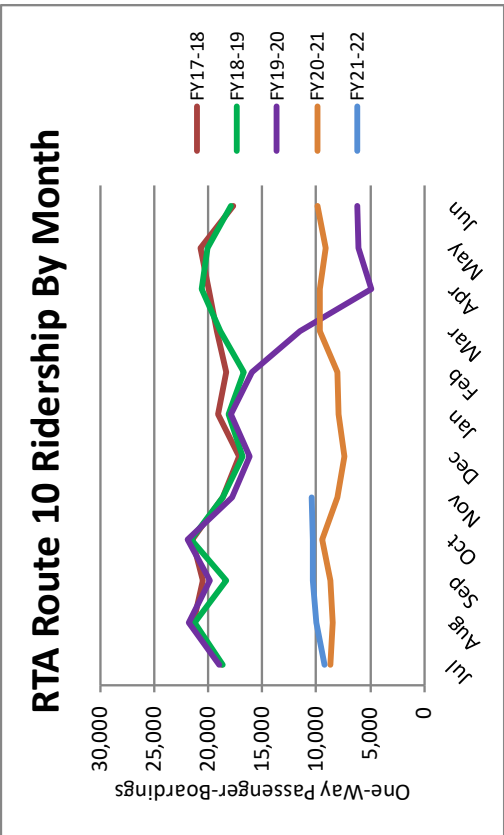
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

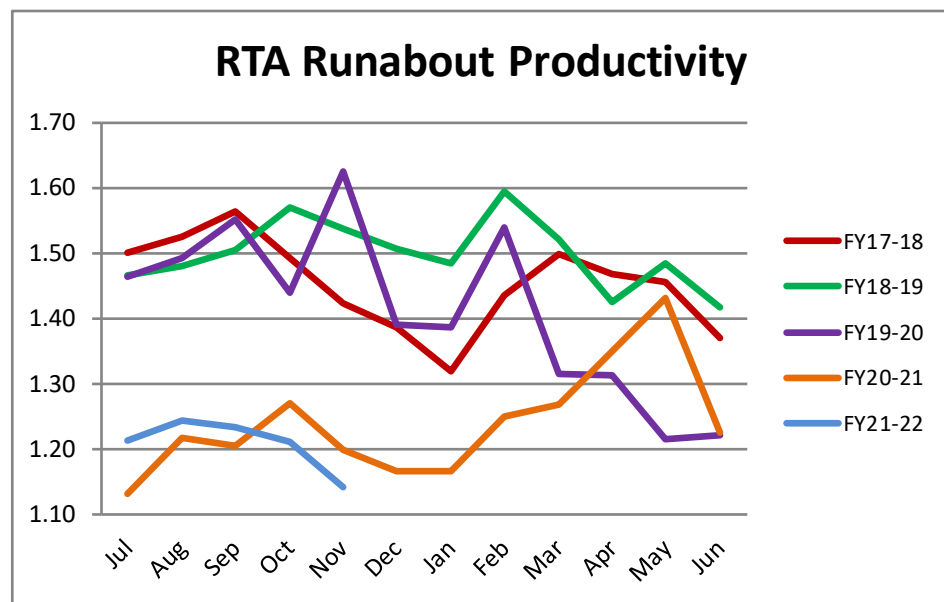
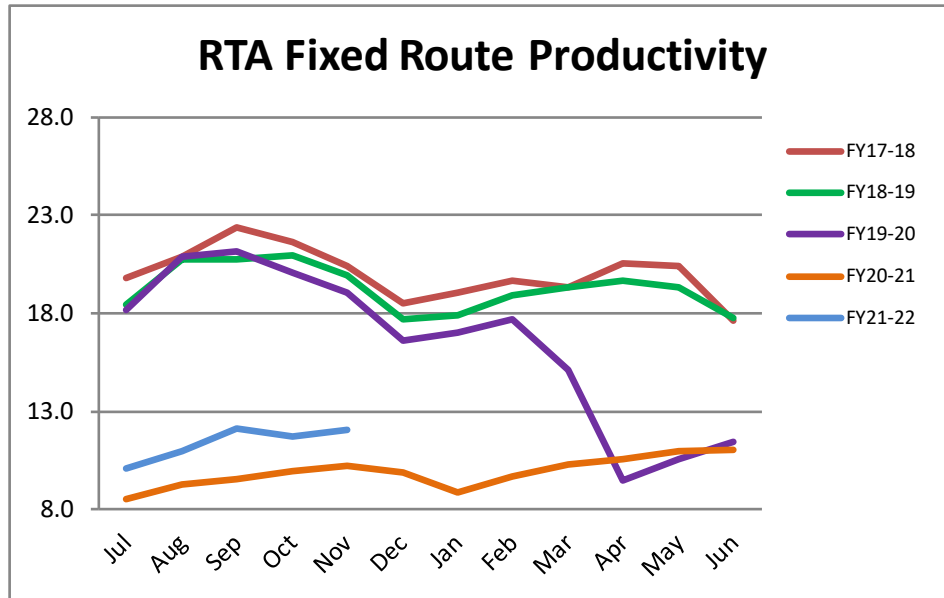
YEAR TO DATE THRU NOVEMBER 30, 2021

CURRENT FISCAL YEAR - 2021/2022

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	RUNABOUT	SERVICES PROVIDED FOR THE CITY OF PASO ROBLES	SERVICES PROVIDED FOR SOUTH COUNTY TRANSIT	SERVICES PROVIDED FOR THE COUNTY OF SLO	SYSTEM TOTAL
REVENUES:											
FARES	\$ 80,883	\$ 77,211	\$ 61,108	\$ 63	\$ 4,548	\$ 223,813	\$ 28,402	\$ 46,771	\$ 43,351	\$ 6,346	\$ 348,682
TOTAL ROUTE REVENUES	\$ 80,883	\$ 77,211	\$ 61,108	\$ 63	\$ 4,548	\$ 223,813	\$ 28,402	\$ 46,771	\$ 43,351	\$ 6,346	\$ 348,682
EXPENDITURES:											
ADMINISTRATION	\$ 182,914	\$ 156,336	\$ 106,212	\$ 1,843	\$ 45,720	\$ 493,024	\$ 250,668	\$ 19,892	\$ 47,567	\$ 38,759	\$ 849,909
MARKETING	8,348	7,120	4,856	90	2,101	22,515	-	-	3,602	-	26,117
OPERATIONS/CONTINGENCY	562,336	493,425	328,086	5,637	143,933	1,533,417	699,200	313,105	584,172	147,733	3,277,627
FUEL	121,488	126,740	73,757	1,306	36,065	359,356	72,245	32,971	77,224	10,896	552,692
INSURANCE	57,513	59,990	34,907	619	17,071	170,100	46,093	18,176	39,121	6,122	279,612
TOTAL EXPENDITURES	\$ 932,599	\$ 843,611	\$ 547,817	\$ 9,495	\$ 244,890	\$ 2,578,412	\$ 1,068,206	\$ 384,144	\$ 751,686	\$ 203,510	\$ 4,985,958
FAREBOX RATIO	8.7%	9.2%	11.2%	0.7%	1.9%	8.7%	2.7%	12.2%	5.8%	3.1%	7.0%
SERVICE MILES	129,298.7	134,875.5	78,481.4	1,386.2	38,378.9	382,420.7	103,599.0	40,855.0	87,980.7	13,801.0	628,656.3
SERVICE HOURS	4,969.8	4,248.1	2,884.0	48.8	1,246.4	13,397.0	6,798.5	3,078.9	5,653.7	1,506.0	30,434.0
RIDERSHIP (Automatic Counters)	58,825	50,279	37,133	1,183	5,212	152,632	8,220	43,987	57,960	5,003	267,802
RIDERS PER MILE	0.45	0.37	0.47	0.85	0.14	0.40	0.08	1.08	0.66	0.36	0.43
RIDERS PER HOUR	11.8	11.8	12.9	24.2	4.2	11.4	1.2	14.3	10.3	3.3	8.8
COST PER PASSENGER	\$ 15.85	\$ 16.78	\$ 14.75	\$ 8.03	\$ 46.99	\$ 16.89	\$ 129.95	\$ 8.73	\$ 12.97	\$ 40.68	\$ 18.62
SUBSIDY PER PASSENGER	\$ 14.48	\$ 15.24	\$ 13.11	\$ 7.97	\$ 46.11	\$ 15.43	\$ 126.50	\$ 7.67	\$ 12.22	\$ 39.41	\$ 17.32

		Adopted Budget FY 2021-22	October Actual	November Budget	November Actual	November Variance	Year to Date FY 2021-22	Percent of Total Budget FY 2021-22
	Hours	84,010	5,799	7,001	5,637	1,364	29,098	34.6%
	Miles	1,792,340	123,384	149,362	118,811	30,551	617,473	34.5%
Administration:								
Labor	operations cost							
Labor - Administration Workers Comp	operations cost							
Office Space Rental	operations cost							
Property Insurance	operations cost							
Professional Technical Services	operations cost	1,079,020	86,020	93,402	82,897	10,505	404,513	37.5%
Professional Development	operations cost	44,970	9,402	-	-	-	18,805	41.8%
Operating Expense	operations cost	407,450	41,365	43,258	57,774	(14,515)	223,232	54.8%
Marketing and Reproduction	operations cost	38,870	-	-	-	-	43,774	112.6%
North County Management Contract	operations cost	167,100	10,442	13,925	433	13,492	29,372	17.6%
County Management Contract	operations cost	66,470	6,466	5,539	(3,851)	9,390	8,021	12.1%
SCT Management Contract	operations cost	366,380	25,079	30,532	29,599	933	112,185	30.6%
	hourly	181,800	11,529	15,150	3,555	11,595	26,117	14.4%
	operations cost	(47,740)	(3,978)	(3,978)	(3,978)	-	(19,892)	41.7%
	operations cost	(98,390)	(8,199)	(8,199)	(8,199)	-	(40,996)	41.7%
	operations cost	(114,160)	(9,513)	(9,513)	(9,513)	-	(47,567)	41.7%
Total Administration		2,091,770	168,612	180,115	148,717	31,398	757,564	36.2%
Service Delivery:								
Labor - Operations	hourly	6,622,980	429,776	551,915	427,141	124,774	2,166,508	32.7%
Labor - Operations Workers Comp	hourly	339,940	71,076	-	-	-	142,151	41.8%
Labor - Maintenance	hourly	1,581,620	103,525	131,802	104,434	27,367	533,072	33.7%
Labor - Maintenance Workers Comp	hourly	93,090	19,464	-	-	-	38,927	41.8%
Fuel	miles	1,113,670	114,380	92,806	107,701	(14,895)	552,693	49.6%
Insurance	miles	909,680	55,789	75,807	54,789	21,018	279,613	30.7%
Special Transportation (for SLOCAT and Paso)	n/a	44,480	1,962	3,707	1,608	2,099	7,653	17.2%
Avila Trolley	n/a	76,490	-	-	-	-	30,967	40.5%
Maintenance (parts, supplies, materials)	miles	695,930	41,572	57,994	65,091	(7,096)	253,565	36.4%
Maintenance Contract Costs	miles	136,900	2,152	11,408	4,618	6,790	37,724	27.6%
Total Operations		11,614,780	839,694	925,438	765,382	160,057	4,042,875	34.8%
Capital/Studies:								
Computer System Maintenance/Upgrades		40,370	-	-	-	-	4,580	11.3%
Miscellaneous Capital								
Maintenance Equipment		42,500	-	-	-	-	830	2.0%
Radios		6,600	-	-	-	-	-	0.0%
Bus Stop Improvements/Bus Stop Solar Lighting		377,430	5,775	-	19,127	(19,127)	68,314	18.1%
Large Capital Repairs		575,000	-	-	-	-	-	0.0%
Vehicles								
Runabout vehicles		302,000	-	-	-	-	-	0.0%
40' Coaches		1,986,680	-	-	13,196	-	13,196	0.0%
Total Capital Outlay		3,330,580	5,775	-	32,323	(32,323)	86,920	2.6%
Contingency		164,480	0	13,707		13,707	74,295	45.2%
	hourly							
PERS Buyout		178,310	14,859	14,859	14,859	0	-	0.0%
Loan Repayments		108,240	-	-	-	-	-	0.0%
Elks Lane Project		10,213,970	1,380,840	1,459,139	1,041,484	417,654	4,821,968	47.2%
Management Contracts		260,290	21,691	21,691	21,691	-	108,454	41.7%
TOTAL FUNDING USES		27,784,110	2,431,471	2,600,090	2,024,455	590,493	9,892,077	35.6%
TOTAL NON-CAPITAL EXPENDITURES		14,131,320	1,044,856	1,140,951	950,648	205,162	4,983,189	35.3%





SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 5, 2022
STAFF REPORT

AGENDA ITEM: B-2

TOPIC: Bus Maintenance Facility Progress & Change Order Update

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Receive and File

BACKGROUND/DISCUSSION:

Construction of the Bus Maintenance Facility (BMF) project is essentially 95% complete, with punch list corrections and regulatory agency inspections on-going. Several relatively minor supply chain issues have pushed our move date back by one week from January 7-8 to January 14-15. More specifically, our general contractor is still awaiting delivery of domestic hot water pumps, exterior entryway lighting, ceiling acoustical baffles, shower trim pieces, and electric vehicle rechargers.

With regard to the latter, the chargers can be installed after we move in and is not considered a critical issue, since we do not yet have electrical vehicles in our fleet. However, we have a \$720k AB617 grant through the SLO County Air Pollution Control District to install our Phase 1 bus recharging system. Under the Agreement with APCD, the grant funds are only reimbursable upon full completion of the project. The RTA may need to “carry” the already-incurred cost of the back-end/underground infrastructure elements until such time that the bus rechargers arrive and the APCD deems the project fully reimbursable.

Rather than provide progress pictures in this report, I will not spoil the surprise – I hope that each Board member can instead attend our Ribbon-Cutting Ceremony on January 20th. I will include pictures and narrative of the Ribbon-Cutting Ceremony in my March 2021 Executive Director Report.

Below are some significant recent BMF milestones:

1. We have processed 29 invoices from Stantec Architecture from November 2018 through the end of November 2021 totaling \$2,623,770.76. Stantec completed design, engineering and permitting work, and continues to provide construction administration services (responding to Requests for Information, approving Submittals, etc.). A total of \$110,614.49 remains in our agreed work scope.
2. We have processed 21 invoices from Kitchell CEM through November 30, 2021, totaling \$1,229,461.15. Kitchell CEM’s agreement includes construction

management services and CEQA monitoring, as well as inspections. A total of \$568,407.85 remains in our original work scope.

3. We have processed sixteen invoices from SCI through the end of November 2021, totaling \$16,450,568.76, less \$822,528.92 for retainage. That equates to net payments totaling \$15,628,039.84. Including retainage, a total of \$1,818,439.06 remains in our current work scope.
4. Through the end of November, we have authorized 66 change orders totaling \$573,478.90, or 3.40% of the original \$16,873,000 agreement. The table at the end of this report provides more details on the change orders, and lists potential Change Request Bulletins (CRBs) that are still being investigated/negotiated. Note that the estimated cost is blacked out for each CRB to avoid “tipping our hand” with the general contractor.
5. On December 7th, several RTA staff and I conducted our eleventh monthly virtual meeting with officials from the Federal Transit Administration Region 9 office and their contracted Project Management Oversight (PMO) provider for the BMF project. The tenth meeting is scheduled for November 2nd. A PMO is required for major capital projects that exceed \$100M in federal dollars, as well as for capital projects funded with TIFIA funds (like our BMF). Through the end of September, we have processed eight draws equating to a total of \$10,062,068.06 in TIFIA loan funds.

Staff Recommendation:

Accept this as an information item.

Agreement Amount Tracker for SCI						
Bus Maintenance Facility Project (updated 21-Dec-2021)						
Contract Sum	Original	As amended	STATUS			
	\$16,873,000.00	\$17,446,478.90				
Total Change Orders Authorized	\$573,478.90					Initiated
% change from original contract		3.40%		% change with initiated, too		Reason/Who
CRB Number, Description (date executed)	Authorized Amount	Change Order # & Invoice #	Status in Procure Software	Estimate	Initiated	
CRB-01, asbestos (8/12/20)	\$13,756.05	CO #1, invoice #1	Completed/approved	Closed		Unforseen
CRB-02, geogrid removal (9/25/20)	\$31,582.28	CO #3, invoice #2	Completed/approved	Closed		Unforseen
CRB-03, utility changes on Elks (09/02/20)	\$52,491.60	CO #2, invoice #2	Completed/approved	Closed		City of SLO
CRB-04, data conduit changes (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-05, water main & valves (09/30/20)	\$19,547.85	CO #4, invoice #4	Completed/approved	Closed		Design
CRB-06, firewater backflow/FDC orientation (12/02/2020)	\$12,441.89	CO #10, invoice #9	Completed/approved	Closed		Design
CRB-07, trap primers (12/02/2020)	\$22,208.91	CO #5, invoice #4	Completed/approved	Closed		Design
CRB-08, remove contaminated soil (12/02/2020)	\$2,913.75	CO #7, invoice #4	Completed/approved	Closed		Unforseen
CRB-09, pipe support at FCD (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-10, floor box modifications (11/12/2020)	\$3,786.30	CO #6, invoice #4	Completed/approved	Closed		Design
CRB-11, remaining indoor air improvements (3/11/2021)	\$55,849.65	CO #15, invoice #9	Completed/approved	Closed		RTA
CRB-11.1, operable windows (02/24/2021)	\$50,172.13	CO #16, invoice #7	Completed/approved	Closed		RTA
CRB-11.2, bipolar ionizer (02/24/2021)	\$31,447.66	CO #18, invoice #7	Completed/approved	Closed		RTA
CRB-11.3, added conduit op. windows	\$2,957.01	CO #51, invoice #15	Completed/approved	Closed		RTA
CRB-12, lube room modifications (02/24/2021)	\$20,434.28	CO #17, invoice #7	Completed/approved	Closed		Design
CRB-13, Main switchboard modifications (09/15/2021)	(\$2,567.25)	CO #53, invoice #14	Completed/approved	Closed		Design
CRB-14, Phillips 66 compaction modifications (02/24/2021)	\$30,831.37	CO #11, invoice #7	Completed/approved	Closed		Unforseen
CRB-15 modified aggregate - no fly ash (02/15/2021)	\$7,560.00	CO #9, invoice #7	Signed 2/15/2021	Closed		Design
CRB-16, deletion of decorative glass	(\$8,042.97)	CO #8, invoice #6	Completed/approved	Closed		RTA
CRB-17 (delete conference trailer)	pending		Awaiting detail			RTA
CRB-18, added conduits for future radio system (2/11/2021)	\$3,116.40	CO #13, invoice #7	Completed/approved	Closed		RTA
CRB-19 (added conduit for future EV charging)	pending		Awaiting detail			RTA
CRB-20, added shunt trips for EV chargers	\$2,449.65	CO #38, invoice #13	Completed/approved	Closed		Design
CRB-21, electrical clarifications at the chillers (2/11/2021)	\$5,408.55	CO #14, invoice #7	Completed/approved	Closed		Design
CRB-22, add'l potholing at Prado & Elks (2/11/2021)	\$2,644.81	CO #12, invoice #7	Completed/approved	Closed		City of SLO
CRB-23 (storm drain - flared end sections)	pending		Awaiting detail			Design
CRB-24 modify decorative plastic glazing	\$1,742.98	CO #25, invoice #10	Completed/approved	Closed		RTA
CRB-25, modify lockers (05/04/2021)	(\$9,344.84)	CO #20, invoice #9	Completed/approved	Closed		Design
CRB-26, mod. ind. storage racks (05/04/2021)	\$614.76	CO #19, invoice #9	Completed/approved	Closed		RTA
CRB-27, Revised footing for canopy mods (07/02/2021)	\$15,736.55	CO #31, invoice #12	Completed/approved	Closed		Design
CRB-28 added power reels and supports	\$5,025.43	CO #24, invoice #10	Completed/approved	Closed		Design
CRB-28.1, add elect receptacles at power reels	\$686.70	CO #40, invoice #13	Awaiting detail	Closed		Design
CRB-29, steel angles rooftop HVAC equip (05/04/2021)	\$7,774.20	CO #21, invoice #9	Completed/approved	Closed		Design
CRB-30, HVAC return & transfer air mods (07/22/2021)	\$9,813.88	CO #42, invoice #12	Completed/approved	Closed		Design
CRB-31, hose reel supports (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-32, Added metal deck supports (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-33, added tubular skylight supports in admin (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-34 (delete ESD Buttons at the EVCS)	pending		Awaiting detail			RTA
CRB-35, roof platform for ASHP-01	\$33,834.28	CO #39, invoice #13	Completed/approved	Closed		Design
CRB-36, Added angles at East Canopy (06/10/2021)	\$2,980.95	CO #26, invoice #14	Completed/approved	Closed		Design
CRB-37 Upgrade HWP 1 & HWP 2 Exterior Rated	\$3,103.85	CO #23, invoice #10	Completed/approved	Closed		Design
CRB-38 Add glass-mat sheathing to rooftop surfaces including parapet w	\$10,957.30	CO #27, invoice #10	Completed/approved	Closed		Design
CRB-39 Tubular skylight change - maint office area	\$679.19	CO #28, invoice #10	Completed/approved	Closed		RTA
CRB-40 Add condensate lines from HPWH-1 and HPWH-1	\$4,688.03	CO #29, invoice #10	Completed/approved	Closed		Design
CRB-41, revised data / IT mods	\$23,954.70	CO #45, invoice #13	Awaiting detail	Closed		RTA
CRB-42, Change control gang boxes in training room (07/22/2021)	\$751.80	CO #34, invoice #12	Completed/approved	Closed		Design
CRB-43, Add trap primer wiring (07/21/2021)	\$4,805.85	CO #37, invoice #12	Completed/approved	Closed		Design
CRB-44 (change TV boxes in training room)	pending		Awaiting detail			Design
CRB-45, add power supply for electronic door hardware	\$25,714.50	CO #43, invoice #13	Awaiting detail	Closed		Design
CRB-46 Insulate air plenum piping (07/22/2021)	\$10,187.10	CO #30, invoice #12	Completed/approved	Closed		Design
CRB-47 (add'l comm conduit to EV chargers)	pending		Awaiting detail			RTA
CRB-48, Change wall hydrant at patio (07/21/2021)	\$1,624.44	CO #41, invoice #12	Completed/approved	Closed		Design
CRB-49, Buy America compliant door hardware (07/22/2021)	\$551.25	CO #32, invoice #12	Completed/approved	Closed		Design
CRB-50, Revise door #123 from F01 to F02 (07/21/2021)	\$500.85	CO #33, invoice #12	Completed/approved	Closed		RTA
CRB-51, Add ADA door actuators at doors 102 & 137A (07/21/2021)	\$649.95	CO #35, invoice #12	Completed/approved	Closed		Design
CRB-52, Provide urethane cement infill for shower floors (11/24/2021)	\$9,714.34	CO #63, invoice #16	Completed/approved	Closed		Design
CRB-53, Add CMU wall cap in Maintenance area (11/24/2021)	\$1,648.00	CO #68, invoice #16	Completed/approved	Closed		Design
CRB-54, (reimburse for building move design cost)	pending		Awaiting detail			Contractor
CRB-55, Power supply for gate access (08/30/2021)	\$873.60	CO #48, invoice #14	Completed/approved	Closed		Design
CRB-55.1, Provide power supply for gate hardware (11/24/2021)	\$3,069.15	CO #71, invoice #16	Completed/approved	Closed		Design
CRB-56, (increased steel cost for EV canopy)	pending		Awaiting detail			Force Majeure
CRB-56.1, (increased steel cost for EV canopy #2)	pending		Awaiting detail			Force Majeure
CRB-57, Battery back-up for gas detection (09/15/2021)	\$1,829.10	CO #52, invoice #14	Completed/approved	Closed		City of SLO
CRB-57.1, Signage for gas detection (09/17/2021)	\$303.19	CO #57, invoice #14	Completed/approved	Closed		City of SLO
CRB-58, Added steel support for sectional doors (09/08/2021)	\$6,224.40	CO #49, invoice #14	Completed/approved	Closed		Design
CRB-59, Added curb NE sidewalk (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-60, (equip. elec. Disconnect mods)	pending		Awaiting detail			Design
CRB-61, (added graffiti resistant coating)	pending		Awaiting detail			RTA
CRB-62, (added conduits, wire & devices for backflow)	pending		Awaiting detail			Design
CRB-63, Fire water & electrical trench crossing (11/05/2021)	\$6,878.55	CO #55, invoice #16	Completed/approved	Closed		Design
CRB-64, Resolve utility & recycled water lines conflict (11/05/2021)	\$3,457.65	CO #56, invoice #16	Completed/approved	Closed		Design
CRB-65, (added conduit EV charging yard & bus canopy)	pending		Awaiting detail			Design
CRB-66, Clean-up existing driveway approach at Elks Lane (11/30/2021)	pending		Awaiting detail			City of SLO
CRB-67, (apply black dryfall paint in reception area)	\$1,989.86	CO #58, invoice #14	Completed/approved	Closed		Design
CRB-68, (extend concrete pad for compressor in lube room)	pending		Awaiting detail			Design
CRB-69, Provide window coverings in conf. rm. 140 (11/05/2021)	\$1,050.00	CO #61, invoice #16	Completed/approved	Closed		Design
CRB-70, (change plumbing fixture to comply with Buy America)	pending		Awaiting detail			Design
CRB-71, Revised infrared heaters control panel (10/29/2021)	\$5,627.23	CO # 59, invoice #16	Completed/approved	Closed		Design
CRB-72, Add concrete pedestals EV chargers in emp. pkg (11/12/2021)	\$2,281.65	CO #65, invoice #16	Completed/approved	Closed		Design
CRB-73, Recirc pump control panel mods (10/29/2021)	\$2,123.88	CO #67, invoice #16	Completed/approved	Closed		Design
CRB-74, Replace cabinet in fare room (void)	\$0.00	Void, no cost change	Void	Closed		N/A
CRB-75, Provide half-controlled receptacles in Room 130 (11/12/2021)	\$1,453.20	CO #72, invoice #16	Completed/approved	Closed		RTA
CRB-76, Add walk-on bark around Bio-Retention Basins (11/19/2021)	\$6,931.48	CO #73, invoice #16	Completed/approved	Closed		RTA
CRB-77, Add SS shroud at towel disp in unisex bathroom (12/02/2021)	pending		Awaiting detail			Design
CRB-78, (extend concrete pad at bike rack)	pending		Awaiting detail			RTA
CRB-79, (concrete at PG&E power pole on Prado)	pending		Awaiting detail			Design
CRB-80, (install fencing between Sunset & Elks Lane)	pending		Awaiting detail			RTA
CRB-81, (wire mold for sectional doors)	pending		Awaiting detail			RTA
CRB-82, (install cabinet door on back of mailboxes)	pending		Awaiting detail			Design
CRB-83, (extend 2" potable water to wash bay)	pending		Awaiting detail			City of SLO
CRB-84, (numbered keys and blanks)	pending		Awaiting detail			RTA
CRB-85, (half-controlled power at dispatch vestibule)	pending		Awaiting detail			Design
CRB-86, (add'l asphalt removal at Elks/Prado)	pending		Awaiting detail			City of SLO
CRB-87, (temp domestic hot water on rooftop)	pending		Awaiting detail			Force Majeure
CRB-88, (upgrade irrigation controller)	pending		Awaiting detail			Design

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 5, 2022
STAFF REPORT**

AGENDA ITEM: C-1

TOPIC: Fiscal Year 2021-22 Operating and Capital Budget Amendment #2

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Adopt Budget Amendment #2 as Presented to Decommission Our Leased Operations and Maintenance Facility Located at 179 Cross Street

BACKGROUND/DISCUSSION:

As presented in Agenda Item A-15, staff worked closely with RTA Counsel to develop a Settlement Agreement and Release with the property owner of our leased facility located at 179 Cross Street in San Luis Obispo. That negotiated Agreement eliminates our obligation to remove facility modifications in lieu of a \$1.95 million payment. The attached tables depict the revenue sources and expenditures for this decommissioning work.

Changes in Operating Revenue:

- Offset reserve to carryover to FY22-23 decrease by \$1,950,000 to fund building decommissioning.

Changes in Operating Expenditure:

- Increase for the building decommissioning of \$1,950,000.

These amendments do **not** require any additional LTF funds for FY21-22.

Staff Recommendation:

Adopt Budget Amendment #2 as presented to decommission our existing leased operations and maintenance facility located at 179 Cross Street.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
OPERATING REVENUE BUDGET AMENDMENT #2 FOR 2021/2022**

		2021/2022 Amendment #2 Operating Budget	2021/2022 Amendment #1 Operating Budget
FUNDING SOURCES:			
GENERAL RESERVES		4,767,420	4,767,420
1.	ESTIMATED FUND BALANCE	4,767,420	4,767,420
2.			
LESS REQUIRED RESERVES FOR FISCAL YEAR			
CASH FLOW REQUIREMENTS PER TDA		1,874,230	1,874,230
PERS BUYOUT		-	-
DEBT SERVICE RESERVE FOR BUS MAINTENANCE FACILITY		-	-
OFFSET RESERVE TO CARRYOVER TO FUTURE FISCAL YEARS		663,050	2,613,050
TOTAL		2,537,280	4,487,280
3.	FUND BALANCE AVAILABLE	2,230,140	280,140
NON TDA SOURCES			
FARES		800,000	800,000
SCT MANAGEMENT CONTRACT		114,160	114,160
COUNTY MANAGEMENT CONTRACT		98,390	98,390
NORTH COUNTY MANAGEMENT CONTRACT		47,740	47,740
INTEREST		27,570	27,570
STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1		829,280	829,280
RURAL TRANSIT FUND (Administration)		30,000	30,000
RURAL TRANSIT FUND (Operating Funds)		313,600	313,600
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo		971,300	971,300
FTA (Section 5307) - San Luis Obispo CARES/ARPA		238,730	238,730
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating		586,250	586,250
FTA (Section 5311) - Operating CARES/CRRSAA		1,549,900	1,549,900
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating		1,359,000	1,359,000
FTA (Section 5307-N. County) - Operating CARES/ARPA		433,960	433,960
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating		-	-
FTA (Section 5307-SM) - Operating CARES		-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating		963,000	963,000
FTA (Section 5307) - S. County Operating CARES/ARPA		90,560	90,560
CUESTA CONTRIBUTION FOR ROUTE 12 AND 14		82,310	82,310
CUESTA CONTRIBUTION NORTH COUNTY		-	-
SPECIAL EVENTS REVENUE/OTHER		-	-
4.		8,535,750	8,535,750
5.	TOTAL FUND BALANCE & NON TDA FUNDING	10,765,890	8,815,890
TDA REQUIRED			
CITY OF ARROYO GRANDE		143,641	143,641
CITY OF ATASCADERO		244,101	244,101
CITY OF GROVER BEACH		107,314	107,314
CITY OF MORRO BAY		82,739	82,739
CITY OF PASO ROBLES		253,554	253,554
CITY OF PISMO BEACH		66,099	66,099
CITY OF SAN LUIS OBISPO		489,517	489,517
COUNTY OF SAN LUIS OBISPO		1,332,575	1,332,575
TDA REQUIREMENTS BEFORE 5311 EXCHANGE		2,719,540	2,719,540
LESS: RURAL TRANSIT FUND/5311 EXCHANGE		(1,086,250)	(1,086,250)
6.	NET TDA REQUIREMENTS	1,633,290	1,633,290
7.	TOTAL FUNDING SOURCES	12,399,180	10,449,180
8.			
FUNDING USES:			
ADMINISTRATION		1,776,290	1,776,290
PERS BUYOUT		178,310	178,310
BUILDING DECOMMISSIONING		1,950,000	-
MANAGEMENT CONTRACTS		-	-
SERVICE DELIVERY		8,379,240	8,379,240
CONTINGENCY		115,340	115,340
9.	TOTAL FUNDING USES	12,399,180	10,449,180

			Amendment #2 Operating Budget FY 2021-22	Amendment #1 Operating Budget FY 2021-22
Administration and Service Delivery Totals				
	Hours		84,010	84,010
	Miles		1,792,340	1,792,340
Administration:				
Labor	operations cost		1,079,020	1,079,020
Labor - Administration Workers Comp	operations cost		44,970	44,970
Office Space Rental	operations cost		407,450	407,450
Property Insurance	operations cost		38,870	38,870
Professional Technical Services	operations cost		167,100	167,100
Professional Development	operations cost		66,470	66,470
Operating Expense	operations cost		366,380	366,380
Marketing and Reproduction	hourly		181,800	181,800
North County Management Contract	operations cost		(47,740)	(47,740)
County Management Contract	operations cost		(98,390)	(98,390)
SCT Management Contract	operations cost		(114,160)	(114,160)
Total Administration			2,091,770	2,091,770
Service Delivery:				
Labor - Operations	hourly		6,622,980	6,622,980
Labor - Operations Workers Comp	hourly		339,940	339,940
Labor - Maintenance	hourly		1,581,620	1,581,620
Labor - Maintenance Workers Comp	hourly		93,090	93,090
Fuel	miles		1,113,670	1,113,670
Insurance (Liability, Physical Damage, Employment Practices)	miles		909,680	909,680
Special Transportation (for SLOCAT)	n/a		44,480	44,480
Avila Trolley	n/a		76,490	76,490
Maintenance (parts, supplies, materials)	miles		695,930	695,930
Maintenance Contract Costs	miles		136,900	136,900
Total Operations			11,614,780	11,614,780
Contingency	hourly		164,480	164,480
PERS Buyout	operations cost		178,310	178,310
Building Decommissioning			1,950,000	-
Management Contracts			260,290	260,290
TOTAL FUNDING USES			16,259,630	14,309,630

	SPECIAL DISTRICT	SAP DOCUMENT NO.
	<u>San Luis Obispo Regional Transit Authority</u> (Name)	
	BUDGET ADJUSTMENT REQUEST	DATE: 1/5/2022

COMMITMENT ITEM DESCRIPTION	DEPARTMENT OR PROJECT TITLE	FUND CENTER	COMMITMENT ITEM	FUNDED PROGRAM	AMOUNT
<u>FINANCING SOURCES</u>					
Fund balance available	RTA	74801	no entry		1,950,000
TOTAL FINANCING SOURCES					1,950,000
<u>FINANCING USES</u>					
Other professional services	RTA	74801	5050300		1,950,000
TOTAL FINANCING USES					1,950,000

JUSTIFICATION: (attach letter if required)
See attached staff reports
C-1 from the RTA January 5, 2022 Board Meeting

REQUESTED BY:	REVIEWED BY	APPROVED BY
<u>1/5/2022</u> Date	<u>Tania Arnold</u> Name	_____ Auditor-Controller

PASSED AND ADOPTED by the Board of Directors of the San Luis Obispo Regional Transit Authority, County of San Luis Obispo, State of California, this 5th day of January, 2022. Agenda Item No. C-1

President of the Board of Directors
Of San Luis Obispo Regional Transit Authority

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