



MEETING NOTICE & AGENDA

DATE: Thursday, February 20, 2020

TIME: 4:00 P.M.

PLACE: Yuba County Government Center
Wheatland Room
915 8th Street
Marysville, California

[Please Note the Room Change for this Meeting]

I. **Call to Order & Roll Call**

Cardoza, Fletcher (Vice-Chair), Hudson, Leahy, Samayoa, Shaw, Sullenger and Whiteaker (Chair)

II. **Public Business from the Floor**

Members of the public may address the Authority on items of interest that are within the Authority's jurisdiction and are not on the agenda for this meeting. Public comment regarding agenda items will be permitted as each agenda item is considered by the Board.

III. **Consent Calendar**

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff or public request specific items to be discussed or removed from the Consent Calendar for specific action.

- A. Minutes from the Regular Meeting of January 16, 2020. (Attachment)
- B. Disbursement List for January 2020. (Attachment)
- C. Monthly Performance Report for January 2020. (Attachment)

IV. **Reports**

- A. **State Low Carbon Transit Operations Program (LCTOP) Project Selection.** Consideration of specific projects for LCTOP funding under the State Greenhouse Gas Reduction Fund. (Attachment)

RECOMMENDATIONS: 1.) Authorize the submittal of specified projects for LCTOP funding as proposed or amended; and,

2.) Adopt Resolution No. 1-20 authorizing execution of the related LCTOP Certifications and Assurances including the designation of the Transit Manager as the Authorized Agent.

- B. **Feather River Air Quality Management District (FRAQMD) AB 2766 Grant Agreements.** Consideration of agreements to extend the Discount Monthly Pass Program through March 2021 and to extend the expanded Live Oak Route through December 2020. (Attachment)

RECOMMENDATION: Authorize execution of FRAQMD Grant Agreements #VF19-02 and #VF19-03 as submitted.

- C. **FY 2018/2019 Financial Audit Report.** (Attachment)

RECOMMENDATION: Accept the FY 2018/2019 financial audit report as presented.

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- D. **FY 2021 Budget Preview.** Review and discussion of potential budget issues in preparation for the March submittal of the preliminary draft budget for FY 2021. (Attachment)

RECOMMENDATION: Direct staff as desired.

- E. **Feather River Air Quality Management District (FRAQMD) Grant Close-Out Report for the Expanded Live Oak Service.** (Attachment)

RECOMMENDATION: Information only.

- F. **Mid-Year Performance Report for FY 2020.** (Attachment)

RECOMMENDATION: Information only.

- G. **Project & Program Updates.**

1. Yuba College Sutter Center Student Shuttle Start-Up
2. Next Generation Transit Facility Plan
3. Surplus Bus Sales

RECOMMENDATION: Information only.

V. **Correspondence/Information**

VI. **Other Business**

VII. **Adjournment**

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, MARCH 19, 2020
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

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If you need assistance to attend the Yuba-Sutter Transit Board Meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Board, please contact the Yuba-Sutter Transit office at (530) 634-6880 or (TTY) 634-6889 at least 72 hours in advance so such aids or services can be arranged.

AGENDA ITEM III – A

**YUBA-SUTTER TRANSIT AUTHORITY
MEETING MINUTES
JANUARY 16, 2020**

I. Call to Order & Roll Call (4:00 pm)

Present: Cardoza, Fletcher (4:01pm), Hudson, Leahy (Chair), Samayoa, Shaw, Sullenger and Whiteaker

Absent: None

II. Board Business

A. Nomination and Election of Board Officers for 2020.

Director Whiteaker was nominated for Chairman by Director Cardoza. The nomination was seconded by Director Samayoa. Being no other nominations, it carried unanimously.

Director Fletcher was nominated for Vice Chair by Director Sullenger. The nomination was seconded by Director Cardoza. Being no other nominations, it carried unanimously.

B. Statement of Economic Interest for 2020.

Martin noted that this information item is to remind the Directors of the requirement to file yearly statements with the FPPC. He stated that Form 700 can be filed online by April 1st and that any questions should be directed to the office.

C. Annual Board Report.

Martin stated that the annual report is provided for information.

III. Public Business from the Floor

None.

IV. Consent Calendar

Director Sullenger made a motion to approve the consent calendar. Director Samayoa seconded the motion and it carried unanimously.

V. Reports

A. State Low Carbon Transit Operations Program (LCTOP) Concepts.

Martin explained the State Low Carbon Transit Operations Program (LCTOP) stating that the primary purpose of the program is to assist transit agencies to reduce greenhouse gas emissions and improve mobility for state identified disadvantaged communities (DAC).

He noted that the amount of funding available has varied dramatically over the years, but this cycle of funding is expected to be about the same as for the previous cycle. In general, at least half of the available funding must be used to benefit State identified disadvantaged communities if any. All projects must be able to show a reduction in greenhouse gas emissions.

Martin continued that last year the board established an ad hoc committee to review project concepts and make specific project recommendations for board consideration and staff is recommending that this same approach be used again for this cycle of funding. An ad hoc committee would need to meet during the first week of February 2020 to discuss projects for potential funding for board approval at the February 20th meeting as the applications will be due by the end of March.

Director Samayoa expressed interest in being a part of the ad hoc committee to help find a solution to some of Marysville's parking issues around the hospital. Director Cardoza also expressed interest in joining the committee. After some discussion, Director Leahy agreed to again participate, and the Chair appointed all three to the ad hoc committee.

B. Project & Program Updates

1. Contractor Transition (Introduction of Renick House, General Manager)

Martin introduced Mr. Renick House, General Manager for Storer Transit Systems. Mr. House briefly addressed the board stating that he hoped his background in maintenance and safety would be beneficial to our transit service.

2. Yuba College Sutter Center Student Shuttle (Started Monday, January 13th)

Martin discussed the Sutter Center Shuttle service that began on Monday, January 13, 2020. It has only been a few days and ridership has been light with an average of 13 passenger boards through the first three days of service. The shuttle is an express service that operates every 30 minutes in both directions between the Walton Terminal and the Sutter Campus.

3. Feather River Air Quality Management District Grant Awards

Martin noted that the Feather River Air Quality Management District in early December awarded two grants to Yuba-Sutter Transit. The grants were for \$142,000 to extend the discount monthly bus pass program for another year through March 2021 and for \$10,000 to continue the expanded Live Oak service for another years through December 2020.

Director Cardoza asked if state budget cuts would affect the amount of grant funding that would be available from the air district. Martin stated that the funding for these grants come from locally imposed vehicle registration fees and should not be affected by any state budget cuts.

4. Next Generation Transit Facility Plan

Martin stated that WSP is now under contract to conduct the Next Generation Transit Facility project and that kickoff meetings are scheduled for the last week of January. This project is to conduct a scoping and site selection process for a new transit facility.

5. Surplus Bus Sales

Martin stated that the bids on the eleven surplus buses will close on Friday, January 17th. Every bus already has a bid and will be sold by the end of the week through the online auction site.

6. Increased State Employee Transit Commute Subsidy

Martin discussed the increased state commute subsidy that went into effect in December 2019 for those state employees represented by SEIU Local 1000. The state subsidy is for 75 percent of the transit commute cost for up to a \$100 monthly value (up from the \$65 maximum for all other state employees. With a \$135 monthly Sacramento commuter pass, eligible Yuba-Sutter Transit passengers would receive the full \$100 subsidy. It is hoped that this increase (equal to another \$420 annually) will increase interest in our commuter services.

7. Expanded Transit connections to Sacramento International Airport (Effective January 5th)

Martin informed the board of the recently expanded service between downtown Sacramento and the Sacramento International Airport which combined with our Sacramento service to offer a reasonably convenient connection to the airport from the Yuba-Sutter area.

8. FY 2021 Budget Preview – February 20th Board Meeting

Martin reminded the board that the annual budget preview will be on the agenda next month and invited input on any items or issues that members would like to see covered in the next budget cycle. He noted that the FY 2019 fiscal audit report will also be presented at the February board meeting.

Director Shaw asked if expanding service to the airport should be considered now that the Super Shuttle services has been discontinued. Martin explained that with the North Valley Airport Shuttle from Chico along with Uber and Lyft, there is still not a consistent need for airport service that would justify a scheduled public transit service.

Director Fletcher asked if the information about the Chico shuttle could be referenced on the Yuba-Sutter Transit website for those looking for that type of transport. Martin stated that it is currently listed under “Other Transit Services” on the website, but we could make that link more easily accessed. [Update: Martin later learned that the referenced service from Chico to the airport had closed business in the first half of 2019.]

Director Samayoa stated that he was pleased to see the expanded services to the Sutter Campus and hoped that we would be able to promote it to help get the word out.

VI. Correspondence/Information

None

VII. Other Business

Director Whiteaker thanked Janet Frye for her assistance in helping create Discount Connect ID Cards for the students at T. E. Mathews.

VIII. Adjournment

The meeting was adjourned at 4:28 pm.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, FEBRUARY 20, 2020
AT 4:00PM IN THE WHEATLAND ROOM**

**AGENDA ITEM III-B
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF JANUARY 2020**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 5,321.28	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 2,802.34	PERS RETIREMENT	RETIREMENT PAYMENT (EMPLOYER SHARE)
EFT	\$ 600.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 33,234.56	PAYROLL	PAYROLL
EFT	\$ 1,596.44	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 274.15	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 34.42	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION
EFT	\$ 2,822.48	PG&E	ELECTRIC
EFT	\$ 41.98	PG&E	ELECTRIC #2 - PARKING LOT LIGHTS
EFT	\$ 400.00	FRANCOTYP-POSTALIA, INC	POSTAGE RESET
EFT	\$ 727.58	PG&E	GAS
EFT	\$ 127.23	CARDMEMBER SERVICES	RABOBANK CREDIT CARD
EFT	\$ 213.72	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 117.79	ELAVON	MERCHANT SERVICE FEE - DECEMBER
EFT	\$ 174.22	PRIMEPAY	PAYROLL FEE
16841	\$ 28.42	ADAM HANSEN	MILEAGE REIMBURSEMENT
16842	\$ 525.15	CALIFORNIA DEPT OF TAX & FEE ADMIN	BUS FUEL - TAXES
16843	\$ 3,496.36	CONNECT CARD REGIONAL SERVICE CENTER	DEFERRED CREDITS CONNECT CARD
16844	\$ 11,635.00	FLETCHER'S PLUMBING & CONTRACTING INC	REPAIR ON TOILETS AND PIPE LINES
16845	\$ 18,826.85	HUNT & SONS INC	BUS FUEL - DYED DIESEL
16846	\$ 27.84	JANET FRYE	MILEAGE REIMBURSEMENT
16847	\$ 292.19	QUILL CORPORATION	JANITORIAL SUPPLIES
16848	\$ 1,550.00	RC JANITORIAL	JANITORIAL SERVICES - DEC & CARPET CLEANING
16849	\$ 5,248.76	RAMOS OIL COMPANY	BUS FUEL - GAS
16850	\$ 358.17	SC FUELS	DEF FLUID
16851	\$ 567.52	SIMONE REED	VISION REIMBURSEMENT
16852	\$ 49.35	STAPLES	OFFICE SUPPLIES - PRINTER RIBBON
16853	\$ 108.14	SUTTER COUNTY LIBRARY	DEFERRED CREDITS CONNECT CARD
16854	\$ 1,574.51	T-MOBILE	WIFI SERVICE FOR BUSES DECEMBER 2019
16855	\$ 272.79	TIAA COMMERCIAL FINANCE INC	COPIER LEASE - DECEMBER 2019
16856	\$ 339.45	ADVANCED DOCUMENTS CONCEPTS	COPY MACHINE - DECEMBER
16857	\$ 395.00	ALL SEASONS TREE & TURF CARE	6 MONTH WEED CONTROL TREATMENT
16858	\$ 1,750.00	ALLIANT NETWORKING SERVICES, INC	FEBRUARY IT SERVICES
16859	\$ 50.00	BRAD HUDSON	BOARD MEETING 1/16/2020
16860	\$ 475.33	COMCAST BUSINESS	TELEPHONE SERVICE FOR JANUARY
16861	\$ 250.88	COMCAST BUSINESS	INTERNET SERVICE FOR JANUARY
16862	\$ 50.00	DAVID SHAW	BOARD MEETING 1/16/2020
16863	\$ 450.00	DIGITAL DEPLOYMENT	WEBSITE SERVICES FOR JANUARY
16864	\$ 7,500.00	DOUBLEMAP	CAD/AVL PROGRESS PAYMENT
16865	\$ 9,075.00	DOUBLEMAP	INSTALL BASE SYSTEM CAD/AVL ON 11 NEW BUSES
16866	\$ 18,716.44	HUNT & SONS INC	BUS FUEL - DYED DIESEL
16867	\$ 50.00	JIM WHITEAKER	BOARD MEETING 1/16/2020
16868	\$ 50.00	MANNY CARDOZA	BOARD MEETING 1/16/2020
16869	\$ 50.00	MIKE LEAHY	BOARD MEETING 1/16/2020
16870	\$ 733.88	PRIMIER PRINT & MAIL	PRINTING - NEWSLETTER MASTERHEAD
16871	\$ 1,059.77	QuEST	MAINTENANCE OF BUS STOPS/SHELTERS
16872	\$ 69.27	QUILL CORPORATION	JANITORIAL SUPPLIES - TOILET PAPER
16873	\$ 2,785.25	RAMOS OIL COMPANY	BUS FUEL - GAS
16874	\$ 50.00	RANDY FLETCHER	BOARD MEETING 1/16/2020
16875	\$ 1,476.00	RICH, FUIDGE, BORDSEN & GAYLEAN INC	LEGAL SERVICES 10/1/19 TO 12/31/19
16876	\$ 50.00	RICKY SAMAYOA	BOARD MEETING 1/16/2020
16877	\$ 50.00	RON SULLENGER	BOARD MEETING 1/16/2020
16878	\$ 19,129.87	SC FUELS	BUS FUEL - DYED DIESEL
16879	\$ 413.25	SC FUELS	DEF FLUID
16880	\$ 410.00	SHELBY'S PEST CONTROL	INSTALL DOOR SWEEPS ON FOUR DOORS
16881	\$ 50.00	SHELBY'S PEST CONTROL	PEST CONTROL SERVICE FOR JANUARY
16882	\$ 494.79	STANLEY SECURITY SOLUTIONS INC	SECURITY SERVICE 2/1/2020 - 2/29/2020
16883	\$ 492.75	STATE COMPENSATION INSURANCE FUND	TOTAL PREMIUM FOR 1/01/20 - 4/01/20
16884	\$ 67.46	STATE COMPENSATION INSURANCE FUND	POLICY SURCHARGES
16885	\$ 864.69	TEHAMA TIRE SERVICE INC	TUBES/TIRES
16886	\$ 101.00	TELELINK BUSINESS TELEPHONE SYSTEMS	PROVIDE USER NAME AND PASSWORD
	\$ 160,549.32		

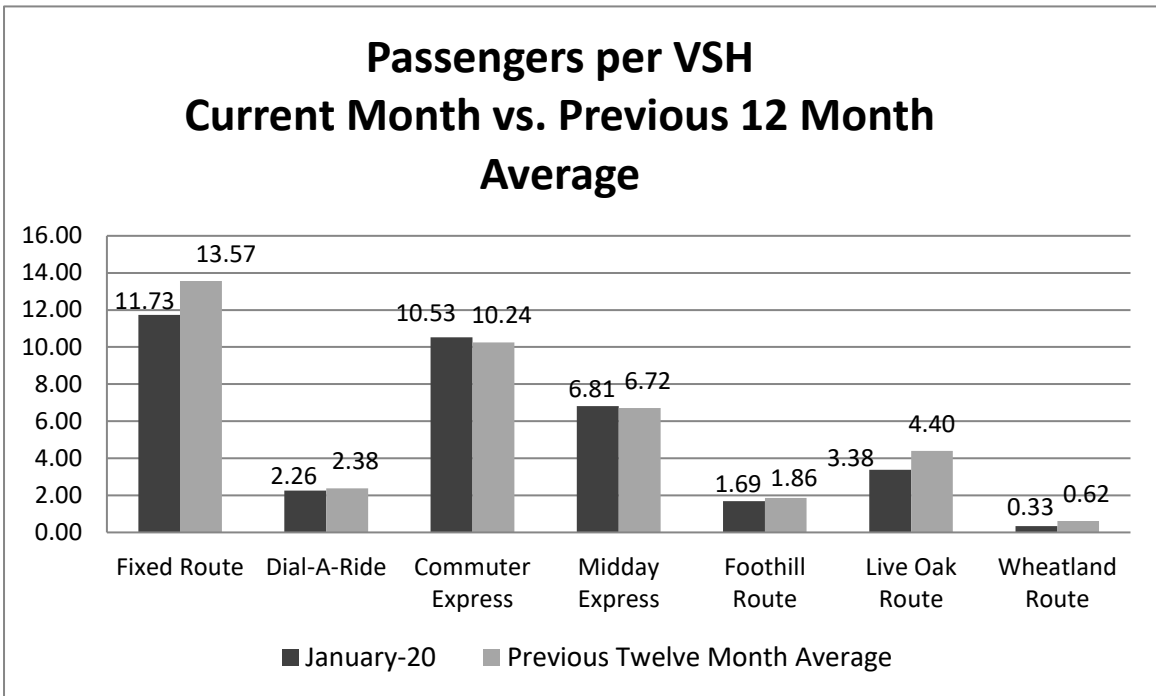
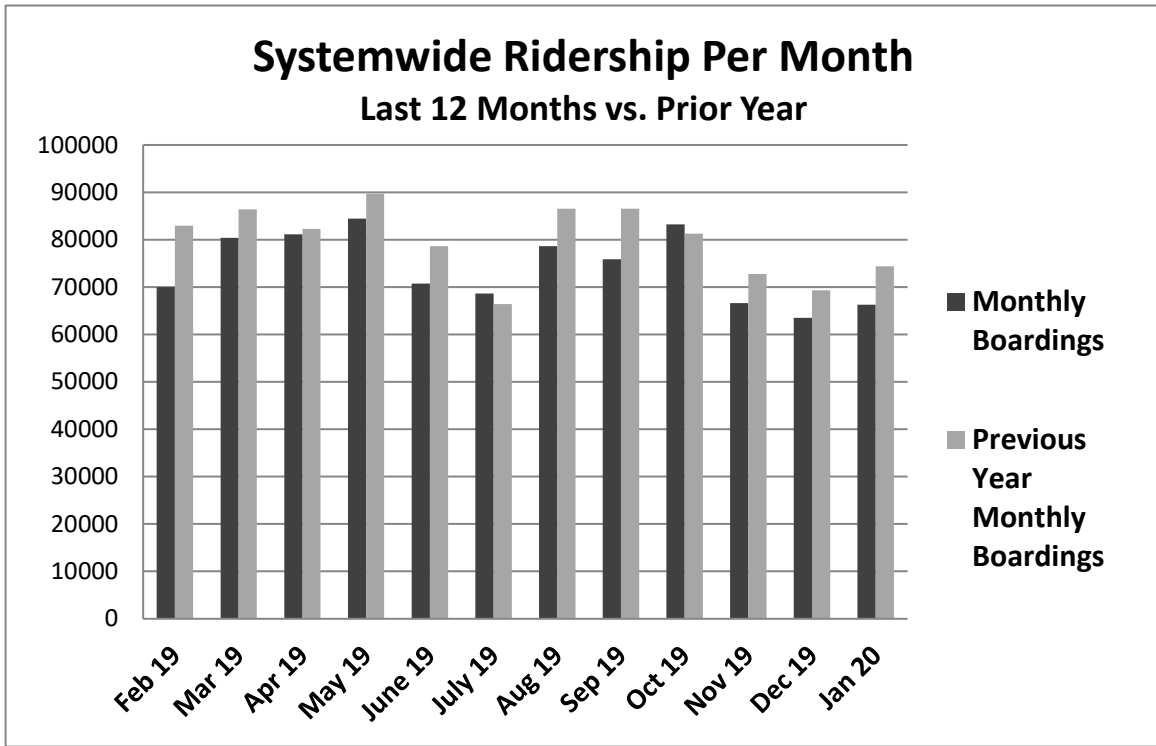
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AGENDA ITEM III - C

JANUARY 2020 PERFORMANCE REPORT

	January-20	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Ridership:				
Fixed Route	49,301	57,949	383,975	428,374
Dial-A-Ride	4,340	4,645	31,207	35,298
Commuter Express	11,153	10,602	76,205	69,836
Midday Express	1,101	1,093	7,992	7,220
Foothill Route	127	150	976	1,400
Live Oak Route	252	341	2,389	2,645
Wheatland Route	17	27	84	392
Total Ridership:	66,291	74,808	502,828	545,165
Vehicle Service Hours:				
Fixed Route	4,203.91	4,270.60	29,625.05	30,301.38
Dial-A-Ride	1,918.53	1,952.60	13,407.03	14,459.42
Commuter Express	1,059.63	1,034.87	7,431.74	7,114.13
Midday Express	161.73	162.78	1,149.10	1,126.76
Foothill Route	75.26	80.45	554.37	566.36
Live Oak Route	74.50	77.43	549.00	543.51
Wheatland Route	51.00	44.35	325.42	301.43
Total VSH's:	7,544.56	7,623.06	53,041.71	54,412.99
Passengers Per Hour:				
Fixed Route	11.73	13.57	12.96	14.14
Dial-A-Ride	2.26	2.38	2.33	2.44
Commuter Express	10.53	10.24	10.25	9.82
Midday Express	6.81	6.72	6.96	6.41
Foothill Route	1.69	1.86	1.76	2.47
Live Oak Route	3.38	4.40	4.35	4.87
Wheatland Route	0.33	0.62	0.26	1.30
Total Passengers Per VSH:	8.79	9.81	9.48	10.02

JANUARY 2020 PERFORMANCE REPORT



AGENDA ITEM IV – A
STAFF REPORT

**LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
PROJECT SELECTION**

Background

The Low Carbon Transit Operations Program (LCTOP) is one of several under 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 emissions and improve mobility, with a priority on serving State identified disadvantaged and low-income communities (DAC's).

Agencies such as Yuba-Sutter Transit whose service area includes one or more disadvantaged communities must expend at least 50 percent of the money received on projects that will benefit those communities. Assembly Bill 1550 (2016) additionally requires that 10 percent of the funds must benefit low income households that are within disadvantaged/low-income communities or within ½ mile of a disadvantaged or low-income community. Senate Bill 1119 (2018) increased project flexibility by allowing transit agencies to waive the requirement of expending 50 percent of the total allocation within and benefiting a DAC for the following:

- a) New or expanded transit service that connects with transit service serving disadvantaged communities, as identified in Section 39711 of, or in low-income communities, as defined in paragraph (2) of subdivision (d) of Section 39713 of, the Health and Safety Code.
- b) Transit fare subsidies and network and fare integration technology improvements, including, but not limited to, discounted or free student transit passes.
- c) The purchase of zero-emission transit buses and supporting infrastructure.

Within the above parameters, LCTOP projects are primarily intended to support new or expanded bus or rail services; expand intermodal transit facilities; and, may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities with each project required to reduce greenhouse gas emissions. They can also be used to purchase zero-emission replacement vehicles and the provision of fueling infrastructure for zero-emission vehicles. Recipients are encouraged to select those projects that maximize public benefits for transit ridership, greenhouse gas reductions, disadvantaged community benefits and other co-benefits.

LCTOP funding is distributed under the same formula that is used for the State Transit Assistance (STA) program and is available only to STA eligible recipients. As a result, Yuba-Sutter Transit is the only eligible claimant for LCTOP funding in the bi-county area. Caltrans, in coordination with the California Air Resources Board (CARB), is responsible for ensuring that the statutory requirements of the program are met in terms of project eligibility, greenhouse gas reductions, DAC benefits and other requirements of law.

LCTOP Funding Level

Statewide LCTOP funding levels fluctuated wildly (from \$25 to \$147 million) through the first five cycles as funding is provided through a continuous appropriation of five percent of the annual auction proceeds in the Greenhouse Gas (GHG) Reduction Fund. The State Controller's Office has yet to release the final allocations for FY 2020, but Caltrans is anticipating that it will be similar to the last cycle. The actual figure should be available at the February 20th meeting. Yuba-Sutter Transit's LCTOP allocation and approved projects by cycle are shown below.

FY 2015	\$60,305	North Beale Transit Center Improvements (Complete)
FY 2016	\$180,417	Bus Stop Enhancement Project (Complete)
FY 2017	\$82,455	Connect Card Implementation (Fully Expended 12/31/19)
FY 2018	\$226,068	Yuba College Sutter Center Shuttle (In Progress)
FY 2019	\$336,962	Enhanced Peak Hour Sacramento Service & Yuba College Sutter Center Shuttle (In Progress)
FY 2020	\$340,000	Estimated Amount Available for Designation

Proposed Projects

Staff presented a long list of potentially eligible projects for discussion at the January Board meeting at which time Directors Cardoza, Leahy and Samayoa were appointed to an Ad Hoc LCTOP Committee. That committee met on February 6th and is now recommending the following projects for Board review and consideration.

1. Connect Card Electronic Fare Program (Years Three through Five) – This project will cover the operational costs of the universal electronic fare card system for up to 2½ years as a continuation/extension of the FY 2017 project that funded the Connect Card Program for 2½ years. As proposed, this would cover the maximum of five years of any one LCTOP funded program. This funding will cover Yuba-Sutter Transit's share of the program management and customer service call center services being provided by the Sacramento Regional Transit District as well as all internal costs borne by Yuba-Sutter Transit. These costs have averaged around \$3,200 a month over the past year and are expected to increase slightly over the next 2½ years. As a result, the cost to fund this project from July 1, 2020 through December 30, 2022 is projected at \$100,000.
2. Targeted Fare Subsidies and Free Fare Events/Programs – The regular price for a discount monthly local and rural route bus pass for youth, seniors and eligible persons with disabilities is \$15 per month, but it has been reduced to just \$5 for many years through a series of Feather River Air Quality Management District (FRAQMD) grants that will continue at least through March 2021. The regular price for a non-discount general public monthly local and rural route pass is \$30.

To reverse the trend of declining ridership, better serve those from disadvantaged/low income communities and to make the price of a full fare monthly pass more equitable to the discounted monthly pass, the proposed project would use LCTOP funding to reduce the price of a general public pass to just \$10. Assuming this low price would increase the number of general public monthly bus pass sales from the current average of 300 to around 400 per month and allowing for some promotional expenses, this two-year demonstration project would cost approximately \$200,000 from July 2020 through June 2022.

As proposed, any remaining balance from the final FY 2020 allocation of LCTOP funding would be designated to off-set the lost fare revenue during a series of local fixed route free fare events or programs during the same two years. While the specifics would be developed later, possibilities include "Free Fridays" or "Free After 5:00" or free fares on specific routes to boost publicity and ridership. Staff will reach out to other agencies that have done similar free fare programs to determine which had the greatest ridership impact.

Staff and members of the ad hoc committee will be prepared to discuss the proposed projects in detail at the meeting.

- RECOMMENDATION:
- 1.) Authorize the submittal of specified projects for LCTOP funding as proposed or amended; and,
 - 2.) Adopt Resolution No. 1-20 authorizing execution of the related LCTOP Certifications and Assurances including the designation of the Transit Manager as the Authorized Agent.

YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 1-20

**AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED
AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR THE
FOLLOWING PROJECTS:**

**CONNECT CARD ELECTRONIC FARE PROGRAM (YEARS THREE THROUGH FIVE) &
TARGETED FARE SUBSIDIES AND FREE FARE EVENTS/PROGRAMS**

WHEREAS, the Yuba-Sutter Transit Authority is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) 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 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and,

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and,

WHEREAS, the Yuba-Sutter Transit Authority wishes to delegate authorization to execute the Certifications and Assurances, Authorized Agent form and any amendments thereto to Keith Martin, Transit Manager; and,

WHEREAS, the Yuba-Sutter Transit Authority wishes to implement the LCTOP projects listed above that will provide at least 50% of the funding to benefit disadvantaged communities and comply with Assembly Bill 1550 which requires 5% of the funds be allocated to a project that benefit low-income communities and 5% of the funds are allocated to a project that benefit these living within ½ mile of a low-income or disadvantaged community within Yuba and Sutter Counties.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yuba-Sutter Transit Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that Keith Martin, Transit Manager is authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the Yuba-Sutter Transit Authority that it hereby authorizes the submittal of the following project nominations and allocation requests to the Department for FY 2019-20 LCTOP funds:

PROJECT NAME: CONNECT CARD ELECTRONIC FARE PROGRAM (YEARS THREE THROUGH FIVE)

Amount of LCTOP funds requested: \$100,000 (Regional - \$TBD/ Local - \$TBD)

Project description: Provides operational funding for the Connect Card Electronic Fare Program.

Contributing Sponsors: Sacramento Area Council of Governments (SACOG)

DAC: This project provides systemwide benefits which fulfills DAC requirements under SB 1119.

PROJECT NAME: TARGETED FARE SUBSIDIES AND FREE FARE EVENTS/PROGRAMS

Amount of LCTOP funds requested: \$TBD (Regional - \$TBD)

Project description: Provides \$20 subsidy for general public monthly passes reducing the price to \$10 and targeted free fare events/programs to increase ridership and enhance transit access.

Contributing Sponsors: Sacramento Area Council of Governments (SACOG)

DAC: This project provides systemwide benefits which fulfills DAC requirements under SB 1119.

Ayes:

Nos:

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT A REGULAR MEETING HELD ON FEBRUARY 20, 2020.

Chair, Board of Directors

ATTEST:

Janet Frye, Secretary to the Board

AGENDA ITEM IV – B
STAFF REPORT

**FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT (FRAQMD)
AB 2766 GRANT AGREEMENTS**

Attached for Board review and approval are two Feather River Air Quality Management District (FRAQMD) Grant Agreements (#VF19-02 and #VF19-03) to extend the existing Discount Monthly Pass Program for twelve months through March 2021 (\$142,000) and to extend the expanded Live Oak Route for another twelve months through December 2020 (\$10,000). These grants were approved by FRAQMD in December for the full amount requested for a total of \$152,000.

The largest of these grants assumes the sale of 14,200 discount monthly bus passes for area youth (age 5 – 18), seniors (currently age 65 and over) and persons with qualifying disabilities at a grant funded subsidy of \$10 each. Based on the current price of \$15 for a discount monthly fixed route pass, the out-of-pocket cost to the passenger would remain at \$5 each. All related marketing and administrative support expenses will be provided by Yuba-Sutter Transit as an in-kind contribution. In addition, these discount passes will also be accepted as payment on Yuba-Sutter Transit's three rural routes to Live Oak, Wheatland and the Yuba County Foothills.

The second grant is for the continued operation of the Live Oak Route at the expanded five day a week service level including an on-call stop at Yuba College's Sutter County Center from January 1 through December 31, 2020. FRAQMD has provided funding in previous grant cycles for a portion of the cost to expand this route from three to five days a week since July 1, 2015. The new grant is expected to provide approximately one-third of the incremental operating cost for the two additional service days with the remainder provided by the City of Live Oak from available State Transit Assistance (STA) revenue that is claimed directly by Yuba-Sutter Transit. All related marketing and administrative support expenses are provided by Yuba-Sutter Transit as an in-kind contribution.

These are standard FRAQMD grant agreements that will have been reviewed by legal counsel prior to the meeting. Staff and counsel will be prepared at the meeting to discuss both the agreements and the projects in detail.

RECOMMENDATION: Authorize execution of FRAQMD Grant Agreements #VF19-02 and #VF19-03 as submitted.

**AGREEMENT FOR USE OF MOTOR-VEHICLE
REGISTRATION SURCHARGE FEES**

FRAQMD Agreement No. VF19-02

This Agreement, dated December 2, 2019, is between the Yuba-Sutter Transit Authority ("Participant"), and the Feather River Air Quality Management District ("FRAQMD").

RECITALS

- A. Participant proposes the Discount Monthly Bus Pass Program, which will continue the Discount Monthly Bus Pass Program for area youth, seniors, and persons with disabilities from April 2020 through March 2021.
- B. As part of its effort to reduce local air pollution from motor vehicles, FRAQMD is willing to fund a portion of this work from revenues it may receive under Chapter 7 of Part 5 of Division 26 (commencing with section 44220) of the Health and Safety Code, subject to the terms and conditions herein.

TERMS AND CONDITIONS

1. FRAQMD shall pay to Participant a total amount not to exceed \$142,000.00, within thirty days of receiving Participant's written invoice for the work described in section 2. Payment shall be made exclusively from revenues as specified in section B above, and is conditioned upon such revenues being available. Participant may submit partial invoices as work is completed throughout the term of the Agreement.
2. Participant shall use the funds paid under section 1 solely for the Discount Monthly Bus Pass Program, as further described in the Work Statement of the Blue Sky Program Proposal Application Form (Exhibit A) which is attached to this agreement and made part of it.
3. Participant shall include mention of FRAQMD's Blue Sky Program as a funding source for the Discount Monthly Bus Pass Program in all press releases, advertisements and other public outreach for the Discount Monthly Bus Pass Program. Participant shall provide FRAQMD notification of all such outreach prior to publication.
4. Participant shall submit a final "Project Evaluation" report that details the results of the Discount Monthly Bus Pass Program objectives as further described in said Exhibit A, **with the final invoice**, within 90 days of project completion, but no later than June 30, 2021.
5. Participant acknowledges that in order to comply with Chapter 7 of Part 5 of Division 26 (commencing with Section 44220) of the Health and Safety Code the funds paid under section 1 must be used solely to reduce air pollution from motor vehicles, and for related planning, monitoring, enforcement, and technical studies necessary to implement the California Clean Air Act of 1988. Participant agrees to use all funds paid hereunder for such purposes.
6. Participant shall complete the work described in paragraph 2 by **March 31, 2021**. If all or a portion of the work described in paragraph 2 is not complete, the funding allocated to the incomplete portion shall revert to back to the FRAQMD on July 1, 2021. Further, Participant shall

incomplete portion shall revert to back to the FRAQMD on July 1, 2021. Further, Participant shall refund to FRAQMD any funds paid hereunder which are not expended solely for the work described in paragraph 2, together with accrued interest, within 30 days of FRAQMD's written demand therefore.

7. If Participant requires an amendment to the agreement either to extend the grant beyond March 31, 2021, to complete the work described in paragraph 2, or for any other reason, then an extension request must be received by the FRAQMD no later than January 10, 2021.

8. Participant agrees to indemnify, defend (upon FRAQMD's written request), protect, and hold harmless FRAQMD and FRAQMD's officers, employees, and agents against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise in any way from acts or omissions by Participant or Participant's officers, employees, or agents while performing under this agreement. Participant's obligation under this section covers but is not limited to liabilities, claims, demands, damages, and costs arising from injury to, or death of, any person and from damage to, or destruction of, any property. Participant's obligation under this section will survive this agreement.

9. If Participant materially breaches this agreement, then FRAQMD may demand in writing that the breach be cured. If, within ten days after receiving such demand, Participant has failed to cure the breach to FRAQMD's reasonable satisfaction, then FRAQMD may give Participant written notice of termination. Upon such termination, Participant must submit to FRAQMD a final written report prepared in accordance with section 3 and must return to FRAQMD all funds paid under section 1 which have not been expended on the Discount Monthly Bus Pass Program. As used in this section, "material breach" includes but is not limited to Participant's use of funds paid under section 1 in a manner inconsistent with Chapter 7. FRAQMD's failure to insist on strict performance of this agreement, or to exercise any right or remedy upon breach of this agreement, shall not constitute a waiver of such performance, right, or remedy. No waiver is binding unless in writing, signed by FRAQMD.

10. Participant acknowledges that FRAQMD's sole responsibility concerning the Discount Monthly Bus Pass Program described in section 2 is to contribute a portion of the program costs. FRAQMD has no responsibility for, or control over, development, implementation, and promotion of the Discount Monthly Bus Pass Program.

11. All correspondence regarding this agreement, including invoices, payments, and notices, shall be directed to the following persons at the following addresses and phone numbers:

YSTA:

Keith Martin, Transit Director
2100 B Street
Marysville, CA 95901
(530) 634-6880

FRAQMD:

Christopher D. Brown, AICP, Air Pollution Control Officer
541 Washington Avenue
Yuba City, California 95991
(530) 634-7659

If written, correspondence shall be sent either by personal delivery (including overnight delivery service) or by U. S. Mail, postage prepaid, and shall be considered delivered when actually received.

12. For a period of three years after final payment to Participant, this agreement shall be subject to the examination and audit of the State Auditor or independent auditor selected by FRAQMD, whether at FRAQMD's request or as part of any audit of FRAQMD, and Participant shall retain copies of all documents and records pertinent to this agreement for such period.

13. This agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply in interpreting this Agreement.

14. This agreement shall be interpreted and applied in accordance with California law. If any conflict arises between sections 1 through 13 and Exhibit A, then sections 1 through 13 shall govern. Any litigation concerning it shall be brought in the Superior Court of Sutter County. The prevailing party in any such litigation shall be entitled to recover reasonable attorneys' fees in addition to any other relief to which it may be entitled.

15. This agreement sets forth the parties' entire understanding regarding the matters set forth in sections 1 through 14. It supersedes all prior agreements and representations, written and oral, and may be modified only by a written agreement signed by Participant and FRAQMD.

APPROVED FOR LEGAL FORM

FEATHER RIVER AIR QUALITY
MANAGEMENT DISTRICT

By: _____
District Counsel

By: _____
Christopher D. Brown, AICP, APCO

YUBA-SUTTER TRANSIT AUTHORITY

By: _____
Keith Martin, Transit Director

EXHIBIT A



Serving Sutter and Yuba Counties

Project Priority #1

Received

OCT 04 2019

PROJECT FILED

541 Washington Avenue
Yuba City, CA 95991
(530) 634-7659
FAX (530) 634-7660
www.fraqmd.org

Christopher D. Brown, AICP
Air Pollution Control Officer

BLUE SKY PROGRAM PROPOSAL APPLICATION FORM AB 2766
Fiscal Year 2019-2020

PROJECT TITLE Discount Monthly Bus Pass Program

Agency/Company Name: Yuba-Sutter Transit Authority

Mailing Address: 2100 B Street, Marysville, CA 95901

Contact Person Name: Keith Martin Title: Transit Manager

Phone Number: (530) 634-6880 Fax Number: (530) 634-6888

Physical Address (if different from above):

E-Mail Address: keith@yubasuttertransit.com

FUNDING REQUESTED

AB2766 Funding: \$ 142,000 OR AB 923 Funding: \$

PROJECT TYPE (check one)

- Alternative Fuel Infrastructure
Public Education or Outreach
Public Transit Fare Reduction
Bicycle or Pedestrian
Vanpool/Shuttle
Employer Rideshare Incentive
Public Transit
Clean Fuel Vehicle Purchase
Other

Authorized Representative who will sign the Grant Agreement:

Form with fields for Name (Keith Martin), Title (Transit Manager), Signature of Representative, and Date (October 4, 2019)

STATEMENT OF OBJECTIVES (fill out all sections that are applicable)

Description of Proposal: One year extension of the Discount Monthly Bus Pass Program for youth, seniors and persons with disabilities
Explain the Need for this Project: To encourage and reinforce transit ridership by area youth, seniors and persons with disabilities
Estimated Emission Reductions/Vehicle Trip Reductions/Project Benefit: Unknown
Estimated Number of People Served: The Discount Monthly Bus Pass Program is expected to result in the sale of 14,200 passes providing up to 340,000 passenger trips
Regional Benefit of Proposal: Reduced number of vehicle trips and vehicle miles traveled for reduced vehicle emissions and improved air quality
Describe Previous Funding Received by Project from the Blue Sky Program: Yuba-Sutter Transit has received a number of Blue Sky grants for this and similar projects beginning with a Discount Monthly Youth Pass in September 2005 that has since been expanded to include seniors and persons with disabilities.
Number of Years to Achieve Estimated Emission Reductions/VMT Reductions/Benefits: N/A

FUNDING REQUEST

Total Project Costs: \$146,250								
List Project Costs by Tasks, Phase, and Alternative Funding Levels (if applicable): <table><tr><td>Fare Replacement on the Sale of 14,500 Discount Monthly Bus Passes</td><td>\$142,000</td></tr><tr><td>Project Management, Marketing & Evaluation (30 hours @\$75/Hour)</td><td>2,250</td></tr><tr><td>Direct Project Promotional Expenses</td><td>2,000</td></tr><tr><td>Total</td><td>\$146,250</td></tr></table>	Fare Replacement on the Sale of 14,500 Discount Monthly Bus Passes	\$142,000	Project Management, Marketing & Evaluation (30 hours @\$75/Hour)	2,250	Direct Project Promotional Expenses	2,000	Total	\$146,250
Fare Replacement on the Sale of 14,500 Discount Monthly Bus Passes	\$142,000							
Project Management, Marketing & Evaluation (30 hours @\$75/Hour)	2,250							
Direct Project Promotional Expenses	2,000							
Total	\$146,250							
List all funding sources including direct and in-kind (non-dollar) contributions and sources: <table><tr><td>Blue Sky Grant</td><td>\$142,000</td></tr><tr><td>In-Kind</td><td>4,250</td></tr><tr><td>Total</td><td>\$146,250</td></tr></table>	Blue Sky Grant	\$142,000	In-Kind	4,250	Total	\$146,250		
Blue Sky Grant	\$142,000							
In-Kind	4,250							
Total	\$146,250							
Itemized list of equipment to be purchased and proportion of cost to be funded by Blue Sky Grant: N/A								
Percent or Amount of Funding Requested that is for Project Administration: 0%								
Names of any subcontractors, hourly or daily rates of compensation and number of hours. If specific contractors not yet known, list minimum qualifications: None								

ADDITIONAL INFORMATION ON SPECIFIC PROJECT TYPES

Alternative fuel infrastructure for CNG, LNG, or EVSE.

Fueling station address/city/ZIP: N/A	
Estimated date of operation:	Total Cost:
Number of vehicles it will serve:	
Regional benefit of project:	
Will the fueling station be accessible to the public? If yes, describe accessibility (24/7; M-F, etc):	

EMPLOYER RIDESHARE INCENTIVE PROJECTS

Employer/TMA Name: N/A	
Number of employees to be served:	Length of Project:
How will project encourage alternative commute modes:	

BICYCLE OR PEDESTRIAN FACILITIES OR IMPROVEMENTS

Description of Location and Major Origins and Destinations (attach map): N/A
Commuter or Recreational Focus:
Describe Consistency or Implementation w/Adopted Bicycle or Other Plan:

EXPANSION OF TRANSIT SERVICES

Description of Bus Routes and Major Origins, Connections, and Destinations (attach map): N/A
For New Service, Estimated Number of Passengers Per Trip:

PUBLIC EDUCATION/OUTREACH/INFORMATION

Target Audience: N/A
Message to be Delivered:
How Message Results in Reduced Emissions:

VANPOOL/SHUTTLES

New Vehicle Manufacturer:	
New Vehicle VIN, ID Number, or License Plate (if known):	
New Vehicle Model:	New Vehicle Fuel Type:
New Vehicle Model Year:	New Vehicle GVWR:
New Vehicle Type:	Estimated Date of Delivery:
New Engine Manufacturer:	New Engine Model:
New Engine Model Year:	New Engine Horsepower:
New Engine CARB Executive Order Number:	
Incremental Cost of Project (cost difference between conventionally fueled new vehicle and the low emission vehicle):	
Number of Years Project to be under Contract:	

Project Requirements:

- i. All new vehicles must be Original Equipment Manufacturer (OEM) and the vehicles (or any conversion kit) must be certified by the California Air Resources Board to be cleaner than the standard (base) gasoline or diesel vehicle.*
- ii. Electric vehicles must meet all state and federal standards for on-road operation.*
- iii. Submit copies of the new vehicle manufacturer's descriptive literature that includes the engine make and series, certification standard and a picture of the proposed vehicle.*
- iv. Submit a copy of existing vehicle registration showing registration in CA for previous 24 months, proof of insurance for previous 24 months, existing engine Executive Order, new vehicle quote from vender, new vehicle warranty information, and new engine/retrofit Executive Order.*

**AGREEMENT FOR USE OF MOTOR-VEHICLE
REGISTRATION SURCHARGE FEES**

FRAQMD Agreement No. VF19-03

This Agreement, dated December 2, 2019, is between the Yuba-Sutter Transit Authority ("Participant"), and the Feather River Air Quality Management District ("FRAQMD").

RECITALS

- A. Participant proposes the Live Oak Service Expansion, which will extend the Live Oak Service Expansion project through December 2020.
- B. As part of its effort to reduce local air pollution from motor vehicles, FRAQMD is willing to fund a portion of this work from revenues it may receive under Chapter 7 of Part 5 of Division 26 (commencing with section 44220) of the Health and Safety Code, subject to the terms and conditions herein.

TERMS AND CONDITIONS

1. FRAQMD shall pay to Participant a total amount not to exceed \$10,000.00, within thirty days of receiving Participant's written invoice for the work described in section 2. Payment shall be made exclusively from revenues as specified in section B above, and is conditioned upon such revenues being available. Participant may submit partial invoices as work is completed throughout the term of the Agreement.
2. Participant shall use the funds paid under section 1 solely for the Live Oak Service Expansion, as further described in the Work Statement of the Blue Sky Program Proposal Application Form (Exhibit A) which is attached to this agreement and made part of it.
3. Participant shall include mention of FRAQMD's Blue Sky Program as a funding source for the Live Oak Service Expansion in all press releases, advertisements and other public outreach for the Live Oak Service Expansion. Participant shall provide FRAQMD notification of all such outreach prior to publication.
4. Participant shall submit a final "Project Evaluation" report that details the results of the Live Oak Service Expansion objectives as further described in said Exhibit A, **with the final invoice**, within 90 days of project completion, but no later than March 31, 2021.
5. Participant acknowledges that in order to comply with Chapter 7 of Part 5 of Division 26 (commencing with Section 44220) of the Health and Safety Code the funds paid under section 1 must be used solely to reduce air pollution from motor vehicles, and for related planning, monitoring, enforcement, and technical studies necessary to implement the California Clean Air Act of 1988. Participant agrees to use all funds paid hereunder for such purposes.
6. Participant shall complete the work described in paragraph 2 by **December 31, 2020**. If all or a portion of the work described in paragraph 2 is not complete, the funding allocated to the incomplete portion shall revert to back to the FRAQMD on July 1, 2021. Further, Participant shall refund to FRAQMD any funds paid hereunder which are not expended solely for the work

refund to FRAQMD any funds paid hereunder which are not expended solely for the work described in paragraph 2, together with accrued interest, within 30 days of FRAQMD's written demand therefore.

7. If Participant requires an amendment to the agreement either to extend the grant beyond December 31, 2020, to complete the work described in paragraph 2, or for any other reason, then an extension request must be received by the FRAQMD no later than November 10, 2020.

8. Participant agrees to indemnify, defend (upon FRAQMD's written request), protect, and hold harmless FRAQMD and FRAQMD's officers, employees, and agents against all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final appeal) that arise in any way from acts or omissions by Participant or Participant's officers, employees, or agents while performing under this agreement. Participant's obligation under this section covers but is not limited to liabilities, claims, demands, damages, and costs arising from injury to, or death of, any person and from damage to, or destruction of, any property. Participant's obligation under this section will survive this agreement.

9. If Participant materially breaches this agreement, then FRAQMD may demand in writing that the breach be cured. If, within ten days after receiving such demand, Participant has failed to cure the breach to FRAQMD's reasonable satisfaction, then FRAQMD may give Participant written notice of termination. Upon such termination, Participant must submit to FRAQMD a final written report prepared in accordance with section 3 and must return to FRAQMD all funds paid under section 1 which have not been expended on the Live Oak Service Expansion. As used in this section, "material breach" includes but is not limited to Participant's use of funds paid under section 1 in a manner inconsistent with Chapter 7. FRAQMD's failure to insist on strict performance of this agreement, or to exercise any right or remedy upon breach of this agreement, shall not constitute a waiver of such performance, right, or remedy. No waiver is binding unless in writing, signed by FRAQMD.

10. Participant acknowledges that FRAQMD's sole responsibility concerning the Live Oak Service Expansion described in section 2 is to contribute a portion of the program costs. FRAQMD has no responsibility for, or control over, development, implementation, and promotion of the Live Oak Service Expansion.

11. All correspondence regarding this agreement, including invoices, payments, and notices, shall be directed to the following persons at the following addresses and phone numbers:

YSTA:

Keith Martin, Transit Director
2100 B Street
Marysville, CA 95901
(530) 634-6880

FRAQMD:

Christopher D. Brown, AICP, Air Pollution Control Officer
541 Washington Avenue
Yuba City, California 95991
(530) 634-7659

If written, correspondence shall be sent either by personal delivery (including overnight delivery service) or by U. S. Mail, postage prepaid, and shall be considered delivered when actually received.

12. For a period of three years after final payment to Participant, this agreement shall be subject to the examination and audit of the State Auditor or independent auditor selected by FRAQMD, whether at FRAQMD's request or as part of any audit of FRAQMD, and Participant shall retain copies of all documents and records pertinent to this agreement for such period.

13. This agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply in interpreting this Agreement.

14. This agreement shall be interpreted and applied in accordance with California law. If any conflict arises between sections 1 through 13 and Exhibit A, then sections 1 through 13 shall govern. Any litigation concerning it shall be brought in the Superior Court of Sutter County. The prevailing party in any such litigation shall be entitled to recover reasonable attorneys' fees in addition to any other relief to which it may be entitled.

15. This agreement sets forth the parties' entire understanding regarding the matters set forth in sections 1 through 14. It supersedes all prior agreements and representations, written and oral, and may be modified only by a written agreement signed by Participant and FRAQMD.

APPROVED FOR LEGAL FORM

FEATHER RIVER AIR QUALITY
MANAGEMENT DISTRICT

By: _____
District Counsel

By: _____
Christopher D. Brown, AICP, APCO

YUBA-SUTTER TRANSIT AUTHORITY

By: _____
Keith Martin, Transit Director

EXHIBIT A



Serving Sutter and Yuba Counties

Project Priority #2

541 Washington Avenue
Yuba City, CA 95991
(530) 634-7659
FAX (530) 634-7660
www.fraqmd.org

Christopher D. Brown, AICP
Air Pollution Control Officer

**BLUE SKY PROGRAM PROPOSAL APPLICATION FORM AB 2766
Fiscal Year 2019-2020**

PROJECT TITLE Live Oak Service Expansion

Agency/Company Name: Yuba-Sutter Transit Authority

Mailing Address: 2100 B Street, Marysville, CA 95901

Contact Person Name: Keith Martin Title: Transit Manager

Phone Number: (530) 634-6880 Fax Number: (530) 634-6888

Physical Address (if different from above):

E-Mail Address: keith@yubasuttertransit.com


FUNDING REQUESTED

AB2766 Funding: \$ 10,000 OR AB 923 Funding: \$ _____

PROJECT TYPE (check one)

- Alternative Fuel Infrastructure
- Public Education or Outreach
- Public Transit Fare Reduction
- Bicycle or Pedestrian
- Vanpool/Shuttle
- Employer Rideshare Incentive
- Public Transit
- Clean Fuel Vehicle Purchase
- Other

Authorized Representative who will sign the Grant Agreement:

Name: Keith Martin	Title: Transit Manager
Signature of Representative: 	Date: October 4, 2019

STATEMENT OF OBJECTIVES (fill out all sections that are applicable)

Description of Proposal: One year extension (through December 2020) of the expanded Live Oak Route from three to five days a week
Explain the Need for this Project: To determine if expanded service will result in increased ridership comparable to, if not more than, the increase in service.
Estimated Emission Reductions/Vehicle Trip Reductions/Project Benefit: Unknown
Estimated Number of People Served: Ridership for the expanded Live Oak Route is estimated at 5,000 passenger boardings over the 12 month project period
Regional Benefit of Proposal: The results of this extended demonstration service will be used to evaluate the ridership potential for the possible expansion of other rural routes
Describe Previous Funding Received by Project from the Blue Sky Program: Yuba-Sutter Transit has received five previous Blue Sky grants for this project for a total value of \$45,000 for services operated from July 2015 through December 2019.
Number of Years to Achieve Estimated Emission Reductions/VMT Reductions/Benefits: N/A

FUNDING REQUEST

Total Project Costs: \$33,750
List Project Costs by Tasks, Phase, and Alternative Funding Levels (if applicable): Expanded Live Oak Route (Net Operating Cost) \$33,000 (Additional Two Days/Week) Project Management, Marketing & Evaluation 750 (10 hours @\$75/Hour) Total \$33,750
List all funding sources including direct and in-kind (non-dollar) contributions and sources: State Transit Assistance \$23,000 Blue Sky Grant 10,000 In-Kind 750 Total \$33,750
Itemized list of equipment to be purchased and proportion of cost to be funded by Blue Sky Grant: N/A
Percent or Amount of Funding Requested that is for Project Administration: 0%
Names of any subcontractors, hourly or daily rates of compensation and number of hours. If specific contractors not yet known, list minimum qualifications: Yuba-Sutter Transit contracts with Storer Transit Services for the operation and maintenance of the local public transit system including the Live Oak Route. The current contract rate is \$38.35 per vehicle service hour plus a fixed monthly rate of \$210,820 and a fixed monthly insurance rate of \$311 for each small bus and \$492 for each large bus for a maximum annual cost of \$6,263,692. Pursuant to the terms and conditions of the agreement between the City of Live Oak and Yuba-Sutter Transit, the fully allocated rate for the Live Oak service through June 2020 is \$92.71 per vehicle service hour.

ADDITIONAL INFORMATION ON SPECIFIC PROJECT TYPES

Alternative fuel infrastructure for CNG, LNG, or EVSE.

Fueling station address/city/ZIP: N/A	
Estimated date of operation:	Total Cost:
Number of vehicles it will serve:	
Regional benefit of project:	
Will the fueling station be accessible to the public? If yes, describe accessibility (24/7; M-F, etc):	

EMPLOYER RIDESHARE INCENTIVE PROJECTS

Employer/TMA Name: N/A	
Number of employees to be served:	Length of Project:
How will project encourage alternative commute modes:	

BICYCLE OR PEDESTRIAN FACILITIES OR IMPROVEMENTS

Description of Location and Major Origins and Destinations (attach map): N/A
Commuter or Recreational Focus:
Describe Consistency or Implementation w/Adopted Bicycle or Other Plan:

EXPANSION OF TRANSIT SERVICES

Description of Bus Routes and Major Origins, Connections, and Destinations (attach map):
Continuation of a July 2015 expansion of the Live Oak Route from three to five days a week.
For New Service, Estimated Number of Passengers Per Trip: Estimated total ridership of 5,000 annual passenger trips for the Live Oak Route

PUBLIC EDUCATION/OUTREACH/INFORMATION

Target Audience: N/A
Message to be Delivered:
How Message Results in Reduced Emissions:

VANPOOL/SHUTTLES

New Vehicle Manufacturer:	
New Vehicle VIN, ID Number, or License Plate (if known):	
New Vehicle Model:	New Vehicle Fuel Type:
New Vehicle Model Year:	New Vehicle GVWR:
New Vehicle Type:	Estimated Date of Delivery:
New Engine Manufacturer:	New Engine Model:
New Engine Model Year:	New Engine Horsepower:
New Engine CARB Executive Order Number:	
Incremental Cost of Project (cost difference between conventionally fueled new vehicle and the low emission vehicle):	
Number of Years Project to be under Contract:	

Project Requirements:

- i. All new vehicles must be Original Equipment Manufacturer (OEM) and the vehicles (or any conversion kit) must be certified by the California Air Resources Board to be cleaner than the standard (base) gasoline or diesel vehicle.*
- ii. Electric vehicles must meet all state and federal standards for on-road operation.*
- iii. Submit copies of the new vehicle manufacturer's descriptive literature that includes the engine make and series, certification standard and a picture of the proposed vehicle.*
- iv. Submit a copy of existing vehicle registration showing registration in CA for previous 24 months, proof of insurance for previous 24 months, existing engine Executive Order, new vehicle quote from vender, new vehicle warranty information, and new engine/retrofit Executive Order.*

AGENDA ITEM IV – C
STAFF REPORT

FY 2018-2019 FINANCIAL AUDIT REPORT

Attached for Board review and acceptance is a copy of Yuba-Sutter Transit's Independent Audit Report and related letters for FY 2018-2019. This report is completed annually on behalf of the Sacramento Area Council of Governments (SACOG) in accordance with the provisions of the State Transportation Development Act. The report was prepared by the firm of Richardson & Company of Sacramento.

One issue that was raised during the audit and communicated in both the Management Letter and the Governance Letter to the Board, is that participants in the CalPERS health insurance pool can have a significant Other Post Employment Benefit (OPEB) liability, even if retirees are not currently purchasing health insurance through the employer's plan, such as is the case with the Authority's two retirees. This is due to actuarial standards and GASB Statement No. 75 requiring plans with blended health insurance premiums for active employees and retirees to compute the "subsidy" provided to retirees by being able to access insurance at the blended pool rate rather than having to pay significantly higher age adjusted premiums. Actuaries assert that employers would be paying lower age adjusted premiums for active employees if not in an insurance pool. The excess premiums paid for the active employees is considered to be related to retiree benefits and is considered an OPEB under GASB Statement No. 75.

In response, the Authority prepared a simplified calculation of the effect of the subsidy and determined it was not significant for reporting purposes. The auditors, however, have suggested that the Authority consult with an actuary to provide a second opinion on the effect of the subsidy to determine whether it could possibly be material for reporting purposes. The Authority has requested and received data from CalPERS and is now seeking an actuary to perform the calculation of the Authority's OPEB liability. Management will discuss the posting of this liability once the amount has been determined. Also included in the Governance Letter is a schedule summarizing the unadjusted audit difference in the financial statements. Management has determined the effects of the uncorrected audit difference is immaterial to the financial statements as a whole.

The only audit finding presented in the Schedule of Findings and Questioned Costs of the financial statements, is that the Authority claimed TDA revenues in excess of actual transit operation expenses by \$686,099 for FY 2019. In recent years, as directed in previous audits, the Authority has claimed the full amount of State Transit Assistance (STA) funds available and maintains a reconciliation of any excess or shortage of funds applied to the budget. This reconciliation is included as part of each annual operating budget for transparency. As noted in the Corrective Action Plan, management concurs with the audit finding and is now working with SACOG to further sanction the retention of the excess funds for an operating reserve.

Staff will be prepared to discuss the report in detail at the meeting.

RECOMMENDATION: Accept the FY 2018-2019 audit report as presented.

YUBA-SUTTER TRANSIT AUTHORITY

Audited Financial Statements
and Compliance Reports

June 30, 2019

YUBA-SUTTER TRANSIT AUTHORITY

Audited Financial Statements
and Compliance Reports

June 30, 2019 and 2018

Audited Financial Statements

Independent Auditor’s Report 1
Balance Sheets 3
Statements of Revenues, Expenses and Changes in Net Position 4
Statements of Cash Flows 5
Notes to Financial Statements 6

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability –
Miscellaneous Plan (Unaudited) and Schedule of Contributions to the
Pension Plan – Miscellaneous Plan (Unaudited) 19

Compliance Reports

Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*,
the Transportation Development Act and Other State Program Guidelines 20
Independent Auditor’s Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance 22
Schedule of Findings and Questioned Costs 24
Schedule of Expenditures of Federal Awards 26
Notes to Schedule of Expenditures of Federal Awards 27
Corrective Action Plan 28



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yuba-Sutter Transit Authority
Marysville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Yuba-Sutter Transit Authority (the Authority) as of and for the years ended June 30, 2019 and 2018, and the related notes to the 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2019 and 2018, and changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

To the Board of Directors
Yuba-Sutter Transit Authority

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information, as listed in the accompanying 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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2020 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 Transportation Development Act and other state grant program guidelines. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

January 8, 2020

YUBA-SUTTER TRANSIT AUTHORITY

BALANCE SHEETS

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,267,339	\$ 1,415,017
Accounts receivable	6,141	4,674
Interest receivable	3,007	2,457
Due from other governmental agencies	2,019,885	5,431,425
Prepaid expenses and other assets	45,877	9,262
TOTAL CURRENT ASSETS	<u>4,342,249</u>	<u>6,862,835</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	511,185	569,105
Capital assets:		
Nondepreciable	1,708,681	4,868,177
Depreciable, net	10,992,476	7,857,484
Total Capital Assets	<u>12,701,157</u>	<u>12,725,661</u>
TOTAL NONCURRENT ASSETS	<u>13,212,342</u>	<u>13,294,766</u>
TOTAL ASSETS	<u>17,554,591</u>	<u>20,157,601</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	127,450	147,285
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 17,682,041</u>	<u>\$ 20,304,886</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 1,373,937	\$ 4,459,206
Accrued payroll	35,415	35,292
Accrued compensated absences	37,539	36,472
Unearned revenue	786,734	1,077,395
Deposits payable	25,075	25,075
TOTAL CURRENT LIABILITIES	<u>2,258,700</u>	<u>5,633,440</u>
NONCURRENT LIABILITIES		
Net pension liability	338,485	356,041
TOTAL LIABILITIES	<u>2,597,185</u>	<u>5,989,481</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan	15,547	13,801
NET POSITION		
Investment in capital assets	12,701,157	12,725,661
Restricted for operations in specified service areas	56,126	41,492
Unrestricted	2,312,026	1,534,451
TOTAL NET POSITION	<u>15,069,309</u>	<u>14,301,604</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 17,682,041</u>	<u>\$ 20,304,886</u>

The accompanying notes are an integral part of these financial statements.

YUBA-SUTTER TRANSIT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Passenger fares	\$ 1,187,342	\$ 1,147,721
Special transit fares	58,991	54,127
TOTAL OPERATING REVENUES	<u>1,246,333</u>	<u>1,201,848</u>
OPERATING EXPENSES		
Operations		
Purchased transportation	5,108,024	5,027,000
Depreciation	1,324,374	1,403,922
Fuel and lubricants	732,863	689,361
Maintenance and supplies	364,482	429,702
Vehicle insurance	292,429	282,051
Total operations	<u>7,822,172</u>	<u>7,832,036</u>
General administration		
Personnel costs	564,507	595,546
Services	113,985	111,637
Utilities	62,525	70,002
Casualty and liability insurance	30,354	29,959
Materials	8,593	8,653
Miscellaneous	23,610	21,393
Total general and administration	<u>803,574</u>	<u>837,190</u>
TOTAL OPERATING EXPENSES	<u>8,625,746</u>	<u>8,669,226</u>
NET LOSS FROM OPERATIONS	(7,379,413)	(7,467,378)
NONOPERATING REVENUES (EXPENSES)		
Federal transit administration operating grants	2,325,329	2,359,913
Local Transportation Fund	2,789,800	2,500,000
State Transit Assistance Fund operating	1,530,001	755,000
State operating grants	96,008	45,121
Advertising	50,064	37,025
Other revenues	38,762	54,890
Interest	5,939	7,804
Loss on disposal of capital assets	(70,437)	
Intergovernmental expenses		(286,000)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>6,765,466</u>	<u>5,473,753</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(613,947)	(1,993,625)
CAPITAL CONTRIBUTIONS		
Federal Transit Administration capital grants	688,626	859,120
State Proposition 1B Transit Security grant	330,262	10,500
State of California PTMISEA grant	158,808	3,389,487
Low Carbon Transit Operations Program grant	125,405	55,250
State Transit Assistance Fund capital	66,551	
Sacramento Metropolitan Air Quality Management District capital grant	12,000	30,000
TOTAL CAPITAL CONTRIBUTIONS	<u>1,381,652</u>	<u>4,344,357</u>
CHANGE IN NET POSITION	767,705	2,350,732
Net position at beginning of year	<u>14,301,604</u>	<u>11,950,872</u>
NET POSITION AT END OF YEAR	<u><u>\$ 15,069,309</u></u>	<u><u>\$ 14,301,604</u></u>

The accompanying notes are an integral part of these financial statements.

YUBA-SUTTER TRANSIT AUTHORITY

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,244,866	\$ 1,200,542
Cash paid to suppliers for goods and services	(10,898,068)	(6,807,533)
Cash paid to employees for services	(386,459)	(429,839)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(10,039,661)</u>	<u>(6,036,830)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants and subsidies	6,745,634	5,916,393
Cash paid to other government agencies		(286,000)
Other nonoperating revenue	88,826	91,915
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>6,834,460</u>	<u>5,722,308</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received	4,498,035	724,927
Proceeds from sale of capital assets	11,345	
Purchase of capital assets	(515,166)	(110,652)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>3,994,214</u>	<u>614,275</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings received	5,389	7,100
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>5,389</u>	<u>7,100</u>
INCREASE IN CASH AND CASH EQUIVALENTS	794,402	306,853
Cash and cash equivalents at beginning of year	<u>1,984,122</u>	<u>1,677,269</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,778,524</u>	<u>\$ 1,984,122</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS		
Cash and cash equivalents	\$ 2,267,339	\$ 1,415,017
Restricted cash and cash equivalents	511,185	569,105
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,778,524</u>	<u>\$ 1,984,122</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net loss from operations	\$ (7,379,413)	\$ (7,467,378)
Adjustments to reconcile net loss from operations to net cash used for operating activities:		
Depreciation	1,324,374	1,403,922
Changes in operating assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable	(1,467)	(1,306)
Prepaid expenses	(36,615)	(1,477)
Accounts payable	(3,951,755)	(11,336)
Accrued payroll	123	2,203
Accrued compensated absences	1,067	8,986
Deposits payable		(173)
Net pension liability and related deferred inflows and outflows of resources	4,025	29,729
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (10,039,661)</u>	<u>\$ (6,036,830)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital asset purchases payable	\$ 866,486	\$ 3,947,705

The accompanying notes are an integral part of these financial statements.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Yuba-Sutter Transit Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the Authority are described below.

Description of Reporting Entity: The Authority is a joint powers agency formed by Yuba and Sutter Counties and the Cities of Marysville and Yuba City, to provide transportation services in the Yuba-Sutter Bi-County Area. The Authority is governed by an eight member Board of Directors consisting of two members each from the Board of Supervisors of the counties of Yuba and Sutter and the City Councils of the cities of Yuba City and Marysville. The Authority operates a wide range of public transit services in both the rural and urbanized areas of Yuba and Sutter Counties, including the cities of Marysville, Yuba City, Wheatland, and Live Oak through the use of a transit contractor. These services include fixed routes and dial-a-ride in the urban areas, rural route deviation service to Live Oak, Wheatland, and the Yuba County foothills, and both commuter and midday service to Sacramento.

Basis of Presentation: The Authority's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are used to account for operations 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 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 policies. Unrestricted net position for the enterprise fund represents the net position available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of this fund are included on the balance sheet. Net position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund-type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position.

The Authority uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned. Transportation Development Act (TDA) revenues are recognized when all eligibility requirements have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for transportation services. Operating expenses include the cost of purchased transportation, fuel and lubricants, administrative expenses, maintenance, insurance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents: For the purposes of reporting cash flows, the Authority considers all cash and highly liquid investments purchased with an original maturity of three months or less and the investment in the Local Agency Investment Fund (LAIF) to be cash equivalents.

Restricted Cash and Cash Equivalents: Restricted cash and cash equivalents represents the unexpended amounts received under the State Transportation Bond (Proposition 1B), Low Carbon Transit Operations Program, and Public Transportation Modernization Improvement and Service Enhancement Account Program (PTMISEA) grants

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

that must be held for use on approved projects. Restricted cash and cash equivalents are reported as noncurrent assets if the amounts will be used for capital projects rather than for operations and do not meet the definition of current assets.

Capital Assets: Capital assets are valued at historical cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. Provision is made for depreciation on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings and improvements	5-30 years
Vehicles	4-12 years
Equipment	5-10 years

Maintenance and repairs are charged to operations when incurred. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement.

Unearned Revenue: Unearned revenue represents resources received before the Authority has legal claim to them (i.e. when cost reimbursement grant revenues are received prior to the incurrence of qualifying expenditures) or when exchange revenues are received before the exchange takes place. Unearned revenue at June 30, 2019 and 2018 consisted of unspent State Transit Assistance capital allocations of \$457,547 and \$524,097, respectively, and the State Transportation Bond (Proposition 1B), PTMISEA and Low Carbon Transit Operations Program revenue received prior to the qualifying expenses being incurred as disclosed in Note I.

Compensated Absences: It is the Authority's policy to permit employees to accumulate earned but unused annual leave benefits up to a maximum of 384 hours. Unused annual leave is paid to the employees upon termination. The Authority considers the entire balance of compensated absences to be a current liability.

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

Restricted Net Position: Restrictions of net position show amounts that are legally restricted for specific uses. The amount restricted for operations is for State Transit Assistance funds claimed on behalf of Wheatland and Live Oak that have not been spent.

Use of Estimates: The preparation of the 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 reporting period. Actual results could differ from those estimates.

Reclassification: Certain revenues were reclassified from other revenues to special transit fares as of June 30, 2018 to conform with the current presentation. This reclassification had no effect on total assets, liabilities, net position or change in net position.

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents reported on the balance sheet was as follows at June 30:

	2019	2018
Cash and cash equivalents	\$ 2,267,339	\$ 1,415,017
Restricted cash and cash equivalents	511,185	569,105
Total cash and cash equivalents	\$ 2,778,524	\$ 1,984,122

Cash and cash equivalents consisted of the following at June 30:

	2019	2018
Cash on hand	\$ 200	\$ 200
Deposits in financial institutions:		
Unrestricted	643,755	897,121
Restricted	257,640	569,105
Total	901,595	1,466,426
Investment in Local Agency Investment Fund (LAIF)		
Unrestricted	1,623,384	517,696
Restricted	253,545	
Total	1,876,929	517,696
Total cash and cash equivalents	\$ 2,778,524	\$ 1,984,122

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The Authority's investment policy permits investments only in time deposits and the State of California Local Agency Investment Fund (LAIF).

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. As of June 30, 2019 and 2018, the weighted average maturity of the investments contained in the LAIF investment pool was approximately 173 and 193 days, respectively.

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 a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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 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 market 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2019 and 2018, the carrying amount of the Authority's deposits was \$901,395 and \$1,466,226 and the balance in financial institutions was \$1,076,908 and \$1,938,299, respectively. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance. The remaining amount of \$826,908 and \$1,688,299 at June 30, 2019 and 2018, respectively, was collateralized by securities pledged by the financial institution, but not in the name of the Authority.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF was \$105,814,483,092, which is managed by the State Treasurer. Of that amount, 1.77% was invested in asset-back securities and structured financial instruments. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority'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.

NOTE C – DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Sacramento Area Council of Governments (PTMISEA)		\$ 3,389,487
State Department of Transportation (FTA pass-through) grants	\$ 707,196	714,782
Federal Transit Administration (FTA) grants	479,486	423,000
Sacramento Area Council of Governments (STA)	402,363	298,626
Sacramento Area Council of Governments (LTF)	282,772	489,966
Other	<u>148,068</u>	<u>115,564</u>
Total due from other governmental agencies	<u>\$ 2,019,885</u>	<u>\$ 5,431,425</u>

NOTE D – CAPITAL ASSETS

Capital asset activity was as follows for the years ended June 30:

	Balance at July 1, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
Capital assets, not being depreciated					
Land	\$ 905,570				\$ 905,570
Work in progress	<u>3,962,607</u>	\$ 803,111		\$ (3,962,607)	<u>803,111</u>
Total capital assets not being depreciated	<u>4,868,177</u>	<u>803,111</u>		<u>(3,962,607)</u>	<u>1,708,681</u>
Capital assets, being depreciated:					
Buildings and improvements	4,507,685	184,312			4,691,997
Vehicles	14,814,558	237,526	\$ (1,952,774)	3,962,607	17,061,917
Maintenance tools and equipment	114,818	145,526			260,344
Office equipment	<u>149,095</u>	<u>11,177</u>	<u>(13,540)</u>		<u>146,732</u>
Total capital assets being depreciated	<u>19,586,156</u>	<u>578,541</u>	<u>(1,966,314)</u>	<u>3,962,607</u>	<u>22,160,990</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,614,470)	(171,227)			(1,785,697)
Vehicles	(9,883,641)	(1,134,542)	1,872,015		(9,146,168)
Maintenance tools and equipment	(91,751)	(13,476)			(105,227)
Office equipment	<u>(138,810)</u>	<u>(5,129)</u>	<u>12,517</u>		<u>(131,422)</u>
Total accumulated depreciation	<u>(11,728,672)</u>	<u>(1,324,374)</u>	<u>1,884,532</u>		<u>(11,168,514)</u>
Total capital assets being depreciated, net	<u>7,857,484</u>	<u>(745,833)</u>	<u>(81,782)</u>	<u>3,962,607</u>	<u>10,992,476</u>
Capital assets, net	<u>\$ 12,725,661</u>	<u>\$ 57,278</u>	<u>\$ (81,782)</u>	<u>\$ -</u>	<u>\$ 12,701,157</u>

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE D – CAPITAL ASSETS (Continued)

	Balance at July 1, 2017	Additions	Retirements	Balance at June 30, 2018
Capital assets, not being depreciated				
Land	\$ 905,570			\$ 905,570
Construction in progress		\$ 3,962,607		3,962,607
Total capital assets not being depreciated	<u>905,570</u>	<u>3,962,607</u>		<u>4,868,177</u>
Capital assets, being depreciated:				
Buildings and improvements	4,422,435	85,250		4,507,685
Vehicles	14,814,558			14,814,558
Maintenance tools and equipment	114,818			114,818
Office equipment	138,595	10,500		149,095
Total capital assets being depreciated	<u>19,490,406</u>	<u>95,750</u>		<u>19,586,156</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,456,721)	(157,749)		(1,614,470)
Vehicles	(8,646,441)	(1,237,200)		(9,883,641)
Maintenance tools and equipment	(85,551)	(6,200)		(91,751)
Office equipment	(136,037)	(2,773)		(138,810)
Total accumulated depreciation	<u>(10,324,750)</u>	<u>(1,403,922)</u>		<u>(11,728,672)</u>
Total capital assets being depreciated, net	<u>9,165,656</u>	<u>(1,308,172)</u>		<u>7,857,484</u>
Capital assets, net	<u>\$ 10,071,226</u>	<u>\$ 2,654,435</u>	<u>\$ -</u>	<u>\$ 12,725,661</u>

NOTE E – FARE REVENUE RATIO

The Authority is required by the Sacramento Area Council of Governments (SACOG) to maintain a fare revenue ratio to operating expense ratio of 14.6% in accordance with the Transportation Development Act (TDA). The operating exemption is based on the net operation expense per vehicle service hour. The fare revenue ratios were as follows for the years ended June 30:

	2019	2018
Fare revenues	\$ 1,246,333	\$ 1,201,848
Local funds:		
Advertising	50,064	37,025
Other revenues	38,762	54,890
Interest	5,939	7,804
Proceeds from sale of capital assets	11,345	
Total fare revenues and local funds	<u>\$ 1,352,443</u>	<u>\$ 1,301,567</u>
Total operating expenses	\$ 8,625,746	\$ 8,669,226
Less: depreciation	<u>(1,324,374)</u>	<u>(1,403,922)</u>
Net operating expenses	<u>\$ 7,301,372</u>	<u>\$ 7,265,304</u>
Fare revenue ratio	<u>18.52%</u>	<u>17.91%</u>

The Authority was in compliance with the required minimum fare revenue ratio at June 30, 2019 and 2018.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE F – INSURANCE

The Authority is exposed to the ordinary risk of loss in the normal course of business: general liability, automobile, and property. Commercial insurance is purchased to cover these potential areas of risk. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, there have not been any settlements in excess of the insurance coverage for the past three fiscal years.

NOTE G – PENSION PLAN

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Authority’s cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). The Authority participates in the Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous rate plan
- PEPRAs Miscellaneous rate plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRAs Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 3, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law. The Plan’s provisions and benefits in effect at June 30, 2019 and 2018 are summarized as follows:

	PEPRA	
	Miscellaneous	Miscellaneous
CalPERS membership date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Final average compensation period	Three years	Three years
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.426% to 2.418%
Required employee contribution rates 2018	7.000%	6.250%
Required employer contribution rates 2018	8.418%	6.533%
Required employee contribution rates 2019	7.000%	6.250%
Required employer contribution rates 2019	8.892%	6.842%

The Miscellaneous rate plan is closed to new members that are not already CalPERS participants. The Miscellaneous rate plan contribution percentages above reflect a pre-payment of the Employer Unfunded Accrued Liability (UAL). The contribution percentages without that prepayment would have been 19.794% and 17.933% for the years ended June 30, 2019 and 2018, respectively.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE G – PENSION PLAN (Continued)

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The employer contributions for the Plan were \$58,912 and \$51,091 for the years ended June 30, 2019 and 2018, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2019 and 2018, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$338,485 and \$356,041, respectively.

The Authority’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan for the years ended June 30, 2019 and 2018 was measured as of June 30, 2018 and 2017, respectively, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2017 and 2016 rolled forward to June 30, 2018 and 2017, respectively, using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension liability as of the June 30, 2018, 2017 and 2016 measurement dates were as follows:

Proportion - June 30, 2017	0.008904%
Proportion - June 30, 2018	0.009030%
Change - Increase (decrease)	0.000126%
Proportion - June 30, 2019	0.008980%
Change - Increase (decrease)	-0.000050%

For the years ended June 30, 2019 and 2018, the Authority recognized pension expense of \$62,937 and \$80,820, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources as of June 30:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 58,912		\$ 51,091	
Differences between expected and actual experience	12,987	\$ (4,419)	482	\$ (6,899)
Changes in assumptions	38,588	(9,457)	59,749	(4,556)
Net differences between projected and actual earnings on pension plan investments	1,673		13,513	
Adjustments due to differences in proportions	9,077	(1,671)	14,818	(2,346)
Difference between actual and allocated contribution	6,213		7,632	
Total	<u>\$ 127,450</u>	<u>\$ (15,547)</u>	<u>\$ 147,285</u>	<u>\$ (13,801)</u>

The amounts above reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized as pension expense as follows as of June 30:

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE G – PENSION PLAN (Continued)

Year Ended	June 30	2019	2018
2019			\$ 23,517
2020		\$ 40,287	41,001
2021		25,119	25,898
2022		(9,370)	(8,023)
2023		(3,045)	
		\$ 52,991	\$ 82,393

Actuarial Assumptions: The total pension liabilities in actuarial valuations for the Plan was determined using the following actuarial assumptions at June 30:

	2019	2018
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.75%
Payroll Growth	2.5%	2.75%
Projected Salary Increase	3.2% - 12.2% (1)	3.2% - 12.2% (1)
Investment Rate of Return	7.15%	7.375%
Mortality	CalPERS Table	CalPERS Table

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) 20 years of mortality improvement - Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions at the June 30, 2018 measurement date were based on the results of a January 2017 actuarial experience study for the period 1997 to 2015. These assumptions at the June 30, 2017 measurement date were based on the January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions: In the June 30, 2017 accounting valuation, the financial reporting discount rate for the Plan was lowered from 7.65% to 7.15%. Deferred outflows of resources for changes of assumptions represents the unamortized portion of this assumption change.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% in the June 30, 2018 and 2017 accounting valuations used for the years ended June 30, 2019 and 2018. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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 (expected returns, net of pension plan investment expense and inflation) were developed for each major asset class.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE G – PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan for the years ended June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	2019			2018		
	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%	47.0%	4.90%	5.38%
Fixed Income	28.0%	1.00%	2.62%	19.0%	0.80%	2.27%
Inflation Sensitive	0.0%	0.77%	1.81%	6.0%	0.60%	1.39%
Private Equity	8.0%	6.30%	7.23%	12.0%	6.60%	6.63%
Real Estate	13.0%	3.75%	4.93%	11.0%	2.80%	5.21%
Infrastructure and Forestland		0.00%	0.00%	3.0%	3.90%	5.36%
Liquidity	1.0%	0.00%	-0.92%	2.0%	-0.40%	-0.90%
Total	100.0%			100.0%		

- (a) An expected inflation of 2.0% used for this period.
- (b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, 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 or 1-percentage point higher than the current rate:

	2019	2018
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 550,065	\$ 552,992
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 338,485	\$ 356,041
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 163,829	\$ 192,923

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2019 and 2018, the Authority reported a payable of \$4,646 and \$2,441, respectively, for the outstanding amount of contributions to the Plan.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Authority participates in a multi-employer defined benefit medical plan administered by the California Public Employees' Retirement System (CalPERS). The plan provides postemployment healthcare benefits to eligible retirees by contributing the minimum employer contributions (MEC) of \$139 dollars. This coverage is available for employees who retire with the Authority after reaching normal retirement age. Benefits are provided through a third-party insurer, and the full cost exceeding the MEC would be covered by the retiree. Under GASB Statement No. 75, a liability is required to be recorded for the implied subsidy, which is the amount of the health premiums the current employees subsidize for retired employees due to paying a blended insurance premium rather than age adjusted premiums. The Authority calculated an estimate of the liability and determined the liability was immaterial at June 30, 2019 and 2018. The Authority has not had an actuary estimate the liability. The Authority does not pre-fund the OPEB Annual Required Contribution (ARC) with the California Employees' Retirement Benefit Trust (CERBT).

NOTE I – CONTINGENT LIABILITIES AND COMMITMENTS

Contingencies: The Authority has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Authority believes such disallowance, if any, will be immaterial.

Commitments: On August 19, 2019, the Authority entered into a four-year agreement with Storer Transit Systems to provide transit services through September 30, 2023. The amounts payable to Storer for the period of October 1, 2019 through September 30, 2023 will not exceed \$26,013,770. This agreement, upon approval from the Authority, may be extended for up to two option terms of two years each for a maximum contract term of eight years through September 30, 2027.

Concentration: A significant amount of the Authority's revenue is obtained under the Transportation Development Act (Local Transportation Fund and State Transit Assistance) and from the Federal Transit Administration. A significant reduction of these revenue sources would have a significant impact on the Authority's operations.

NOTE J – OTHER STATE GRANTS

Proposition 1B Transit Grant: As approved by the voters in the November 2006 general election, Proposition 1B enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes, including, among other purposes, transit and passenger rail improvements, state-local partnership transportation projects, and transit security projects. Qualifying expenses must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

The Authority did not receive any additional Proposition 1B funds during the year ended June 30, 2019, spent all remaining funds from previous years and did not have any unspent funds at June 30, 2019. The Authority received \$107,438 during the year ended June 30, 2018 for an emergency generator and had unspent funds from prior years as described below. Grant funds recognized were spent for the purposes described in the following table. Proposition 1B Transit Grant funds received and expended were verified in the course of the audit as follows for the years ended June 30:

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE J – OTHER STATE GRANTS (Continued)

	2019					
	Emergency Generator	Mobile Video Retrofit	Facility Security Upgrade	Automatic Vehicle Location Phase I	Automatic Vehicle Location Phase II	Total
Beginning Balance	\$ 107,459	\$ 36,207	\$ 51,248	\$ 44,342	\$ 134,727	\$ 373,983
Proposition 1B funds received						
Changes in unspent interest	(31)	(146)	(58)	(40)	(425)	(700)
Expenses incurred:						
Emergency generator	(107,428)		(38,108)			(145,536)
Facility security upgrade			(3,269)			(3,269)
Automatic vehicle location		(36,061)	(9,813)	(44,302)	(134,302)	(224,478)
Unexpended proceeds, including interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables at 6/30/19	\$ -	\$ -	\$ 7,851	\$ -	\$ 7,718	\$ 15,569
Restricted Cash	\$ -	\$ -	\$ 7,851	\$ -	\$ 7,718	\$ 15,569

	2018						
	Park & Ride Video Surveillance	Mobile Video Surveillance	Mobile Video Retrofit	Facility Security Upgrade	Automatic Vehicle Location Phase I	Automatic Vehicle Location Phase II	Total
Beginning Balance		\$ 24,610	\$ 39,084	\$ 51,222	\$ 44,320	\$ 134,458	\$ 293,694
Proposition 1B funds received	\$ 107,428						107,428
Changes in unspent interest	31	(412)	19	26	22	269	(45)
Expenses incurred:							
Mobile video surveillance		(24,198)					(24,198)
Mobile video retrofit			(2,896)				(2,896)
Unexpended proceeds, including interest	\$ 107,459	\$ -	\$ 36,207	\$ 51,248	\$ 44,342	\$ 134,727	\$ 373,983
Payables at 6/30/18	\$ -	\$ 5,027	\$ 2,896	\$ -	\$ -	\$ -	\$ 7,923
Restricted Cash	\$ 107,459	\$ 5,027	\$ 39,103	\$ 51,248	\$ 44,342	\$ 134,727	\$ 381,906

Unearned revenue at June 30, 2019 and 2018 were less than the restricted cash balance due to payables outstanding of \$15,569 and \$7,923, respectively.

PTMISEA: Of the \$19.925 billion of State general obligation bonds authorized by Proposition 1B discussed above, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA funds of \$248,576 were received during the year ended June 30, 2019 for the purchase of ten demand response/rural route buses. PTMISEA funds of \$3,398,487 were accrued during the year ended June 30, 2018 for the purchase of seven commuter buses. As of June 30, funds received and expended were verified in the course of the audit as follows:

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE J – OTHER STATE GRANTS (Continued)

	2019	2018
Beginning balance		
PTMISEA funds received	\$ 248,576	\$ 3,398,487
Interest earnings	4,969	
Expenses incurred:		
Commuter buses		(3,398,487)
Demand response/rural route buses	(166,429)	
Unexpended proceeds	\$ 87,116	\$ -
Payables at 6/30	\$ 166,429	\$ -
Restricted Cash	\$ 253,545	\$ -

Unearned revenue at June 30, 2019 is less than the restricted cash balance due to payables outstanding of \$166,429.

State of Good Repair: State of Good Repair (SGR) was established by the California Legislature in 2017 by Senate Bill 1. SGR provides public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair, and improvement of the transportation infrastructure and improve transportation services. Sacramento Area Council of Governments (SACOG) has elected to treat these funds on a cost reimbursement basis. No SGR funds were received or expended during the years ended June 30, 2019 and 2018. Unclaimed SGR funds held by SACOG at June 30, 2019 and 2018 were \$488,348 and \$246,218, respectively.

LCTOP: The Low Carbon Transit Operations Program (LCTOP) was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. The Authority received \$226,068 of LCTOP funding for zero-emission bus purchases during the year ended June 30, 2019. The Authority received \$82,455 of LCTOP funds during the year ended June 30, 2018 for the Connect Card Program and had unspent LCTOP funds from prior years for the purposes described below. LCTOP funds received and expended were verified in the course of the audit as follows for the years ended June 30:

	2019				2018		
	Transit Stop Enhancements	FY16/17 Connect Card Program	Zero- Emission Bus Purchases	Total	Transit Stop Enhancements	FY16/17 Connect Card Program	Total
Beginning balance	\$ 125,349	\$ 53,966		\$ 179,315	\$ 180,511		\$ 180,511
LCTOP funds received			\$ 226,068	226,068		\$ 82,455	82,455
Changes in unspent interest	(182)	20	115	(47)	88	38	126
Expenses incurred:							
Transit stop enhancements	(125,167)			(125,167)	(55,250)		(55,250)
Connect Card program		(38,098)		(38,098)		(28,527)	(28,527)
Unexpended proceeds, including interest	\$ -	\$ 15,888	\$ 226,183	\$ 242,071	\$ 125,349	\$ 53,966	\$ 179,315
Payables at 6/30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,884	\$ 7,884
Restricted cash	\$ -	\$ 15,888	\$ 226,183	\$ 242,071	\$ 125,349	\$ 61,850	\$ 187,199

Unearned revenue at June 30, 2018 is less than the restricted cash balance due to payables outstanding of \$7,884.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019 and 2018

NOTE K – SUBSEQUENT EVENT

On December 20, 2018, the Board of Directors authorized the purchase of eleven fixed route buses and related equipment for an amount not to exceed \$5,500,000. The Authority anticipated Federal Transit Administration, State of Good Repair and State Transit Assistance funds will be available for the purchase. The buses were received in October and November 2019.

REQUIRED SUPPLEMENTARY INFORMATION

YUBA-SUTTER TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2019 and 2018

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	2019	2018	2017	2016	2015
Proportion of the net pension liability at measurement date	0.00898%	0.00903%	0.008904%	0.008949%	0.003920%
Proportionate share of the net pension liability	\$ 338,485	\$ 356,041	\$ 309,326	\$ 245,520	\$ 243,615
Covered payroll for measurement period	\$ 370,163	\$ 323,320	\$ 301,224	\$ 290,280	\$ 279,533
Proportionate share of the net pension liability as a percentage of covered payroll	91.44%	110.12%	102.69%	84.58%	87.15%
Plan fiduciary net position	\$ 1,225,636	\$ 1,075,838	\$ 959,081	\$ 923,112	\$ 876,269
Plan fiduciary net position as a percentage of the total pension liability	78.36%	75.13%	75.61%	78.99%	78.25%

Notes to Schedule:

Benefit changes: There were no changes to benefit terms.

Changes in assumptions: The discount rate used for financial reporting purposes was changed to 7.15% from 7.65% in the June 30, 2017 accounting valuation.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	2019	2018	2017	2016	2015
Contractually required contribution during employer's fiscal year (actuarially determined)	\$ 58,912	\$ 51,091	\$ 45,090	\$ 40,421	\$ 42,571
Contributions in relation to the actuarially determined contributions	(58,912)	(51,091)	(45,090)	(40,421)	(42,571)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll for employer's fiscal year	\$ 371,157	\$ 370,163	\$ 323,320	\$ 301,224	\$ 290,280
Contributions as a percentage of covered payroll	15.87%	13.80%	13.95%	13.42%	14.67%

Notes to Schedule:

Valuation date for contribution percentages

June 30, 2016 June 30, 2015 June 30, 2014 June 30, 2013 June 30, 2012

Valuation date for financial reporting:

June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014 June 30, 2013

Measurement date

June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014

Investment rate of return and discount rate used to determine contributions

7.375% 7.50% 7.50% 7.50% 7.50%

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal cost method
Amortization method	Difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average service life of participants.
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies depending on entry age and service
Retirement age	50-67 years. Probabilities of retirement are based on the CalPERS Experience Study for the period 1997 to 2007.
Mortality	CalPERS specific data from the April 2014 Actuarial Experience Study for the period 1997 to 2011 that uses 20 years of mortality improvements using Society of Actuaries Scale BB.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Additional years will be added prospectively as they become available until 10 years are reported.

COMPLIANCE REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, THE TRANSPORTATION
DEVELOPMENT ACT AND OTHER STATE PROGRAM GUIDELINES

To the Board of Directors
Yuba-Sutter Transit Authority
Marysville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Yuba-Sutter Transit Authority (the Authority), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 8, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 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 (including State grant programs)

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 determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the Authority were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. We also tested the receipt and appropriate expenditures of other state grant funds, as presented in Note I of the financial statements, in accordance with State grant program statutes and guidelines. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, the TDA or State grant program requirements that is reported as finding 2019-001 in the accompanying schedule of findings and questioned costs.

To the Board of Directors
Yuba-Sutter Transit Authority

The Authority's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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*, the TDA and State grant programs in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

January 8, 2020



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

To the Board of Directors
Yuba-Sutter Transit Authority
Marysville, California

Report on Compliance for Each Major Federal Program

We have audited the Yuba-Sutter Transit Authority's, (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2019. 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 year ended June 30, 2019.

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

To the Board of Directors
Yuba-Sutter Transit Authority

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.

Richardson & Company, LLP

January 8, 2020

YUBA-SUTTER TRANSIT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2019

A. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements under <i>Government Auditing Standards</i> noted? | No |

Federal Awards

- | | |
|--|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular 2 CFR Section 200.516(a)? | No |
| 4. Identification of major programs: | |

- | <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|---|--------------------------------|
| 20.507 and 20.526 | Federal Transit Cluster |
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)? | Yes |

YUBA-SUTTER TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2019

B. Current Year Findings – Financial Statements

Internal Control Over Financial Reporting

None

Compliance and Other Matters

Finding 2019-001

Criteria: Section 6634 of the California Code of Regulations limits the amount of Local Transportation Fund and State Transit Assistance Fund revenues a transit operator or transit service claimant may claim to the amount of eligible expenses incurred, less other specified revenues available for those expenses.

Condition: The Authority claimed TDA revenues in excess of actual transit operation expenses by \$686,099.

Effect: The Authority's claim was in excess of the allowable amount.

Cause: It appears the Authority did not limit the claim for transit operations to actual expenses incurred when additional revenues were available.

Recommendation: We recommend the Authority discuss with SACOG whether it should return the excess funds claimed, amend its June 30, 2020 claim to reduce the amount by the amount overclaimed during the year ended June 30, 2019 or whether the amount may be retained for an operating reserve.

Management's Response: The Authority's response is in the attached corrective action plan.

C. Current year Findings and Questioned Costs – Federal Awards Programs

None

D. Prior Year Findings

None

YUBA-SUTTER TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor, if Applicable/ Program Title/Grant or Pass-through Number	Federal CFDA Number	Pass-through Entity Identifying Number	Award Amount	Expenditures
U. S. Department of Transportation, Federal Transit Administration				
Passed-through the State of California, Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A0909	\$ 106,200	\$ 24,226
Formula Grants for Rural Areas				
Section 5311	20.509	64BC17-00441	526,572	7,862
Section 5311	20.509	64BC19-00829	375,000	375,000
Section 5311	20.509	Applied for	200,000	200,000
Section 5311	20.509	Applied for	132,196	132,196
Total CFDA 20.509			<u>1,233,768</u>	<u>715,058</u>
Total passed-through the State of California, Department of Transportation			<u>1,339,968</u>	<u>739,284</u>
Federal Transit Cluster				
Federal Transit Formula Grants, Direct Program				
Section 5307	20.507	CA-2019-026-01	2,100,000	2,100,000
Bus and Bus Facilities Formula Program, Direct Program				
Section 5339	20.526	CA-2019-026-01	194,228	129,486
Section 5339	20.526	CA-2017-048-00	458,940	45,185
Total CFDA 20.526			<u>653,168</u>	<u>174,671</u>
Total Federal Transit Cluster			<u>2,753,168</u>	<u>2,274,671</u>
Total U. S. Department of Transportation, Federal Transit Administration			<u>4,093,136</u>	<u>3,013,955</u>
TOTAL FEDERAL AWARDS			<u>\$ 4,093,136</u>	<u>\$ 3,013,955</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Yuba-Sutter Transit Authority under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Authority's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COSTS

The Authority did not charge indirect costs to its federal programs.

NOTE D – SUBRECIPIENTS

There were no subrecipients of the Authority's programs during the year ended June 30, 2019.



January 8, 2020

Richardson & Company, LLP
550 Howe Avenue, Suite 210
Sacramento, CA 95825

RE: Corrective Action Plan

The Yuba-Sutter Transit Authority respectfully submits the following corrective action plan for the finding from the June 30, 2019 schedule of findings and questioned costs for Compliance and Other Matters.

Finding 2019-001

Condition: The Authority claimed TDA revenues in excess of actual transit operation expenses by \$686,099.

Recommendation: Recommend the Authority discuss with SACOG whether it should return the excess funds claimed, amend its June 30, 2020 claim to reduce the amount by the amount overclaimed during the year ended June 30, 2019 or whether the amount may be retained for an operating reserve.

Management's Response: Management concurs with the audit finding and is working with SACOG to finalize the authorization to retain the excess funds for an operating reserve. The corrective action is in progress and will be implemented during FY 2020. The responsible contact person for this action is Keith Martin, (530) 634-6880.

Sincerely,

A handwritten signature in blue ink, appearing to read "Keith Martin", is written over a light blue horizontal line.

KEITH MARTIN
Transit Manager



550 Howe Avenue, Suite 210
Sacramento, California 95825

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GOVERNANCE LETTER

Board of Directors
Yuba Sutter Transit Authority
Marysville, California

We have audited the financial statements of Yuba Sutter Transit Authority (the Authority) for the year ended June 30, 2019, and have issued our report thereon dated January 8, 2020. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to a member of the Board of Directors on September 26, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 2, 2015 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions to the Pension Plan, which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

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 A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transaction entered into by the Authority during the 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 financial statements were the determination of qualifying expenses incurred under grant agreements, which may be changed by the grantor, the computation of the net pension liability and related deferred inflows and outflows, the computation of the postretirement healthcare benefits liability and the useful lives used to calculate depreciation on capital assets. Management's estimate of qualifying expenses incurred under grant

agreements is based on management's understanding of the qualifying expenses under the agreements, the pension liability is based on an actuarial valuation by CalPERS and the lives of capital assets is based on past experience and Federal Transit Administration guidance. The Authority computed the effect of including retirees in its health insurance plan, which results in a subsidy of retirees due to the use of blended premiums rather than age adjusted premiums. The calculation followed GASB examples and is expected to be appropriate under the circumstances, but professional input by an actuary was not received. We evaluated the key factors and assumptions used to develop the estimates in determining that they are 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 about the defined benefit pension plan, contingent liabilities and commitments and state grants described in notes G, H and I, respectively.

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. No adjustments were noted during the audit. The attached schedule summarizes an unadjusted audit difference in the financial statements. Management has determined the effects of the uncorrected audit difference is immaterial to the financial statements as a whole.

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 January 8, 2020.

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 required supplementary information (RSI), as reported in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquires 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.

Restriction on Use

This information is intended solely for the 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.

Richardson & Company, LLP

January 8, 2020

**YUBA-SUTTER TRANSIT AUTHORITY
SUMMARY OF UNADJUSTED DIFFERENCES
YEAR ENDED JUNE 30, 2019**

Description (Nature) of Audit Difference	Financial Statement Effect - Amount of Overstatement (Understatement) of:					
	Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Total Net Position	Net Loss from Operations	Net Loss Before Capital Contributions	Total Change in Net Position
To record an other postemployment benefits liability	\$ -	(115,000)	\$ 115,000	115,000	\$ (115,000)	\$ 115,000
Net Unadjusted Audit Differences - This Year	-	(115,000)	115,000	115,000	(115,000)	115,000
Financial Statement Caption Totals	\$ 17,682,041	\$ 2,612,732	\$ 15,069,309	\$ (7,397,413)	\$ (613,947)	\$ 767,705
Net Audit Differences as % of F/S Captions	0.00%	-4.40%	0.76%	-1.55%	18.73%	14.98%



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MANAGEMENT LETTER

To the Board of Directors and Management
Yuba-Sutter Transit Authority
Marysville, California

In planning and performing our audit of the financial statements of the Yuba-Sutter Transit Authority (the Authority) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. 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.

We noted the following matter that has been included for your consideration.

Postretirement Healthcare Liability

It came to our attention that participants in the CalPERS health insurance pool can have a significant other postretirement healthcare benefit (OPEB) liability, even if retirees are not currently purchasing insurance through the employer's plan, such as the Authority's retirees. This is due to actuarial standards and GASB Statement No. 75 requiring plans with blended health insurance premiums for active employees and retirees to compute the "subsidy" provided to retirees by being able to access insurance at the blended pool rate rather than having to pay significantly higher age adjusted premiums. Actuaries assert that employers would be paying lower age adjusted premiums for active employees if not in an insurance pool. The excess premiums paid for the active employees is considered to be related to retiree benefits and is considered OPEB under GASB Statement No. 75. The Authority prepared a simplified calculation of the effect of the subsidy and determined it was not significant for reporting purposes. However, we suggest the Authority consult with an actuary to provide a second opinion on the effect of the subsidy to determine whether it could possibly be material for reporting purposes.

To the Board of Directors
Yuba-Sutter Transit Authority

* * * * *

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

Richardson & Company, LLP

January 8, 2020

AGENDA ITEM IV – D
STAFF REPORT

FY 2021 BUDGET PREVIEW

Background

The Yuba Sutter Transit Joint Powers Agreement (JPA) stipulates that a proposed budget be submitted to the Board by the end of March prior to the start of each fiscal year and that a final budget be adopted by the end of May. This adoption schedule provides early notice to the member jurisdictions of the annual apportionment of Local Transportation Fund (LTF) contributions for inclusion in their own budget process.

The purpose of this agenda item is to provide a mid-year status report on the current budget cycle, to review potential issues related to the upcoming cycle and to invite input on other issues that the Board would like staff to consider when preparing the preliminary draft budget for presentation at the March 19th meeting. As with any budget process, there are a number of issues for which early Board discussion is appropriate. For FY 2021, these include, but are not limited to, the following list of financial, service, policy and planning related issues that staff has identified for consideration.

- Projected year-end revenues and expenses for FY 2020
- Federal, state and local operating and capital funding outlook for FY 2021
- Funding and implementation status of multi-year planning studies
- Contract staffing relationship with the Regional Waste Management Authority

Projected Year-End Revenues and Expenses for FY 2020

Complete year-to-date budget projections will be provided when the preliminary draft budget is submitted in March, but total operating expenses for FY 2020 are now expected to be slightly under the adopted \$8.3 million budget. Representing over 10 percent of the budget and typically the most volatile of all line items, fuel expenses are currently projected to end the year more than \$100,000 below the budgeted amount of \$875,000, but this can change quickly should fuel prices suddenly spike higher in the second half of the year. Most of the other major expense line items are close to or below the amount budgeted at the mid-year mark. The only exception is the cost of contract services which will exceed the amount budgeted as the new service contract rates that became effective on September 30th are higher than the amount budgeted.

Operating revenues for FY 2020 are likely to come in slightly higher than the amount budgeted primarily due to higher than expected fare receipts. This is occurring despite decreased ridership because the July 2019 fare increase is resulting in higher than expected fare receipts. State and Federal funding sources, representing almost half of all budgeted operating revenues, are all expected to ultimately come in as budgeted. Due to on-going Federal budgeting challenges and how the State manages those funds, the typical annual cash flow challenges are even more pronounced this year as no federal operating funds have been received for FY 2020 and we are still waiting for some federal operating funds for the previous fiscal year (FY 2019).

Federal, State and Local Operating and Capital Funding Outlook for FY 2021

The 2015 Federal transportation funding measure known as Fixing America's Surface Transportation (FAST) Act established Federal transit funding authorization levels through FY 2020. As a result, federal funding for FY 2021 will depend on either the reauthorization of this Act prior to September 30, 2020 or the adoption of one or more continuing resolutions. Based on past practice and the current political climate, the continuing resolution route at previous year funding levels appears to be likely so no increase in federal funds for FY 2021 should be expected. Most Federal funds can be used for operating or capital purposes, but the largest of these sources has been used primarily for operating purposes as other State funds have been available for capital purposes. The relative allocation of Federal funds will now need to be revisited due to the massive upcoming capital expenses associated with the new zero-emission fleet requirement and the related replacement of the current operating and maintenance facility.

State Transit Assistance (STA) revenue is the often threatened single source of on-going State transit funding that Yuba-Sutter Transit has historically used as the primary source of local matching funds for Federal capital grants. In the last ten years, STA funding has been eliminated once, restored once and significantly reworked three times – most recently by SB 1 that was signed into law in April 2017. STA is now funded through a sales tax on diesel fuel and generally available exclusively for transit operating or capital purposes with only minimal restrictions. SB 1 resulted in a significant expansion in the amount of STA funding available through an increase in the sales tax on diesel and a portion of an increase in vehicle registration fees. Due to the extraordinary capital needs cited above, staff will be cautious in how much of these funds will be programmed for operating purposes in FY 2021 and beyond.

A major portion of the annual operating budget is funded by Local Transportation Funds (LTF) that are contributed by the member jurisdictions. LTF revenue is derived from a one-quarter percent sales tax that is returned to the county of origin and distributed to the jurisdictions therein by population. These funds must be used first to meet local transit needs with the remainder, if any, made available for the maintenance of local streets and roads. LTF funds are used by Yuba-Sutter Transit to balance the annual operating budget after all other available revenue sources have been accounted for. In each of the last two fiscal years, \$2.8 million representing 50 percent or less of the combined LTF apportionment for the four member jurisdictions has been allocated to Yuba-Sutter Transit. As noted above, with a greater share of other funding sources needing to be allocated for capital instead of operating purposes, a greater share of available LTF revenue will be needed to back-fill the operating budget in the future.

Among the other revenue and expense considerations for FY 2021 will be the need to determine how to replace the six 2014 model demand response and rural route buses that are programmed for funding in FY 2021 and delivery in FY 2022 including the number, size and type of the vehicles to be purchased. While still too early to judge, the long-term viability of the Yuba College Sutter Center Shuttle will also need to be addressed over the next few months which could result in changes or even suspension of the service. Final project selection for the Low-Carbon Transit Operating Program (LCTOP) and the likelihood of on-going funding for the discount monthly bus pass program by the Feather River Air Quality Management District (FRAQMD) will also be factors in the FY 2021 budget.

Funding and Implementation Status of Multi-Year Planning Studies

The Next Generation Transit Facility Study, which is being funded primarily through a Caltrans grant, is now underway with the intended result being the identification of preferred sites for the ultimate construction of a new Yuba-Sutter Transit operating and maintenance facility. While this study is not expected to be complete until late FY 2021 or early FY 2022, site opportunities may be identified that would require quick action so some financial flexibility in the FY 2021 budget will be important.

An award announcement for another Caltrans grant program is expected soon on Yuba-Sutter Transit's application to fund a Comprehensive Operational Analysis (COA) of the Yuba-Sutter Transit system. The last such effort was the Yuba-Sutter Short Range Transit Plan that was adopted in May 2015. The proposed COA would be a top-to-bottom assessment of the current operation to "right-size" the system for both the current and projected service demand. Given the nearly five-year negative trend in systemwide ridership, the need for this project is so important that staff would recommend that it be funded in the FY 2021 budget even if the Caltrans grant is not awarded.

Contract Staffing Relationship with the Regional Waste Management Authority

Since March 1988, Yuba-Sutter Transit staff has provided administrative support for the Regional Waste Management Authority (RWMA). While this approach has been mutually beneficial to date, the RWMA is now conducting a study of potential alternative organizational scenarios in response to recent State legislation and related regulations as well as anticipated changes in the contract staffing relationships with both Yuba-Sutter Transit and a key outside consultant. Study recommendations should be released this summer for consideration by the six RWMA member jurisdictions with implementation targeted for July 2021. While the only "certainty" of the study is that the current RWMA staffing relationship with Yuba-Sutter Transit is not sustainable long-term, it is likely that the financial impact of the future organizational changes will not impact the budget until FY 2022.

Recommendation

Board input is now being requested on the development of the preliminary draft budget regarding the above or any other issues that members may desire staff to investigate further prior to the March meeting. If so directed, staff will initiate the appropriate budget, service or policy review process as part of the preliminary draft budget to be presented at the March 19th meeting. While a special Board workshop has been held at times in the past to focus on the details of the draft budget prior to final consideration in May, the relative need and possible dates and times for such a meeting will also be discussed at the March meeting.

Staff will be prepared at the meeting to discuss these and other budget related issues in more detail as desired.

RECOMMENDATION: Direct staff as desired.

AGENDA ITEM IV – E
STAFF REPORT

**FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT (FRAQMD) GRANT CLOSE-OUT REPORT
FOR THE EXPANDED LIVE OAK SERVICE**

Background

Yuba-Sutter Transit has provided rural route service to the City of Live Oak since 1988 under an agreement whereby the city pays the fully allocated cost (including depreciation) for each hour of service (as determined by the most recent fiscal audit) minus any fare revenue received. These services have traditionally been funded exclusively from State Transit Assistance (STA) funds that are allocated to the city and claimed directly by Yuba-Sutter Transit. The expenses and fare revenue for this service are included in Yuba-Sutter Transit's systemwide farebox recovery ratio and Yuba-Sutter Transit is solely responsible for setting service levels and passenger fares up to the level of STA funds available. The cost for any service beyond that level would be the sole responsibility of the city.

Prior to July 1, 2015, the Live Oak Route offered two round trips every Monday, Wednesday and Friday and had performed rather well consistently costing less to operate than the amount of STA funding that had been available resulting in an FY 2015 year-end balance (June 30, 2015) of just over \$107,000 for a service that had an annual net operating cost of around \$40,000. To determine if there would be enough ridership to justify a higher level of service, the Live Oak City Council requested that the service be expanded as of July 2015 from three to five days a week with additional local stops within the city and a new option for direct service to Yuba College's Sutter County Center.

Partially off-setting the projected \$30,000 additional first year cost for the expanded service, Yuba-Sutter Transit then received a \$10,000 grant from the Feather River Air Quality Management District (FRAQMD). Since that time, five additional grants, for a cumulative total of \$55,000 (including the original grant) have been awarded to continue supporting the expanded service level through December 2020. This report covers the completed 54-month demonstration period for the expanded Live Oak Route from July 2015 through December 2019.

Expanded Service

The Live Oak route was expanded from three to five days a week (Monday - Friday) offering two round trips each service day beginning July 1, 2015. The three previous Live Oak bus stops were modified and expanded to a total of six stops to provide scheduled service to more areas of the city while all service policies including route deviations for seniors and persons with disabilities remained in effect. For the first time, the expanded Live Oak service offered the potential for direct service for Live Oak residents to Yuba College's Sutter County Center when the bus traveled to and from Marysville/Yuba City. A copy of the current Live Oak Route service brochure is attached for reference.

As shown in the table below, the response to the expanded Live Oak service has been fairly consistent since the 2015 expansion though monthly ridership was up slightly in 2019 after a significant jump in 2018. Despite an increase in operating cost, the increase in ridership and fare revenue in 2019 kept the remaining performance indicators rather steady when compared to those for 2018.

Grant Periods Monthly Averages

	Jul 15 – Dec 15	Jan 16 – Dec 16	Jan 17 – Dec 17	Jan 18 – Dec 18	Jan 19 – Dec 19
Passenger Trips / Month	285	280	272	332	341
Vehicle Service Hours (VSH) / Month	75.4	74.0	71.64	77.26	77.43
Trips per VSH	3.78	3.78	3.8	4.31	4.40
Total Operating Cost / Month	\$5,396	\$6,297	\$6,146	\$6,760	\$7,070
Passenger Fare Revenue / Month	\$321	\$326	\$277	\$277	\$301
Net Subsidy / Month	\$5,075	\$5,971	\$5,869	\$6,483	\$6,769
Net Subsidy per VSH	\$67.31	\$80.69	\$81.95	\$83.90	\$87.44
Net Subsidy per Trip	\$17.81	\$21.33	\$21.58	\$19.86	\$19.87

Summary

Compared to pre-expansion performance levels (July 2014 – June 2015), Live Oak ridership continues to keep pace with the increase in service hours, but when combined with low average fares and increased operating costs, the net average monthly subsidy to operate the service has more than doubled over time. The City of Live Oak began FY 2019 with a deferred STA revenue balance of \$41,558 (June 30, 2018). Assuming continued FRAQMD funding, this balance is now projected to increase to just under \$45,000 by June 30, 2020. As a result, the potential for long-term sustainability of the expanded Live Oak service appears to be hopeful given the July 1, 2019 fare increase, expected future STA funding levels and the current Yuba-Sutter Transit operating agreement. Staff will continue to monitor this service closely while investigating other long-term funding and operational options.

Staff will be prepared at the meeting to discuss this report in more detail.

RECOMMENDATION: Information only.

OTHER SERVICE CONNECTIONS

Yuba-Sutter Transit offers a wide range of other public transportation services. These include weekday and Saturday local fixed route service; weekday and Saturday Dial-A-Ride service for seniors and persons with disabilities; weekday commuter and midday service to downtown Sacramento; and, rural service to Wheatland and the Yuba County foothills.

Connections to and from the Live Oak Route are available at both the Alturas & Shasta Terminal in Yuba City and the Yuba County Government Center in Marysville with Routes 1, 2 and 4 for local route service throughout Yuba City, Marysville and Linda.

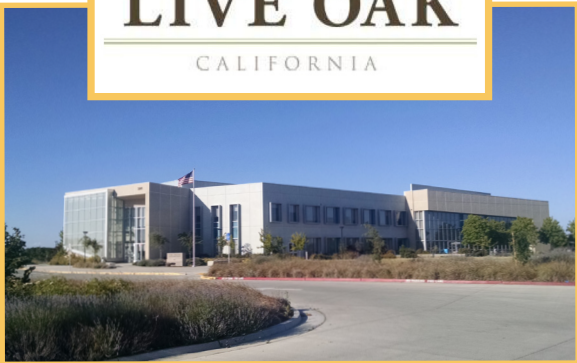
Connections are also available at the Yuba County Government Center for service to and from downtown Sacramento.

Applicable fares must be paid on other services.

HOLIDAYS

Yuba-Sutter Transit does not operate any service on the following holidays:

New Year's Day	Independence Day
Martin Luther King's Birthday	Labor Day
President's Day	Thanksgiving Day
Memorial Day	Christmas Day



NEW REAL-TIME BUS TRACKER

Know where your bus is at and when it is expected to arrive at your stop in real-time! Just download the free **DoubleMap** app to your smart phone or tablet and select "Yuba-Sutter Transit" as your system. From the menu, select routes of interest and favorite stops to get service alerts so you will always know before you go! You can also access the Bus Tracker from any internet connected device at **YubaSutterTransit.com** where you will also find instructions and tips for using this exciting new service.



CONNECT CARD

The Connect Card is the easy way to pay transit fares. It is a plastic, reloadable smart card with an embedded computer chip that can store cash value and/or monthly passes for any basic or discounted fares. It is also accepted by Sacramento Regional Transit and other transit providers in the Sacramento area.



Visit **ConnectTransitCard.com** to get started. Once you initially order and load your full fare* Connect Card online, you'll receive it in the mail in 3 - 5 days. Just tap it on the Connect Card reader when you board any Yuba-Sutter Transit bus and reload as needed.

**Discount fare passengers must visit the Yuba-Sutter Transit office for their first Connect Card which will also become their new photo I.D. card for discount fare eligibility purposes.*

CONNECT CARD OUTLETS

You can load monthly passes or cash value on the Connect Card at the Bel Air Market in Yuba City, the main Yuba and Sutter County Libraries, the Yuba College Bookstore in Linda and the Yuba-Sutter Transit Administrative Office. In addition, \$10 and \$15 ticket sheets and single ride tickets are available at Yuba-Sutter Transit or by mail. Call (530) 634-6880 for more information.



**Subject to change without notice.
Materials available in accessible formats
upon request. Call (530) 634-6880.**



Live Oak Route Information



**Service Information
(530) 742-2877**

(TTY) 634-6889

www.yubasuttertransit.com

Effective July 1, 2019



LIVE OAK ROUTE

The Live Oak Route is a combined fixed route and demand response service offering two round trips each weekday between Live Oak and the Cities of Yuba City and Marysville. Passengers can catch the bus at any of six designated stops in Live Oak without an advance reservation. Passengers may also request pick-up and drop-off at the Yuba College Sutter County Center on the way to or from Live Oak. Call at least one hour in advance for pick-up at the Sutter County Center or request drop-off there when you first board the bus.

Advance reservations are also available for demand response service within the city limits of Live Oak and anywhere within ¼ mile of the route to Yuba City and Marysville. This demand response service is provided in conjunction with the scheduled service.

For more information and trip planning assistance, call (530) 742-2877 (TTY 634-6889).

GENERAL POLICIES

The Live Oak Route operates with or without reservations serving designated stops every weekday though curbside service is available by advance reservation in designated areas.

To reserve a ride, simply call (530) 742-2877 and give the dispatcher your pick-up point, where you want to go and let us know if you will be returning on a later run that day. The bus will stop at any safe location within the city limits of Live Oak and anywhere within ¼ mile of the route to Yuba City and Marysville. Passengers must call at least one hour in advance for alternate stop locations and service to the Yuba College Sutter County Center stop.

If you have a regular appointment, call and arrange with dispatch for a standing reservation. This scheduled pick-up and drop-off will continue until you adjust or cancel it. Repeated no shows or late cancellations for standing rides will result in suspension of the standing reservation.

ADDITIONAL INFORMATION

- All Yuba-Sutter Transit buses are wheelchair accessible. Please let us know if you will need to use the lift when you make your reservation.
- Bike racks are available on all Yuba-Sutter Transit buses.
- Don't be a no show! If you are unable to make a scheduled trip, please call (530) 742-2877 and cancel your trip.
- Deposit exact change. Drivers do not make change.

LIVE OAK SCHEDULES

MONDAY THROUGH FRIDAY

	1st	2nd	3rd
Yuba Co. Govt. Center	--	11:35	5:35
Alturas & Shasta Terminal (Yuba City)	--	11:40	5:40
Yuba College, Sutter Co. Center*	--	11:50	5:50
Ash St. & Hwy 99	7:00	12:00	6:00
Maple Park Neighborhood Center	7:02	12:02	6:02
Pennington Rd. & O St. (Live Oak Park)	7:05	12:05	6:05
Richard Ave. & Presley Ave.	7:07	12:07	6:07
Date & O Streets (Senior Village)	7:12	12:12	6:12
Butte View Estates (Larkin Rd.)	7:15	12:15	6:15
Yuba College, Sutter Co. Center*	7:25*	12:25*	--
Alturas & Shasta Terminal (Yuba City)	7:40	12:40	--
Yuba Co. Govt. Center	7:45	12:45	--

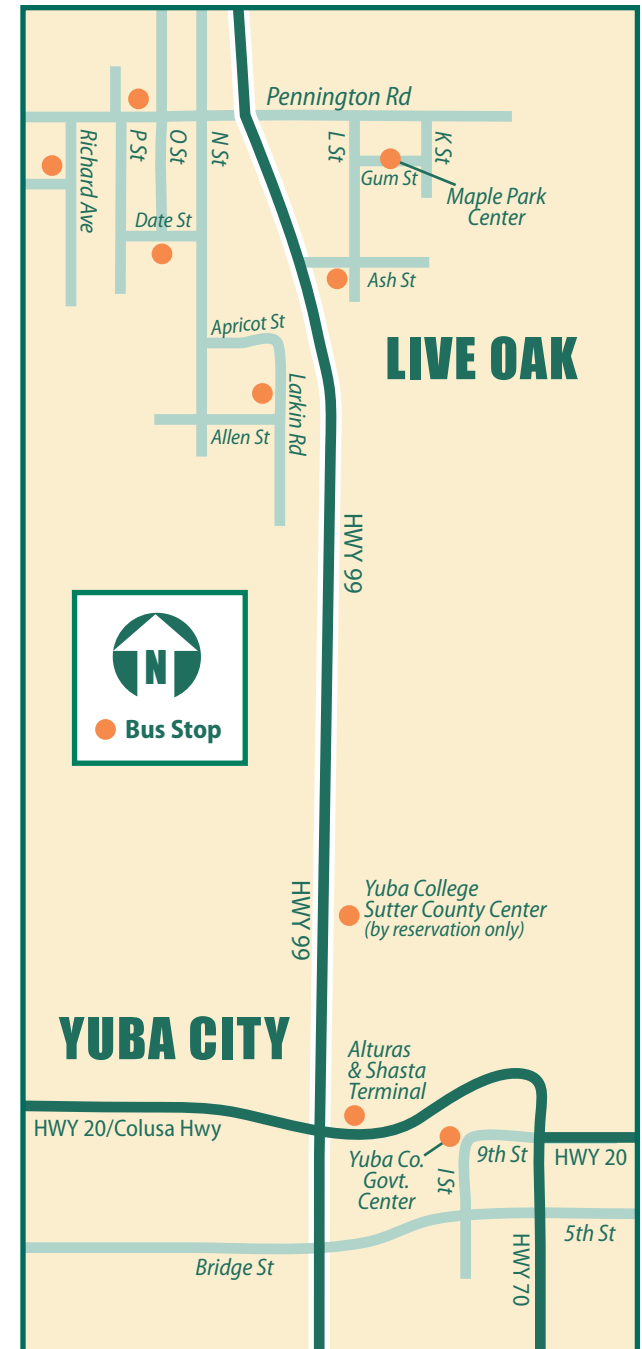
*by request only (please call 742-2877 at least 1 hour in advance)

FARES & PASSES

Basic Fare	\$3.00
Senior (Age 65+)/Disabled Fare*	\$1.50
Youth Fare (Age 5-18)*	\$1.50
Children - Age 4 and Under With Adult	Free
(Limit of two free fares per adult)	
Basic Monthly Pass (only with a Connect Card)	\$30.00
Discount Monthly Pass (only with a Connect Card)	\$15.00
Ticket Sheets -- Twenty 50¢ Tickets	\$10.00
Twenty 75¢ Tickets	\$15.00

*With a Yuba-Sutter Transit senior/disabled/youth photo identification (I.D.) card; Medicare card; or, DMV placard I.D. printout. Valid senior/disabled/youth photo I.D. cards issued by another transit agency will be honored for up to 21 days. Medicare card and DMV placard holders may be required to provide photo I.D.

**DEPOSIT EXACT FARE
DRIVERS DO NOT MAKE CHANGE**



AGENDA ITEM IV – F
STAFF REPORT

MID-YEAR PERFORMANCE REPORT FOR FY 2020

Attached is the systemwide performance report for the services operated by Yuba-Sutter Transit for the first half of FY 2020 (July 2019 through December 2019) presented in comparison with the performance for the same period in the previous fiscal year. Just over four years removed from the end of an almost unbelievable quarter century run of annual ridership records, the long-term negative overall ridership trend continued through the first half FY 2020. After setting the highwater mark in FY 2015 at nearly 1.3 million passenger trips, systemwide ridership dropped 28.1 percent in the following four years through FY 2019. That trend continued through the second quarter of FY 2020 with a quarterly systemwide ridership decrease of 9.8 percent and a mid-year ridership decrease of 7.3 percent compared to the same periods last year.

Similar or even worse ridership declines have been experienced by most transit agencies in the greater Sacramento area and across the nation in recent years and there may be some common causal factors at play, but staff can certainly point to a number of local contributing factors that may have contributed to Yuba-Sutter Transit's losses. These factors include the restructuring of Routes 1 and 4 and the elimination of the "transfer-for-a-transfer" policy that occurred in September 2015; the elimination of free transfers entirely with the full and final conversion to the Connect Card electronic fare card system in July 2018; chronic on-time performance and reliability problems with the older fixed route and commuter buses; relatively low and stable fuel prices; and, the general lack of population and employment growth in the region. More recently, mid-year ridership drop was certainly due in no small part to the July 2019 systemwide fare increase. This fare increase, however, was also the primary factor in the 20.0 percent increase in systemwide fare revenues and the 23.2 percent increase in the systemwide farebox recovery ratio (the percentage of operating costs that are covered by fare revenue).

Individually, the greatest ridership drop in terms of passenger trips was again on the local fixed route system for all the reasons noted above. The Dial-A-Ride service also experienced a significant percentage reduction in ridership although that did result in a reduction in service hours as well for this flexible service. While local services have struggled through the first two quarters, the nearly two year positive trend in ridership on the Sacramento services continued with an 9.0 percent mid-year increase (despite the July fare increase) due, in part, to the modest July restructuring of the commuter schedules that resulted in one new Highway 70 schedule both AM and PM with a net 4.4 percent increase in the number of Sacramento vehicle service hours operated. Rural route ridership, which continues to vary widely due to the limited nature of these services, had mixed but generally negative results after two quarters.

Looking forward, the long-term negative year-to-year quarterly ridership trend is likely to continue in the second half of the year due to the extended impact of the July fare increases, but the recent replacement of half the local fixed route fleet has certainly enhanced the quality and reliability of this core service which should start paying off in 2020. In addition, while off to a slow start since being introduced on January 13th, it is hoped that the new Yuba College Shuttle connecting the Sutter Center Campus with the local fixed route system at the Walton Terminal in Yuba City will still inject new life into the system as well.

Staff will be prepared to discuss the performance summary in detail at the meeting.

RECOMMENDATION: Information only.

**MID-YEAR PERFORMANCE REPORT
FISCAL YEAR 2019-2020**

	Passenger Trips	Vehicle Serv. Hours	Pass. Trips Per VSH	Est. Fare Revenue	Fare Rev. Per VSH	Est. Farebox Ratio
Fixed Route:						
July 2019 - December 2019	334,674	25,421.14	13.17	\$325,748	\$12.81	14.6%
July 2018 - December 2018	370,793	25,990.74	14.27	\$258,154	\$9.93	12.4%
Percent Change	-9.7%	-2.2%	-7.7%	26.2%	29.0%	17.4%
Dial-A-Ride:						
July 2019 - December 2019	26,867	11,488.50	2.34	\$81,437	\$7.09	8.9%
July 2018 - December 2018	30,216	12,348.25	2.45	\$64,538	\$5.23	6.5%
Percent Change	-11.1%	-7.0%	-4.4%	26.2%	35.5%	36.3%
Sacramento Services (Commuter & Midday):						
July 2018 - December 2019	71,939	7,359.48	9.78	\$311,755	\$42.36	53.0%
July 2018 - December 2018	65,979	7,047.64	9.36	\$275,502	\$39.09	48.9%
Percent Change	9.0%	4.4%	4.4%	13.2%	8.4%	8.3%
Foothill Route:						
July 2019 - December 2019	849	479.11	1.77	\$816	\$1.70	2.1%
July 2018 - December 2018	1,189	477.74	2.49	\$1074	\$2.25	2.8%
Percent Change	-28.6%	0.3%	-28.8%	-24.0%	-24.3%	-24.0%
Live Oak Route:						
July 2019 - December 2019	2,137	474.50	4.50	\$1,973	\$4.16	5.2%
July 2018 - December 2018	2,259	464.79	4.86	\$1,877	\$4.04	5.0%
Percent Change	-5.4%	2.1%	-7.3%	5.1%	2.9%	3.9%
Wheatland Route:						
July 2019 - December 2019	67	274.42	0.24	\$110	\$0.40	0.5%
July 2018 - December 2018	362	262.71	1.38	\$457	\$1.74	2.2%
Percent Change	-81.5%	4.5%	-82.3%	-76.0%	-77.1%	-77.3%
Systemwide Summary:						
July 2019 - December 2019	436,533	45,497.15	9.59	\$721,839	\$15.87	19.8%
July 2018 - December 2018	470,798	46,591.87	10.10	\$601,602	\$12.91	16.1%
Percent Change	-7.3%	-2.3%	-5.0%	20.0%	22.9%	23.2%

Notes:

1. All financial calculations are estimates pending final fiscal audits.