



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

Board of Directors Meeting Agenda

Wednesday January 30, 2019

4:00pm

ECCTA Boardroom

801 Wilbur Avenue, Antioch, CA 94509

Available online: www.trideltatransit.com

Please see the last page of this agenda for:

- Public comment guidelines
- Agenda, staff report, and document availability
- Americans with Disabilities Act information
- Limited English Proficiency (LEP) information
- Anticipated action by the Board of Directors

1. **Call to Order:** Chair Diane Burgis

a. **Roll Call**

2. **Pledge of Allegiance**

3. **Public Comment**

While public comments are encouraged and taken very seriously, State law prevents the Board of Directors from discussing items that are not on the meeting agenda. If appropriate, staff will follow up on public comments. Please see Public Comment Guidelines on Page 3 of this agenda.

4. **Chair's Report:** Chair Diane Burgis

5. **Consent Calendar (ACTION ITEM):** Minutes, Financial Report, and Marketing Activities Report (*see attachment: tab #1*)

- a. Minutes of the Board of Directors meeting of December 12th, 2018
- b. Financial Report
- c. Marketing and Customer Service Activities Report

Requested Action: Approve items 5a, 5b, and 5c

6. **CEO's Report:** Jeanne Krieg

- a. **Operations Report** (*see attachment: tab #2*)

Board of Directors:

City of Antioch

Lamar Thorpe
Monica Wilson

City of Brentwood

Barbara Guise
Robert Taylor**

City of Oakley

Doug Hardcastle
Kevin Romick

City of Pittsburg

Merl Craft
Shanelle Scales-Preston

Contra Costa County

Diane Burgis*
Federal Glover

Member-at-Large

Ken Gray

* Chair: FY 2018-19

** Vice-chair: FY 2018-19

**Board of Directors Meeting Agenda
Wednesday January 30th, 2019**

7. ACTION and DISCUSSION ITEMS

a. ACTION ITEM: Disposal of Vehicles

(see attachment: tab #3)

Requested Action: Adopt Resolution #190130a which authorizes the disposal of five Chevrolet Aveo driver exchange automobiles and supersedes previously adopted Resolution #181031a.

b. DISCUSSION ITEM: Accessible Transportation Strategic Plan

(see attachment: tab #4)

NO ACTION REQUESTED: Item is for discussion only.

c. ACTION ITEM: Independent Auditors Report

(see attachment: tab #5)

Requested Action: Adopt Resolution #190130b accepting the Independent Auditor's Report for the year ended June 30, 2018.

8. Board of Directors Comments

Under this item, Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to staff, or requesting a report be made at another meeting.

9. Adjourn

Next Meeting: February 27th, 2019 at 4:00pm, 801 Wilbur Avenue, Antioch, CA 94509

Public Comment Guidelines:

- Persons requesting to address the ECCTA Board of Directors are requested to complete a Comment Request form and submit it to the clerk. If possible, please submit the form prior to the start of the meeting. At the appropriate time, the ECCTA chair will call on individuals to comment.
- During the public comment agenda item, the public is permitted to address the ECCTA Board of Directors on items that are on the consent calendar or items not on the agenda. Individuals may also make a request for future agenda items. No action or discussion may take place on any item not appearing on the posted agenda.
- If a person wishes to speak on a specific agenda item, the ECCTA chair will call on the individual when the agenda item is being discussed by the Board of Directors.
- Persons addressing the ECCTA Board of Directors are requested to limit their remarks to three (3) minutes unless an extension of time is granted by the chair, subject to approval of the ECCTA Board of Directors.

Agenda, staff report, and document availability:

Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection the Friday before each regularly scheduled Board of Director's meeting at ECCTA's front desk located at 801 Wilbur Avenue, Antioch, California. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the Board regarding any item on this agenda after the agenda has been distributed will also be made available for inspection at ECCTA's front desk at the above referenced address during regular business hours.

Americans with Disabilities Act Information:

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available in the ECCTA parking lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the CEO's Office at (925) 754-6622 or fax (925) 757-2530. Notification no fewer than 48 hours prior to the meeting will enable Tri Delta Transit to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II} Please help us accommodate individuals with EI-MSD and refrain from wearing scented products to this meeting. Please turn off any electronic paging device or cell phone.

Limited English Proficiency (LEP):

Any person with Limited English Proficiency (LEP) who requires language assistance to communicate with the Tri Delta Transit Board of Directors during the meeting should contact the CEO's Office at (925) 754-6622 or fax (925) 757-2530. Notification no fewer than 48 hours prior to the meeting will enable Tri Delta Transit to make reasonable arrangements to assure language assistance for this meeting.

Anticipated action by the Board of Directors:

The Board of Directors may take action on any item on the agenda, which action may consist of the recommended action, no action or a related action.

TAB 1

Agenda Item #5a,b,c
Consent Calendar (ACTION ITEM): Minutes, Financial Report, and
Marketing Activities Report

Board of Directors Meeting

Wednesday January 30, 2019

ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509

EASTERN CONTRA COSTA TRANSIT AUTHORITY
Antioch - Brentwood - Pittsburg - Oakley and Contra Costa County

MINUTES

December 12, 2018

The Eastern Contra Costa Transit Authority (ECCTA) meeting was called to order in the ECCTA Board Room, 801 Wilbur Avenue, Antioch, California by Chair Diane Burgis at 4:00 P.M.

ROLL CALL / CALL TO ORDER

PRESENT: Merl Craft (Pittsburg); Ken Gray (Member-at-Large); Barbara Guise (Brentwood); Doug Hardcastle (Oakley); Kevin Romick (Oakley); Robert Taylor (Brentwood); Monica Wilson (Antioch); and Diane Burgis (Contra Costa County/Chair)

ABSENT: Federal Glover (Contra Costa County); and Lamar Thorpe (Antioch)

STAFF: Jeanne Krieg, Chief Executive Officer (CEO)
Steve Ponte, Chief Operating Officer (COO)
Stephanie Vollmer, Legal Counsel
Tania Babcock, Executive Assistant
Joe Chappelle, Manager of Administrative Services
Ann Hutcheson, Director of Administrative Services
Maria Korbay, Manager of Customer Service and Marketing

OTHERS

PRESENT: Michael Daugelli, Board Alternate
Mark Elias, First Transit Regional Vice President
Susan Hinson, First Transit
Gary Mitchell, First Transit
Hosie Pintily, First Transit

PLEDGE OF ALLEGIANCE

Chair Burgis led the Pledge of Allegiance.

PUBLIC COMMENT

There were no comments from the public.

CHAIR'S REPORT

Chair Burgis reported that she had attended the American Public Transportation Association (APTA) Leadership Conference when the topics of future discussion were things that Tri Delta Transit was already doing.

Chair Burgis added that during the conference she had gotten involved with the Travel and Tourism subcommittee of the Transit Board Members Committee, which would meet during the APTA Legislative Conference in March 2019.

Chair Burgis also reported that Ann Hutcheson, Director of Administrative Services, would be retiring after 34 years. She had been the third employee hired by the agency.

Ann Hutcheson thanked the Board and staff for their support of her and her family over the years.

CONSENT CALENDAR

On motion by Director Romick, seconded by Director Guise, ECCTA Boardmembers adopted the Consent Calendar, as follows, which carried by the following vote:

- A. Minutes of the Board of Directors meeting of October 31, 2018
- B. Financial Report
- C. Marketing Activities Report

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

CHIEF EXECUTIVE OFFICER'S REPORT

- A. Operations Report

Chief Executive Officer (CEO) Jeanne Krieg introduced Stephanie Bollmer who was representing Ben Stock, Legal Counsel.

Ms. Krieg highlighted the many changes that had occurred with Tri Delta Transit during 2018, including the addition of electric buses and the related infrastructure, installation of a solar system for the facility, placement of new buses into service, introduction of a very successful mobile ticketing app, a successful partnership with Uber/Lyft/United Taxi, implementation of a route reconfiguration associated with the opening of the BART extension to Antioch, and the retirement of three key employees. The retirement of those key employees allowed the opportunity to implement an organizational structure that would assure a strong succession plan, distribute various responsibilities in a way that made sense, and fill some positions that had been empty for several years. The Board had approved the organizational restructuring and many new staff members had been welcomed and introduced over the past few months. She introduced Maria Korbay, the Manager of Customer Service and Marketing at this time.

Ms. Krieg reported that Assemblymember Frazier wanted to explore the possibility of Tri Delta Transit operating a BRT-style service from the Antioch BART station to Marsh Creek Road, and the Contra Costa Transportation Authority (CCTA) had applied for a State Planning Grant to pursue the idea. She and COO Steve Ponte had met with Assemblymember Frazier and the new BART Director for East County, Mark Foley, to discuss the idea as well as to address parking and access issues. The study would cost \$800,000 while the funding to build the BRT-style service was unknown at this point.

Ms. Krieg noted that the Annual Independent Auditors Report and Memorandum of Internal Control had just arrived from Maze & Associates, the draft had been reviewed with the Board Chair prior to the meeting, and the final memorandum and audit would be presented to the Board in January.

With respect to First Transit's difficulty in hiring and retraining enough bus operators and phone operators to meet the requirements of its service contract, Ms. Krieg reported that First Transit had done amazing things to get back on track. She acknowledged Mark Elias, First Transit's Regional Vice President; Susan Hinson the local General Manager; and Gary Mitchell, the local Assistant General Manager for all their efforts. She added that the Teamsters Union had also stepped up and worked with everyone to continue to provide safe and reliable transportation to Tri Delta Transit customers, and Teamsters representatives would attend ECCTA's holiday party.

Ms. Krieg also updated the Board on Tri Delta Transit's efforts with the Federal Communications Commission (FCC) to stop someone who had been interfering with the agency's radio transmissions, which appeared to have stopped. She reported that she and Chair Burgis had attended the first APTA Leadership Summit where many of the conversations had centered on declining ridership and new mobility options. Since the conference had not been well attended it was hoped that APTA would go back to the traditional Transit CEO Conference in the spring and the Transit Board Member Seminar in the summer, which in 2019 would be held in Jacksonville, Florida, July 20-23.

Ms. Krieg also reported that there would be new Tri Delta Transit schedules to coincide with BART's schedule change in February. BART's service would start an hour later each weekday to save money and speed construction on its Transbay Tube Retrofit project. BART would be contracting with Tri Delta Transit to operate bus service from the Antioch BART station to the Pittsburg/Bay Point station between 4:00 and 5:00 A.M.

Referring to California's federal certification of its rail State Safety Oversight program, Ms. Krieg stated that while the program did not affect Tri Delta Transit because it did not operate rail, it was critical that the state get the program certified because if a state did not have an approved program, no federal funds would be allocated to any agency in the state regardless of whether rail was involved. She noted there were still four states that had yet to be certified prior to the April 15, 2019 deadline.

Ms. Krieg reported that the project to convert all the maintenance bays to LED lighting had been completed this month, which would result in less power used, less heat generated, and brighter light. Since the parking lots had already been done, the focus would now be on replacing fluorescent with LED in the office building, which would be much easier since the light fixtures did not have to be replaced.

Ms. Krieg also reported as she had every month that fixed route ridership continued to be below last year although the efficiencies looked good in terms of billable hours, salaries and benefits, and parts. She commented that the ridership would not look as bad once Mobility on Demand ridership with Uber and Lyft was able to be incorporated into the totals.

Ms. Krieg referenced the 2019 CALSTART Calendar which had featured a Tri Delta Transit bus on its cover.

B. First Transit

Mark Elias, First Transit Regional Vice President, apologized for the challenges over the last few months, explained that they were starting to get some momentum, and stated First Transit would remain focused to continue that momentum.

ACTION AND DISCUSSION ITEMS

A. Boardmember and Staff Conference Attendance Request

Ms. Krieg explained that current policy allowed each Boardmember to travel to two conferences within a fiscal year, budget permitting, and the Board must approve additional travel. She identified the conference request from Chair Burgis to attend the APTA Legislative Conference in March 2019 given that she had been appointed to serve on the Travel and Tourism subcommittee of the Transit Board Members Committee, which would meet during the APTA Legislative Conference.

Current policy also allowed staff members to attend up to two conferences per fiscal year without authorization from the Board, and Ms. Krieg reported that Steve Ponte would also like to attend the APTA CEOs Conference, Bus Conference, and Legislative Conference, all of which related to his job responsibilities.

Director Wilson recommended a change to the policy to allow the Chair attendance at three conferences during each fiscal year.

Ms. Krieg advised that she would place that request on the next meeting agenda for consideration.

On motion by Director Romick, seconded by Director Taylor, ECCTA Boardmembers approved the Boardmember additional conference request, carried by the following vote:

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

On motion by Director Romick, seconded by Director Taylor, ECCTA Boardmembers approved the staff member additional conference request, carried by the following vote:

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

B. 2019 Board Meeting Schedule

Chair Burgis noted some confusion with the meeting schedule and recommended that the regular meeting date and time of the ECCTA Board of Directors, which is currently the 4th Wednesday of each month at 4:00 P.M., be designated as the last Wednesday of each month at 4:00 P.M., with the exception of November and December when the two meetings would be combined. For 2019, that combined meeting would be held on December 11.

On motion by Director Hardcastle, seconded by Director Taylor, ECCTA Boardmembers approved the proposed 2019 schedule for ECCTA Board of Directors meetings which reschedules the January, May, July, and October meetings to the 5th Wednesday of those months and combines the November and December meeting to December 11, 2019, carried by the following vote:

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

C. Communication System Resolution Update

Ms. Krieg reported that the Board had approved a communication system update in response to the upcoming Clipper 2, which would require cellular communication as well as some equipment on the bus. The Automatic Vehicle Location (AVL) system was also radio and had since been changed to cellular. The project was now complete. She noted that in the original price, the vendor had not included tax and the resolution adopted last year would have to be amended to include the tax. She requested approval of the resolution to update the original resolution.

On motion by Director Wilson, seconded by Director Hardcastle, ECCTA Boardmembers adopted Resolution 181212a which adds \$30,234 tax to the amount approved by Resolution 171213a, a \$429,406 agreement with Connexionz to provide and install all equipment required to convert ECCTA's Automatic Vehicle Location system from a radio platform to a cellular platform with the capabilities to add connectivity with the vehicle diagnostics, Clipper 2, and tablet communication, carried by the following vote:

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

D. Planning Software Maintenance Agreement

Ms. Krieg stated there were two software programs with Remix; one program used to produce required Title VI reports and did statistical analyses of the service area, the second software program was used for fixed route scheduling and helped to design the schedules for the routes. Separately, the maintenance agreements cost more than if they were combined. The planning software maintenance agreement would expire in June 2019 while the scheduling software maintenance agreement would expire in August 2024. She recommended that the planning software maintenance agreement be extended five years two months to coincide with the other scheduling maintenance agreement.

On motion by Director Guise, seconded by Director Hardcastle, ECCTA Boardmembers adopted Resolution 181212b which authorizes the CEO or her designee to enter into a five year, two month planning software maintenance agreement for an amount not to exceed \$115,700 with Remix, carried by the following vote:

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

E. Triennial Performance Audit

Ms. Krieg explained that every three years the Metropolitan Transportation Commission (MTC) audited the agency and looked at the way state sales tax money had been spent along with the reporting and the statistics, and offered recommendations of how to comply better with regulations. She reported that for the first time ever, there had been no recommendations for Tri Delta Transit based on the audit.

The Board congratulated Tri Delta Transit staff.

On motion by Director Craft, seconded by Director Romick, ECCTA Boardmembers adopted Resolution 181212c accepting ECCTA's Triennial Performance Audit Report for the fiscal years 2014/15, 2015/16 and 2016/17, carried by the following vote:

AYES: Craft, Gray, Guise, Hardcastle, Romick, Taylor, Wilson, Burgis
NOES: None
ABSTAIN: None
ABSENT: Glover and Thorpe

BOARD OF DIRECTORS COMMENTS

Members extended holiday wishes.

ADJOURNMENT

Chair Burgis adjourned the meeting of the Eastern Contra Costa Transit Authority at 4:38 P.M. to January 30, 2019 at 4:00 P.M. in the ECCTA Administration Facility, 801 Wilbur Avenue, Antioch, California.

Respectfully submitted,

Anita L. Tucci-Smith

TRI DELTA TRANSIT
Income Statement - Comparison to Annual Budget
As of December 31, 2018
(unaudited)

	YTD Actual			YTD Budget			YTD Variance <i>favorable/(unfavorable)</i>			FY19 Full Year Budget			YTD % of Fiscal Year Budget		
	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR
OPERATING REVENUES															
Passenger Fares	\$ 1,084,975	\$ 889,828	\$ 195,147	\$ 1,372,268	\$ 1,173,300	\$ 198,968	\$ (287,293)	\$ (283,472)	\$ (3,821)	\$ 2,765,569	\$ 2,368,069	\$ 397,500	39%	38%	49%
Other Income	\$ 136,649	\$ 90,000	\$ 46,649	\$ 75,000	\$ -	\$ 75,000	\$ 61,649	\$ 90,000	\$ (28,351)	\$ 235,000	\$ 85,000	\$ 150,000	58%	106%	31%
<i>Total Operating Revenues:</i>	<i>\$ 1,221,624</i>	<i>\$ 979,828</i>	<i>\$ 241,796</i>	<i>\$ 1,447,268</i>	<i>\$ 1,173,300</i>	<i>\$ 273,968</i>	<i>\$ (225,644)</i>	<i>\$ (193,472)</i>	<i>\$ (32,172)</i>	<i>\$ 3,000,569</i>	<i>\$ 2,453,069</i>	<i>\$ 547,500</i>	<i>41%</i>	<i>40%</i>	<i>44%</i>
OPERATING EXPENSES															
Purchased Transportation	\$ 6,135,638	\$ 4,825,890	\$ 1,309,748	\$ 6,094,174	\$ 4,526,200	\$ 1,565,974	\$ (41,464)	\$ (297,690)	\$ 256,226	\$ 12,142,672	\$ 9,030,500	\$ 3,112,172	51%	53%	42%
Materials and Supplies	\$ 1,158,108	\$ 972,843	\$ 185,265	\$ 1,587,098	\$ 1,299,298	\$ 287,800	\$ 428,990	\$ 326,455	\$ 102,535	\$ 3,168,000	\$ 2,593,000	\$ 575,000	37%	38%	32%
Salaries & Benefits	\$ 2,048,933	\$ 1,928,247	\$ 120,686	\$ 2,083,056	\$ 1,812,258	\$ 270,798	\$ 34,123	\$ (115,989)	\$ 150,112	\$ 4,166,112	\$ 3,624,517	\$ 541,595	49%	53%	22%
Services	\$ 391,823	\$ 316,141	\$ 75,682	\$ 425,000	\$ 340,002	\$ 84,998	\$ 33,177	\$ 23,851	\$ 9,316	\$ 850,000	\$ 680,000	\$ 170,000	46%	46%	45%
Other	\$ 208,429	\$ 194,775	\$ 13,654	\$ 206,600	\$ 198,970	\$ 7,630	\$ (1,829)	\$ 4,195	\$ (6,024)	\$ 407,000	\$ 392,050	\$ 14,950	51%	50%	91%
Casualty and liability insurance	\$ 264,397	\$ 246,932	\$ 17,465	\$ 296,255	\$ 274,890	\$ 21,375	\$ 31,858	\$ 27,948	\$ 3,910	\$ 549,975	\$ 513,859	\$ 36,105	48%	48%	48%
Utilities	\$ 77,555	\$ 73,894	\$ 3,661	\$ 124,709	\$ 118,473	\$ 6,236	\$ 47,154	\$ 44,579	\$ 2,575	\$ 204,367	\$ 194,148	\$ 10,219	36%	36%	36%
Taxes	\$ 10,815	\$ 9,027	\$ 1,788	\$ 11,220	\$ 9,576	\$ 1,644	\$ 405	\$ 549	\$ (144)	\$ 22,460	\$ 19,168	\$ 3,292	48%	47%	54%
<i>Total Operating Expenses:</i>	<i>\$ 10,295,698</i>	<i>\$ 8,567,749</i>	<i>\$ 1,727,949</i>	<i>\$ 10,828,112</i>	<i>\$ 8,581,657</i>	<i>\$ 2,246,455</i>	<i>\$ 532,414</i>	<i>\$ 13,908</i>	<i>\$ 518,506</i>	<i>\$ 21,510,586</i>	<i>\$ 17,047,252</i>	<i>\$ 4,463,334</i>	<i>48%</i>	<i>50%</i>	<i>39%</i>
NON-OPERATING REV															
Federal Funds	\$ -	\$ -	\$ -	\$ 884,692	\$ 408,649	\$ 276,043	\$ (684,692)	\$ (408,649)	\$ (276,043)	\$ 960,734	\$ 408,649	\$ 552,085			
State Funds	\$ 6,491,890	\$ 5,126,273	\$ 1,365,617	\$ 6,312,269	\$ 5,079,601	\$ 1,232,668	\$ 179,621	\$ 46,672	\$ 132,949	\$ 12,811,582	\$ 10,373,129	\$ 2,438,453	51%	49%	56%
Local Funds	\$ 132,960	\$ 132,960	\$ -	\$ 1,038,511	\$ 575,233	\$ 463,278	\$ (905,551)	\$ (442,273)	\$ (463,278)	\$ 2,046,952	\$ 1,122,656	\$ 924,296	6%	12%	
Inter-Operator Agreements	\$ 2,685,749	\$ 2,685,749	\$ -	\$ 1,342,874	\$ 1,342,874	\$ -	\$ 1,342,875	\$ 1,342,875	\$ -	\$ 2,685,749	\$ 2,685,749	\$ -	100%	100%	
Interest & Other Misc Income	\$ 57,901	\$ 35,284	\$ 22,617	\$ 2,496	\$ 1,998	\$ 498	\$ 55,405	\$ 33,286	\$ 22,119	\$ 5,000	\$ 4,000	\$ 1,000	1158%	882%	2262%
<i>Total Non-operating Revenues:</i>	<i>\$ 9,368,500</i>	<i>\$ 7,980,266</i>	<i>\$ 1,388,234</i>	<i>\$ 9,380,842</i>	<i>\$ 7,408,355</i>	<i>\$ 1,972,487</i>	<i>\$ (12,342)</i>	<i>\$ 571,912</i>	<i>\$ (584,253)</i>	<i>\$ 18,510,017</i>	<i>\$ 14,594,183</i>	<i>\$ 3,915,834</i>	<i>51%</i>	<i>55%</i>	<i>35%</i>
EXCESS REV/(EXP)	\$ 294,426	\$ 392,345	\$ (97,919)	\$ (3)	\$ (3)	\$ -	\$ 294,429	\$ 392,348	\$ (97,919)	\$ -	\$ -	\$ -			

Agenda Item #5b
Eastern Contra Costa Transit Authority
Board of Directors Meeting
January 30, 2019

Staff Report to ECCTA Board of Directors

Meeting Date: January 30th, 2019

Agenda Item: Marketing and Customer Service Activities
Agenda Item #5c

Lead Staff: Maria Korbay, Manager Customer Service & Marketing

Approved: Jeanne Krieg, Chief Executive Officer 

We have had a busy month in the Marketing Department. Our team is getting up to speed on all things Tri Delta Transit. We continue to work toward our overall goal of unifying the voice of Tri Delta Transit across all of our platforms: ads, press releases, social media, community events, promotional campaigns, as well as our web and mobile sites. Listed below are the major items my department is researching, working on, and developing this month.

Schedule Revise and Reprint

The timetable booklet has been revised and printed for the February 10th schedule change. We included updated graphics, color scheme, as well as updated social media pages. The next step is promotion of the new schedule and alerting riders of the upcoming changes. Activities include:

- Notices at multiple bus stops
- Website banner notification
- Weekly social media campaign
- Email and text alerts to our subscribers
- Press release: Press Newspapers, CCTimes, Eastcountytimes.net, 511 Contra Costa, 511.org, County Connection, Westcat, Wheels
- 511.org notice one month in advance

Customer Comments

Marketing oversees the intake, processing, and follow-up for customer comments and customer service. There is no better way to learn how to market and educate our customers than listening to their feedback. We have begun revamping the process of how

*Agenda Item #5c
Eastern Contra Costa Transit Authority
Board of Directors Meeting
January 30, 2019*

we respond to our customers with the ultimate goal of having them feel heard and using their feedback to improve our service. First Transit and Tri Delta Transit will be working together to create goals for this new process.

Social Media

This month we saw increased engagement with posts that went beyond Rider Alerts or schedule information. With the addition of more personal posts, we saw increased engagement from the community. In order to quantify the success of our posts, we are going to begin tracking engagements and analytics in order to monitor our reach. In order to meet our goals of creating consistent content that is relevant and engaging, I have reached out to a few of our community partners to identify ways in which we might offer cross promotion on our social media outlets. We are working with, or in the process of working with:

- 511.org
- Thepress.net
- Eastcountytoday.net
- Ilovebrentwood.org
- The Grapevine

Microtransit

This is an exciting new venture. We are currently creating a timeline for collateral and launch of this new service. Microtransit offers On-Demand transit from a mobile device for all passengers. Our first step in launching is creating a name and logo design. We have partnered with Fidelis Advertising to help create a vibrant campaign.

Our recent activities:

- Developing branding that aligns with TransLoc standards and offers concise messaging.
- Working on the creation of a timeline for promotion, community outreach, and advertising.

Community

We are working to examine our relationship with community partners: the local chambers of commerce, cross promotional relationships, schools, senior and community centers, local advertisers, etc. In this examination, we are looking for ways for Tri Delta Transit to be seen as an active community member that is accessible to the local neighborhoods it serves. This will include attending events Tri Delta Transit has already been active in, as well as finding new ways to insert ourselves into the community.

This month we worked with:

- Pittsburg Chamber
- Sierra School of Antioch
- The local chapter of Soroptimist International
- Added ads with Mascot Media for local school events

Mobile Ticketing Promotion

In order to increase usage of our mobile ticketing app, we are creating a campaign to incentivize registered users to use the app by providing one free ride. In addition, we are working on creating a one-page brochure which will target those riders currently purchasing paper tickets. We are in the process of identifying strategic locations to place these in order to encourage use of this convenient ticketing option.

TAB 2

Agenda Item #6a
CEO's REPORT: Operations Report

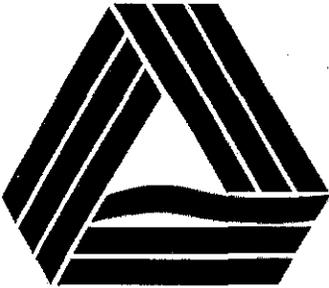
Board of Directors Meeting

Wednesday January 30, 2019

ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509

Chief Executive Officer's Report

January 2019



TRI DELTA TRANSIT

ECCTA Executive Team

Jeanne Krieg
Chief Executive Officer

Steve Ponte
Chief Operating Officer

Kevin Moody
Director of
Maintenance

Susan Hinson
First Transit
Director of Operations

Highlights:

- We welcomed new board member Shanelle Scales-Preston who will be representing Pittsburg.
- We said a fond farewell to former Director of Administrative Services, Ann Hutcheson who retired after 34 years with Tri Delta Transit.
- Over 100 toys were collected during the 1st annual Tri Delta Transit toy drive. The toys were donated to Children's Hospital in Oakland.
- The California Air Resources Board adopted new regulations that will mean Tri Delta Transit's fleet will be 100% all-electric by 2040. 25% of all bus procurements must be electric in 2026 and 100% in 2029.
- Staff has been working with BART on the implementation of the *Early Bird* bus service that will provide lifeline bus service from 4:00am – 5:00am for BART patrons during the transbay tube retrofit 3½ year construction project. The service begins February 11th.
- The California Highway Patrol conducted their annual audit, reviewing operator and vehicle maintenance records. The audit found that all safety, testing, and maintenance requirements are being met by Tri Delta Transit and First Transit. NO findings were made during the audit!
- Phase II of the UC Berkeley PATH Integrated Dynamic Transit Operations system demonstration project that uses Tri Delta Transit as the subject is progressing. CCTA is overseeing the Caltrans-funded project that will demonstrate Transit Connect, Dynamic Dispatch, and Dynamic Rideshare in east county.
- The See Something – Say Something (*Tri Delta Watch*) Mobile App is available to all members of the public. It includes an option to report suspected human trafficking situations.

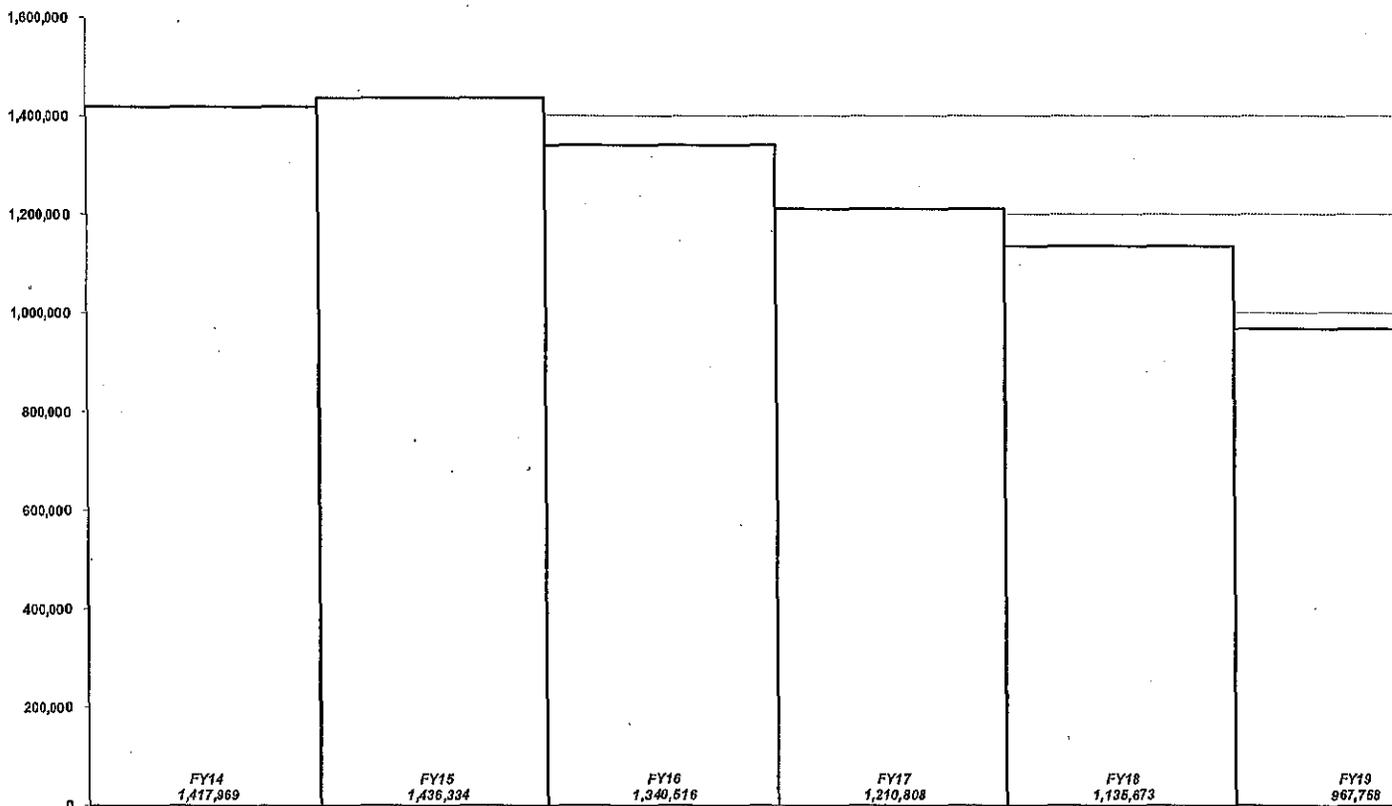
Pending:

- BART's new schedule: February 11, 2019
- Mobile Emergency Operations Center construction
- Microtransit demonstration project
- Mobility on Demand demonstration project
- Mobile ticketing app group discount program
- Service to Brentwood LMC campus (2019)
- FTA's Safety Program
- Antioch Park & Ride lot construction
- Oakley Park & Ride lot construction
- Federal grants (earmarks?)
- Park & Ride lots – land acquisition

Agenda Item #6a
Eastern Contra Costa Transit Authority
Board of Directors Meeting
January 30, 2019

TRI DELTA TRANSIT

COMPARATIVE FR RIDERSHIP - DECEMBER YTD



**TRI DELTA TRANSIT
COMPARATIVE YTD FR RIDERSHIP BY ROUTE**

TOTAL PASSENGER TRIPS											YTD COMPARISON		
ROUTE	13/14		14/15		15/16		16/17		17/18		Dec-17	Dec-18	% Chg
		% Chg											
200	55,914	1%	54,167	-3%	48,866	-10%	44,467	-9%	40,568	-9%	20,901	17,829	-15%
201	124,289	4%	112,116	-10%	116,301	4%	117,839	1%	115,491	-2%	58,313	51,698	-11%
300	328,582	13%	353,802	8%	340,127	-4%	351,131	3%	323,694	-8%	170,585	39,650	-77%
379	6,759	-56%	3,223	-52%	3,659	14%	2,407	-34%	2,358	-2%	1,370	1,039	-24%
380	682,650	0%	666,704	-2%	606,012	-9%	552,671	-9%	510,333	-8%	259,273	231,821	-11%
381	N/A	N/A	15,565	52,399	237%								
383	32,073	-8%	30,200	-6%	25,830	-14%	21,936	-15%	21,987	0%	10,528	19,104	81%
384	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,366	N/A	N/A	21,280	N/A
385	70,974	16%	68,013	-4%	66,045	-3%	54,207	-18%	55,316	2%	27,750	25,113	-10%
386	1,902	-12%	1,583	-17%	1,507	-5%	1,398	-7%	1104	-21%	571	N/A	N/A
387	264,036	1%	257,944	-2%	233,185	-10%	198,990	-15%	180,733	-9%	88,957	90,031	1%
388	400,190	9%	370,128	-8%	327,585	-11%	287,820	-12%	265,449	-8%	132,855	125,844	-5%
389	53,068	0%	51,480	-3%	45,836	-11%	40,557	-12%	41,396	2%	20,540	24,678	20%
390	72,054	5%	71,211	-1%	70,022	-2%	71,431	2%	70,019	-2%	37,203	19,070	-49%
391	386,640	4%	402,579	4%	360,256	-11%	317,873	-12%	286,436	-10%	148,358	124,246	-16%
Shuttles	3,370	-32%	5,375	59%	13,410	149%	2,956	-78%	2,027	-31%	2,027	4,841	139%
392	142,284	7%	142,650	0%	124,708	-13%	110,687	-11%	105,150	-5%	56,179	48,740	-13%
393	133,078	-2%	141,281	6%	126,653	-10%	114,022	-10%	98,170	-14%	56,875	18,813	-67%
394	64,904	-9%	63,087	-3%	53,894	-15%	48,389	-10%	47,726	-1%	24,716	27,192	10%
395	9,497	100%	10,485	100%	10,968	100%	6,204	100%	5,937	100%	3,107	3,859	24%
396	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,953	N/A	N/A	20,511	N/A
Total Fixed Route	2,832,264	3%	2,806,028	-1%	2,574,864	-8%	2,344,985	-9%	2,232,469	-5%	1,135,673	967,758	-15%

AVERAGE PASSENGERS PER REVENUE HOUR											YTD COMPARISON		
ROUTE	13/14		14/15		15/16		16/17		17/18		Dec-17	Dec-18	% Chg
		% Chg											
200	12.5	-1%	12.6	1%	11.5	-9%	9.9	-14%	8.6	-14%	8.9	7.8	-12%
201	17.9	1%	17.0	-5%	16.1	-5%	13.8	-15%	12.9	-6%	13.0	12.4	-5%
300	18.6	18%	20.3	10%	19.6	-4%	20.6	5%	20.5	0%	20.6	11.1	-46%
379	16.8	57%	26.5	57%	30.6	15%	18.9	-38%	16.7	-11%	21.3	13.4	-37%
380	20.6	2%	20.2	-2%	18.7	-7%	17.3	-8%	16.1	-7%	16.4	16.0	-2%
381	N/A	11.6	N/A	10.9	12.8	17%							
383	12.6	23%	13.0	3%	11.6	-11%	10.1	-12%	8.8	-13%	9.7	7.0	-27%
384	N/A	6.8	N/A	N/A	8.2	N/A							
385	12.9	6%	12.3	-4%	11.4	-8%	9.3	-19%	9.5	2%	9.6	9.1	-5%
386	6.3	74%	6.3	1%	6.6	5%	6.0	-10%	4.8	-20%	4.9	N/A	N/A
387	23.7	4%	23.3	-2%	21.7	-7%	18.6	-14%	15.9	-15%	16.1	14.1	-12%
388	18.2	7%	17.4	-5%	16.2	-7%	14.3	-12%	13.1	-8%	13.3	12.7	-4%
389	14.4	8%	15.4	7%	14.4	-6%	12.4	-14%	11.9	-4%	11.9	14.3	20%
390	20.8	12%	21.5	3%	21.4	-1%	22.1	3%	21.3	-4%	22.9	11.4	-50%
391	20.5	4%	21.9	7%	19.7	-10%	17.3	-12%	15.5	-11%	16.1	14.8	-8%
Shuttles	6.4	N/A	30.7	383%	23.6	-23%	15.0	-36%	15.4	3%	17.2	63.4	268%
392	19.1	9%	18.9	-1%	16.7	-12%	14.2	-15%	13.1	-7%	13.3	13.2	-1%
393	17.5	0%	18.7	7%	16.8	-10%	15.3	-9%	13.8	-9%	14.5	10.4	-28%
394	17.0	13%	15.9	-7%	13.9	-13%	12.9	-7%	12.4	-4%	12.4	13.0	4%
395	16.2	N/A	16.4	1%	17.1	5%	9.9	-42%	9.9	0%	9.7	10.5	8%
396	N/A	9.2	N/A	N/A	9.7	N/A							
Total Fixed Route	19.0	7%	19.2	1%	17.8	-7%	16.1	-9%	14.7	-9%	15.1	12.9	-14%

**EASTERN CONTRA COSTA TRANSIT AUTHORITY
KEY PERFORMANCE INDICATORS BY SERVICE**

	Actual							18/19B % ▲	YTD COMPARISON		
	Actual					Budget	18/19B % ▲		Actual		% ▲
	13/14	14/15	15/16	16/17	17/18	18/19			Dec-17	Dec-18	
DIAL-A-RIDE											
PASSENGERS											
Total DAR Trips Provided	131,478	133,769	131,917	133,406	125,558	124,804	-1%	63,759	59,682	-6%	
Average Weekday Ridership	471	487	489	498	469	464	-1%	477	450	-6%	
Average Sat Ridership	180	153	118	107	105	108	2%	111	95	-14%	
Average Sun/Hol Ridership	68	63	49	47	47	48	2%	49	43	-12%	
Average Passengers/Hour (wkdays DAR Only)	2.3	2.4	2.5	2.9	2.9	2.9	-1%	2.8	3.2	13%	
CUSTOMER SERVICE											
Ride Refusals / Day	0.0	0.0	0.0	0.0	0.0	0.0	-100%	0.0	0.0	0%	
Customer Complaints	0.071%	0.103%	0.114%	0.382%	0.486%	0.250%	-48%	0.544%	0.653%	20%	
On Time Performance	89%	87%	85%	81%	66%	90%	37%	69%	59%	-14%	
MAINTENANCE											
Gallons of Fuel Consumed	145,043	138,528	135,809	131,936	122,057	122,772	1%	65,417	54,935	-16%	
Miles Between Preventable Accidents	244,390	162,293	159,143	153,397	207,048	200,000	-3%	143,009	388,276	172%	
Miles Between Road calls	61,109	139,113	190,963	919,507	276,017	100,000	-64%	142,999	388,470	172%	
COST RATIOS											
Farebox Recovery Ratio	10%	10%	10%	11%	10%	9%	-15%	10%	13%	26%	
\$/Gal Fuel	\$ 3.67	\$ 3.09	\$ 2.59	\$ 2.57	\$ 3.21	\$ 3.00	-7%	\$ 2.81	\$ 3.22	15%	
Operating Cost/Passenger	\$ 35.25	\$ 34.18	\$ 34.41	\$ 29.15	\$ 29.68	\$ 35.82	21%	\$ 31.72	\$ 25.44	-20%	
Operating Cost/Revenue Hour	\$ 68.75	\$ 69.81	\$ 72.28	\$ 73.97	\$ 80.33	\$ 95.04	18%	\$ 82.71	\$ 73.15	-12%	
Operating Cost/Revenue Mile	\$ 5.76	\$ 5.74	\$ 5.85	\$ 5.18	\$ 5.38	\$ 6.72	25%	\$ 5.66	\$ 4.78	-15%	
FIXED ROUTE											
PASSENGERS											
Total FR Trips Provided	2,832,264	2,806,028	2,574,864	2,344,985	2,232,469	2,321,636	4%	1,135,673	967,758	-15%	
Average Weekday Ridership	9,930	9,794	8,999	8,230	7,886	8,238	4%	8,023	6,844	-15%	
Average Sat Ridership	3,464	3,498	3,061	2,715	2,490	2,450	-2%	2,586	2,277	-12%	
Average Sun/Hol Ridership	2,692	2,787	2,501	2,236	2,087	2,140	3%	2,166	1,762	-19%	
Average Passengers/Hour	19.0	19.2	17.8	16.1	14.7	15.4	5%	15.1	12.9	-14%	
CUSTOMER SERVICE											
Customer Complaints	0.009%	0.009%	0.009%	0.025%	0.025%	0.025%	-2%	0.028%	0.036%	26%	
On Time Performance	92%	92%	92%	82%	83%	90%	8%	83%	80%	-3%	
MAINTENANCE											
Gallons of Fuel Consumed	603,013	600,072	606,378	584,879	575,568	534,257	-7%	287,834	269,926	-6%	
Miles Between Preventable Accidents	110,754	98,066	97,469	117,465	145,522	100,000	-31%	177,396	75,123	-58%	
Miles Between Road calls	67,684	41,553	27,690	21,084	19,951	50,000	151%	24,835	30,820	24%	
COST RATIOS											
Farebox Recovery Ratio	18%	18%	18%	16%	13%	14%	0%	14%	12%	-19%	
\$/Gal Fuel	\$ 3.48	\$ 2.77	\$ 1.96	\$ 2.07	\$ 2.30	\$ 2.65	15%	\$ 2.32	\$ 2.62	13%	
Operating Cost/Passenger	\$ 5.58	\$ 5.54	\$ 5.98	\$ 6.93	\$ 7.56	\$ 7.34	-3%	\$ 7.34	\$ 7.99	9%	
Operating Cost/Revenue Hour	\$ 105.76	\$ 106.36	\$ 106.33	\$ 111.83	\$ 111.07	\$ 113.24	2%	\$ 110.86	\$ 103.11	-7%	
Operating Cost/Revenue Mile	\$ 7.71	\$ 7.62	\$ 7.49	\$ 7.98	\$ 8.19	\$ 8.95	9%	\$ 8.10	\$ 8.07	0%	

TAB 3

Agenda Item #7a

ACTION ITEM: Disposal of Vehicles

Resolution #190130a

Board of Directors Meeting

Wednesday January 30, 2019

ECCTA Boardroom

801 Wilbur Avenue, Antioch, CA 94509

Staff Report to ECCTA Board of Directors

Meeting Date: January 30th, 2019
Agenda Item: Disposal of Vehicles – Agenda Item #7a
Lead Staff: Joe Chappelle, Manager of Administrative Services
Approved: Jeanne Krieg, Chief Executive Officer



Background

During the board meeting on October 31, 2018, the Tri Delta Transit Board of Directors adopted Resolution #181031a authorizing staff to dispose of five retired Chevrolet Aveo driver exchange automobiles as well as some miscellaneous equipment to the highest legally qualified bidder through a public auction or public advertising in a manner that is most advantageous to ECCTA.

After the October 2018 board meeting, then-board member Pete Longmire inquired about the possibility of selling one or more of the automobiles to the Pittsburg PAL program in the same way the Board of Directors authorized staff to sell retired buses earlier in 2018.

Considerations

1. The process used for the buses was to give each of the five members of the ECCTA JPA first choice of the vehicles for a purchase price of \$5.
2. The five automobiles have 188K, 175K, 165K, 155K, and 61K miles on them. All are 2010 models, in need of engine and transmission rebuilds, and in poor to fair condition.
3. The automobiles would be sold on an “as-is, where-is” basis.

Staff Recommendation

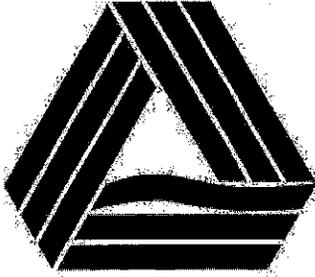
1. Authorize staff to approach each of the five members of the ECCTA JPA to give them first choice of the five Chevrolet Aveo automobiles for a purchase price of \$5 per vehicle. Operation, insurance, and maintenance shall be the sole responsibility of the purchasing entity. The purchasing entity shall take all steps which are necessary in order to transfer title and registration for each purchased automobile to the purchaser. Each purchaser shall be responsible for paying, in addition to the purchase price, any and all sales or use taxes which may be required by the Department of Motor Vehicles in order to transfer title and ownership of each automobile to its buyer.

Agenda Item #7a
*Eastern Contra Costa Transit Authority
Board of Directors Meeting
January 30, 2019*

2. The sale of the remaining automobiles shall be made as a group or individually for cash payable by the highest legally qualified bidder. This may be at a public auction or through public advertising:
 - a. The award for the sale of the automobiles will be made either separately or as one award based on what is most advantageous to ECCTA.
 - b. Payment shall be made by the successful bidder(s) in the form of a certified or cashier's check made payable to ECCTA. Each purchaser shall take all steps which are necessary in order to transfer title and registration for each purchased automobile to the purchaser. Each purchaser shall be responsible for paying, in addition to the purchase price, any and all sales or use taxes which may be required by the Department of Motor Vehicles in order to transfer title and ownership of each automobile to its buyer.

Requested Action

Adopt Resolution #190130a which authorizes the disposal of five Chevrolet Aveo driver exchange automobiles and supersedes previously adopted Resolution #181031a.



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

RESOLUTION #190130a DISPOSAL OF FIVE CHEVROLET AVEO DRIVER EXCHANGE AUTOMOBILES

Resolution #190130a authorizes the disposal of five Chevrolet Aveo driver exchange automobiles and supersedes previously adopted Resolution #181031a.

WHEREAS, Eastern Contra Costa Transit Authority (ECCTA) has five 2010 Chevrolet Aveo automobiles that have reached the end of their useful life; and

WHEREAS, ECCTA desires to obtain the authority to sell said automobiles to any member of the Eastern Contra Costa Transit Authority Joint Powers Agreement (JPA) for the sum of \$5 each, pursuant to the authority conferred by its Joint Powers Agreement; and

WHEREAS, ECCTA desires to obtain the authority to sell the remaining said automobiles to any legally qualified interested member of the public, pursuant to the authority conferred by its Joint Powers Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Contra Costa Transit Authority to adopt Resolution #190130a authorizing staff to conduct a sale of said automobiles in accordance with the following provisions:

- The five members of the ECCTA JPA shall be given first choice of the five Chevrolet Aveo automobiles for a purchase price of \$5 per vehicle. Operation, insurance, and maintenance shall be the sole responsibility of the purchasing entity. The purchasing entity shall take all steps which are necessary in order to transfer title and registration for each purchased automobiles to the purchaser. Each purchaser shall be responsible for paying, in addition to the purchase price, any and all sales or use taxes which may be required by the Department of Motor Vehicles in order to transfer title and ownership of each automobile to its buyer.
- The sale of the remaining automobiles shall be made as a group or individually for cash payable by the highest legally qualified bidder. This may be at a public auction or through public advertising:
 - The award for the sale of the automobiles will be made either separately or as one award based on what is most advantageous to ECCTA.
 - Payment shall be made by the successful bidder(s) in the form of a certified or cashier's check made payable to ECCTA. Each purchaser shall take all steps which are necessary in order to transfer title and registration for each purchased automobiles to the purchaser. Each purchaser shall be responsible for paying, in addition to the

purchase price, any and all sales or use taxes which may be required by the Department of Motor Vehicles in order to transfer title and ownership of each automobiles to its buyer.

- The sale of each automobiles is on an "as-is, where-is" basis. The buyer is responsible for moving the vehicle(s) off ECCTA's property within 7 business days of the purchase award.

PASSED AND ADOPTED THIS 30th day of January, by the following votes:

EASTERN CONTRA COSTA TRANSIT AUTHORITY

Diane Burgis, Chair

Jeanne Krieg, CEO

AYES:

NOES:

ABSENT:

ABSTENTIONS:

TAB 4

Agenda Item #7b

DISCUSSION ITEM: Accessible Transportation Strategic Plan

Board of Directors Meeting

Wednesday January 30, 2019

ECCTA Boardroom

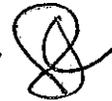
801 Wilbur Avenue, Antioch, CA 94509

Staff Report to ECCTA Board of Directors

Meeting Date: January 30th, 2019

Agenda Item: Accessible Transportation Strategic Plan
Agenda Item #7b

Lead Staff: Jeanne Krieg, Chief Executive Officer



Background

Last year, the Contra Costa Transportation Authority (CCTA) was awarded a Caltrans Sustainable Communities Transportation Planning Grant to conduct an Accessible Transportation Strategic (ATS) Plan. CCTA's Countywide Transportation Plan includes the ATS Plan as an Implementation Action. The goal of the plan is to ensure that transportation services to seniors and persons with disabilities are delivered in a coordinated system. The ATS Plan is a comprehensive examination of transportation, paratransit, and related operations serving seniors and persons with disabilities.

The CCTA Board of Commissioners authorized CCTA staff to distribute the attached Draft Memorandum of Understanding (MOU) for the ATS Plan to impacted agencies for review and comment. It was distributed to entities that receive funding from the Measure J (2004) transportation sales tax under Program 15 (*Transportation for Seniors & People with Disabilities*) or Program 20 (*Additional Transportation for Seniors & People with Disabilities*). Once comments are incorporated into the MOU, each agency will be asked to sign on as local agency partner.

Ultimately, the MOU will be distributed to the Board of Directors of each participating agency for approval and signature.

Requested Action

No action requested. Material presented as informational at this time.

DRAFT FOR REVIEW/COMMENT

CCTA AGREEMENT ##.##.##

MEMORANDUM OF UNDERSTANDING

Between

THE CONTRA COSTA TRANSPORTATION AUTHORITY

AND

LOCAL AGENCIES & ORGANIZATIONS

FOR THE

ACCESSIBLE TRANSPORTATION STRATEGIC PLAN

(Funded by Caltrans: Sustainable Communities Transportation Planning Grant)

1. Introduction

This MEMORANDUM OF UNDERSTANDING (hereafter "MOU"), effective as of ***** ##, 2018, is meant to establish a common understanding of: 1) the need for Contra Costa Accessible Transportation Strategic (ATS) Plan (hereafter "ATS Plan"), 2) the procedures for the conduct of the ATS Plan, and 3) the collaborative intent of the ATS Plan and parties to this MOU.

Parties to this MOU include the Contra Costa Transportation Authority (hereafter "CCTA"), a local transportation authority, County of Contra Costa, a political subdivision of the State of California (hereafter "COUNTY"), and the following LOCAL AGENCY PARTNERS: ... (HSD)

The ATS Plan: 1) is an assessment of transportation and transportation related services to seniors and persons with disabilities, 2) addresses a diverse array of impacted organizations, 3) implements local and regional plans and policies, 4) is necessary because services to this vulnerable population are being compromised by rising costs, demographic shifts/decreasing public health resulting in increased demand, 5) is intended to address a system that developed unsystematically over a long time frame, and 6) is an implementation action in CCTA's adopted 2017 Countywide Comprehensive Transportation Plan.

The need for the ATS Plan and this MOU is further magnified by the intersection of public transit, public health, social service, civil rights interests and philosophies held by the entities and persons using and providing accessible transportation services. It is this complex intersection that results in diffused leadership and authority that further confirms the need for this MOU.

The ATS Plan has three broad tasks: 1) Study of existing, individual programs with recommendations. 2) Study of alternative countywide system designs. 3) Development of a phased implementation plan. At every stage, the ATS Plan will include expansive outreach responsive to, and designed for, the subject population.

¹ 2017 CCTA CTP: Table 5-1 "Initiate the Accessible Transportation Service Strategic Plan... To ensure that services are delivered in a coordinated system..."

2. Definitions

- A. **Accessible Transportation:** An umbrella term used to describe the broad range of transportation related services typically provided to seniors and persons with disabilities. For the purposes of this MOU and the ATS Plan, accessible transportation is defined as a range of transportation/transit and related supportive services such as; Americans with Disabilities Act (ADA) mandated public paratransit service, city/community transportation programs, transportation provided by private non-profits, mobility management programs, volunteer based transportation programs, travel training, as well as funding and governance mechanisms associated with the preceding activities.
- B. **Subject Population:** The ATS Plan addresses services to the most acutely disadvantaged and fragile communities, seniors and persons with disabilities. These populations are typically also low income.

3. MOU Purpose

- A. **Structure:** The system of accessible transportation in Contra Costa County has been described as "developed organically" with a "lack of a structural platform" being a "major impediment to action"². Given these characteristics, this MOU (and Oversight Structure referenced herein) provides a temporary structure and forum to more effectively conduct the ATS Plan. The ATS Plan Scope of Work includes a task, "Establishment or designation of an organization and/or structure to act as advocate and administrator for this transit transportation sector on an ongoing basis" which is intended to address the "lack of a structural platform" issue once the ATS Plan is complete.
- B. **Understanding:** This MOU is intended to ensure consistent understanding of the need for, and the intent of, the ATS Plan. This understanding should be consistent across the range of impacted agencies and organizations as well as across responsible staff and elected decision makers.
- C. **Commitment:** In response to the three previous similar efforts in the past³, this MOU establishes a commitment of the parties to take formal action relative to the final recommendations of the study as further described in the *Understanding* section below.

4. Recitals

- A. During the 2015-2016 development of the Measure X Transportation Expenditure Plan (TEP) CCTA conducted substantial outreach and convened the Expenditure Plan Advisory Committee (EPAC) which identified "Transportation for Seniors and People with Disabilities" as a high priority category⁴ in the TEP.
- B. CCTA and all member agencies (nineteen Cities and the County) unanimously approved the Measure X Transportation Expenditure Plan in 2016. Recognizing the aforementioned EPAC prioritization and testimony from advocates, the TEP included a requirement to conduct an "Accessible Transportation Service Strategic Plan" to "...ensure services are delivered in a coordinated system that maximizes both service delivery and efficiency...".
- C. In 2017, with Measure X failing to gain voter approval but recognizing the standing need to improve accessible transportation, CCTA approved the Countywide Comprehensive Transportation Plan which included the following actions, "ensure that services are delivered in a coordinated system..." and "Initiate the Accessible Transportation Service Strategic Plan" as an implementation activity.

² 2013 Contra Costa County Mobility Management Plan

³ 1990 Contra Costa County Paratransit Plan, 2004 Contra Costa County Paratransit Improvement Study, 2013 Contra Costa County Mobility Management Study

⁴ <http://www.cccounty.us/DocumentCenter/View/46455/EPAC-Input-Exercise-Results>

- D. The 2018 Coordinated Public Transit-Human Services Transportation Plan from the Metropolitan Transportation Commission (MTC) supports (from a regional perspective) the need to address accessible transportation issues "Current senior-oriented mobility services do not have the capacity to handle the increase in people over 65 years of age...the massive growth among the aging...points to a lack of fiscal and organizational readiness...will place heavy demands on an already deficient system..."
- E. MTC, on February 28, 2018, passed Resolution 4321 which established that Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara Counties "...must establish or enhance mobility management programs to help provide equitable and effective access to transportation." The ATS Plan will inform CCTA's response to this policy.
- F. Parties recognize that governance relative to accessible transportation services involves diverse industries, organizations, geographic responsibilities, regulatory requirements and varying organizational philosophies and goals. This diversity creates an environment characterized by diffused responsibility and authority. To address this situation, and building on lessons learned from previous, similar planning efforts, parties acknowledge they are taking steps to ensure progress in the accessible transportation sector. These steps include conducting the ATS Plan and authorizing this MOU.
- G. As described by the American Public Transportation Association⁵, the parties recognize that the largest number of providers operating this type of service are non-profit organizations. As such, representative organizations who receive Measure J (2004) funding are included in this agreement and in the ATS Plan.
- H. Parties acknowledge the significant and increasing fiscal exposure to the public transit districts and nongovernmental transportation service providers due to increasing demand for service to the subject population.
- I. In 2018 CCTA, with assistance from the COUNTY, submitted a grant application to Caltrans under the Sustainable Communities - Transportation Planning Grant Program to fund the "Accessible Transportation Strategic Plan". The grant received "conditional award status" in May 2018. In July 2018 the CCTA Board adopted a resolution authorizing agreements with Caltrans. In September 2018 the CCTA Board approved the ATS Plan Scope of Work, Release of a Request for Proposals, the ATS Plan Oversight Committee Structure, and the release of a DRAFT MOU for review and comment.
- J. Parties agree that, as a result of the ATS Plan, public transit operators shall not be encumbered with additional responsibilities without corresponding, concurrent increase in resources nor should revenue be reduced without corresponding, concurrent decrease in obligations.
- K. In the event that implementation activities proceed after the completion of the ATS Plan, Parties commit to insulate the paratransit client population from service degradation or disruption to the greatest extent possible.

5. Understanding

- A. Due to the acknowledged need for improvement in the accessible transportation sector in Contra Costa County, the extreme vulnerability of the subject population, and to mitigate the history of previous efforts, CCTA, COUNTY and LOCAL AGENCY PARTNERS hereby agree as follows:

⁵ 2015/2016 American Public Transportation Association *Fact Book*

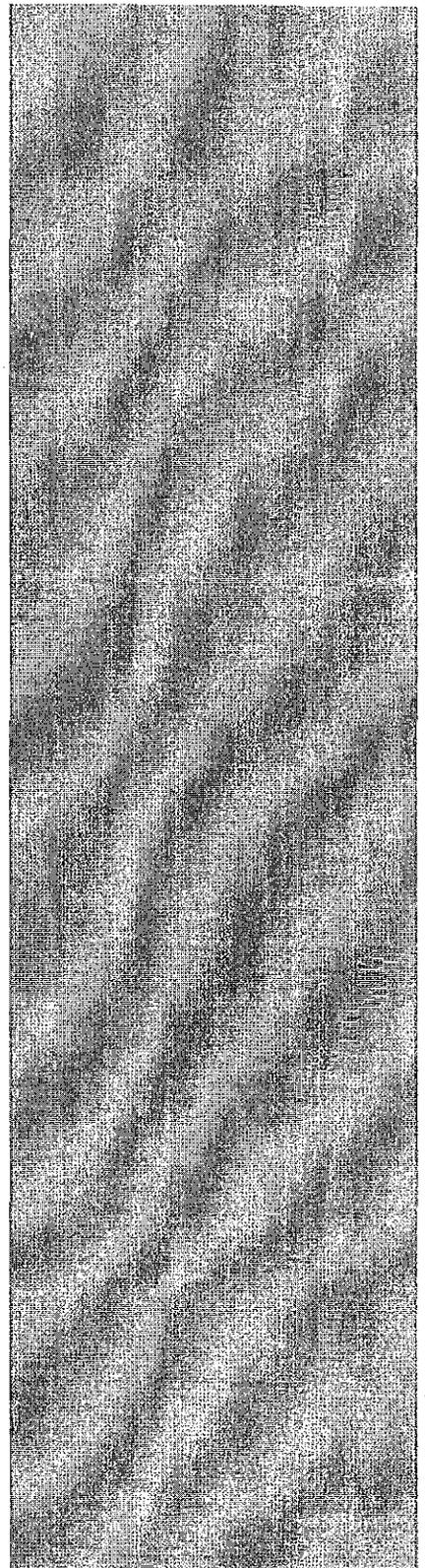
- i. To collaboratively, expeditiously, and in good faith support and participate in the conduct of the ATS Plan at all organizational levels and in all forums.
- ii. To resolve technical, policy, operational and other matters considered by the ATS Plan at the lowest possible policy working level in the following order of hierarchy from low to high: lead staff⁶, ATS Plan Technical Advisory Committee, ATS Plan Policy Advisory Committee, CCTA Planning Committee, CCTA Board of Directors.
- iii. To consider the Final Recommendations of the study, once available, at a meeting of the Board of Directors (or equivalent body) and take action supported by a stated rationale.

B. Responsibilities of CCTA, County and LOCAL AGENCY PARTNERS:

- i. CCTA agrees:
 - a) To administer the ATS Plan using the established Oversight Structure and as described in the Scope of Work.
 - b) To expeditiously take formal Board action on the ATS Plan final recommendations **after** LOCAL AGENCY PARTNERS have acted, and **with consideration** of those actions.
 - c) Should the ATS Plan be approved, to expeditiously pursue any implementation steps assigned to CCTA.
 - d) To proactively pursue resources to support implementation of the ATS Plan.
- ii. COUNTY agrees:
 - a) To track and report staff hours consistent with Caltrans requirements for grant match funding.
 - b) To continue to support CCTA staff in the administration of the ATS Plan.
- iii. LOCAL AGENCY PARTNERS and COUNTY agree:
 - a) To participate in the ATS Plan by way of their respective roles in the established Oversight Structure.
 - b) To expeditiously take formal Board action, accompanied by stated, well-supported rationale addressing the ATS Plan final recommendations.
 - c) Should the ATS Plan be approved by CCTA, to expeditiously pursue any implementation steps assigned to the respective agencies/organizations.
 - d) To support CCTA in seeking and securing resources to implement the ATS Plan.

- 6. **MOU Modification.** This MOU may be modified only by the written approval of the legislative bodies of all parties.
- 7. **MOU Termination.** Unless terminated earlier, this MOU will terminate immediately after all parties take action on the ATS Plan final recommendations.
- 8. **Counterparts.** The parties hereto recognize and agree that separate counterpart signature pages may be used to execute this MOU, but that all such pages constitute one and the same MOU.
- 9. **Construction.** The section headings and captions of this MOU are, and the arrangement of this instrument is, for the sole convenience of the parties to this MOU. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this MOU. This MOU will not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. The parties to this MOU and their respective counsel have read and reviewed this MOU and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply to the interpretation of this MOU. The recitals of this MOU are, and will be enforceable as, a part of this MOU.

⁶ Peter Engel, Director of Programs – Contra Costa Transportation Authority, pengel@ccta.net, 925.256.4741
 John Cunningham, Principal Planner – Contra Costa County: john.cunningham@dcd.cccounty.us, 925-674-7833



9. Attachments: ATS Plan Scope of Work

Signatures appear on following pages

DRAFT

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TAB 5

Agenda Item #7c

ACTION ITEM: Independent Auditor Report

Resolution #190130b

Board of Directors Meeting

Wednesday January 30, 2019

ECCTA Boardroom

801 Wilbur Avenue, Antioch, CA 94509

Staff Report to ECCTA Board of Directors

Meeting Date: January 30th, 2019

Agenda Item: Independent Auditor's Report for the year ended
June 30, 2018 – Agenda Item #7c

Lead Staff: Maureen Gonzales, Controller

Approved: Jeanne Krieg, Chief Executive Officer 

Background

ECCTA is required to have an annual certified fiscal audit conducted by an outside independent firm. Per the contract between Maze & Associates, an audit of the fiscal year ending June 30, 2018 was conducted.

Results

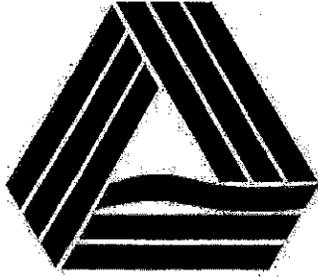
ECCTA's financial statements were found to fairly present the financial condition of the Authority in accordance with GAAP standards. There were no material findings or questioned costs. The Authority was found to be compliant with the requirements of OMB circular A-133, and the regulations regarding expenditures funded with Transportation Development Act and the Public Transportation, Modernization of Service and Enhancement Account funds.

Requested Action

Adopt Resolution #190130b accepting the Independent Auditor's Report for the year ended June 30, 2018.

Attached:

- Proposed Resolution
- Independent Auditor's Report



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Willbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

RESOLUTION #190130b INDEPENDENT AUDITOR'S REPORT

Resolution #190130b accepts the EASTERN CONTRA COSTA TRANSIT AUTHORITY Independent Auditor's Report for the year ended June 30, 2018.

WHEREAS, ECCTA is required by PUC 99245 to have an annual certified fiscal audit conducted by an outside entity; and

WHEREAS, the independent audit performed was designed to express an opinion on the FY 2018 financial statements and address current statutory and regulatory requirements 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; and

WHEREAS, the Independent Auditor's Report for the year ended June 30, 2018 shows no significant issues.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Contra Costa Transit Authority to adopt Resolution #190130b accepting the Independent Auditor's Report.

PASSED AND ADOPTED THIS 30th day of January 2019, by the following votes:

EASTERN CONTRA COSTA TRANSIT AUTHORITY

Diane Burgis, Chair

Jeanne Krieg, CEO

AYES: _____
NOES: _____
ABSENT: _____
ABSTENTIONS: _____

**EASTERN CONTRA COSTA
TRANSIT AUTHORITY
ANTIOCH, CALIFORNIA**

BASIC FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

PREPARED BY THE FINANCE DEPARTMENT

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EASTERN CONTRA COSTA TRANSIT AUTHORITY

BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Eastern Contra Costa Transit Authority
Antioch, California

Report on Financial Statements

We have audited the accompanying basic financial statements of Eastern Contra Costa Transit Authority (Authority) as of and for the years ended June 30, 2018 and 2017, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Authority as of June 30, 2018 and 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2018 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mazze & Associates

Pleasant Hill, California
November 21, 2018

Management's Discussion and Analysis

Introduction

This discussion and analysis of the Eastern Contra Costa Transit Authority's financial performance provides an overview of the Authority's financial activities for Fiscal Year 2018 including comparisons to the prior year. This information should be considered in conjunction with the statements and notes contained in the Financial Section.

Overview of the Financial Statements

The Financial Section of this report presents the Authority's financial statements including the basic financial statements and the notes to those financial statements. It also includes the Independent Auditor's Report on those financial statements as well as certain grant activities.

Basic Financial Statements

The *Statement of Net Position* presents information about the assets, liabilities and deferred inflows of resources and the difference between them as *net position*. The change in net position over time can indicate whether the Authority's financial position is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* indicates how net position has changed during the fiscal year as well as compares operating revenues and operating expenses between the current and prior fiscal year. The operating revenues and expenses shown here are the financial activities related to the Authority's mission of providing public transportation services in Eastern Contra Costa County. The revenues and expenses reported include fares and advertising revenues along with the cost of passenger services, administration & operation of those services and the depreciation of fixed assets. All other revenues and expenses not included within these categories are reported as non-operating revenues and expenses.

The *Statement of Cash Flows* reports the inflow and outflow of cash at the Authority. Such activity is classified into four major components:

- *Cash flows from operating activities* including transactions reported as components of operating income in the statement of revenues, expenses and changes in net position.
- *Cash flows from investing activities* include interest and similar returns on funds invested while held by the Authority.
- *Cash flows from non-capital financing activities* includes operating grant funding received as well as operating payments from third parties and non-operating items.
- *Cash flows from capital and related financing activities* come from the procurement of capital assets and the proceeds of capital grants.

Notes to the Financial Statements

The Notes to Basic Financial Statements immediately following are intended to provide additional information that is essential for the reader to gain a full understanding of the information provided within the financial statements.

Analysis of ECCTA's Overall Financial Position

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>%</u>
Assets:				
Current Assets	\$7,974	\$9,027	(\$1,053)	-11.7%
<u>Non-current Assets</u>	<u>\$33,972</u>	<u>\$27,455</u>	<u>\$6,517</u>	<u>23.7%</u>
Total Assets:	\$41,946	\$36,482	\$5,464	15.0%
Liabilities:				
Current Liabilities	\$7,031	\$5,318	\$1,713	32.2%
<u>Non-Current Liabilities</u>	<u>\$1,620</u>	<u>-\$371</u>	<u>-\$1,249</u>	<u>336.7%</u>
Total Liabilities:	\$8,651	\$5,689	\$2,962	52%
Deferred Inflows of Resources:	\$290	\$100	\$190	190.0%
Net Position:	\$33,005	\$30,693	\$2,312	8%

The Authority's net capital assets increased 24% from FY17 to FY18 due substantively to the acquisition of twenty new, fixed route coaches at a total cost of more than \$7M along with expenditures for the procurement of eleven more fixed route coaches that were delivered in early 2018.

During FY18 the Authority has been using a hedging strategy for diesel fuel consumption. This derivative instrument non-current asset and deferred inflows of resources represent the fair market value of the hedging account over the Authority's net investment.

The non-current liabilities stayed the same this is the Authority's continued annual accrual for post employment medical benefits in retirement as proscribed by GASB 45.

The 8% increase in the Authority's net position in FY18 is due to the items described above.

Capital Activity:

The Authority expended \$8.5M of available capital funds during FY18 on various projects:

Revenue Vehicles	\$6,851,261
Non Rev Vehicles	\$54,488
Facilities & Equipment	\$1,415,365
Field Amenities & Fixtures	\$4,653
A&E For Charging Station	\$167,758
TOTAL	\$8,493,524

Revenue vehicles remain the major component of the Authority's net capital assets and will do so going forward.

Operating Activity:

Comparison to Budget

	<u>FY18</u> <u>Actual</u>	<u>FY18</u> <u>Budget</u>	<u>Variance</u>
Operating Revenues	\$2,952	\$3,257	(\$305)
Operating Expenses	\$20,794	\$21,038	(\$244)
Non-Operating Revenues	\$17,651	\$17,781	(\$130)

Prior Year Comparison

	<u>FY18</u> <u>Actual</u>	<u>FY17</u> <u>Actual</u>	<u>Difference</u>
Operating Revenues	\$2,952	\$3,294	(\$342)
Operating Expenses	\$20,794	\$20,235	\$559
Non-Operating Revenues	\$17,651	\$16,841	\$810

During FY18, the Authority budgeted for 229 thousand billable service hours and actually provided 225 thousand billable hours of service through an operations contractor.

While the Authority anticipated providing 2.5M passenger trips in FY18, the actual number of passenger trips at 2.4M fell short of plan. The shortfall was a direct result of an 11% drop in fixed route and paratransit passengers from the previous year. Declining ridership has been an industry wide trend for several years and must be recognized and accommodated in service planning by all public transit agencies.

Material variances from budget during FY18 for the Authority included \$227 thousand savings on salaries and benefits due to leaving positions unfilled and turnover. We realized a \$184 thousand favorable variance in materials and supplies. There was another \$21 thousand savings against budget in purchased transportation costs due to more efficient Dial-a-Ride scheduling during FY18. There was a \$60 thousand cost overage to Casualty and Liability Insurance this was due to timing of payment, new cyber insurance and a claim. Otherwise, there were no other material cost overages in any expense line item during FY18.

Fuel costs remain 8% of the Authority's annual budget. The Authority entered into fuel hedging contracts as a way of avoiding fuel price volatility effects on service planning and provision.

The Authority purchased four, battery electric buses that were in operations during FY18. These coaches operate solely on electricity and should cost less to power than traditional diesel powered units and are expected touted as having lower maintenance costs than fossil fuel powered vehicles.

The Authority installed a 392kW solar voltaic power system that substantially lowered the Authority's electric costs over the next 25 years providing a substantive ROI. Additionally, between the solar panels and the Authority's backup generator, the agency has positioned itself for reliable operation of its Emergency Operations Center if necessary. The 1% interest loan from CalBPA was used.

KEY PERFORMANCE INDICATORS BY SERVICE

	<i>Budget</i>		<i>ANNUAL COMPARISON</i>		
	<i>Jun-18</i>	<i>% ▲</i>	<i>Actual</i>		<i>% ▲</i>
			<i>Jun-17</i>	<i>Jun-18</i>	
PARATRANSIT					
PASSENGERS					
Total DAR Trips Provided	132,000	-1%	133,406	125,558	-6%
Average Weekday Ridership	496	0%	498	469	-6%
Average Sat Ridership	102	-5%	107	105	-2%
Average Sun/Hof Ridership	42	-11%	47	47	0%
Average Passengers/Hour (weekdays regular paratransit only)	2.9	0%	2.9	2.9	0%
CUSTOMER SERVICE					
Ride Refusals / Day	0.0	-100%	0.0	0.0	0%
Customer Complaints	0.326%	-15%	0.382%	0.486%	27%
On Time Performance	85%	5%	81%	66%	-19%
MAINTENANCE					
Gallons of Fuel Consumed	130,106	-1%	131,936	122,057	-7%
Miles Between Preventable Accidents	200,000	30%	153,397	207,048	35%
Miles Between Road calls	100,000	-89%	919,507	276,017	-70%
COST RATIOS					
Farebox Recovery Ratio	9%	-12%	11%	10%	-1%
\$/Gal Fuel	\$ 2.60	1%	\$ 2.57	\$ 3.21	25%
Operating Cost/Passenger	\$ 35.16	21%	\$ 29.15	\$ 29.68	2%
Operating Cost/Revenue Hour	\$ 87.68	19%	\$ 73.97	\$ 80.33	9%
Operating Cost/Revenue Mile	\$ 6.17	19%	\$ 5.18	\$ 5.38	4%

KEY PERFORMANCE INDICATORS BY SERVICE

	Budget		ANNUAL COMPARISON			
	Jun-18	% ▲	Actual		% ▲	
			Jun-17	Jun-18		
FIXED ROUTE						
PASSENGERS						
Total FR Trips Provided	2,368,206	1%	2,344,985	2,232,469		-5%
Average Weekday Ridership	8,332	1%	8,230	7,886		-4%
Average Sat Ridership	2,777	2%	2,715	2,490		-8%
Average Sun/Hol Ridership	2,227	0%	2,236	2,087		-7%
Average Passengers/Hour	16.2	0%	16.1	14.7		-9%
CUSTOMER SERVICE						
Customer Complaints	0.026%	5%	0.025%	0.025%		0%
On Time Performance	85%	4%	82%	83%		1%
MAINTENANCE						
Gallons of Fuel Consumed	594,184	2%	584,879	575,568		-2%
Miles Between Preventable Accidents	100,000	-15%	117,465	145,522		24%
Miles Between Road calls	50,000	137%	21,084	19,951		-5%
COST RATIOS						
Farebox Recovery Ratio	16%	0%	16%	13%		-19%
\$/Gal Fuel	\$ 2.15	4%	\$ 2.07	\$ 2.30		11%
Operating Cost/Passenger	\$ 6.92	0%	\$ 6.93	\$ 7.56		9%
Operating Cost/Revenue Hour	\$ 112.11	0%	\$ 111.83	\$ 111.07		-1%
Operating Cost/Revenue Mile	\$ 8.08	1%	\$ 7.98	\$ 8.19		3%

Economic Factors and Next Year's Budgets and Rates

Continued declining fixed route ridership combined with increasing requests for demand responsive services are a concern for the Authority. These are also nationwide trends.

Rising costs are always problematic when they don't coincide with increased revenues or levels of service. The rapidly rising costs of employee benefits such as health care, the provision of adequate retirement programs and worker's compensation are one of those costs. This affects not only Authority employees, but the employees of the Purchased transportation contract provider as well because it impacts the amounts the Authority must pay for those contracts.

The Authority is addressing the increasing demand for DR services through implementation of partnered services with TNCs and other transportation providers that may better meet the needs of specific ridership segments at a lower cost to the authority.

Requests for Information

This financial report was created to provide citizens, taxpayers, as well as the Authority's customers and creditors with a general overview of the Authority's finances. It is designed to demonstrate agency accountability for appropriate use of public funds that the Authority receives. Any questions or requests for additional information can be made to:

The Eastern Contra Costa Transit Authority
Attn: Controller
801 Wilbur Avenue
Antioch, CA 94590
(925) 754-6622
comment@eccta.org

Copies of this report are available online: <http://www.trideltatransit.com/public.aspx>

EASTERN CONTRA COSTA TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets		
Unrestricted assets:		
Cash and equivalents (Note 3)	\$5,377,581	\$3,483,013
Operating assistance receivable	1,341,346	2,708,595
Capital grants receivable	54,970	
Accounts receivable	94,154	138,943
Maintenance inventories and supplies, at cost	679,276	677,423
Prepays (Note 13)	100,288	100,288
Total unrestricted assets	7,647,615	7,108,262
Restricted cash and equivalents (Note 3):		
PTMISEA reserves (Note 8)		1,548,004
CTSGP reserves	21,417	190,104
LCTOP reserves	304,882	280,849
Total restricted assets	326,299	2,018,957
Total Current Assets	7,973,914	9,127,219
Non-Current Assets		
Derivative instrument at fair value - asset (Note 10)	289,658	99,673
Capital assets (Note 4):		
Non-depreciable	2,456,985	2,456,985
	31,225,236	24,797,783
Total Non-Current Assets	33,971,879	27,354,441
Total Assets	41,945,793	36,481,660
LIABILITIES		
Current Liabilities		
Accounts payable	6,626,451	4,970,917
Accrued liabilities	345,009	347,453
Note payable - Due in less than one year (Note 12)	59,561	
Total Current Liabilities	7,031,021	5,318,370
Non-Current Liabilities		
Other Post Employment Benefit Obligation (Note 11C)	371,000	371,000
Note payable - Due in more than one year (Note 12)	1,248,543	
Total Liabilities	8,650,564	5,689,370
DEFERRED INFLOWS OF RESOURCES		
Derivative instrument at accumulated increase in fair value - asset (Note 10)	289,658	99,673
Total Liabilities and Deferred Inflow of Resources	8,940,222	5,789,043
NET POSITION (Note 2G)		
Net investment in capital assets	33,682,221	27,254,768
Restricted for:		
PTMISEA projects		1,548,004
CTSGP projects	21,417	190,104
LCTOP operations	304,882	280,849
Unrestricted	(1,002,949)	1,418,892
Net Position	\$33,005,571	\$30,692,617

See accompanying notes to basic financial statements

EASTERN CONTRA COSTA TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
PROGRAM OPERATING REVENUES		
Passenger fares	\$2,660,550	\$3,023,214
Other operating income	291,148	271,080
Total Program Operating Revenues	2,951,698	3,294,294
PROGRAM OPERATING EXPENSES		
Purchased transportation (Note 13)	11,787,754	11,496,252
Materials and supplies	3,007,641	2,793,354
Salaries and benefits	3,973,029	3,904,246
Services	850,987	786,544
Casualty and liability insurance	594,082	522,650
Utilities	166,259	281,910
Other	414,353	450,556
Depreciation (Note 4)	3,302,808	2,284,957
Total Program Operating Expenses	24,096,913	22,520,469
PROGRAM OPERATING LOSSES	(21,145,215)	(19,226,175)
NON-OPERATING REVENUES (EXPENSES)		
State grant revenues	12,110,429	11,380,750
Local grant revenues	4,584,787	4,399,909
Non-transportation revenues	6,315	5,044
Federal grant revenues	949,673	1,182,076
Gain (loss) on sale of capital asset (Note 4)		(26,562)
Net Non-Operating Revenues, Before Capital Contributions (Grants)	17,651,204	16,941,217
Capital Contributions (Grants)	5,806,965	10,257,736
Net Non-Operating Revenues and Capital Contributions	23,458,169	27,198,953
CHANGE IN NET POSITION	2,312,954	7,972,778
NET POSITION AT BEGINNING OF YEAR	30,692,617	22,719,839
NET POSITION AT END OF YEAR	\$33,005,571	\$30,692,617

See accompanying notes to basic financial statements

EASTERN CONTRA COSTA TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from passenger fares	\$2,705,339	\$2,998,747
Cash received from operations - other	291,148	271,080
Cash payments for purchased transportation	(11,787,754)	(11,496,252)
Payments to and on behalf of employees	(3,973,029)	(3,862,246)
Payments to suppliers for goods and services	(3,382,085)	(4,805,382)
Net cash provided (used) by operating activities	(16,146,381)	(16,894,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	6,315	5,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal grants and reimbursements	949,673	1,182,076
State operating grants	12,055,459	12,493,011
Local grants	5,952,036	3,963,371
Net cash provided by noncapital and financing activities	18,957,168	17,638,458
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Issuance of note payable	1,308,104	
Capital contributions received	7,499,623	10,687,043
Purchase of capital assets	(9,730,261)	(11,318,624)
Net cash provided (used) by capital and related financing activities	(922,534)	(631,581)
NET CASH FLOWS	1,894,568	117,868
CASH AND INVESTMENTS AT BEGINNING OF YEAR	3,483,013	3,365,145
CASH AND INVESTMENTS AT END OF YEAR	\$5,377,581	\$3,483,013
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	(\$21,145,215)	(\$19,226,175)
Depreciation	3,302,808	2,284,957
Changes in assets and liabilities:		
Other receivables	44,789	(24,467)
Maintenance inventories and supplies	(1,853)	65,277
Prepays		(100,288)
Accounts payable	1,655,534	59,601
Accrued liabilities	(2,444)	5,042
Other post employment benefit obligation		42,000
Net cash provided (used) by operating activities	(\$16,146,381)	(\$16,894,053)

See accompanying notes to basic financial statements

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EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 1 – GENERAL

The Eastern Contra Costa Transit Authority (Authority), also known as Tri Delta Transit, was created August 3, 1976 under a joint exercise of powers agreement between the cities of Antioch, Pittsburg, Brentwood, and Contra Costa County, for the purpose of meeting the public transportation needs in Eastern Contra Costa County. The Authority is governed by a board of Directors composed of representatives of the member jurisdictions. The joint exercise of powers agreement was amended on April 26, 2000 to include the recently incorporated City of Oakley.

The Authority's reporting entity includes all activities of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Authority, which conform with generally accepted accounting principles applicable to governments in the United States of America.

A. *Enterprise Fund Accounting*

The Authority is accounted for as an enterprise fund. This fund is a set of self-balancing accounts, which comprise its assets and deferred outflows, liabilities and deferred inflows, net position, revenues and expenses.

B. *Basis of Accounting*

Basis of accounting refers to *when* revenues and expenses are recognized. The Authority is accounted for using the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when they are incurred.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

C. *Basis of Presentation*

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Authority are charges to customers for farebox revenues. The Authority's *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the Authority. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Risk Management

The Authority requires its operations contractor, First Transit, Inc., to provide general liability coverage. First Transit provides insurance with primary coverage of \$2,000,000 in aggregate. In addition, the Authority is insured for premises and operational bodily injury and property damage up to a limit of \$13,100,000, with a deductible of \$10,000.

F. Compensated Absences

Full-time permanent employees are granted personal time off (PTO) benefits in varying amounts to specified maximums, depending on their tenure with the Authority. PTO accrues to employees to specified maximums after six months of service. The estimated current portion of the liability for PTO benefits is recorded as an expenditure with a corresponding liability.

G. Net Position

Net Position is the excess of all the Authority's assets and deferred outflows over all its liabilities and deferred inflows. Net Position are divided into three captions and apply only to Net Position as described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Authority's capital assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. The Authority's Restricted Net Position is for unexpended funds received from PTMISEA, CTSGP and LCTOP.

Unrestricted describes the portion of Net Position which is not restricted to use.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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.

I. Deferred Inflow/Outflow of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Summary of Derivative Financial Instruments*

To better plan for the price of, and to relieve some of the strain that such price fluctuations might impose on planning and operations, the Authority utilizes commodity hedging- the buying and selling of fuel contracts at a forward price in advance of the Authority's needs.

Management believes that the futures contracts would be as likely to lose money as to make money, but that actual fuel purchases will move inversely proportional to the price of the contracts, thus offsetting fuel price variances which will allow management to plan on a more stabilized overall cost for diesel fuel.

GASB requires the gain (loss) on the sale of fuel hedges to be recorded in the Statement of Revenues, Expenses and Changes in Net Position. The change in fair value of the derivative is recorded as a deferred inflow/outflow on the Statement of Net Position, as appropriate. The investment in derivative instruments is recorded in the Statement of Net Position as part of current assets/liabilities and other non-current assets/liabilities, as appropriate.

L. *New Accounting Pronouncements*

The Authority has implemented the requirements of the following GASB Pronouncements:

GASB Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

GASB Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

NOTE 3 – CASH AND CASH EQUIVALENTS

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Authority’s name and places the Authority ahead of general creditors of the institution.

A. *Cash and Cash Equivalents*

The Authority’s unrestricted cash consists of time and demand deposits and petty cash held at the Authority’s administrative office.

The Authority’s restricted assets, which consist of certificates of deposit with Bank of Agriculture and Commerce, are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

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

	2018	2017
Unrestricted cash:		
Deposits in financial institutions	\$5,377,016	\$3,482,376
Cash on hand at Authority	565	637
Total unrestricted cash and equivalents	5,377,581	3,483,013
Restricted - certificates of deposit:		
PTMISEA reserve		1,548,004
CTSGP reserve	21,417	190,104
LCTOP reserve	304,882	280,849
Total restricted cash and equivalents	326,299	2,018,957
Total Cash and Equivalents and investments	\$5,703,880	\$5,501,970

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

B. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

In fiscal year 2017/2018 the Authority had investments in Money Market accounts of \$5,211,114 and Certificates of Deposit of \$326,299, which are exempt from fair market value measurements.

In fiscal year 2016/2017 the Authority had investments in Money Market accounts of \$3,350,681 and Certificates of Deposit of \$2,018,957, which are exempt from fair market value measurements.

C. PTMISEA Reserve

The Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) is one of the programs included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, passed by voters in November 2006 (see Note 8). The Authority is applying these funds to eligible capital expenditures for bus replacements.

D. CTSGP Reserve

The California Transit Security Grant Program (CTSGP) California Transit Assistance Fund is another program included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, passed by voters in November 2006. The Authority is applying these funds to eligible capital expenditures for interoperable communications and physical security enhancement equipment.

E. LCTOP Operations

The Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2015 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. LCTOP was passed and adopted by the Authority in January 2016. The Authority is applying these funds to enhance service on Route 201 (Concord, California).

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 4 – CAPITAL ASSETS

Capital assets of the Authority consist of land, transit and service vehicles, buildings and improvements, and equipment. Capital assets are recorded at cost and depreciated over their estimated useful lives. The Authority's policy is to capitalize all assets when costs exceed \$5,000.

Depreciation of capital assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned the useful lives as follows:

Building and improvements	5-30 years
Transit vehicles	4-14 years
Shop office and other equipment	5-10 years

A. Capital Asset Activity

Capital assets activity during fiscal year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Transfers	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$2,456,985			\$2,456,985
Total capital assets not being depreciated	2,456,985			2,456,985
Capital assets being depreciated:				
Buildings and improvements	13,442,065	\$1,431,130		14,873,195
Transit vehicles	33,351,187	8,153,062	(\$583,594)	40,920,655
Equipment	4,052,610	146,069	583,594	4,782,273
Total capital assets being depreciated	50,845,862	9,730,261		60,576,123
Less accumulated depreciation for:				
Buildings and improvements	8,095,879	539,364		8,635,243
Transit vehicles	14,227,874	2,727,515		16,955,389
Equipment	3,724,326	35,929		3,760,255
Total accumulated depreciation	26,048,079	3,302,808		29,350,887
Total depreciable assets	24,797,783	6,427,453		31,225,236
Capital assets, net	\$27,254,768	\$6,427,453		\$33,682,221

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 4 – CAPITAL ASSETS (Continued)

Capital assets activity during fiscal year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$2,456,985				\$2,456,985
Total capital assets not being depreciated	2,456,985				2,456,985
Capital assets being depreciated:					
Buildings and improvements	13,187,545	\$220,540		\$33,980	13,442,065
Transit vehicles	28,960,007	11,067,580	(\$6,342,580)	(333,820)	33,351,187
Equipment	3,738,657	30,504	(16,391)	299,840	4,052,610
Total capital assets being depreciated	45,886,209	11,318,624	(6,358,971)		50,845,862
Less accumulated depreciation for:					
Buildings and improvements	7,602,565	493,314			8,095,879
Transit vehicles	18,799,401	1,744,491	(6,316,018)		14,227,874
Equipment	3,693,565	47,152	(16,391)		3,724,326
Total accumulated depreciation	30,095,531	2,284,957	(6,332,409)		26,048,079
Total depreciable assets	15,790,678	9,033,667	(26,562)		24,797,783
Capital assets, net	\$18,247,663	\$9,033,667	(\$26,562)		\$27,254,768

B. Capital Contributions

The Authority has grant contracts with the U.S. Department of Transportation through the Federal Transit Administration for certain capital improvements. Federal Transit Administration funds are used to replace and improve the Authority's buses and transit facilities. The Authority also has contracts under the Transportation Development Act of 1971 (TDA) and State Transit Assistance (STA) funds, which are used to match Federal Transit Administration grants or to fund transit improvement projects. Capital funding provided under government grants is considered earned as the allowable expenditures are incurred.

Grants for capital assets acquisition and facility development and rehabilitation are reported in the Statement of Revenues, Expenses and Changes in Net Position, after non-operating revenues and expenses as capital contributions.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 5 – OPERATING GRANTS

The Authority records operating assistance grants as revenue when earned.

A. *TDA and STA Operating Assistance*

The Authority receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971 and State Transit Assistance (STA) funds. These funds are generated within Contra Costa County and are allocated based on annual claims filed by the Authority and approved by the Metropolitan Transportation Commission (MTC). Generally, the maximum annual TDA assistance the Authority can receive is limited to its actual operating costs (excluding depreciation) less fare revenues received and other local operating assistance (including interest income).

For the years ended June 30, 2018 and 2017, the maximum TDA operating assistance eligibility was \$10,707,546 and \$11,362,527, respectively. During the year ended June 30, 2018, the TDA operating funds received was \$10,535,187 resulting in an underpayment by MTC of \$172,359. The Authority increased the TDA Operating Receivable at June 30, 2018 in the amount of the deficit (see Note 9).

B. *Inter Operator Agreements*

The Authority receives funding through an arrangement with Bay Area Rapid Transit (BART) for operating assistance applied to certain "feeder bus" services to the Pittsburg/Bay Point BART station. The Authority took over and incorporated such services from BART in 1997 (as detailed in the schedule below).

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 5 – OPERATING GRANTS (Continued)

C. Regional Measure 2 Funds

On March 2, 2004, voters passed Regional Measure 2 (RM2), raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00. This extra dollar is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 establishes the Regional Traffic Relief Plan and identifies specific transit operating assistance and capital projects and programs eligible to receive RM2 funding. The Bay Area Toll Authority (BATA) is responsible for the collection of the bridge tolls and MTC is responsible for administering the RM2 Program. The Authority is an eligible recipient for RM2 funds and received \$531,835 and \$531,835 in RM2 funding during fiscal years ended June 30, 2018 and 2017, respectively. The Authority utilized the RM2 funds as operating assistance on a specific, express bus route per the program's requirements.

Operating assistance for the years ended June 30 are summarized as follows:

	2018	2017
Federal Transit Administration	\$949,673	\$1,182,076
Transportation Development Act	10,505,068	10,306,265
State Transit Assistance	1,464,834	954,233
Inter-operator agreements (BART)	2,624,597	2,455,560
Measure J	1,428,355	1,339,562
Regional Measure 2	531,835	531,835
Low Carbon Transit Operations Program (LCTOP)	140,527	193,204
Total	\$17,644,889	\$16,962,735

NOTE 6 – CAPITAL GRANTS

The Authority has received grants from the Federal Transit Administration (FTA) and grants of local transportation funds pursuant to the Transportation Development Act of 1971 (TDA) for the purchase of buses, facility improvements, furniture and fixtures, and supporting equipment.

Expenditures of capital grant funds are allocated based on annual claims filed by the Authority and approved by the MTC. The Authority's management believes that the remaining grants available will be approved in full. These grants (excluding Measure J), less the related amortization, are included in capital contributions.

The Authority's capital contributions for the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
U.S. Department of Transportation grant awards	\$6,196,812	\$10,009,508
Less: funds used for operating costs	(949,673)	(1,182,076)
<i>Sub-total:</i>	<u>5,247,139</u>	<u>8,827,432</u>
State grants	3,157,664	331,547
Other	508,973	554,084
<i>Total Capital Contributions</i>	<u>\$8,913,776</u>	<u>\$9,713,063</u>

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 7 – MEASURE J

In November 2004, Contra Costa County voters approved Measure J which provided for the continuation of a County half-cent transportation sales tax for 25 more years beyond the original expiration date of 2009 (Measure C). Measure J funding is administered by the Contra Costa Transportation Authority (CCTA). The Authority records Contra Costa County Measure J grants for operations and for capital projects as revenue and capital contributions, respectively, as received.

The Authority is an eligible recipient of Measure J funds and received \$2,189,847 and \$1,409,112 in Measure J operating assistance during fiscal years ended June 30, 2018 and 2017, respectively, of which \$1,428,355 and \$1,339,562, respectively, were applied to specific fixed route and para-transit bus services per CCTA's approved program. The remaining amount of \$761,492 and \$69,550 of Measure J funds for 2018 and 2017, respectively, were "passed through" to the Central Contra Costa Transit Authority (CCCTA) according to an inter-operator agreement that all three agencies entered into to provide Countywide express bus services.

NOTE 8 – PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT

The Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) is one of the programs included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, passed by voters in November 2006. During the fiscal year ended June 30, 2010, the Authority applied for and received \$1,802,885 for the procurement of California Air Resource Board (CARB) compliant diesel buses. The activity during the last five fiscal years was as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
PTMISEA beginning balance	\$1,548,004	\$1,784,567	\$1,604,912
PTMISEA Funds Received			178,754
Interest Earned	2,978	2,556	901
Total Revenues	<u>1,550,982</u>	<u>1,787,123</u>	<u>1,784,567</u>
Expenditures incurred:			
Buses			
Shelters	(1,550,982)	(239,119)	
Total Expenditures	<u>(1,550,982)</u>	<u>(239,119)</u>	
Unexpended funds at year end		<u>\$1,548,004</u>	<u>\$1,784,567</u>
	<u>2015</u>	<u>2014</u>	
PTMISEA beginning balance	\$333,372	\$31,909	
PTMISEA Funds Received	1,277,391	327,019	
Interest Earned	767	265	
Total Revenues	<u>1,611,530</u>	<u>359,193</u>	
Expenditures incurred:			
Buses			
Shelters	(6,618)	(25,821)	
Total Expenditures	<u>(6,618)</u>	<u>(25,821)</u>	
Unexpended funds at year end	<u>\$1,604,912</u>	<u>\$333,372</u>	

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 9 – TDA RECEIVABLE/PAYABLE

The Authority applies for TDA funds for operating purposes prior to the start of each fiscal year. The application is based on the Authority's annual budget and thus contains an estimate of the Authority's annual operating expenditures and revenues during the next fiscal year. After completion of the annual audit whereby any unapplied funds or funding shortfalls are determined, the Authority either returns TDA funds in excess of those used during the fiscal year or applies for additional TDA funding for the prior fiscal year to make up the shortfall.

A TDA Receivable represents the deficit of TDA operations grants received by the Authority over the allowed expenditures; any deficit amounts are payable to the Authority. A TDA Payable represents the surplus of TDA operations grants received by the Authority over the allowed expenditures. Such surpluses must be returned to the County Local Transportation Fund. The amount of TDA payable or receivable at year end is a provision that the Authority makes to request or return such TDA funds. At the end of fiscal year ended June 30, 2018, the Authority was still owed from MFC—the amount of \$172,359 in TDA Operating Funds revenues. As a result, the Authority increased its TDA Operating receivable by the amount of the deficit.

For the years ended June 30, 2018 and 2017, the maximum TDA operating assistance eligible was \$10,707,546 and \$11,362,527, respectively. The actual TDA operating funds received for the years ended June 30, 2018 and 2017 were \$10,535,187 and \$11,330,419 respectively. The TDA Receivable for the years ended June 2018 and 2017, respectively, were \$172,359 and \$32,108, respectively, and were calculated as follows:

	2018	2017
TDA operating assistance allowable	\$10,707,546	\$11,362,527
Actual TDA operating assistance received	(10,535,187)	(11,330,419)
Receivable	\$172,359	\$32,108

NOTE 10 – DERIVATIVE INSTRUMENTS

A. Objective and Terms of Hedging Derivative Instruments

The Authority has adopted GASB 53 to account for its investment in oil future contracts to hedge against the volatility in diesel fuel prices. Because the fuel hedge is an effective hedge as defined by GASB 53, the accumulated unrealized gain (loss) on the fuel hedge is reported on the Statements of Net Position as an investment and a deferred inflow of resources. The hedging instruments affected are monthly fuel hedge contracts with a notional amount of 42,000 gallons each with an index of New York Harbor Heating Oil #2 as listed on the NYMEX. There were twelve open contracts at June 30, 2018. On average, it costs the Authority \$152 to acquire a fuel hedge contract. The aggregate fuel hedge contracts cover a rolling 16- to 18-month period. The deferred inflow and investment as of June 30, 2018 are valued at \$289,658.

The Authority has a derivative instrument to hedge fuel costs which is categorized as Level 2 in the fair value hierarchy. See Note 2J for definitions.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)

B. Credit Risk

Credit risk is the risk of loss due to a counterparty defaulting on its obligations. The Authority is exposed to credit risk if hedging instruments are in asset positions. As of June 30, 2018, the Authority was exposed to credit risk because certain open derivative contracts were in asset positions. However, should interest rates change and the fair market value of the swap become negative; the Authority would not be exposed to credit risk in the amount of the fair market values.

The Authority's derivative instruments are managed by Linwood Capital, LLC, through an account with RJ O'Brien and Associates, LLC, a regulated Futures Commission Merchant. The Authority's investment in commodity futures contracts is speculative and changes in the fair market value of such investments may fluctuate significantly, and may do so in the near term.

C. Termination Risk

Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include bankruptcy, illegality, default, and mergers in which the successor entity does not meet credit criteria. One aspect of termination risk is that the Authority would lose the hedging benefit of a derivative that becomes subject to a termination event. Another aspect of termination risk is that, if at the time of termination the mark-to-market value of the derivative was a liability to the Authority, the Authority could be required to pay that amount to the counterparty. Termination risk is associated with all of the Authority's derivatives up to the fair value amounts. The swap may be terminated by either party at any time upon written notice to the other party.

D. Price Risk

With respect to price risk under these future contracts, the Authority receives the index rate at settlement and pays the fixed contracted rate entered into on the trade date. The Authority is exposed to risk because the commodity purchase price being hedged is different from the price on settlement.

NOTE 11 – EMPLOYEE RETIREMENT PLANS

The Authority offers two retirement plans - a 401(a) and a 457(b) plan. The plans are optional. The Authority also offers Other Post Employment Benefits (OPEB).

A. Employees' Retirement Plan

The Authority offers a 401(a) defined contribution pension plan, administered by the Financial Decision group, through Charles Schwab. All full-time employees are eligible for this voluntary program upon successful completion of his or her probation. In order to participate in this voluntary program, an employee must participate in the 457(b) deferred compensation plan (see note 11B), and contribute a minimum of 4% of his or her gross salary, up to a maximum of 25%, or the federally allowed maximum amount of his or her gross compensation, whichever is less.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

The Authority makes contributions to the 401(a) plan for each participant depending on the participant's years of service with the Authority as follows:

Less than 10 years	12% of gross salary
10-20 years	13% of gross salary
20-30 years	14% of gross salary
More than 30 years	15% of gross salary

Any changes to the plan and/or contribution requirements must be approved by the Authority's Board of Directors. During fiscal year ended June 30, 2018, the Authority contributed \$341,394 to the 401(a) plan on behalf of its participants.

B. *Deferred Compensation Plan*

The Authority employees may defer a portion of their compensation under an Authority sponsored Deferred Compensation Plan, administered by ICMA, created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the Authority's property and are not subject to Authority control, they have been excluded from these financial statements.

C. *Other Post Employment Benefits (OPEB)*

The Authority provides postretirement health care benefits to full time administrative employees who retire directly from the Authority after attaining the age of 62 with at least 20 years of service. As of June 30, 2018, there were no participants receiving these health care benefits.

The Authority will pay the entire COBRA Kaiser Health Savings Account (HSA) plan premium for the retired employee and their eligible dependents until the employee reaches age 65, at which time they will qualify for Medicare. The Authority will pay the equivalent of the Kaiser HSA plan premium towards another health insurance policy selected by the employee in place of this plan.

The Authority uses an alternative method in calculating its OPEB liability, which is recorded as a noncurrent liability in the Statement of Net Position. The Authority is on a pay-as-you-go funding policy, and uses the following assumptions in calculating the liability on an annual basis: current COBRA Kaiser HSA rate, 10% annual inflation factor, and .5% investment rate of return.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 12 – NOTE PAYABLE

On February 4, 2016, the Authority entered into an agreement with California Energy Resources Conservation and Development Commission for \$1,308,104, with a one percent (1% per annum) interest rate. The project consists of installing roof and parking structures mounted with photovoltaic (PV) panels at the East Contra Costa Transit Authority main office, located in Antioch, California. Principal and interest payments are payable semiannually with the first repayment due on December 22, 2018 and final installment due on June 22, 2036.

The following is a summary of the note payable for the year ended June 30, 2018:

	Original Issue Amount	Balance June 30, 2017	Additions	Balance June 30, 2018	Amount due within one year
California Energy Resources Loan Agreement	\$1,308,104		\$1,308,104	\$1,308,104	\$59,561
Total long-term debt			\$1,308,104	\$1,308,104	\$59,561

The annual payment requirements to mature the loan outstanding at June 30, 2018 were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$59,561	\$18,393	\$77,954
2020	65,598	12,356	77,954
2021	66,289	11,665	77,954
2022	66,953	11,001	77,954
2023	67,625	10,329	77,954
2024-2028	348,385	41,384	389,769
2029-2033	366,235	23,534	389,769
2034-2036	267,458	5,380	272,838
Total	\$1,308,104	\$134,042	\$1,442,146

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2018 and 2017

NOTE 13 – COMMITMENT AND CONTINGENT LIABILITIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of the Authority's legal counsel there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Authority.

The Authority participates in Federal and State grant programs. These programs have been audited by the Authority's independent auditors in accordance with the provisions of the Uniform Guidance, and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

The Authority made a prepayment to Pacific Gas and Electric (PG&E) for a 10-year refundable electric option and will perform the construction services for the project using the loan proceeds. The option payment of \$100,288 is reported as a prepaid asset on the Statements of Net Position.

CONTRACTOR

The Authority has an agreement dated May 2, 2016 with First Transit, Inc., a private transit firm, to provide transportation management and operations services on behalf of the Authority through June 30, 2020. Expenses recorded under this contract amounted to \$11,787,754 and \$11,496,252 for fiscal years ended June 30, 2018 and 2017, respectively, and are recorded as purchased transportation.



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

Honorable Members of the Board of Directors of
Eastern Contra Costa Transit Authority
Antioch, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Eastern Contra Costa Transit Authority (Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our procedures included the applicable audit procedures contained in §6667 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in our separately issued Memorandum on Internal Control dated November 21, 2018, which is an integral part of our audits and should be read in conjunction with this report. 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 results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the management, Board of Directors, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze & Associates

Pleasant Hill, California
November 21, 2018



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE WITH THE RULES AND REGULATIONS OF THE
PUBLIC TRANSPORTATION MODERNIZATION
IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)**

Honorable Members of the Board of Directors of the
Eastern Contra Costa Transit Authority
Antioch, California

We have audited the statement of revenues and expenditures of the Eastern Contra Costa Transit Authority Public Transportation Modernization, Improvement and Service Enhancement Account Projects, a program of the Eastern Contra Costa Transit Authority, California, (the Authority) in accordance with general accepted auditing standards in the United States of America as of and for the year ended June 30, 2018 and have issued our report thereon dated November 21, 2018.

In connection with our audit, we have read and performed the applicable audit procedures contained in the *Public Transportation Modernization, Improvement and Service Enhancement Account Guideline* (Guideline) adopted by the California Department of Transportation.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of 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. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in our separately issued Memorandum on Internal Control dated November 21, 2018, which is an integral part of our audits and should be read in conjunction with this report. 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 results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the management, Board of Directors, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze & Associates

Pleasant Hill, California
November 21, 2018