

# Napa Valley Transportation Authority

625 Burnell Street  
Napa, CA 94559



## Agenda - Final

**Wednesday, January 15, 2020  
1:30 PM**

**JoAnn Busenbark Board Room**

### **NVTA Board of Directors**

All materials relating to an agenda item for an open session of a regular meeting of the NVTA Board of Directors are posted on the NVTA website at <https://nctpa.legistar.com/Calendar.aspx> at least 72 hours prior to the meeting and will be available for public inspection, on and after at the time of such distribution, in the office of the Secretary of the NVTA Board of Directors, 625 Burnell Street, Napa, California 94559, Monday through Friday, between the hours of 8:00 a.m. and 4:30 p.m., except for NVTA Holidays. Materials distributed to the present members of the Board at the meeting will be available for public inspection at the public meeting if prepared by the members of the NVTA Board or staff and after the public meeting if prepared by some other person. Availability of materials related to agenda items for public inspection does not include materials which are exempt from public disclosure under Government Code sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22.

Members of the public may speak to the Board on any item at the time the Board is considering the item. Please complete a Speaker's Slip, which is located on the table near the entryway, and then present the slip to the Board Secretary. Also, members of the public are invited to address the Board on any issue not on today's agenda under Public Comment. Speakers are limited to three minutes.

This Agenda shall be made available upon request in alternate formats to persons with a disability. Persons requesting a disability-related modification or accommodation should contact Karrie Sanderlin, NVTA Board Secretary, at (707) 259-8633 during regular business hours, at least 48 hours prior to the time of the meeting.

This Agenda may also be viewed online by visiting the NVTA website <https://legistar.com/Calendar.aspx>

Note: Where times are indicated for agenda items, they are approximate and intended as estimates only, and may be shorter or longer as needed.

Acceso y el Título VI: La NVTa puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Autoridad. Para solicitar asistencia, por favor llame al número (707) 259-8633. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Ang Accessibility at Title VI: Ang NVTa ay nagkakaloob ng mga serbisyo/akomodasyon kung hilingin ang mga ito, ng mga taong may kapansanan at mga indibiduwal na may limitadong kaalaman sa wikang Ingles, na nais na matugunan ang mga bagay-bagay na may kinalaman sa NVTa Board. Para sa mga tulong sa akomodasyon o pagsasalin-wika, mangyari lang tumawag sa (707) 259-8633. Kakailanganin namin ng paunang abiso na tatlong araw na may pasok sa trabaho para matugunan ang inyong kahilingan.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Adoption of the Agenda
5. Public Comment
6. Chairperson's, Board Members', Metropolitan Transportation Commissioner's, and Association of Bay Area Governments Update
7. Director's Update
8. Caltrans' Update

#### **9. QUARTERLY PROJECT UPDATES**

- 9.1                      Soscot Junction Project
- 9.2                      Imola Avenue Park and Ride Improvement Project
- 9.3                      Vine Transit Bus Maintenance Facility
- 9.4                      State Route 29 (SR 29) and State Route 37 (SR 37) Corridor Updates (Danielle Schmitz)

Note: Where times are indicated for the agenda item, they are approximate and intended as estimates only and may be shorter or longer as needed.

#### **10. CONSENT AGENDA ITEMS (10.1 - 10.3)**

- 10.1                      Approval of Meeting Minutes of November 20, 2019 (Karrie Sanderlin) (Pages 9-16)

**Recommendation:** Board action will approve the meeting minutes of November 20, 2019.

**Estimated Time:** 2:10 p.m.

**Attachments:**        [Draft Minutes.pdf](#)

**10.2**                      **Revised Letter of Support for the Sonoma-Marín Area Rail Transit (SMART) East-West Passenger Rail (Danielle Schmitz) (Page 17-22)**

**Recommendation:** Board action will approve the revised letter of support to the California State Transportation Agency (CalSTA) for the Sonoma-Marín Area Rail Transit (SMART) East-West Passenger Rail to include a connection to the Vallejo Ferry Terminal as requested by NVRTA's Citizen Advisory Committee.

**Estimated Time:** 2:10 p.m.

**Attachments:**      [Staff Report.pdf](#)

**10.3**                      **Approval of Amendment No. 2 to Napa Valley Transportation Authority (NVRTA) Agreement No. 15-31 with Platinum Advisors, LLC (Kate Miller) (Pages 23-26)**

**Recommendation:** Board action will approve the Second Amendment to NVRTA Agreement No. 15-31 with Platinum Advisors, LLC, and authorize the Executive Director, or designee, to execute the agreement, exercising the final extension option, for state legislative advocacy services in an amount not to exceed \$32,400.

**Estimated Time:** 2:10 p.m.

**Attachments:**      [Staff Report.pdf](#)

**11. REGULAR AGENDA ITEMS**

**11.1**                      **Countywide Transportation Plan (CTP): Advancing Mobility 2045 Goals and Objectives (Alberto Esqueda) (Pages 27-34)**

**Recommendation:** Board action will approve the CTP goals and objectives.

**Estimated Time:** 2:15 p.m.

**Attachments:**      [Staff Report.pdf](#)

**11.2 Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2019 and 2018 and Single Audit Report of Uniform Guidance for the Year Ended June 30, 2019 (Antonio Onorato) (Pages 35-133)**

**Recommendation:** Board action will (1) accept and file the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2019 and 2018 and the NVTB Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2019 and (2) return an allocation surplus of \$1,107,126 to the Local Transportation Fund (LTF) Trust Fund administered by the Metropolitan Transportation Commission for future allocation.

**Estimated Time:** 2:20 p.m.

**Attachments:** [Staff report.pdf](#)

**11.3 Resolution No. 20-01 Authorizing the Executive Director to Execute Cooperative Agreement 04-2479 between the State of California Department of Transportation (Caltrans) and the Napa Valley Transportation Authority (NVTB) for Project No. 0418000447 (Rebecca Schenck) (Pages 134-168)**

**Recommendation:** Board action will adopt Resolution No. 20-01 approving Cooperative Agreement 04-2749 with the Caltrans and authorize the Executive Director, or designee, to sign the Cooperative Agreement and amendments for the Napa Valley Vine Trail Calistoga to St. Helena project.

**Estimated Time:** 2:30 p.m.

**Attachments:** [Staff Report.pdf](#)

**11.4 Legislative and State Bill Matrix Update (Kate Miller) (Pages 169-176)**

**Recommendation:** The Board will receive the State Legislative update and State Bill Matrix prepared by Platinum Advisors.

**Estimated Time:** 2:40 p.m.

**Attachments:** [Staff Report.pdf](#)

**12. FUTURE AGENDA ITEMS**

**13. CLOSED SESSION****13.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957(B)(1))**

Title: Executive Director

Estimated Time: 2:45 p.m.

**14. ADJOURNMENT****14.1 Approval of Next Regular Meeting of Wednesday, February 19, 2020 and Adjournment**

Estimated Time: 2:55 p.m.

I hereby certify that the agenda for the above stated meeting was posted at a location freely accessible to members of the public at the NVTA Offices, 625 Burnell Street, Napa, CA by 5:00 p.m. on Wednesday, January 8, 2020.

Kathy Alexander (E-sign)

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Kathy Alexander, NVTA Deputy Board Secretary

## Glossary of Acronyms

<b>AB 32</b>	Global Warming Solutions Act	<b>HBRR</b>	Highway Bridge Replacement and Rehabilitation Program
<b>ABAG</b>	Association of Bay Area Governments	<b>HIP</b>	Housing Incentive Program
<b>ADA</b>	American with Disabilities Act	<b>HOT</b>	High Occupancy Toll
<b>ATAC</b>	Active Transportation Advisory Committee	<b>HOV</b>	High Occupancy Vehicle
<b>ATP</b>	Active Transportation Program	<b>HR3</b>	High Risk Rural Roads
<b>BAAQMD</b>	Bay Area Air Quality Management District	<b>HSIP</b>	Highway Safety Improvement Program
<b>BART</b>	Bay Area Rapid Transit District	<b>HTF</b>	Highway Trust Fund
<b>BATA</b>	Bay Area Toll Authority	<b>HUTA</b>	Highway Users Tax Account
<b>BRT</b>	Bus Rapid Transit	<b>IFB</b>	Invitation for Bid
<b>CAC</b>	Citizen Advisory Committee	<b>ITIP</b>	State Interregional Transportation Improvement Program
<b>CAP</b>	Climate Action Plan	<b>ITOC</b>	Independent Taxpayer Oversight Committee
<b>Caltrans</b>	California Department of Transportation	<b>IS/MND</b>	Initial Study/Mitigated Negative Declaration
<b>CEQA</b>	California Environmental Quality Act	<b>JARC</b>	Job Access and Reverse Commute
<b>CIP</b>	Capital Investment Program	<b>LIFT</b>	Low-Income Flexible Transportation
<b>CMA</b>	Congestion Management Agency	<b>LOS</b>	Level of Service
<b>CMAQ</b>	Congestion Mitigation and Air Quality Improvement Program	<b>LS&amp;R</b>	Local Streets & Roads
<b>CMP</b>	Congestion Management Program	<b>MaaS</b>	Mobility as a Service
<b>CalSTA</b>	California Transportation Agency	<b>MAP 21</b>	Moving Ahead for Progress in the 21 <sup>st</sup> Century Act
<b>CTP</b>	Countywide Transportation Plan	<b>MPO</b>	Metropolitan Planning Organization
<b>COC</b>	Communities of Concern	<b>MTC</b>	Metropolitan Transportation Commission
<b>CTC</b>	California Transportation Commission	<b>MTS</b>	Metropolitan Transportation System
<b>DAA</b>	Design Alternative Analyst	<b>ND</b>	Negative Declaration
<b>DBB</b>	Design-Bid-Build	<b>NEPA</b>	National Environmental Policy Act
<b>DBF</b>	Design-Build-Finance	<b>NOAH</b>	Natural Occurring Affordable Housing
<b>DBFOM</b>	Design-Build-Finance-Operate-Maintain	<b>NOC</b>	Notice of Completion
<b>DED</b>	Draft Environmental Document	<b>NOD</b>	Notice of Determination
<b>EIR</b>	Environmental Impact Report	<b>NOP</b>	Notice of Preparation
<b>EJ</b>	Environmental Justice	<b>NVTA</b>	Napa Valley Transportation Authority
<b>FAS</b>	Federal Aid Secondary	<b>NVTA-TA</b>	Napa Valley Transportation Authority-Tax Agency
<b>FAST</b>	Fixing America's Surface Transportation Act	<b>OBAG</b>	One Bay Area Grant
<b>FHWA</b>	Federal Highway Administration	<b>PA&amp;ED</b>	Project Approval Environmental Document
<b>FTA</b>	Federal Transit Administration	<b>P3 or PPP</b>	Public-Private Partnership
<b>FY</b>	Fiscal Year	<b>PCC</b>	Paratransit Coordination Council
<b>GHG</b>	Greenhouse Gas	<b>PCI</b>	Pavement Condition Index
<b>GGRF</b>	Greenhouse Gas Reduction Fund	<b>PCA</b>	Priority Conservation Area
<b>GTFS</b>	General Transit Feed Specification		
<b>HBP</b>	Highway Bridge Program		

## Glossary of Acronyms

<b>PDA</b>	Priority Development Areas	<b>STIP</b>	State Transportation Improvement Program
<b>PID</b>	Project Initiation Document	<b>STP</b>	Surface Transportation Program
<b>PMS</b>	Pavement Management System	<b>TAC</b>	Technical Advisory Committee
<b>Prop. 42</b>	Statewide Initiative that requires a portion of gasoline sales tax revenues be designated to transportation purposes	<b>TCM</b>	Transportation Control Measure
<b>PSE</b>	Plans, Specifications and Estimates	<b>TCRP</b>	Traffic Congestion Relief Program
<b>PSR</b>	Project Study Report	<b>TDA</b>	Transportation Development Act
<b>PTA</b>	Public Transportation Account	<b>TDM</b>	Transportation Demand Management Transportation Demand Model
<b>RACC</b>	Regional Agency Coordinating Committee	<b>TE</b>	Transportation Enhancement
<b>RFP</b>	Request for Proposal	<b>TEA</b>	Transportation Enhancement Activities
<b>RFQ</b>	Request for Qualifications	<b>TEA 21</b>	Transportation Equity Act for the 21 <sup>st</sup> Century
<b>RHNA</b>	Regional Housing Needs Allocation	<b>TFCA</b>	Transportation Fund for Clean Air
<b>RM2</b>	Regional Measure 2 (Bridge Toll)	<b>TIGER</b>	Transportation Investments Generation Economic Recovery
<b>RM3</b>	Regional Measure 3	<b>TIP</b>	Transportation Improvement Program
<b>RMRP</b>	Road Maintenance and Rehabilitation Program	<b>TLC</b>	Transportation for Livable Communities
<b>ROW</b>	Right of Way	<b>TLU</b>	Transportation and Land Use
<b>RTEP</b>	Regional Transit Expansion Program	<b>TMP</b>	Traffic Management Plan
<b>RTIP</b>	Regional Transportation Improvement Program	<b>TMS</b>	Transportation Management System
<b>RTP</b>	Regional Transportation Plan	<b>TNC</b>	Transportation Network Companies
<b>SAFE</b>	Service Authority for Freeways and Expressways	<b>TOAH</b>	Transit Oriented Affordable Housing
<b>SAFETEA-LU</b>	Safe, Accountable, Flexible, and Efficient Transportation Equity Act-A Legacy for Users	<b>TOD</b>	Transit-Oriented Development
<b>SB 375</b>	Sustainable Communities and Climate Protection Act 2008	<b>TOS</b>	Transportation Operations Systems
<b>SB 1</b>	The Road Repair and Accountability Act of 2017	<b>TPA</b>	Transit Priority Area
<b>SCS</b>	Sustainable Community Strategy	<b>TPI</b>	Transit Performance Initiative
<b>SHA</b>	State Highway Account	<b>TPP</b>	Transit Priority Project Areas
<b>SHOPP</b>	State Highway Operation and Protection Program	<b>VHD</b>	Vehicle Hours of Delay
<b>SNCI</b>	Solano Napa Commuter Information	<b>VMT</b>	Vehicle Miles Traveled
<b>SNTDM</b>	Solano Napa Travel Demand Model		
<b>SR</b>	State Route		
<b>SRTS</b>	Safe Routes to School		
<b>SOV</b>	Single-Occupant Vehicle		
<b>STA</b>	State Transit Assistance		
<b>STIC</b>	Small Transit Intensive Cities		



# Napa Valley Transportation Authority

625 Burnell Street  
Napa, CA 94559

January 15, 2020  
NVTA Agenda Item 10.1  
Continued From: New  
Action Requested: APPROVE

## Meeting Minutes - Draft

### NVTA Board of Directors

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Wednesday, November 20, 2019

1:30 PM

JoAnn Busenbark Board Room

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#### 1. Call to Order

Chair Canning called the meeting to order at 1:36 p.m.

#### 2. Roll Call

Leon Garcia  
Chris Canning  
Jill Techel  
Paul Dohring  
Mark Joseph  
Kerri Dorman  
Ryan Gregory  
Belia Ramos  
Geoff Ellsworth  
Liz Alessio  
Gary Kraus  
Beth Kahiga  
John F. Dunbar

#### 3. Pledge of Allegiance

Chair Canning led the Pledge of Allegiance.

#### 4. Adoption of the Agenda

Motion MOVED by GARCIA, SECONDED by ALESSIO to APPROVE adoption of the agenda.

Motion carried by the following vote:

Aye: 21 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ellsworth, Alessio, and Kraus

Absent: 3 - Dunbar, and Ramos

#### 5. Public Comment

None

## 6. Chairperson's, Board Members', Metropolitan Transportation Commissioner's, and Association of Bay Area Governments Update

### Board Members Update

Jill Techel announced the City of Napa will be opening up the first of the three California Street/State Route 29 roundabouts on November 21st.

### MTC Commissioners Update

Kate Miller, NVTA Executive Director, provided the MTC update in Commissioner Pedroza's absence.

[Board Member Ramos in attendance]

### ABAG Update

Leon Garcia reported on ABAG activities.

## 7. Director's Update

- Announced that Karrie Sanderlin celebrated her 20th Anniversary with NVTA (NCTPA) on November 1st.
- Reported that NVTA staffed the Emergency Operation Center (EOC) during the recent public safety power shutoff (PSPS) and fires in Sonoma County.
- Reported meeting Toks Omishakin, the new Caltrans Director on November 15th, along with other Bay Area's County Transportation Agency (BACTA) Executive Directors. BACTA Executive Directors also had the opportunity to hear Mr. Omishakin speak at the Self Help County Coalition Focus on the Future conference where he laid out his priorities which include: System Safety, Balancing Modes, Efficiency, Innovation, Stakeholder Engagement.
- Reported that Susan Bransen, the California Transportation Commission Executive Director, has announced her retirement.
- Announced that Matt Wilcox, NVTA's transit manager, will be leaving NVTA at the end of the year to go back to work for Santa Rosa City Bus.

## 8. Caltrans' Update

Kelly Hirschberg, Caltrans, provided a PowerPoint presentation on State Highway Operations and Protection Program (SHOPP) projects in District 4.

## 9. CONSENT AGENDA ITEMS (9.1 - 9.5)

Item 9.4 was pulled from consent.

**Motion MOVED by JOSEPH, SECONDED by GARCIA to APPROVE Consent Items 9.1-9.3 and 9.5.**

**Motion carried by the following vote:**

**Aye:** 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**9.1 Approval of Meeting Minutes of October 23, 2019 (Karrie Sanderlin) (Pages 11-17)**

Attachments: [Draft Minutes](#)

Board action approved the meeting minutes of October 23, 2019.

**9.2 Resolution No. 19-18 Setting the Regular Meeting Time, Place, and Schedule of the Napa Valley Transportation Authority (NVTA) Governing Board, the Technical Advisory Committee (TAC), the Paratransit Coordinating Council (PCC), the Citizen Advisory Committee (CAC), and the Active Transportation Advisory Committee (ATAC) for Calendar Year (CY) 2020 (Karrie Sanderlin) (Pages 18-28)**

Attachments: [Staff Report](#)

Board action approved Resolution No. 19-18 setting the regular meeting time, place and schedule for the NVTA, TAC, PCC, CAC, and ATAC for CY 2020.

**9.3 Resolution No. 19-19 Adopting the Napa Valley Transportation Authority (NVTA) Title VI Program for Fiscal Years (FY) 2020-2021 (Rebecca Schenck) (Pages 29-109)**

Attachments: [Staff Report](#)

Board action approved Resolution No. 19-19 adopting the NVTA Title VI Program Policy for FY's 2020-2021.

**9.5 Resolution No. 19-20 Adopting of the Napa Valley Transportation Authority Disadvantage Business Enterprise (DBE) Program and Goal Setting for Fiscal Years (FY's) 2020-2022 (Antonio Onorato) (Pages 196-231)**

Attachments: [Staff Report](#)

Board action approved Resolution No. 19-20 adopting the NVTA DBE Program and Goal Setting for FY's 2020-2022.

**10. REGULAR AGENDA ITEMS**

**9.4 Award of Fueling Services Agreement No. 19-27 with Hunt & Sons, Inc., Agreement No. 19-28 with Napa Valley Petroleum (NVP) Inc., and Agreement No. 19-29 with Clean Energy (Antonio Onorato) (Pages 110-195)**

Attachments: [Staff Report](#)

This item was pulled from consent. Board Member Gregory reported a conflict of interest as he is a consultant for one of the fueling companies.

Motion MOVED by JOSEPH, SECONDED by GARCIA, to APPROVE, with GREGORY ABSTAINING, authorizing the Executive Director to execute fueling services agreements with Hunt & Sons, Inc., Napa Valley Petroleum Inc., and Clean Energy. Motion carried by the following vote:

**Aye:** 21 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**Abstain:** 2 - Gregory

**10.1 2020 Federal and State Legislative Advocacy Program and Project Priorities and Legislative and State Bill Matrix Update (Kate Miller) (Pages 232-254)**

Attachments: [Staff Report](#)

The Board received the State Legislative update from Steve Wallauch, Platinum Advisors.

Kate Miller, Executive Director, reviewed the 2020 Federal and State Legislative Programs and Projects Priorities as outlined in Attachment 1.

Member Joseph requested to add under Project Priorities, Encourage parallel roads on the state routes to improve traffic flow and minimize impacts of accidents and other emergencies.

Member Dorman requested under the Revenues section to leave "from being diverted for other purposes" under Protect transportation funds.

Motion MOVED by JOSEPH, SECONDED by GREGORY to APPROVE the 2020 Federal and State Legislative Advocacy Programs and Project Priorities as amended. Motion carried by the following vote:

**Aye:** 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**10.2 2019 Federal Transit Administration (FTA) Triennial Review (Antonio Onorato)**  
**(Pages 255-283)**

Attachments: [Staff Report](#)

Staff reviewed the FTA triennial review process and compliance requirements, as well as, the findings.

**Motion MOVED by ELLSWORTH, SECONDED by ALESSIO to ACCEPT and FILE the 2019 FTA Triennial report and NVTA response. Motion carried by the following vote:**

**Aye:** 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**10.3 Approval of Amendment #1 to Project Work Order No. E-02 T. Y. Lin International (TyLin) for On-Call A/E and Project Delivery Services (Rebecca Schenck) (Pages 284-302)**

Attachments: [Staff Report](#)

Staff reviewed the project process and the need for the amended contract. Member Dorman requested that the contingency be reduced to 10% from the 20% requested.

**Motion MOVED by GARCIA, SECONDED by JOSEPH to APPROVE authorizing the Executive Director to execute Amendment #1 to Project Work Order No. E-02 with T.Y. Lin International for On-Call A/E and Project Delivery services specifically for the Calistoga to St. Helena Vine Trail right of way acquisition services in an amount not to exceed \$95,519 as amended reducing the contingency to 10%. Motion carried by the following vote:**

**Aye:** 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**10.4 Approval of the Electric Vehicle (EV) Fleet Program Terms and Conditions Contract with Pacific Gas and Electric (PG&E) and authorize the Executive Director to execute and take all actions necessary to grant easement deeds to PG&E on Parcels 057-250-360-000 and 057-250-025-00 (Rebecca Schenck) (Pages 303-322)**

Attachments: [Staff Report](#)

NVTA is in the process of purchasing five electric vehicles and plans to purchase additional electric vehicles in the future. The cost of the electrical infrastructure to charge electric buses is significant. Participation in PG&E's Electric Vehicle (EV) Fleet Ready Program will help to offset NVTA's cost of the electric infrastructure needed to charge electric buses. NVTA will receive a maximum PG&E rebate of \$408,000 for up to 12 vehicles and chargers over five (5) years.

Motion MOVED by JOSEPH, SECONDED by GREGORY to APPROVE (1) the Electric Vehicle (EV) Fleet Program Terms and Conditions and (2) authorize the Executive Director to execute and take all actions necessary to grant Easement Deeds Pacific Gas and Electric for parcels 057-250-025-000 and 057-250-036-000. Motion carried by the following vote:

**Aye:** 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**10.5 Approval to Purchase Five (5) Zero-Emission, Battery-Electric Buses from Build Your Dreams (BYD) Coach & Bus LLC (Antonio Onorato) (Pages 323-343)**

Attachments: [Staff Report](#)

In 2017, the Federal Transit Administration awarded NVTA \$1,092,500 for the purchase of five (5) Build Your Dream 30' zero emission battery electric buses. To take advantage of various incentive programs, NVTA must execute a Purchase Agreement before the end of the calendar year and prior to pending federal legislation that may curtail the Agency's ability to purchase buses from a Chinese subsidized manufacturer.

Motion MOVED by ALESSIO, SECONDED by JOSEPH to APPROVE authorizing the Executive Director to execute Purchase Order 19-1022 to acquire five (5) zero-emission battery-electric low-floor thirty (30) foot buses from Build Your Dreams (BYD) Coach and Bus LLC in an amount not to exceed \$3,278,182 pending receipt of the Federal Transit Administration (FTA) requirements for Altoona testing from the Transit Resource Center (TRC). Motion carried by the following vote:

**Aye:** 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio, and Kraus

**Absent:** 1 - Dunbar

**10.6 Resolution No. 19-21 Authorizing the Executive Director to Execute a Purchase and Sale Agreement for Real Property - Assessor's Parcel Number (APN) 057-250-037 (Antonio Onorato) (Pages 345-363)**

Attachments: [Staff Report](#)

Prior to the purchase of 96 and 101 Sheehy Ct. for a new Vine Transit Maintenance Facility, staff identified parcel #057-250-037 for possible expansion. However, at the time, the parcel owner was not interested in selling.

NVTA received an unsolicited offer from the property owner to sell the property to NVTA. Acquiring the property would nearly meet the original objective of securing at least 12 acres as suggested in the 2013 Vine Maintenance Feasibility Study report. The proposed acquisition will allow future development of the maintenance facility.

Member Dorman requested that the resolution be corrected from a 90-day to a 60-day due diligence period prior to the close of escrow as reported in the board memo.

Member Techel stated her concerns with the ability [of the agency] to finance the current maintenance facility project and that she is uncomfortable committing to the purchase of this property without first being provided a full funding package for the [Vine Transit Maintenance Facility] project.

Motion MOVED by KRAUS, SECONDED by GARCIA to APPROVE, with TECHEL, DORMAN and DOHRING OPPOSED, Resolution No. 19-21 as Amended, correcting the Due Diligence Period to 60-day. Motion carried by the following Roll Call Vote:

Aye: 16 - Garcia, Canning, Kahiga, Joseph, Gregory, Ramos, Ellsworth, Alessio, and Kraus

Nay: 7 - Techel, Dohring, and Dorman

Absent: 1 - Dunbar

**10.7 American Canyon Transit Service Hour Expansion (Matthew Wilcox) (Pages 364-370)**

Attachments: [Staff Report](#)

At the September 18th meeting, the NVTA Board requested additional information on the allocation of Vine resources before voting on this item. Staff reviewed the information provided in Attachment 1 on how NVTA allocates service hours and the cost associated with its service.

Motion MOVED by TECHEL, SECONDED by DOHRING to APPROVE, with DORMAN OPPOSED, the expansion of the American Canyon Transit services by one vehicle, effective January 2020.

Motion carried by the following vote:

Aye: 22 - Garcia, Canning, Techel, Dohring, Joseph, Gregory, Ramos, Ellsworth, Alessio, and Kraus

Nay: 1 - Dorman

Absent: 1 - Dunbar

**10.8 Marketing and Communication Plan Update for Vine Service Revisions  
(Matthew Wilcox) (Pages 371-372)**

Attachments: [Staff Report](#)

Information Only / No Action Taken

The Board received an update on the marketing efforts for the Vine service restructuring.

**11. FUTURE AGENDA ITEMS**

Member Alessio requested a presentation by Health and Human Services for the February 19, 2020 meeting.

**12. ADJOURNMENT**

**12.1 Approval to Cancel the Meeting of Wednesday, December 18, 2019 and  
Adjournment. The next regular meeting is scheduled for Wednesday, January  
15, 2020 at 1:30 p.m.**

Motion MOVED by CANNING, SECONDED by JOSEPH to APPROVE canceling the meeting of  
Wednesday, December 18, 2019 and adjournment. The next regular meeting will be held on  
Wednesday, January 15, 2020 at 1:30 p.m. Motion carried by the following vote:

Aye: 23 - Garcia, Canning, Techel, Dohring, Joseph, Dorman, Gregory, Ramos, Ellsworth, Alessio,  
and Kraus

Absent: 1 - Dunbar

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Karalyn E. Sanderlin, NVRTA Board Secretary





## **NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter**

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**TO:** NVTA Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Danielle Schmitz, Director – Capital Development and Planning  
(707) 253-5968 / Email: [dschmitz@nvta.ca.gov](mailto:dschmitz@nvta.ca.gov)  
**SUBJECT:** Revised Letter of Support for the Sonoma-Marín Area Rail Transit (SMART) East-West Passenger Rail

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### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board approve the revised letter of support (Attachment 1) to the California State Transportation Agency (CalSTA) for the Sonoma-Marín Area Rail Transit (SMART) East-West Passenger Rail to include a connection to the Vallejo Ferry Terminal as requested by NVTA's Citizen Advisory Committee.

### **OTHER OPTIONS FOR CONSIDERATION**

Option #1: Send the revised letter in support of including extension of SMART to Vallejo Ferry.

Option #2: Do not send the revised letter

### **COMMITTEE RECOMMENDATION**

None

### **EXECUTIVE SUMMARY**

In July the NVTA Board approved sending a letter to Secretary Kim in support of SMART from Novato to Suisun. NVTA is proposing to revise the letter to include the SMART connection from Napa County to Vallejo Ferry. In addition, the Citizen Advisory Committee (CAC) has sent the NVTA Board a letter of support to include the Vallejo Ferry rail line in a modified letter to the California State Transportation Agency (Attachment 2).

SMART staff provided a presentation at the May 15 NVTA Board meeting on the feasibility of passenger rail along the State Route (SR) 37 corridor which would traverse through south Napa County on its route from Novato to Suisun City. The east-west connection would service thousands of daily commuters from Sonoma and Napa counties to Marin and Solano for work. Currently, there is no transit along the SR 37 corridor and a SMART east west expansion would offer connections to the SMART north-south main-line, as well as Capitol Corridor/Amtrak and NVTA's Express Bus and Regional Routes 11, 11X, 21, and 29 as well as the Vallejo Ferry. SMART has requested a letter of support from the North Bay County Transportation Agencies (CTAs) to advocate to CalSTA for continued support and resources needed to develop the east-west rail connection. At the request of NVTA's CAC, NVTA staff is proposing to send a modified letter to include the connection to Vallejo Ferry.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comments
3. Motion, Second, Discussion and Vote

### **FISCAL IMPACT**

Is there a Fiscal Impact?      No

### **STRATEGIC GOALS MET BY THIS PROPOSAL**

Goal 4 – Support Napa County's economic vitality

Goal 5 – Minimize the energy and other resources required to move people and goods

Establishing a rail connection would greatly improve access to jobs and foster new economic development along the proposed rail alignment. In addition, a rail expansion that improves regional transit connectivity will encourage individuals to take transit rather than drive.

### **CEQA REQUIREMENTS**

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

SR 37 is a 21-mile long corridor from Highway 101 in Marin County to Interstate 80 (I-80) in Solano County. Improvements to the corridor are being considered by the four North Bay County Transportation Agencies, including NVTA, in coordination with Caltrans and

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the Metropolitan Transportation Commission. As part of that effort, the project team is exploring alternative transportation modes including rail transit.

NVRTA staff is supportive of developing passenger rail in the corridor and acknowledges it has the ability to address many of the congestion concerns currently plaguing the corridor. In addition to paralleling SR 37, NVRTA is supportive of extending SMART south to the Vallejo Ferry.

### **SUPPORTING DOCUMENTS**

Attachments: (1) SMART Modified Letter of Support  
(2) Citizen Advisory Committee (CAC) Letter to NVRTA Board

January 15, 2020

David S. Kim  
Secretary of California State Transportation Agency  
915 Capitol Mall, Suite 350B  
Sacramento, CA 95814

Re: Sonoma-Marín Area Rail Transit (SMART) Passenger Rail – Novato to Suisun City and Vallejo Ferry

Dear Secretary Kim,

The Napa Valley Transportation Authority (NVRTA) serves as the congestion management agency and public transportation provider for all jurisdictions in Napa County. In that capacity, NVRTA shares the responsibility for overseeing the improvements along State Route 37 (SR 37) which connects the four North Bay Area counties of Marin, Napa, Solano, and Sonoma. NVRTA is writing this letter to seek CalSTA's continued support to extend Sonoma-Marín Area Rail Transit (SMART) passenger rail service from Novato to Suisun Capitol Corridor and Vallejo Ferry, via Napa County. The SMART system parallels SR 37 and would fill the sorely needed transit alternative for this heavily traveled corridor.

SR 37 is a 21-mile long corridor from Highway 101 in Marin County to Interstate 80 (I-80) in Solano County. It is recognized as the North Bay's most heavily used east/west highway serving commuters and visitors. The corridor is highly congested and travelers suffer significant travel delay. The corridor is also impacted by uneven subsidence and intermittent storm-related flooding in several areas, which causes traffic overflow on existing parallel corridors that are not equipped to handle it, causing economic loss and reduced opportunity for residents of the North Bay including disadvantaged community residents who commute from Solano to Marin and Sonoma counties.

In addition to evaluating highway infrastructure improvements on SR 37, the transportation agencies are evaluating other modes of travel along the corridor to both relieve congestion and to address equity concerns. There is currently no transit that serves the corridor. NVRTA was encouraged by the recent east-west passenger rail feasibility study that was completed by SMART and strongly supports further development to identify ridership feasibility and complete environmental and engineering work on the corridor. The SMART extension would connect to a number of express and regional bus services including NVRTA's routes 11, 21, and 29 which serve the San Francisco Ferry, BART, and Capital Corridor. In addition, NVRTA is requesting SMART analyze the connection to Vallejo Ferry. NVRTA is hopeful the investment in alternative

modes, such as passenger rail and micro transit, is one of the solutions to the congestion plaguing the SR 37 and SR 29 corridors.

NVTA strongly supports passenger rail along the SR 37 and will continue to partner with SMART to bring passenger service east-west along the corridor, serving the residents and workers of Napa, Solano, Sonoma and Marin counties.

Please contact Kate Miller, NVTA Executive Director, at [\(707\)-259-8634](tel:(707)259-8634) or [kmiller@nvta.ca.gov](mailto:kmiller@nvta.ca.gov) should you have any questions or require additional information.

Sincerely,

Chris Canning  
NVTA Board Chair

cc: Farhad Mansourian, SMART  
Suzanne Smith, Sonoma County Transportation Authority  
Daryl Halls, Solano Transportation Authority  
Anne Richmond, Transportation Authority of Marin

January 4, 2020

Chair Chris Canning  
NVTA Board  
625 Burnell Street  
Napa, CA 94559

Re: Support for SMART to go to Vallejo Ferry

Dear Chair Canning:

The Napa Valley Transportation Authority's Citizen Advisory Committee (CAC) would like to express support for modifying the letter to Secretary Kim of the California State Transportation Agency (CalSTA) to include the rail line from Napa County to the Vallejo Ferry Terminal.

This connection is important for Napa County residents and commuters. The SMART extension would connect to a number of express and regional bus services including Vine routes 11, 21, and 29 which serve the San Francisco Ferry, BART, and Capitol Corridor. The CAC is hopeful the investment in alternative modes, such as passenger rail and micro transit, is one of the solutions to the congestion plaguing the SR 29 and SR 37 corridors. The corridors are highly congested and travelers suffer significant travel delay.

The CAC strongly supports SMART's investigation of upgrading the rail line from Novato to Suisun with passenger rail and would not want to overlook the opportunity to connect SMART to the Vallejo Ferry.

Sincerely,

Michael Baldini  
NVTA CAC Chair

cc: Citizen Advisory Committee  
NVTA Board of Directors



## NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Kate Miller, Executive Director  
(707) 259-8634 / Email: [kmiller@nvta.ca.gov](mailto:kmiller@nvta.ca.gov)  
**SUBJECT:** Approval of Second Amendment to Napa Valley Transportation (NVTA) Agreement No. 15-31 with Platinum Advisors, LLC

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### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board approve the Second Amendment to NVTA Agreement No. 15-31 with Platinum Advisors, LLC, and authorize the Executive Director, or designee, to execute the agreement, exercising the final extension option, for state legislative advocacy services in an amount not to exceed \$32,400.

### **COMMITTEE RECOMMENDATION**

None

### **EXECUTIVE SUMMARY**

On October 23, 2015 NVTA staff released a request for proposals (RFP) for state legislative advocacy purposes. One proposal was received from Platinum Advisors LLC. The Board approved entering into a 3-year contract, with two (2) one (1) year extension options, to Platinum Advisors effective January 1, 2016 for legislative advocacy services in an amount not to exceed \$97,200. Staff is now recommending that the board authorize the executive director to exercise the second and final 1-year extension for an amount not to exceed \$32,400.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

### **FISCAL IMPACT**

Is there a Fiscal Impact? Yes

Is it budgeted? Yes, the full amount is budgeted under professional fees in the Congestion Management Agency budget.

### **STRATEGIC GOALS MET BY THIS PROPOSAL**

Goal 1: Serve the transportation needs of the entire community regardless of age, income or ability.

The State Legislative advocate monitors legislation that could have an adverse effect on transportation priorities to Napa residents and advocates on behalf of the agency to ensure positive funding and policy outcomes.

### **CEQA REQUIREMENTS**

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

### **SUPPORTING DOCUMENTS**

Attachment: (1) Second Amendment to NVTA Agreement No. 15-31





**DRAFT**

**SECOND AMENDMENT TO  
NAPA VALLEY TRANSPORTATION AUTHORITY ("NVTA")  
AGREEMENT NO. 15-31**

THIS SECOND AMENDMENT ("SECOND AMENDMENT") TO NAPA VALLEY TRANSPORTATION AUTHORITY AGREEMENT NO. 15-31 is made and entered into as of this 15th day of January, 2020 between the NAPA VALLEY TRANSPORTATION AUTHORITY ("NVTA"), and PLATINUM ADVISORS. LLC ("CONTRACTOR"), whose mailing address is 1215 K Street, Suite 1150, Sacramento, CA 95814.

**RECITALS**

**WHEREAS**, in January 2016 NVTA with Contractor identified as Agreement NCTPA No. 15-31 ("Agreement") for specialized services to receive state advocacy and lobbying services; and

**WHEREAS**, on November 14, 2018 the parties entered into the First Amendment to Agreement 15-31 ("First Amendment") to extend the term of the Agreement an additional one-year period through December 31, 2019; and

**WHEREAS**, NVTA wishes to amend the Agreement for continued service by exercising a one-year term extension option as set forth Section 1 (b) of the Agreement; and

**WHEREAS**, CONTRACTOR can provide the requested continued services at a cost to NVTA in the additional amount not to exceed an additional \$32,400.

**TERMS**

**NOW, THEREFORE**, the NVTA and CONTRACTOR agree to amend the Agreement as follows:

1. Section 1(a), Term of the Agreement, is amended to extend the term of the Agreement with the **expiration date of December 31, 2020**. The Scope of Services described in EXHIBIT A of the Agreement remain unchanged.

2. Section 3(c) is amended to read as follows: Compensation, the maximum payments under the Agreement, together with the First Amendment and the Second Amendment, shall be a total of **\$162,000** for professional services and expenses; provided, however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered.

4. Except as set forth above, the terms and conditions of the Agreement shall remain in full force and effect as previously approved.

**IN WITNESS WHEREOF**, this Second Amendment was executed by the parties hereto as of the date first above written.

"NVTA"

"CONTRACTOR"  
Platinum Advisors, LLC

By \_\_\_\_\_  
KATE MILLER  
Executive Director

By \_\_\_\_\_  
DARIUS ANDERSON  
Founder and CEO

ATTEST:

By \_\_\_\_\_  
KARALYN E. SANDERLIN  
NVTA Board Secretary

By \_\_\_\_\_  
Signature (*Printed Name and Position*)

APPROVED AS TO FORM:

By \_\_\_\_\_  
DEEANNE GILLICK  
NVTA General Counsel



## NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

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**TO:** NVTA Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Alberto Esqueda, Senior Program Planner/Administrator  
(707) 259-5976 / Email: [aesqueda@nvta.ca.gov](mailto:aesqueda@nvta.ca.gov)  
**SUBJECT:** Countywide Transportation Plan – *Advancing Mobility 2045*: Goals and Performance Measures

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### **RECOMMENDATION**

That the Board of Directors review and approve the revised Countywide Transportation Plan (CTP) goals, objectives and performance measures with the modifications suggested by the NVTA Board ad-hoc committee.

### **OTHER OPTIONS FOR CONSIDERATION**

Not adopt the modifications to the Goals and retain the Goals from the previous CTP.

### **COMMITTEE RECOMMENDATION**

The Technical Advisory Committee (TAC) previously recommended that the NVTA Board approve *Advancing Mobility 2045*'s Goals and Objectives. As of the date this memo was written the January TAC meeting has not occurred, staff will provide a verbal update on this section at the Board meeting.

### **EXECUTIVE SUMMARY**

At the October 23, 2019 Board meeting, staff presented the updated goals and objectives for the Countywide Transportation Plan – *Advancing Mobility 2045* to the Board. At the meeting, the Board elected to create an ad-hoc committee to work with staff on refining the goals, objectives and performance measures. On November 21 staff and the CTP consultants, DKS, met with the ad-hoc committee to review the goals, objectives and performance measures in more detail. The public works directors from each jurisdiction were also invited to attend the ad-hoc committee meeting. Staff revised the goals,

objectives and performance measures (Attachment 1) to reflect the following input from the ad-hoc committee:

1. A preamble to provide background context on the needs
2. Transit ridership has been moved under sustainability
3. Congestion relief has been addressed under multiple goals and in the performance metrics
4. Priority Production Areas (PPAs) has been added to the objective under goal 5

### **FISCAL IMPACT**

Is there a Fiscal Impact? No

### **STRATEGIC GOALS MET BY THIS PROPOSAL**

This section is not applicable since this memorandum is updating the strategic goals addressed under this section.

### **BACKGROUND AND DISCUSSION**

MTC has adopted new guidelines for CTPs. The guidelines require Countywide Transportation Agencies (CTAs) include performance goals and measures in their CTPs. NVTA is also responding to comments made by the Napa County Civil Grand Jury which recommended that NVTA include performance metrics and targets in its long-term planning process using those established by the Sonoma County Transportation Authority to underscore its recommendation.

Staff initially evaluated performance metrics used by its partners in other counties, as well as the identified needs in the current CTP and outreach to date, and developed a short list of proposed performance metrics to assess the progress in meeting the measurable goals and objectives in the CTP. This is the first time NVTA is including performance metrics in a CTP. Staff will create a baseline for each performance metric, which will be the existing condition. The baseline will establish a starting point for each metric, which will help evaluate both negative and positive shifts in a particular metric. After establishing a baseline, staff will set a target for each metric, with the goal to reach the target by the end of the 25-year period of the CTP. As an exercise, incremental targets may be established to assess progress over the four year period between Vision 2045 and Vision 2050, the next CTP. In some cases, the target will be higher than the baseline, for example in bus ridership the goal is to increase ridership. In other cases the target will be lower than the baseline e.g. in vehicle miles traveled (VMT) the goal is to lower the amount of VMT in Napa County.

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Input collected at NVTAs September 2019 Transportation Summit indicates the public's interest in congestion and sustainability metrics. There was less interest in equity metrics, nevertheless, equity has become a focus area by MTC and it is now a required section in the CTP. Given the changing demographics in Napa – a community that is aging and growing in diversity – and that many of the jobs created in Napa Valley provide lower wages, equity will be one of the central themes in NVTAs CTP.

### **SUPPORTING DOCUMENTS**

Attachment:     (1) Revised CTP Goals and Objectives  
                      (2) Revised Performance Metrics

## **Draft CTP 2045 Goals and Objectives**

### **Preamble to goals:**

The Napa Valley Transportation Authority (NVTA) is responsible for developing long-range countywide transportation priorities through an integrated planning process. The 2019 Countywide Transportation Plan – *Advancing Mobility 2045*, is an update to the 2015 Transportation Plan – *Vision 2040 Moving Napa Forward*. During the 2015 Countywide Transportation Plan, NVTA conducted a needs assessment through various public engagement methods. Overarching themes from the outreach in 2015 remain true today. The community cited the following as the most pressing needs of the transportation system:

- Congestion relief
- Improved traffic safety
- More active transportation infrastructure
- More reliable and frequent bus service
- Maintenance and repair of the existing transportation system

NVTA kicked off the update to *Advancing Mobility 2045* in September. Outreach conducted to date supports the priorities identified by the community in 2015. In addition, outreach conducted so far has highlighted additional priorities as being a sustainable and equitable transportation system. NVTA will continue to engage the public on the countywide plan's priorities and projects of interest. NVTA will also monitor progress towards the goals and objectives of the plan through performance metrics. In this update to the countywide transportation plan, NVTA will set baseline metrics, which summarize the existing conditions. The goals of the Plan articulate the optimum outcome for where Napa Valley's transportation system should be in 2045. Objectives are how NVTA gets from the baseline to the goal. NVTA will then establish specific measurable performance metrics and targets to gauge how effective the plan is at reaching the established objectives.

In reviewing the goals and objectives it is important to understand the issues and challenges are many and that some objectives may conflict with other objects. Nevertheless, the solutions must be balanced, therefore the proposed goals are considered of equal importance.

**Goal 1: Serve the transportation needs of the entire community regardless of age, income or ability.**



Objectives:

1. Provide safe access to jobs, schools, recreation and other daily needs for Napa's residents and visitors.
2. ~~Endeavor to serve~~ Serve the special transportation needs of seniors, children and the disabled.
3. Coordinate transportation services for disabled persons, seniors, children and other groups so each serves as many people as possible.
4. Provide affordable transportation solutions to ensure access to jobs, education, goods, and services for all members of the community.



**Goal 2: Improve system safety in order to support all modes and serve all users.**

Objectives:

1. Design roadways and other transportation facilities to enhance coexistence ~~of users~~ of all modes.
2. Educate all roadway users so they may safely coexist.
- 2.3. ~~Work with Napa jurisdictions to adopt safety strategies such as Vision Zero strategies that meet address their needs and requirements. Work with Napa jurisdictions to adopt complete streets policies to meet the Metropolitan Transportation Commission's funding eligibility requirements.~~
- 3.4. Ensure Measure T roadway funds are maximized to improve infrastructure, as allowed under the Ordinance, to benefit all transportation modes.
- 4.5. ~~Prioritize~~ Promote projects that expand travel options for cyclists and pedestrians as well as those projects that ~~improve~~ reduce operation congestion and improve safety for vehicles, pedestrians, and cyclists

**Goal 3: Use taxpayer dollars efficiently**



Objectives:

1. Continue to prioritize local streets and road maintenance, consistent with Measure T.
2. Invest in fast and reliable bus service and infrastructure, so public transit is an attractive alternative to driving alone.
3. Identify innovative alternative solutions that minimize costs, ~~and~~ maximize system performance and reduce congestion.
4. ~~Provide real-time traffic and transportation information via MTC's 511 or similar system by 2017.~~

~~5.4.~~ Explore new transportation funding sources, including fees associated with new development.

~~6.5.4.~~ ~~Develop~~ Foster partnerships with Caltrans, California Transportation Commission (CTC), Metropolitan Transportation Commission (MTC) and Napa's state legislators to support expanded transportation funding for local mobility needs and to accommodate demand from regional traffic that travels through Napa County.

**Commented [EA1]:** This objective has been deleted because it has already been achieved.

**Goal 4: ~~Support~~ Promote Napa County's economic ~~vitality~~ sustainability.**



Objectives:

1. Identify and improve key goods movement routes.
2. Work with employers to improve access to employment centers, as well as dispersed agricultural employment sites.
3. Improve transportation services aimed at visitors, including alternatives to driving.
4. ~~Use Support policies~~ transportation demand management techniques to that shift travel from peak to non-peak ~~times~~ hours.

**Goal 5: Minimize the energy and other resources required to move people and goods.**



Objectives:

1. Prioritize projects that reduce greenhouse gases.
2. Increase mode share for transit, walking, and bicycling ~~to 10% by 2035~~ 2045.
3. Reduce ~~the growth of automobile~~ vehicle miles traveled (VMT) ~~by shifting trips to other modes~~.
4. Encourage the provision of alternative fuel infrastructure.
5. Invest in improvements to the transportation network that serve land use, consistent with SB 375.
6. Identify revenues that support investments in Priority Development Areas (PDAs) and Priority Production Areas (PPAs).

**Goal 6: Prioritize the maintenance and rehabilitation of the existing system**








Objectives:

1. Deliver Measure T projects effectively.
2. Focus funding on maintenance priorities.

**Commented [MK2]:** Let's establish the target with our list of metrics



Draft Performance Measures		
	<b>EQUITY</b>	<ul style="list-style-type: none"> <li>Households by income category within .25 miles from transit stop</li> <li><del>Jobs accessible by transit within a travel time shed</del></li> </ul>
	<b>SAFETY</b>	<ul style="list-style-type: none"> <li>Fatal and serious injury collisions</li> </ul>
	<b>EFFICIENCY</b>	<ul style="list-style-type: none"> <li>Person hours of delay</li> </ul>
	<b><u>(CONGESTION RELIEF)</u></b>	<ul style="list-style-type: none"> <li>Delay index (ratio of congested travel time to free flow travel time for a corridor)</li> <li><del>On time bus performance (captures impact to transit users)</del></li> <li><u>Number of users in NVTA's Travel Demand Management (TDM) Program such as VCommute</u></li> </ul>
	<b>ECONOMIC <del>VITALITY</del><u>SUSTAINABILITY</u></b>	<ul style="list-style-type: none"> <li><del>Goods movement</del></li> <li><u>Jobs accessible by transit within a travel time shed</u></li> </ul>
	<b>SUSTAINABILITY</b>	<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Vehicle miles traveled (VMT) per capita</li> <li><u>Active transportation mode shares</u></li> <li><u>Transit ridership</u></li> <li><u>On-time performance</u></li> </ul>

**Commented [EA1]:** This icon will be remade to symbolize Congestion

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## MAINTENANCE & PRESERVATION

- Miles between bus road calls
- Pavement Condition Index
- ~~Transit ridership or on-time performance~~



## **NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter**

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**TO:** Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Antonio Onorato, Director of Administration, Finance, and Policy  
(707) 259-8779 / Email: [aonorato@nvta.ca.gov](mailto:aonorato@nvta.ca.gov)  
**SUBJECT:** Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2019 and 2018 and Single Audit Report of Uniform Guidance for the Year Ended June 30, 2019

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### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board:

- (1) Accept and file the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2019 and 2018 (Attachment 2) and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2019 (Attachment 3); and
- (2) Return an allocation surplus of \$1,107,126 to the Local Transportation Fund (LTF) Trust Fund administered by the Metropolitan Transportation Commission for future allocation.

### **COMMITTEE RECOMMENDATION**

None

### **EXECUTIVE SUMMARY**

The certified public accountants firm, Brown Armstrong Incorporated, has completed NVTA's annual financial audit for the years ended June 30, 2019 and 2018 and federal Single Audit Report of Uniform Guidance for the year ended June 30, 2018.

Attachment 1 is the Statement of Auditing Standards (SAS) 114 Management Letter to the NVTA Board of Directors communicating the outcome of the audit inclusive of any findings. Attachment 2 is the Fiscal Audit Report for the fiscal year ending June 30, 2019 and 2018. Attachment 3 is the Single Audit Report for the fiscal year ending June 30, 2019.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

### **FISCAL IMPACT**

Is there a Fiscal Impact? Not for this action. Nevertheless, \$1,107,126 will be returned to the Local Transportation Fund for reallocation, which will be made available for future allocation to NVTA.

### **CEQA REQUIREMENTS**

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 16378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

### **STRATEGIC GOALS MET BY THIS PROPOSAL**

Goal 3: Use taxpayer dollars efficiently.

Annual financial audits are a requirement to maintain the agency in good standing and to receive federal, state, and local tax revenues. Formal action to accept the audit is required by NVTA's funding partners and supports public sector transparency.

### **BACKGROUND AND DISCUSSION**

NVTA's annual audit was prepared in accordance with auditing standards generally accepted in the United States. The report includes a Management Discussion and Analysis section, basic financial statements including government-wide and fund financial statements, Notes to the statements, and other Required Supplementary Information. Additionally, Brown Armstrong prepared separate Single Audit Report discussing findings of weakness and deficiencies in internal controls and Supplementary Report for Measure T as a discretely presented component unit.

### **NVTA Financial Highlights**

At the close of the fiscal year 2019-2018, total assets and deferred outflows of NVTA's resources exceeded liabilities and deferred inflows of resources by \$26,186,894. Of this

amount, \$22,508,328 is the net investment in capital assets. The remaining \$3,678,566 represents the unrestricted Net Position.

As of June 30, 2018, NVTA's governmental activities reported an ending fund balance of \$2,440,230 or 48% of total governmental fund expenditures.

Business-type activity (Transit Fund) expenses increased from \$13,480,279 in fiscal year 2017-2018 to \$13,937,571 in fiscal year 2018-2019 which is an overall increase of 3.4%. The growth is accounted for by increases in operating expenses, namely purchase transportation and fuel.

NVTA financial activities are separated into three (3) fund types:

1. **Governmental Fund:** This fund type accounts for all of the non-trust, non-transit, non-capital activities of NVTA, also known as the General Fund or Planning Fund. It includes agency administration, salaries, pass through activities, and planning costs.

The Governmental activities Net Position increased by \$2,086,051 over the previous fiscal year. This is largely the result of spending planning funds that had accumulated over the previous fiscal years.

#### Pension Funding

GASB Statement 68 requires future pension obligations to be recognized on the Statement of Net Position (also known as a Balance Sheet) with pension details in the Notes section of the Financial Statement. However, the amount on the financial statement does not give a clear indication of how the plan is funded. The widely used "Unfunded Pension Liability" amount is not an indication of funding health. For that information, the actuary's valuation report must be analyzed.

NVTA's plan fiduciary net position as a percentage of the plan's total pension liability was 75.26%, higher than the 73.31% in the previous year and much higher than the state-wide average of 70%. Ideally, a plan should be funded 90-95%, but not 100%, which could mean a plan is overfunded and contributions should be used for other purposes that could yield a greater rate of return.

#### Other Post Employment Benefits (OPEB) Funding

As with GASB 68, GASB Statement 75 requires that future OPEB obligations are recognized on the Statement of Net Position with OPEB plan details in the Notes section of the Financial Statement. However, the amount on the financial statement does not give a clear indication of the funding status of the plan. A new OPEB plan was adopted by the Board with an effective date of July 1, 2019 and the plan is 100% funded.

- 
2. **Proprietary Fund (or Enterprise Fund):** This fund accounts for the financial activity of all public transit service programs. At the end of FY 2019-18, the enterprise fund decreased assets by \$2,741,000. The reason for the decrease was mainly transactional with accumulated depreciation which is a non-cash charge, but recognized as an operating expense.

### **Farebox Ratio**

As part of the annual audit, the farebox ratio is validated to ascertain compliance with the Transportation Development Act (TDA) statute, which mandates a minimum farebox recovery ratio of fifteen percent (15%) in urbanized areas and ten percent (10%) in non-urbanized areas. Recent changes to the Transportation Development Act statutes allow for the inclusion of local funds to calculate statutory farebox ratio.

California Public Utilities Code (PUC) Section 99268.19 states that: "If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or non-state grant funds or other revenues generated by, earned by, or distributed to an operator." For the Vine Transit system, local funds are comprised of contributions from the City of American Canyon, the Town of Yountville, the City of St. Helena, the Calistoga Tourism Business Improvement District, and Regional Measure 2 (Route 29).

Vine Transit and American Canyon Transit are required to make a 15% farebox recovery. The statutory farebox recovery ratio was 17.01%, 1% lower than the previous fiscal year. Without the use of local funds to meet statutory requirements, the farebox ratio generated strictly from revenues was 11.83%, which is 1% lower than the previous year of 12.83%.

The combined non-urbanized area services, including Vine Go, the Yountville Trolley, the Calistoga Shuttle, the St. Helena Shuttle and the Taxi Scrip Program are required to make 10% and achieved a 9.63% farebox ratio. The reason the target was not met is due to Vine Go's increase in operating costs and lower revenues.

NVRTA will return an allocation surplus to the Local Transportation Fund (LTF) trust account of \$1,107,126. These funds were advanced to fill-in gaps of federal appropriations and grant approval delays and are no longer needed for expenses incurred in the fiscal year. The dedicated funds will be available for reallocation in a future period.

3. **Fiduciary Funds:** This fund type accounts for the Abandoned Vehicles Abatement Authority Trust Fund (AVAA) and the Bay Area Air Quality Management's (BAAQMD) Transportation for Clean Air Fund. These funds pass through NVTA to other governments. NVTA collects an administration fee from the BAAQMD program up to five percent (5%). At the end of FY 2019-18, the Fiduciary Fund Type shows net assets of \$824,366 due to the carryover of projects into later years for the TFCA

program. The funds for AVAA have been fully exhausted and will no longer be reported in future audits.

**Single Audit Report of Uniform Guidance (formerly Office of Management and Budget Announcement 133 OMB A-133)**

NVTA is required to undergo a Single Audit, known as the Uniform Guidance for receiving funds in excess of \$750,000. A Single Audit encompasses an examination of the agency's financial records, financial statements, federal award transactions and expenditures, general management of its operations, internal control systems, and federal assistance received during the audit period. Findings during the audit period ending June 30, 2018:

**Financial:** There were no financial findings.

**Federal Award Findings and Questioned Costs:** There were no findings.

**Material Weakness:** No material weaknesses were noted.

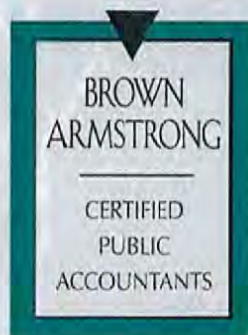
**Recommendations:** There were no recommendations noted.

The complete audits are available on request and will be distributed to Board members at the meeting. The financial audit and single audit are also available on NVTA's website at <http://www.nvta.ca.gov/fiscal-audits-single-audits>.

**SUPPORTING DOCUMENTS**

- Attachments:
- (1) Brown Armstrong CPA's Letter to NVTA's Board of Directors dated December 23, 2019 (SAS 114)
  - (2) NVTA Audit Report for Fiscal Years Ended June 30, 2019 and 2018
  - (3) NVTA Single Audit Report for Fiscal Years Ended June 30, 2019





## BROWN ARMSTRONG

*Certified Public Accountants*

To the Honorable Members  
of the Board of Directors  
Napa Valley Transportation Authority  
Napa, California

We have audited the financial statements of Napa Valley Transportation Authority (NVTa) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NVTa are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by NVTa during the year for which there is a lack of authoritative guidance or consensus in the proper period.

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

Management's estimate of the useful lives of capital assets for purposes of calculation annual depreciation expense. Estimated useful lives range from one to twenty years. We evaluated the key factors and assumptions used to develop the estimates of the useful lives of assets in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of the Postemployment Benefits Other than Pensions (OPEB) is based on actuarial valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the key factors and assumptions used to develop the annual OPEB estimate in determining that it is reasonable in relation to the financial statements as a whole.

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

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

The disclosures of Capital Assets, Pension Plan and OPEB in Notes 4, 8 and 9, respectively, to the financial statements.

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 23, 2019.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

**Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Governmental Fund – Planning Fund; Schedule of Changes in Net OPEB Asset and Related Ratios; Schedule of NVTa's Proportionate Share of the Net Pension Liability; and Schedule of Contributions which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Statement of Fiduciary Net Position; Combining Statement of Changes in Fiduciary Net Position; and the Statement of Revenues, Expenses, and Changes in Fund Net Position – Transit Related by Operation, which accompany the financial Statements, but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies

with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 23, 2019

**Napa Valley Transportation Authority**  
**Journal Entries**  
**June 30, 2019**

Account No.	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To post OPEB and related deferred inflows of resources and deferred outflows of resources.			
18110	Deferred outflow - OPEB	44,087	
18110	Deferred outflow - OPEB	46,772	
28500	Net OPEB Obligation/(Asset)	25,930	
51605	GASB Expense	52,962	
18110	Deferred outflow - OPEB		25,930
18110-1	Deferred inflow - OPEB		14,780
28500	Net OPEB Obligation/(Asset)		84,954
51605	GASB Expense		132
51605	GASB Expense		43,955
<b>Total</b>		<b>169,751</b>	<b>169,751</b>
<b>Adjusting Journal Entries JE # 2</b>			
To post net pension liability and related deferred inflows of resources and deferred outflows of resources.			
8301-18110	Deferred Outflows-Contribution	12,935	
8301-18110	Deferred Outflows-Contribution	142,748	
8301-26300	Deferred Inflows - Pension	18,610	
8301-28500	Net Pension Obligation-NC	124,099	
8301-51600	Retirement	194,753	
8301-18110	Deferred Outflows-Contribution		118,217
8301-18110	Deferred Outflows-Contribution		124,099
8301-26300	Deferred Inflows - Pension		2,952
8301-28500	Net Pension Obligation-NC		105,129
8301-51600	Retirement		142,748
<b>Total</b>		<b>493,145</b>	<b>493,145</b>
<b>Adjusting Journal Entries JE # 3</b>			
To establish 2017/18 ending balances for net pension liability, OPEB and related deferred inflows of resources and deferred outflows of resources.			
18110	Deferred outflow - OPEB	28,540	
28500	Net OPEB Obligation/(Asset)	113,740	
8301-18110	Deferred Outflows-Contribution		28,540
8301-28500	Net Pension Obligation-NC		113,740
<b>Total</b>		<b>142,280</b>	<b>142,280</b>
<b>Adjusting Journal Entries JE # 4</b>			
To tie out beginning net position.			
8300-33100	Fund Balance	200,000	
8301-52310	Consulting Services	104,171	
8303-33100	Fund Balance	85	
8300-13100	Accounts Receivables		200,000
8301-33100	Fund Balance		104,171
8303-52490	Other Professional Services		85
<b>Total</b>		<b>304,256</b>	<b>304,256</b>



**NAPA VALLEY  
TRANSPORTATION AUTHORITY**

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

**FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
JUNE 30, 2019 AND 2018**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members  
of the Board of Directors  
Napa Valley Transportation Authority  
Napa, California

### Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of Napa Valley Transportation Authority (NVTVA), as of and for the years ended June 30, 2019 and 2018, and the related notes to the basic financial statements, which collectively comprise NVTVA's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Basic Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to NVTVA's preparation and fair presentation of the basic 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 NVTVA'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 basic financial statements.

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

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## Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of NVTa as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Asset and Related Ratios, Schedule of NVTa's Proportionate Share of the Net Pension Liability, and Schedule of Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), which 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 Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise NVTa's basic financial statements. The combining statement of fiduciary net position; combining statement of changes in fiduciary net position; and statement of revenues, expenses, and changes in fund net position – enterprise fund – transit related by operation are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of fiduciary net position; combining statement of changes in fiduciary net position; and statement of revenues, expenses, and changes in fund net position – enterprise fund – transit related by operation are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position; combining statement of changes in fiduciary net position; and statement of revenues, expenses, and changes in fund net position – enterprise fund – transit related by operation are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of NVTAs 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 the 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 NVTAs internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 23, 2019



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

This section of the Napa Valley Transportation Authority's (NVTa) annual financial report presents our discussion and analysis of NVTa's financial performance during the years ended June 30, 2019 and 2018. It should be read in conjunction with the basic financial statements contained in the independent auditor's report.

NVTa serves as the countywide transportation planning agency for the incorporated and unincorporated areas within Napa County (the County) and is responsible for programming State and Federal funding for transportation projects within the County. NVTa is responsible for coordinating short and long term planning and funding within an intermodal policy framework including highways, streets and roads, transit and paratransit, bicycle and pedestrian network improvements. NVTa also provides fixed route and on-demand transit services in the County including Napa Vine, American Canyon Transit, Calistoga Shuttle, Yountville Trolley, St. Helena Shuttle, and Vine Go paratransit services.

NVTa was established on September 3, 1991, as the County's congestion management agency, under a joint exercise of power. The joint powers agreement was updated in May 1998 to provide public transportation services in Napa County. The NVTa Board of Directors (the Board) adopted a name change from the Napa County Transportation and Planning Agency to the new name at its February 17, 2016 meeting. NVTa is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. NVTa is not subject to income tax.

**Financial Highlights**

- At the close of the fiscal year 2018-2019, total assets and deferred outflows of resources of NVTa exceeded liabilities and deferred inflows of resources of NVTa by \$26,186,894. Of this amount, \$22,508,328 is the net investment in capital assets. The remaining \$3,678,566 represents unrestricted Net Position.

At the close of the fiscal year 2017-2018, total assets and deferred outflows of resources of NVTa exceeded liabilities and deferred inflows of resources of NVTa by \$26,842,243. Of this amount, \$25,184,578 is the net investment in capital assets. The remaining \$1,657,665 represents unrestricted Net Position.

- As of June 30, 2019, NVTa's Governmental Activities reported an ending fund balance of \$2,440,230 or 48% of total governmental fund expenditures.

As of June 30, 2018, NVTa's Governmental Activities reported an ending fund balance of \$354,179 or 7% of total governmental fund expenditures.

- Capital contributions in the form of grants from the Federal and State governments decreased from \$112,854 in fiscal year 2017-2018 to \$58,016 in fiscal year 2018-2019. Capital purchases for the year were the acquisition of new bus shelters and new bus stop signs.

Capital contributions in the form of grants from the Federal and State governments decreased from \$3,683,258 in fiscal year 2016-2017 to \$112,854 in fiscal year 2017-2018. Capital purchases for the year were two engine rebuilds, additional surveillance cameras on vehicles, and transit related equipment.

- NVTa continues to improve operation performance, compliance, and accountability during fiscal year 2018-2019 by making investments in professional management, fiscal controls, and accounting.

## Overview of the Basic Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of NVTa's financial position and activity.

- The first two statements are *government-wide* financial statements that provide both *long-term* and *short-term* information about NVTa's overall financial status.
- The remaining statements are *fund* financial statements that focus on individual parts of NVTa's organization. These statements report NVTa's financial position and activity. The annual report also includes notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that includes budgetary comparison information for NVTa's governmental fund.

### Government-Wide Financial Statements

The government-wide financial statements report information about NVTa as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of NVTa's assets and liabilities, deferred outflows of resources and inflows of resources, and long-term obligations. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report NVTa's Net Position and how it has changed. Net Position – the difference between NVTa's assets and liabilities – is one way to measure NVTa's financial health, or position. Over time, increases or decreases in NVTa's Net Position are indicators of whether its financial health is improving or deteriorating, respectively.

### Fund Financial Statements

The fund financial statements provide a detailed short-term view and do not include information related to NVTa's long-term liabilities. Additional information is provided on separate schedules that reconcile the differences between the government-wide financial statements and the fund financial statements.

A component unit is included in the basic financial statements and is a legally separate entity for which NVTa is financially accountable. If a component unit's total debt is expected to be repaid entirely by NVTa, if the component unit provides services entirely to NVTa, or if the component unit has substantially the same governing board as NVTa and there is a financial benefit or burden relationship or NVTa management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit. NVTa – Tax Agency is reported as NVTa's discretely presented component unit.

## Financial Analysis of NVTa

### Net Position

In the current fiscal year, the governmental activities Net Position increased by \$2,086,051 due to revenues in excess of expenditures. The business-type activities Net Position decreased \$2,741,400. The result is an overall decrease in Net Position of \$655,349 or 2% in fiscal year 2018-2019 from fiscal year 2017-2018.

However, in the prior fiscal year, the governmental activities Net Position decreased from 2016-2017 by \$1,836,134 due to expenditures in excess of revenues. The business-type activities Net Position decreased \$3,333,685. The result is an overall decrease in Net Position of \$5,169,819 or 16% in fiscal year 2017-2018 from fiscal year 2016-2017.

The following schedule is a summary of NVTa's Statement of Net Position.

	As of June 30, 2019			As of June 30, 2018			As of June 30, 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 3,094,250	\$ 5,382,520	\$ 8,476,770	\$ 1,256,509	\$ 4,966,038	\$ 6,222,547	\$ 2,500,836	\$ 5,166,029	\$ 7,666,865
Capital assets	-	22,508,328	22,508,328	-	25,184,578	25,184,578	17,438	27,824,976	27,842,414
Total assets	3,094,250	27,890,848	30,985,098	1,256,509	30,150,616	31,407,125	2,518,274	32,991,005	35,509,279
Deferred outflows of resources	438,223	-	438,223	459,927	-	459,927	461,676	-	461,676
Current and other liabilities	1,053,992	4,144,184	5,198,176	1,323,128	3,662,552	4,985,680	851,567	3,169,256	4,020,823
Total liabilities	1,053,992	4,144,184	5,198,176	1,323,128	3,662,552	4,985,680	851,567	3,169,256	4,020,823
Deferred inflows of resources	38,251	-	38,251	39,129	-	39,129	81,579	-	81,579
Net position:									
Net investment in capital assets	-	22,508,328	22,508,328	-	25,184,578	25,184,578	17,438	27,824,976	27,842,414
Unrestricted net position	2,440,230	1,238,336	3,678,566	354,179	1,303,486	1,657,665	2,029,366	1,996,773	4,026,139
Total net position	\$ 2,440,230	\$ 23,746,664	\$ 26,186,894	\$ 354,179	\$ 26,488,064	\$ 26,842,243	\$ 2,046,804	\$ 29,821,749	\$ 31,868,553

### Changes in Net Position

A summary of NVTa's Statement of Activities recapping NVTa's revenues earned during the fiscal years ended June 30, 2019, 2018, and 2017, and the expenses incurred is as follows:

	As of June 30, 2019			As of June 30, 2018			As of June 30, 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:									
Program revenues:									
Fees, fines, and charges for services	\$ -	\$ 1,276,122	\$ 1,276,122	\$ -	\$ 1,330,940	\$ 1,330,940	\$ -	\$ 1,247,968	\$ 1,247,968
Operating grants and contributions	7,117,013	9,827,361	16,944,374	2,959,228	8,677,056	11,636,284	5,200,397	9,211,610	14,412,007
Capital grants and contributions	-	58,016	58,016	-	112,854	112,854	-	3,683,258	3,683,258
General revenues:									
Unrestricted interest and investment earnings	27,406	30,986	58,392	19,238	25,744	44,982	7,330	15,311	22,641
Miscellaneous	-	3,686	3,686	-	-	-	-	-	-
Total revenues	7,144,419	11,196,171	18,340,590	2,978,466	10,146,594	13,125,060	5,207,727	14,158,147	19,365,874
Expenses:									
Transportation planning	5,058,368	-	5,058,368	4,814,600	-	4,814,600	3,829,107	-	3,829,107
Transit	-	13,937,571	13,937,571	-	13,480,279	13,480,279	-	13,324,993	13,324,993
Total expenses	5,058,368	13,937,571	18,995,939	4,814,600	13,480,279	18,294,879	3,829,107	13,324,993	17,154,100
Change in net position	2,086,051	(2,741,400)	(655,349)	(1,836,134)	(3,333,685)	(5,169,819)	1,378,620	833,154	2,211,774
Net position, beginning	354,179	26,488,064	26,842,243	2,190,313	29,821,749	32,012,062	668,184	28,988,595	29,656,779
Net position, ending	\$ 2,440,230	\$ 23,746,664	\$ 26,186,894	\$ 354,179	\$ 26,488,064	\$ 26,842,243	\$ 2,046,804	\$ 29,821,749	\$ 31,868,553

### Governmental Activities

NVTa's governmental activities financial reports capture the financial information for NVTa's administration, transportation planning, coordinating of transportation, and land use in the region and programming of regional funding activities.

Governmental activity expenses increased from \$4,814,600 in fiscal year 2017-2018 to \$5,058,368 in fiscal year 2018-2019. Governmental activity expenses increased from \$3,829,107 in fiscal year 2016-2017 to \$4,814,600 in fiscal year 2017-2018.

Governmental activities are supported by a variety of funding sources which include:

- Federal Highway Administration (FHWA) Funds
- Federal Transit Administration (FTA) Funds
- State Programming, Planning, and Monitoring (PPM) Funds

- Transportation Development Act (TDA) Funds
- One Bay Area Grant (OBAG) Funds
- Local Support from Member Agencies
- Various Special and One-Time Grants

#### *Congestion Management Agency (CMA)*

The CMA is dedicated to addressing Napa County's most urgent transportation needs by:

- Pursuing funding for highway and safety improvements;
- Provide mobility choices for seniors, low income and minority populations, and people with disabilities;
- Expand travel options for commuters;
- Support local projects such as road safety and maintenance, transit facilities and Safe Routes to School (SRTS) initiatives.

Despite state and federal cutbacks in transportation funding, NVTa has been able to progress on several active projects in the pipeline. Noteworthy project and program developments during the year include:

#### *Imola Avenue and State Route 29 (SR-29) Express Bus Improvements*

To better facilitate the Vine's express bus system, NVTa recently awarded a contract for environmental and design work at the Imola Park and Ride adjacent to SR-29. The proposed project would construct two bus pullouts and platforms on SR-29, one at the northbound off-ramp at Imola Avenue and one at the southbound on-ramp. The project scope also includes implementing pedestrian infrastructure and illuminate the southbound and northbound ramps. Sidewalk and bicycle facilities will be constructed under SR-29 on the south side of Imola Avenue. This project will improve express bus run times by allowing the bus to serve passengers on the on/off ramps to avoid deviating off the highway. With environmental and design work completed in early 2020, NVTa expects to begin construction in 2021.

#### *Soscol Junction*

Unrelenting congestion has meant annually commuters must endure up to 225 hours of delay in the morning and 630 hours of delay in the evening at Soscol Junction. When completed, the Soscol Junction project will improve traffic flows at the SR-29/SR-221/Soscol Ferry road intersection. The project incorporates roundabouts underneath SR-29 to allow for continuous north-south movement of vehicles. Two roundabouts will be located on SR-221 north of SR-29 and on Soscol Ferry Road south of SR-29. The roundabouts will accommodate turning movements on and off the highways. The project is sponsored by the California Department of Transportation (Caltrans), the Federal Highway Administration (FHWA), and NVTa which is the project implementing agency. Soscol Junction is currently in the design phase of the groundbreaking expected to occur in 2021.

#### *Napa Valley Vine Trail - St. Helena to Calistoga*

The Napa Valley Vine Trail (Vine Trail) is a proposed trail will extend from the City of Calistoga to the Vallejo Ferry terminal in Solano County. The Vine Trail route incorporates several existing paved pathways in the cities of Calistoga, Napa, American Canyon, St. Helena, Vallejo, the Town of Yountville, and the County of Napa. When complete, the 47-mile multi-use paved trail will involve land controlled by twelve separate public agencies.

The next portion of the trail- an 8-mile segment will connect the Cities of St. Helena and Calistoga. The segment parallels SR 29 and connects to Both Napa Valley State Park. This project is essential to the economic well-being of the areas for reducing motorized traffic on SR-29 and Silverado Trail by providing a safe alternative for those using active transportation such as biking or walking. NVTa staff and its partners are currently working on the design aspects and assembling the funding for the project. Construction is scheduled to begin in 2021 and residents, workers, tourists, and recreational enthusiasts will be able to access this portion of the trail in 2023.

#### *V-Commute*

NVTa consolidated its myriad of mobility programs launched under the V-Commute moniker. The service helps the riding public understand what programs are available and assist in providing alternative transportation options for a better commuting experience.

The Metropolitan Transportation Commission (MTC) provides NVTA with FHWA funds to support regional transportation planning and programming and to support the coordination of transportation and land use activities throughout the Napa County. In fiscal year 2018-2019, the level of this funding was \$749,000.

TDA funds derive from ¼ cent of the local sales tax collected. TDA funds are used to support transit planning, administration, and mobility services. TDA funds which are not spent within the year they are drawn must either be returned to the Napa County Local Transportation Fund (LTF (trust account for TDA)) or designated as advances for a specific project. Funds returned to the LTF become available to NVTA again in the fiscal year following their return. The LTF is not a fund under the control of NVTA; it is administered by the MTC through the Napa County Auditor-Controller.

Local funds which are provided by the member agencies are unrestricted and may be placed in Net Position balance if not used in the fiscal year they are collected. Currently, NVTA has a Net Position balance of \$26,186,894 which is held in reserve for future regional planning projects or necessary administrative costs.

### Business-Type Activities

NVTA's Business-Type Activities encompass the financial reports for public transit services provided by NVTA including the Vine (fixed route transit), Vine Go (complimentary Americans with Disabilities Act (ADA) required paratransit service), American Canyon Transit (dial-a-ride transit), the Yountville Trolley (dial-a-ride transit), the St. Helena Shuttle (dial-a-ride transit), the Calistoga Shuttle (dial-a-ride transit), and a Taxi Scrip program. Each of the community shuttles are dial-a-ride transit services.

Business-type activity expenses increased from \$13,480,279 in fiscal year 2017-2018 to \$13,937,571 in fiscal year 2018-2019 which is an overall increase of 3.4%. The growth is accounted for by increases in operating expenses.

Business-type activity expenses increased from \$13,324,993 in fiscal year 2016-2017 to \$13,480,279 in fiscal year 2017-2018 which is an overall increase of 1.2%. The growth is accounted for by increases in operating expenses offset by general planning and administration costs.

Transit operating expenses are supported by a variety of funding sources which include:

- Transportation Development Act (TDA) funds
- Federal Transit Administration (FTA) funds
- Fare revenues collected
- Regional Measure 2 (RM2) funds
- Various grants and contributions

Any TDA operating revenue received which is not spent on transit operations is returned to the LTF trust fund for future allocations as described in the Governmental Activities section.

### *Vine Transit System*

Vine Transit continues to face persistent challenges with significant growth in operating costs and marginal increases in operating revenues coupled with decreasing passenger ridership mirroring a national trend. Overall transit ridership was lower by four percent (4%) from the previous fiscal year. Vine Transit fixed route service, commuter routes and the Yountville Trolley experienced passenger declines from the previous fiscal year. Vine's community shuttles in American Canyon, St. Helena, and Calistoga were the bright spot logging in a five percent (5%) increase from the previous fiscal year. Passenger farebox revenue was lower by six percent (6%) from the previous year, which is reflective of less passengers riding the system.

For another year, Vine Transit was the recipient of Small Transit Intensive Cities (STIC) funds which are awarded to small public transit agencies meeting specific performance measures, but the revenues are merit based and an unreliable source of future funding. Although farebox revenues were higher than the previous year, the incremental growth in farebox and non-operating revenues has not kept pace with expenses. Implementation of recommendations from the Comprehensive Operations Analysis (COA) for service improvements to encourage additional ridership and to increase operating efficiencies while

reducing costs were initiated at the end of the fiscal year. Limited commuter service on the Route 10 and 11 began in the last quarter of the fiscal year with ridership exceeding projections. Implementation of the restructuring of the local routes will occur in January 2020. These measures are in part to ensure that the agency is able to meet its statutory farebox recovery requirements in the future. If operational farebox recovery continues to lag, the NVTB Board will need to consider alternatives.

#### *Vine Transit Bus Maintenance Facility*

Current design plans call for the 8.3 acre property to feature a 20,000 sq. ft. maintenance building with six service bays, an 8,000 sq. ft. administration building and regional meeting center, modern bus wash, secured parking for up to 100 transit vehicles, and parking area for employees and visitors. The project is expected to break ground in the Summer of 2020 with an in-service date in 2021.

NVTB staff has been working with its financial advisors to secure financing from the US Department of Transportation's Transportation Infrastructure and Innovation Act (TIFIA) program. The financing program allows up to 49% of total project costs financed for transportation infrastructure projects in rural areas. The term sheet and a complete financing package will be presented to the Board in early 2020 for formal acceptance.

### **BUDGETARY HIGHLIGHTS**

NVTB adopts a biannual operating budget that includes proposed expenditures and the means of financing them. NVTB's budget is adopted by the Board before June 30th of each even-numbered fiscal year. Subsequent increases to the original budget must be approved by the Board. Page 52 provides a budget to actual comparison of the Governmental Fund.

For NVTB's Governmental Fund for the year ended June 30, 2019, the budget for revenues was \$8,917,231 and for expenditures was \$8,640,231. For the year ended June 30, 2018, the budget for revenues was \$3,324,700 and for expenditures was \$6,283,563. When comparing actual expenditures and revenue to the final budget for both fiscal years, NVTB was within budget.

### **CAPITAL ASSETS**

The governmental activities financial statements include capital assets of \$0 and unrestricted Net Position of \$2,440,230 for fiscal year 2018-2019. Governmental activities financial statements include capital assets of \$0 and unrestricted Net Position of \$354,179 in fiscal year 2017-2018. Capital assets in total are composed of one vehicle dedicated for agency use and office furniture located at NVTB's administrative offices at the Soscol Gateway Transit Center.

The business-type activities financial statements include capital assets of \$22,508,328 and unrestricted Net Position of \$1,238,336 in fiscal year 2018-2019. The business-type activities financial statements include capital assets of \$25,184,578 and unrestricted Net Position of \$1,303,486 in fiscal year 2017-2018. Capital assets in total are predominantly made up of buses and other transit related equipment as well as the Soscol Gateway Transit Center facility. Unrestricted Net Position primarily represents the dollar amount to maintain the Vine Transit fleet.

Major additions during the year included purchases of transit related equipment in fiscal year 2018-2019 and three paratransit vehicles and equipment necessary to support transit operations in fiscal year 2017-2018.

For additional information on NVTB's capital assets and capital asset activity, please refer to Note 4 in the notes to the basic financial statements.

### **DEBT ADMINISTRATION**

As of June 30, 2019, NVTB had debt of \$0, and recorded long-term obligations for compensated absences in the amount of \$105,899. For additional information on NVTB's debt activity, please refer to Note 5 in the notes to the basic financial statements.

## **CONTACTING NVTA**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of NVTA's finances and to demonstrate NVTA's accountability for the money it receives. For questions about this report or any additional information needed, contact NVTA's administrative office at 625 Burnell Street, Napa, California 94559-3420.

A separately issued financial report for NVTA's discretely presented component unit, NVTA – Tax Agency, can be obtained by contacting NVTA's administrative office at 625 Burnell Street, Napa, California 94559-3420.



**BASIC FINANCIAL STATEMENTS –  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	NVTA - Tax Agency
<b><u>ASSETS</u></b>				
Cash and Investments in County Treasury	\$ 2,750,811	\$ 995,307	\$ 3,746,118	\$ 2,936,413
Imprest Cash	500	-	500	-
Investments	-	419,748	419,748	-
Due from Other Government Agencies	237,817	3,502,577	3,740,394	-
Other receivables	-	-	-	3,338,529
Prepaid Expenses	50,406	55,938	106,344	-
Inventory	-	408,950	408,950	-
Other Postemployment Benefits (OPEB)	54,716	-	54,716	-
Capital Assets, Net of Accumulated Depreciation	-	22,508,328	22,508,328	-
Total Assets	3,094,250	27,890,848	30,985,098	6,274,942
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
OPEB	93,469	-	93,469	-
Pension Adjustments	344,754	-	344,754	-
Total Deferred Outflows of Resources	438,223	-	438,223	-
<b><u>LIABILITIES</u></b>				
Accounts Payable	512,338	2,567,422	3,079,760	6,161,386
Accrued Salaries	79,322	-	79,322	-
Unearned Revenue	-	469,636	469,636	-
Due to Other Government Agencies	-	1,107,126	1,107,126	-
Net Pension Liability	356,433	-	356,433	-
Compensated Absences	105,899	-	105,899	-
Total Liabilities	1,053,992	4,144,184	5,198,176	6,161,386
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
OPEB	14,780	-	14,780	-
Pension Adjustments	23,471	-	23,471	-
Total Deferred Outflows of Resources	38,251	-	38,251	-
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	-	22,508,328	22,508,328	-
Unrestricted	2,440,230	1,238,336	3,678,566	113,556
Total Net Position	\$ 2,440,230	\$ 23,746,664	\$ 26,186,894	\$ 113,556

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

**NAPA VALLEY TRANSPORTATION AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b><u>ASSETS</u></b>			
Cash and Investments in County Treasury	\$ 1,081,035	\$ 955,839	\$ 2,036,874
Imprest Cash	500	-	500
Investments	-	224,425	224,425
Due from Other Government Agencies	10,669	3,278,689	3,289,358
Prepaid Expenses	50,565	93,976	144,541
Inventory	-	413,109	413,109
Other Postemployment Benefits (OPEB)	113,740	-	113,740
Capital Assets, Net of Accumulated Depreciation	-	25,184,578	25,184,578
Total Assets	1,256,509	30,150,616	31,407,125
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
OPEB	28,540	-	28,540
Pension Adjustments	431,387	-	431,387
Total Deferred Outflows of Resources	459,927	-	459,927
<b><u>LIABILITIES</u></b>			
Accounts Payable	771,435	1,826,586	2,598,021
Accrued Salaries	57,416	-	57,416
Unearned Revenue	-	237,874	237,874
Due to Other Government Agencies	-	1,598,092	1,598,092
Net Pension Liability	375,403	-	375,403
Compensated Absences	118,874	-	118,874
Total Liabilities	1,323,128	3,662,552	4,985,680
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Adjustments	39,129	-	39,129
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	-	25,184,578	25,184,578
Unrestricted	354,179	1,303,486	1,657,665
Total Net Position	\$ 354,179	\$ 26,488,064	\$ 26,842,243

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

					Net (Expense) Revenue and Changes in Net Position			
		Program Revenues			Primary Government			Component Unit
Functions/Programs	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	NVTA - Tax Agency
Primary Government:								
Governmental Activities:								
Transportation Planning	\$ 5,058,368	\$ -	\$ 7,117,013	\$ -	\$ 2,058,645	\$ -	\$ 2,058,645	\$ -
Business-Type Activities:								
Transit	13,937,571	1,276,122	9,827,361	58,016	-	(2,776,072)	(2,776,072)	-
Total Primary Government	\$ 18,995,939	\$ 1,276,122	\$ 16,944,374	\$ 58,016	2,058,645	(2,776,072)	(717,427)	-
Component Unit:								
NVTA - Tax Agency	\$ 19,593,102	\$ -	\$ -	\$ -	-	-	-	(19,593,102)
General Revenues								
Taxes					\$ -	\$ -	\$ -	\$ 19,669,765
Unrestricted Interest and Investment Earnings					27,406	30,986	58,392	36,893
Miscellaneous					-	3,686	3,686	-
Total general revenues					27,406	34,672	62,078	19,706,658
Change in Net Position					2,086,051	(2,741,400)	(655,349)	113,556
Net Position July 1, 2018					354,179	26,488,064	26,842,243	-
Net Position June 30, 2019					\$ 2,440,230	\$ 23,746,664	\$ 26,186,894	\$ 113,556

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Transportation Planning	\$ 4,814,600	\$ -	\$ 2,959,228	\$ -	\$ (1,855,372)	\$ -	\$ (1,855,372)
Business-Type Activities:							
Transit	13,480,279	1,330,940	8,677,056	112,854	-	(3,359,429)	(3,359,429)
Total Primary Government	<u>\$ 18,294,879</u>	<u>\$ 1,330,940</u>	<u>\$ 11,636,284</u>	<u>\$ 112,854</u>	<u>(1,855,372)</u>	<u>(3,359,429)</u>	<u>(5,214,801)</u>
General Revenues							
Unrestricted Interest and							
Investment Earnings							
Miscellaneous							
					19,238	25,744	44,982
					-	-	-
Change in Net Position					(1,836,134)	(3,333,685)	(5,169,819)
Net Position July 1, 2017					2,046,804	29,821,749	31,868,553
Prior Period Adjustment					143,509	-	143,509
Net Position July 1, 2017, as restated					<u>2,190,313</u>	<u>29,821,749</u>	<u>32,012,062</u>
Net Position June 30, 2018					<u>\$ 354,179</u>	<u>\$ 26,488,064</u>	<u>\$ 26,842,243</u>

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

**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
BALANCE SHEETS  
GOVERNMENTAL FUND – PLANNING FUND  
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments in County Treasury	\$ 2,750,811	\$ 1,081,035
Imprest Cash	500	500
Grants Receivable	237,817	10,669
Prepaid Expenses	<u>50,406</u>	<u>50,565</u>
Total Current Assets	<u>3,039,534</u>	<u>1,142,769</u>
Total Assets	<u><u>\$ 3,039,534</u></u>	<u><u>\$ 1,142,769</u></u>
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	\$ 512,338	\$ 771,435
Accrued Salaries and Benefits	<u>79,322</u>	<u>57,416</u>
Total Current Liabilities	<u>591,660</u>	<u>828,851</u>
Total Liabilities	<u>591,660</u>	<u>828,851</u>
<b><u>FUND BALANCE</u></b>		
Nonspendable	50,406	50,565
Unassigned	<u>2,397,468</u>	<u>263,353</u>
Total Fund Balance	<u>2,447,874</u>	<u>313,918</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,039,534</u></u>	<u><u>\$ 1,142,769</u></u>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE PLANNING FUND  
BALANCE SHEETS TO THE STATEMENTS OF NET POSITION  
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Total Fund Balance - Governmental Fund</b>	<b>\$ 2,447,874</b>	<b>\$ 313,918</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Long-term assets and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.		
Compensated absences	(105,899)	(118,874)
Net pension liability	(356,433)	(375,403)
Net OPEB asset	54,716	113,740
Deferred outflows of resources are not current assets or financial resources and deferred inflows of resources are not due and payable in the current period and, therefore, not reported in the governmental fund.		
Deferred outflows of resources - Pension	344,754	431,387
Deferred outflows of resources - OPEB	93,469	28,540
Deferred inflows of resources - Pension	(23,471)	(39,129)
Deferred inflows of resources - OPEB	<u>(14,780)</u>	<u>-</u>
<b>Total Net Position - Governmental Activities</b>	<b><u>\$ 2,440,230</u></b>	<b><u>\$ 354,179</u></b>

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



**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND – PLANNING FUND  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Local Transportation Fund Allocation	\$ 5,533,143	\$ 1,992,256
Federal Highway Allocations	1,287,403	818,480
Programming, Planning, and Monitoring	43,284	46,487
Other Grants	68,914	65,406
Interest	27,406	19,238
Other Revenues	<u>184,269</u>	<u>36,599</u>
Total Revenues	<u>7,144,419</u>	<u>2,978,466</u>
Expenditures		
Communications	33,005	29,327
Insurance	43,556	42,033
Office Expense	101,172	145,456
Rents and Leases	7,453	10,494
Transportation	13,250	11,669
Salaries and Benefits	1,916,121	1,714,868
Miscellaneous Expense	446,076	537,954
Professional Services	<u>2,449,830</u>	<u>2,203,519</u>
Total Expenditures	<u>5,010,463</u>	<u>4,695,320</u>
Net Change in Fund Balance	<u>2,133,956</u>	<u>(1,716,854)</u>
Fund Balance, Beginning of Year	<u>313,918</u>	<u>2,030,772</u>
Fund Balance, End of Year	<u><u>\$ 2,447,874</u></u>	<u><u>\$ 313,918</u></u>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF THE PLANNING FUND  
TO THE GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES –  
GOVERNMENTAL ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Net Change in Fund Balance - Governmental Fund</b>	<b>\$ 2,133,956</b>	<b>\$ (1,716,854)</b>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in the governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	-	(17,438)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.		
Pension expense - GASB Statement No. 68	(52,005)	(70,812)
OPEB expense - GASB Statement No. 75	(8,875)	(1,229)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		
This change reflects an increase in compensated absences that occurred during the year.	<u>12,975</u>	<u>(29,801)</u>
<b>Total Change in Net Position - Governmental Activities</b>	<b><u>\$ 2,086,051</u></b>	<b><u>\$ (1,836,134)</u></b>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENTS OF FUND NET POSITION  
TRANSIT FUND  
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments in County Treasury	\$ 995,307	\$ 955,839
Investments	419,748	224,425
Grants Receivable	3,502,577	3,278,689
Prepaid Expenses	55,938	93,976
Inventory	<u>408,950</u>	<u>413,109</u>
Total Current Assets	<u>5,382,520</u>	<u>4,966,038</u>
Noncurrent Assets		
Land	3,967,565	3,967,565
Capital Assets, Net of Accumulated Depreciation	<u>18,540,763</u>	<u>21,217,013</u>
Total Noncurrent Assets	<u>22,508,328</u>	<u>25,184,578</u>
Total Assets	<u><u>\$ 27,890,848</u></u>	<u><u>\$ 30,150,616</u></u>
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	\$ 2,567,422	\$ 1,826,586
Unearned Revenue	469,636	237,874
Due to Other Government Agencies	<u>1,107,126</u>	<u>1,598,092</u>
Total Current Liabilities	<u>4,144,184</u>	<u>3,662,552</u>
Total Liabilities	<u>4,144,184</u>	<u>3,662,552</u>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	22,508,328	25,184,578
Unrestricted	<u>1,238,336</u>	<u>1,303,486</u>
Total Net Position	<u>23,746,664</u>	<u>26,488,064</u>
Total Liabilities and Net Position	<u><u>\$ 27,890,848</u></u>	<u><u>\$ 30,150,616</u></u>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
TRANSIT FUND  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>		
Farebox Revenues	\$ 1,276,122	\$ 1,330,940
Total Operating Revenues	<u>1,276,122</u>	<u>1,330,940</u>
<b>Operating Expenses</b>		
Marketing	62,547	114,864
Vehicle Maintenance	182,084	124,200
Other Maintenance	66,795	16,205
Fuel and Lubricants	1,200,871	1,120,360
Insurance	379,189	368,216
Security	14,873	12,772
Services	113,475	127,058
Supplies	59,525	19,599
Purchased Transportation	8,962,438	8,591,573
Rents and Leases	-	6,000
Utilities	5,964	5,180
Miscellaneous Expense	28,080	34,677
Depreciation	2,676,250	2,716,530
Personnel Costs	<u>185,480</u>	<u>223,045</u>
Total Operating Expenses	<u>13,937,571</u>	<u>13,480,279</u>
Operating Loss	<u>(12,661,449)</u>	<u>(12,149,339)</u>
<b>Nonoperating Revenue, Net</b>		
Local Transportation Fund	5,634,565	6,557,470
Loss: Returned Local Transportation Fund Allocations	(1,107,126)	(1,598,092)
State Transit Assistance	1,737,409	621,905
Federal Transit Assistance Grant Revenues - Operating	3,116,113	2,669,373
Other Operating Grants	446,400	426,400
Interest Income	30,986	25,744
Other Revenues	<u>3,686</u>	<u>-</u>
Total Nonoperating Revenue, Net	<u>9,862,033</u>	<u>8,702,800</u>
<b>Change in Net Position Before Contributions</b>	(2,799,416)	(3,446,539)
<b>Capital Contributions</b>		
Federal Transit Assistance	46,192	-
Local Transportation Fund	<u>11,824</u>	<u>112,854</u>
Total Capital Contributions	<u>58,016</u>	<u>112,854</u>
Change in Net Position	(2,741,400)	(3,333,685)
Net Position, Beginning of Year	<u>26,488,064</u>	<u>29,821,749</u>
Net Position, End of Year	<u><u>\$ 23,746,664</u></u>	<u><u>\$ 26,488,064</u></u>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENTS OF CASH FLOWS  
TRANSIT FUND  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Passengers	\$ 1,276,122	\$ 1,330,940
Cash Payments for General and Administrative Expenses	(755,564)	(845,955)
Cash Payments to Suppliers for Operations	(9,722,724)	(9,531,585)
Net Cash Used in Operating Activities	(9,202,166)	(9,046,600)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Local Transportation Fund	4,316,560	6,001,860
Federal Operating Grants	2,758,495	3,683,031
State Transit Assistance	1,822,814	441,301
Other Operating Grants	446,400	426,400
Net Cash Provided by Noncapital Financing Activities	9,344,269	10,552,592
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Contributions	58,016	112,854
Insurance Settlement	3,686	-
Payments for the Acquisition of Capital Assets	-	(76,132)
Payment for Line of Credit	-	(990,799)
Net Cash Provided by (Used in) Capital and Related Financing Activities	61,702	(954,077)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments	(195,323)	(71,220)
Interest Received	30,986	25,744
Net Cash Used in Investing Activities	(164,337)	(45,476)
Net Increase in Cash and Investments in County Treasury	39,468	506,439
Cash and Investments in County Treasury at Beginning of Year	955,839	449,400
Cash and Investments in County Treasury at End of Year	\$ 995,307	\$ 955,839
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (12,661,449)	\$ (12,149,339)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	2,676,250	2,716,530
Changes in Assets and Liabilities:		
Decrease in Inventory	4,159	3,893
Decrease in Prepaid Expenses	38,038	40,311
Increase in Accounts Payable and Accrued Expenses	740,836	257,336
Increase in Unearned Revenue	-	84,669
Net Cash Used in Operating Activities	\$ (9,202,166)	\$ (9,046,600)

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENTS OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments in County Treasury	\$ 723,286	\$ 697,392
Due from Other Government Agencies	<u>101,100</u>	<u>96,250</u>
Total Current Assets	<u>824,386</u>	<u>793,642</u>
Total Assets	<u><u>\$ 824,386</u></u>	<u><u>\$ 793,642</u></u>
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	<u>\$ 13,766</u>	<u>\$ 7,382</u>
Total Current Liabilities	<u>13,766</u>	<u>7,382</u>
Total Liabilities	<u>13,766</u>	<u>7,382</u>
<b><u>NET POSITION</u></b>		
Net Position Held in Trust for Other Purposes	<u>810,620</u>	<u>786,260</u>
Total Net Position	<u>810,620</u>	<u>786,260</u>
Total Liabilities and Net Position	<u><u>\$ 824,386</u></u>	<u><u>\$ 793,642</u></u>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ADDITIONS</b>		
Aid from Other Government Agencies	\$ 208,883	\$ 204,121
Interest Income	<u>12,749</u>	<u>7,099</u>
Total Additions	<u>221,632</u>	<u>211,220</u>
<b>DEDUCTIONS</b>		
Program Expenses	<u>197,272</u>	<u>233,640</u>
Total Deductions	<u>197,272</u>	<u>233,640</u>
<b>CHANGE IN NET POSITION</b>	24,360	(22,420)
Net Position, Beginning of Year	<u>786,260</u>	<u>808,680</u>
Net Position, End of Year	<u><u>\$ 810,620</u></u>	<u><u>\$ 786,260</u></u>

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Napa Valley Transportation Authority (NVTa), formerly known as the Napa County Congestion Management Agency and Napa County Planning and Transportation Agency, was formed on September 3, 1991, under a Joint Powers Agreement to provide coordinated, continuous, and comprehensive transportation planning for the County of Napa (the County) and the cities of the County. NVTa consists of six member agencies with the voting power of each in parenthesis: the Cities of American Canyon (4), Calistoga (2), Napa (10), and St. Helena (2); the Town of Yountville (2); and the County (4).

The work program for the activities of NVTa is defined by the Board of Directors (the Board) made up of elected officials from the respective member agencies and a member of the Paratransit Coordinating Council (PCC). The PCC member is ex-officio and does not have a vote.

NVTa was formed to serve as the countywide transportation planning body for the incorporated and unincorporated areas of the County. NVTa is charged with coordinating short and long-term planning and funding within an intermodal policy framework in the areas of highways, streets and roads, transit and paratransit, and bicycle path improvements.

NVTa's Joint Powers Agreement was amended effective January 1, 2001, to facilitate the consolidation of transit planning and to allow transfer of Transportation Development Act (TDA) funds directly to NVTa as claimant for transit use to the extent allowed by TDA regulations. The amendment enables NVTa to claim all TDA funds under Articles 4, 4.5, and/or 8 of Chapter 4 of the Public Utilities Code apportioned within the County by the Metropolitan Transportation Commission. NVTa is authorized to claim all apportionments to transit services on behalf of the jurisdictions of the County. In January 2007, the agreement was amended further to change NVTa's name from Napa County Congestion Management Agency to Napa County Transportation and Planning Agency. In February 2016, the name was changed to the Napa Valley Transportation Authority.

Beginning July 1, 2001, NVTa began administering all transit-related activities on behalf of the Cities of Calistoga, Napa, and St. Helena; the Town of Yountville; and the County. Effective July 1, 2006, NVTa assumed direct management of American Canyon Transit.

**B. Basis of Presentation**

The basic financial statements of NVTa and its component unit are prepared in accordance with accounting principles generally accepted in the United States of America.

*Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the primary government (NVTa) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of NVTa. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basis of Presentation (Continued)

#### *Government-Wide Financial Statements (Continued)*

The Statement of Activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes and unrestricted interest earnings, are presented instead as general revenues.

When both restricted and unrestricted Net Position are available, restricted resources for the purpose intended are used first then unrestricted resources as they are needed.

#### *Fund Financial Statements*

The fund financial statements provide information about NVTAs funds, including fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds. For the year ended June 30, 2019, NVTAs did not have any nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Proprietary fund *operating* revenues result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues generally result from charges to passengers for public transit services. Operating expenses include the cost of transit service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating.

NVTAs reports the following major governmental fund:

*Planning Fund* is used as the general fund for NVTAs and all planning and administrative activities are accounted for in this fund.

NVTAs reports the following major enterprise fund:

*Transit Fund* is used to account for the revenues and expenses necessary to provide public transit services. Transit operations include the Vine, Vine Go, American Canyon Transit, the Yountville Trolley, the St. Helena Shuttle, the Calistoga Shuttle, and the Taxi Scrip program.

NVTAs reports the following additional fund types:

*Private Purpose Trust Funds* account for assets, primarily cash and investments, held by NVTAs in a trustee capacity for other governmental agencies. NVTAs is responsible for the administration of two private purpose trust funds. They are used to account for activities of the Abandoned Vehicle Abatement Authority trust fund and the Bay Area Air Quality Management trust fund.

*Discrete Component Unit* - NVTAs - Tax Agency (NVTAs-TA) is the local transportation sales tax authority. NVTAs-TA is responsible for the oversight and administration of the Napa Countywide Maintenance Act, commonly known as Measure T, the 25-year, ½% sales tax for street and road improvements approved by the voters on November 6, 2012. Measure T became effective on July 1, 2018. NVTAs-TA is discretely presented because the ordinance is a legally separate, stand-alone entity administered by the NVTAs. The operations of NVTAs-TA are not included in the NVTAs's reporting entity since the entity is responsible for conducting its own day-to-day operations and is compelled to answer to its own separately elected governing board. A separately issued financial report can be obtained by contacting NVTAs's administrative office at 625 Burnell Street, Napa, California 94559-3420.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which NVTa gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Interest; state, federal, and local grants; and charges for services are accrued when their receipt occurs within one year after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

### D. Cash and Investments

NVTa maintains nearly all of its cash and investments with the County Treasurer in a cash and investment pool. A small independent bank account is used to pay some employee benefits. On a quarterly basis, the County Treasurer allocates interest to investment pool participants based upon their average daily balances. For purposes of the accompanying Statement of Cash Flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased, and its equity in the County Treasurer's investment pool, to be cash equivalents. The fair value of investments is obtained by using quotations obtained from independent published sources.

Required disclosure information regarding the categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County's Auditor-Controller's office at 1195 Third Street, Room B-10, Napa, California 94559. The County Treasury Oversight Committee oversees the Treasurer's investments and policies.

### E. Receivables

NVTa's receivables are mostly related to grants and vehicle registration fees. Management has determined NVTa's receivables to be fully collectable. Accordingly, no allowance for doubtful accounts has been made.

### F. Inventories

On August 31, 2009, NVTa's multiyear agreement (the Agreement) with the purchased transportation contractor (the Contractor) provided the Contractor with an initial inventory of equipment, tools, and other property to be used to provide services. The Contractor shall be responsible for returning to NVTa, at the termination of the Agreement, property and equipment of equivalent type and value (as of date acquired) and conditions as that identified in the updated initial inventory list, subject to normal wear and tear.

During the last month of the Agreement, NVTa shall conduct a final inventory. The Contractor will be responsible for either replacing property or equipment determined from the inventory list to be missing, damaged, or otherwise unavailable for use, or in a condition that is in excess of ordinary wear and tear or compensating NVTa for its replacement value. These parts are not included in the Agreement with the Contractor. Farebox inventory parts will be tracked separately.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. NVTa defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Structures	20 years
Vehicles	1-12 years
Equipment	1-5 years

NVTa has acquired certain assets with funding provided by federal assistance from various grant programs. NVTa holds title to these assets; however, the federal government retains an interest in these assets should the assets no longer be used for transit purposes.

### H. Compensated Absences

NVTa has adopted Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*. The earned vacation payable upon termination is reported at the current balance of the liability, and may be accumulated up to a maximum of 600 hours by personnel.

### I. Interfund Transactions

Interfund transactions are reflected either as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

### J. Advances

Advances arise when resources are received by NVTa before it has a legal claim to them, e.g., when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when NVTa has a legal claim to the resources, the liability is removed from the Balance Sheet and revenue is recognized.

### K. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the basic financial statements and the reported amount of revenue and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### L. Reclassifications

Certain amounts in the prior year basic financial statements have been reclassified for comparative purposes to conform with the presentation in the current year basic financial statements.

### M. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

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

**Restricted Net Position** – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments, of which NVTa has none.

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

### N. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which NVTa is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of NVTa's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. Committed fund balance does not lapse at year-end. The formal action must occur prior to the end of the reporting period. However, the amount which will be subject to the constraint may be determined in the subsequent period. The formal action required to commit fund balance shall be Board resolution.
- *Assigned fund balance* – amounts that are constrained by NVTa's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. The Board delegated authority to assign fund balance for a specific purpose to the Manager of Finance.
- *Unassigned fund balance* – the residual classification for NVTa's Planning Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is NVTa's policy to use restricted resources first, followed by the unrestricted committed, assigned, and unassigned resources as they are needed.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### N. Fund Balance (Continued)

#### Minimum Fund Balance Policy:

NVTA has adopted a minimum fund balance policy. Planning Fund cash reserves should be at a minimum of \$500,000 per fiscal year. The proprietary cash reserve should be at least 25% of non-restricted funds of the current fiscal year operating budget.

### O. New Accounting Pronouncements – Implemented

**GASB Statement No. 83 – *Certain Asset Retirement Obligations*.** The requirements of this statement are effective for the reporting periods beginning after June 15, 2018. Earlier application is encouraged. There was no effect on NVTA's accounting and financial reporting as a result of implementing this standard..

**GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.** The requirements of this statement are effective for periods beginning after June 15, 2018. There was no effect on NVTA's accounting and financial reporting as a result of implementing this standard.

### P. Future Accounting Pronouncements

**GASB Statement No. 84 – *Fiduciary Activities*.** The requirements for this statement are effective for fiscal years beginning after December 15, 2018. NVTA believes the statement will not apply.

**GASB Statement No. 87 – *Leases*.** The requirements of this statement are effective for periods beginning after December 15, 2019. NVTA has not fully judged the effect of implementation of GASB Statement No. 87 as of the date of the basic financial statements

**GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*.** The requirements of this statement are effective for periods beginning after December 15, 2019. NVTA has not fully judged the effect of implementation of GASB Statement No. 89 as of the date of the basic financial statements.

**GASB Statement No. 90 – *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*.** The requirements of this statement are effective for periods beginning after December 15, 2018. NVTA has not fully judged the effect of implementation of GASB Statement No. 90 as of the date of the basic financial statements.

**GASB Statement No. 91 – *Conduit Debt Obligations*.** The requirements of this statement are effective for periods beginning after December 15, 2020. NVTA has not fully judged the effect of implementation of GASB Statement No. 91 as of the date of the basic financial statements.

### Q. Pensions

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

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **R. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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, thus, will not be recognized as an outflow of resources (expense/expenditure) until then. NVTA has only two items that qualify for reporting in this category. It is for pension contributions made after the measurement date and other pension related deferred outflows of resources. GASB Statement No. 68 does not allow the cash payments made to the Plan after the measurement date to have any effect on either the net pension liability or the pension expense that is reflected in these basic financial statements.

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. NVTA has only one item, which arises as a result of the implementation of GASB Statement No. 68. Deferred inflows of resources are recorded for the net difference between projected and actual earnings on pension plan investments, adjustments due to differences in proportions, and changes in assumptions.

### **S. Other Postemployment Benefits (OPEB)**

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

## **NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY/IMPREST CASH**

### **General**

NVTA has adopted GASB Statement No. 31 which requires investments of governmental agencies to be reported at fair value. However, investment pools, such as a state or county treasury, may report the value of short-term investments with remaining maturities of less than 90 days at amortized cost. The majority of the County Treasury investments have a remaining maturity of less than 90 days. In addition, GASB Statement No. 31 does not apply to immaterial cost/value differences.

NVTA has adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 requires governmental entities to assess categories of risk associated with their deposits and disclose these risks.

**NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY/IMPREST CASH (Continued)****General (Continued)**

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

	June 30, 2019				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Statement of Net Position:					
Cash	\$ 2,750,811	\$ 995,307	\$ 3,746,118	\$ 2,936,413	\$ 723,286
Imprest Cash	500	-	500	-	-
Investments	-	419,748	419,748	-	-
	<u>\$ 2,751,311</u>	<u>\$ 1,415,055</u>	<u>\$ 4,166,366</u>	<u>\$ 2,936,413</u>	<u>\$ 723,286</u>
	June 30, 2018				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Statement of Net Position:					
Cash	\$ 1,081,035	\$ 955,839	\$ 2,036,874	\$ -	\$ 697,392
Imprest Cash	500	-	500	-	-
Investments	-	224,425	224,425	-	-
	<u>\$ 1,081,535</u>	<u>\$ 1,180,264</u>	<u>\$ 2,261,799</u>	<u>\$ -</u>	<u>\$ 697,392</u>

Cash and investments consisted of the following at June 30, 2019 and 2018:

	June 30, 2019				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Cash on Hand and in Banks	\$ 10,212	\$ 29,878	\$ 40,090	\$ -	\$ -
Pooled Investments	2,741,099	965,429	3,706,528	2,936,413	723,286
Investments	-	419,748	419,748	-	-
	<u>\$ 2,751,311</u>	<u>\$ 1,415,055</u>	<u>\$ 4,166,366</u>	<u>\$ 2,936,413</u>	<u>\$ 723,286</u>
	June 30, 2018				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Cash on Hand and in Banks	\$ 3,425	\$ 141,549	\$ 144,974	\$ -	\$ -
Pooled Investments	1,078,110	814,290	1,892,400	-	697,392
Investments	-	224,425	224,425	-	-
	<u>\$ 1,081,535</u>	<u>\$ 1,180,264</u>	<u>\$ 2,261,799</u>	<u>\$ -</u>	<u>\$ 697,392</u>

All deposits are fully collateralized in accordance with Section 53652 of the California Government Code. The California Government Code requires California banks and savings and loan associations to secure NVTA's deposits by pledging government securities as collateral.

The market value of pledged securities must equal at least 110% of NVTA's deposits. California law also allows financial institutions to secure NVTA's deposits by pledging first trust deed mortgage notes having a value of 150% of NVTA's total deposits.

Collateral is held by the pledging financial institution's trust department and is considered held in NVTA's name. NVTA may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). NVTA has \$250,000 that is covered by the FDIC as of June 30, 2019.

**NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY/IMPREST CASH** (Continued)General (Continued)

NVTA had no deposit or investment policy that addressed a specific type of risk. Required disclosures for NVTA's deposit and investment risks held in the County's investment pool at June 30, 2019, were as follows:

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standard & Poor's or P-1 by Moody's Investors Service.

State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. NVTA establishes its credit limits based on the County's Investment Policy.

Presented below is the minimum rating required by (where applicable) NVTA's investment policy and the actual rating as of year-end for each investment type.

2019

<u>Investments type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Ratings as of year-end</u>	<u>Not rated</u>
Pooled investments	\$6,642,941	N/A	N/A	\$6,642,941
Held by trustee:				
Certificates of deposit	<u>419,748</u>	N/A	N/A	<u>419,748</u>
	<u><u>\$7,062,689</u></u>			<u><u>\$7,062,689</u></u>

2018

<u>Investments type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Ratings as of year-end</u>	<u>Not rated</u>
Pooled investments	\$1,892,400	N/A	N/A	\$1,892,400
Held by trustee:				
Certificates of deposit	<u>224,425</u>	N/A	N/A	<u>224,425</u>
	<u><u>\$2,116,825</u></u>			<u><u>\$2,116,825</u></u>

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, NVTA will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, NVTA's funds in the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.



**NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY/IMPREST CASH (Continued)**General (Continued)Custodial credit risk (Continued)

At June 30, 2019, in accordance with State law and the County's Investment Policy, NVTa did not have 5% or more of its net investment in commercial paper, corporate bonds, or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund within the County's Investment Pool. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County manages NVTa's exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with the County's Investment Policy.

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

Information about the sensitivity of the fair values of NVTa's investments to market interest rate fluctuations is provided by the following table that shows the distribution of NVTa's investments by maturity:

2019

<u>Investments type</u>	<u>Total</u>	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>	<u>More than 60 months</u>
Pooled investments	\$ 6,642,941	\$ 6,642,941	\$ -	\$ -	\$ -
Held by trustee:					
Certificates of deposit	419,748	419,748	-	-	-
	<u>\$ 7,062,689</u>	<u>\$ 7,062,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2018

<u>Investments type</u>	<u>Total</u>	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>	<u>More than 60 months</u>
Pooled investments	\$ 1,892,400	\$ 1,892,400	\$ -	\$ -	\$ -
Held by trustee:					
Certificates of deposit	224,425	224,425	-	-	-
	<u>\$ 2,116,825</u>	<u>\$ 2,116,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investment in the County Investment Pool

NVTa maintains all of its cash and investments with the County Treasurer in a cash and investment pool. NVTa is considered to be an involuntary participant in the external investment pool. On a quarterly basis, the County Treasurer allocates interest to investment pool participants based upon their average daily balances. For purposes of the accompanying Statement of Cash Flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased, and its equity in the County Treasurer's investment pool, to be cash equivalents. The fair value of investments is obtained by using quotations obtained from independent published sources.

**NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY/IMPREST CASH (Continued)**

Investment in the County Investment Pool (Continued)

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper - Select Agencies	180 days	25%	10%
Commercial Paper - Other Agencies	180 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	30 days	5%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds/Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Agreement (JPA) Pools (other investment pools)	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Fair Value Measurements

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

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

**NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY/IMPREST CASH** (Continued)Fair Value Measurements (Continued)

NVTA has the following recurring fair value measurements as of June 30, 2019 and 2018:

2019

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Held by trustee:				
Certificates of deposit	\$ 419,748	\$ 419,748	\$ -	\$ -
	<u>\$ 419,748</u>	<u>\$ 419,748</u>	<u>\$ -</u>	<u>\$ -</u>

2018

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Held by trustee:				
Certificates of deposit	\$ 224,425	\$ 224,425	\$ -	\$ -
	<u>\$ 224,425</u>	<u>\$ 224,425</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in the County investment pool totaling \$3,706,528 and \$1,892,400 as of June 30, 2019 and 2018, respectively, are measured at amortized cost, which approximates fair value.

**NOTE 3 – DUE FROM OTHER GOVERNMENT AGENCIES**

Amounts due from other government agencies consisted of the following at June 30, 2019 and 2018:

	2019	2018
Federal Transit Administration (FTA)		
Operating	\$ 3,204,509	\$ 2,684,290
State		
STA	155,463	324,289
TDA	100,736	-
Regional Measure 2	88,036	-
Grants - Capital	-	-
Other	43,284	67,649
Local		
Cities and County	65,377	213,130
Local - Other	184,089	96,250
Total	<u>\$ 3,841,494</u>	<u>\$ 3,385,608</u>

**NOTE 3 – DUE FROM OTHER GOVERNMENT AGENCIES** (Continued)

Reconciliation to Financial Statements		2019	2018
Planning Fund	Grants Receivable	\$ 237,817	\$ 10,669
Transit Fund	Due from Other Government Agencies	3,473,365	2,741,269
Transit Fund	Other Receivables	29,212	537,420
Total per Statement of Net Position		3,740,394	3,289,358
Fiduciary Funds	Due from Other Government Agencies	101,100	96,250
Total including Fiduciary Funds		<u>\$ 3,841,494</u>	<u>\$ 3,385,608</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Governmental Activities:				
Capital Assets, Being Depreciated				
Vehicles and Equipment	\$ 224,814	\$ -	\$ -	\$ 224,814
Less Accumulated Depreciation for:				
Vehicles and Equipment	(224,814)	-	-	(224,814)
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 3,967,565	\$ -	\$ -	\$ 3,967,565
Total Capital Assets, Not Being Depreciated	<u>3,967,565</u>	<u>-</u>	<u>-</u>	<u>3,967,565</u>
Capital Assets, Being Depreciated:				
Vehicles and Equipment	35,156,019	-	-	35,156,019
Less Accumulated Depreciation for:				
Vehicles and Equipment	(13,939,006)	(2,676,250)	-	(16,615,256)
Total Capital Assets, Being Depreciated, Net	<u>21,217,013</u>	<u>(2,676,250)</u>	<u>-</u>	<u>18,540,763</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 25,184,578</u>	<u>\$ (2,676,250)</u>	<u>\$ -</u>	<u>\$ 22,508,328</u>
Total Government-Wide Capital Assets, Net	<u>\$ 25,184,578</u>	<u>\$ (2,676,250)</u>	<u>\$ -</u>	<u>\$ 22,508,328</u>

Government-wide depreciation expense for the year ended June 30, 2019, was \$2,676,250.

**NOTE 4 – CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Governmental Activities:				
Capital Assets, Being Depreciated				
Vehicles and Equipment	\$ 224,814	\$ -	\$ -	\$ 224,814
Less Accumulated Depreciation for:				
Vehicles and Equipment	(207,376)	(17,438)	-	(224,814)
Governmental Activities				
Capital Assets, Net	<u>\$ 17,438</u>	<u>\$ (17,438)</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 3,967,565	\$ -	\$ -	\$ 3,967,565
Total Capital Assets, Not Being Depreciated	<u>3,967,565</u>	<u>-</u>	<u>-</u>	<u>3,967,565</u>
Capital Assets, Being Depreciated:				
Vehicles and Equipment	35,079,887	76,132	-	35,156,019
Less Accumulated Depreciation for:				
Vehicles and Equipment	(11,222,476)	(2,716,530)	-	(13,939,006)
Total Capital Assets, Being Depreciated, Net	<u>23,857,411</u>	<u>(2,640,398)</u>	<u>-</u>	<u>21,217,013</u>
Business-Type Activities,				
Capital Assets, Net	<u>\$ 27,824,976</u>	<u>\$ (2,640,398)</u>	<u>\$ -</u>	<u>\$ 25,184,578</u>
Total Government-Wide Capital Assets, Net	<u>\$ 27,842,414</u>	<u>\$ (2,657,836)</u>	<u>\$ -</u>	<u>\$ 25,184,578</u>

Government-wide depreciation expense for the year ended June 30, 2018, was \$2,716,530.

**NOTE 5 – COMPENSATED ABSENCES**

The following is a summary of current and long-term compensated absences for the years ended June 30:

	2019	2018
Beginning Balance July 1	\$ 118,874	\$ 89,073
Additions	22,155	35,620
Reductions	<u>(35,130)</u>	<u>(5,819)</u>
Ending Balance June 30	<u>\$ 105,899</u>	<u>\$ 118,874</u>
Amounts Due Within One Year	<u>\$ 105,899</u>	<u>\$ 118,874</u>

## **NOTE 6 – DUE TO OTHER GOVERNMENT AGENCIES**

### **Business-Type Activities – Due to LTF**

TDA funds are apportioned, allocated, and disbursed in accordance with allocation instructions from the Metropolitan Transportation Commission (MTC) for specific transportation purposes. The Local Transportation Fund (LTF) allocates monies to the transit system to support operations. The TDA, which governs the use of these funds, requires that any funds not used must be returned to their sources. LTF allocations are considered earned when they are properly spent for operations by the transit system.

It is the current practice of NVTa to have excess revenue returned to the funding agency. NVTa had excess revenues of \$1,107,126 and \$1,598,092 at June 30, 2019 and 2018, respectively. Money returned to LTF will be reallocated for future capital purchases or operating assistance.

Allocations received but not earned were recorded as Due to Other Government Agencies as follows:

	2019	2018
Balance - Beginning of Year	\$ 1,598,092	\$ 456,002
LTF - Operating	5,634,565	6,557,470
LTF - Capital	11,824	112,854
Total LTF	5,646,389	6,670,324
Operating Expenses	13,872,421	12,739,298
Adjustments:		
Add Back Depreciation	(2,676,250)	(2,716,530)
Farebox Revenues	(1,276,122)	(1,330,940)
STA	(1,737,409)	(621,905)
Other Revenues	(446,400)	(426,400)
Interest Income	(30,986)	(25,744)
FTA Grant Revenues	(3,116,113)	(2,669,373)
Other Federal Grants	(46,192)	-
Capital Asset Outlays	-	76,132
Property Disposal	(3,686)	-
Net Operating Expenses	4,539,263	5,024,538
Net Increase	1,107,126	1,645,786
Return of LTF Capital	(1,598,092)	(456,002)
Previous Year Economic Adjustment	-	(47,694)
Balance - End of Year	\$ 1,107,126	\$ 1,598,092

A review of the previous fiscal year's calculations disclosed an overpayment was made in 2017 to the LTF trust fund. The overpayment was a result of a posting error. Accordingly, NVTa owes \$47,694 and posted an adjustment in the current fiscal year. Similarly, an adjustment of \$74,531 was made in 2017.

## **NOTE 7 – AGREEMENTS AND COMMITMENTS**

### **Bay Area Air Quality Management District Agreement**

NVTA entered into an agreement with the Bay Area Air Quality Management District (the District) to implement specified measures to improve air quality in the County. The funding for this agreement comes from Assembly Bill (AB) 434 allowing the District to levy a surcharge on motor vehicle registration fees. Quarterly, the District must transfer 40% of the surcharge, less management fees and audit costs, to NVTA, as the selected Program Manager. However, the agreement may be terminated at any time by either party and there are no assurances of annual renewal. As program manager, NVTA allocates 5% of these funds to itself to administer the program.

### **Abandoned Vehicle Abatement Program**

The California legislature has enacted legislation to allow local governments to assess a fee on vehicle registration for the purpose of aiding local governments in the recovery of costs associated with the disposition of abandoned vehicles. NVTA is the designated service authority to manage and distribute abandoned vehicle fees to participating jurisdictions within the County. These fees are collected by NVTA and distributed to the jurisdictions based on reimbursement requests submitted to the service authority. The current program sunset on May 31, 2016, and remaining funds will be distributed to the jurisdictions until all funding has been exhausted.

### **Metropolitan Transportation Commission**

NVTA received a federal highway administration planning grant from the MTC. The purpose of the grant was to implement congestion planning and programming activities for the County and its surrounding cities. Amounts received or receivable from the MTC are subject to audit and adjustment by the MTC. Any disallowed claims including amounts already collected, may constitute a liability of NVTA. The amount, if any, of expenditures which may be disallowed by MTC cannot be determined at this time although NVTA expects such amounts, if any, to be immaterial.

## **NOTE 8 – PENSION PLAN**

### **A. General Information about the Pension Plan**

***Plan Description*** – All qualified permanent and probationary employees are eligible to participate in NVTA's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by CalPERS. The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the risk pool. Accordingly, rate plans within the pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. NVTA sponsors three rate plans. Benefit provisions under the Plan are established by State statute and NVTA resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

***Benefits Provided*** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments (COLA), and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members (Tier 1) with five years of total service are eligible to retire at age 55 with statutorily reduced benefits (2.5%@Age 55). Members hired after May 21, 2011, (Tier 2) with five years of total service are eligible to retire at age 60 with statutorily reduced benefits (2%@Age 60). The California Public Employees' Pension Reform Act (PEPRA) established a separate tier for members hired after January 1, 2013. PEPRA Members with five years of total service are eligible to retire at age 62 with statutorily reduced benefits (2% at age 62). All members are eligible for non-duty disability benefits after 5 years of service. The COLAs for the Plan are applied as specified by the California Public Employees' Retirement Law.

**NOTE 8 – PENSION PLAN** (Continued)**A. General Information about the Pension Plan** (Continued)

The rate plan provisions and benefits in effect at June 30, 2019 and 2018, are summarized as follows:

Hire Date	Prior to May 21, 2011 (Tier I)	On or after May 21, 2011 (Tier II)	On or after January 1, 2013 (PEPRA)
Benefit Formula	2.5%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	55	60	62
Monthly Benefits, as a Percentage of Eligible Compensation	2.5%	2%	2%
Required Employee Contribution Rates	8.000%	7.000%	6.250%
Required Employer Contribution Rates	10.022%	7.634%	6.842%

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. NVTa's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pools' costs of benefits earned by employees during the year, and any unfunded accrued liability. NVTa is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. NVTa's contributions to the Plan for the years ended June 30, 2019 and 2018, were \$142,748 and \$124,099, respectively.

As of June 30, 2019 and 2018, NVTa reported a net pension liability for its proportionate share of the net pension liability of the Plan in the amount of \$356,433 and \$375,403, respectively.

NVTa's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018 and 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and 2016, rolled forward to June 30, 2018 and 2017, using standard update procedures. NVTa's proportion of the net pension liability was based on a projection of NVTa's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. NVTa's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2017, was as follows:

Proportion - June 30, 2017	0.00379%
Proportion - June 30, 2018	0.00370%
Change - Increase (Decrease)	-0.000090%



**NOTE 8 – PENSION PLAN** (Continued)**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

For the years ended June 30, 2019 and 2018, NVTA recognized pension expense/(income) of \$194,753 and \$194,911. At June 30, 2019 and 2018, NVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 13,676	\$ 4,654
Changes in Assumptions	40,634	9,959
Net Differences between Projected and Actual Earnings on Plan Investments	1,762	-
Change in Employer's Proportion	89,460	8,858
Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	56,474	-
Pension Contributions Subsequent to Measurement Date	142,748	-
Total	<u>\$ 344,754</u>	<u>\$ 23,471</u>
2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 741	\$ 10,611
Changes in Assumptions	91,896	7,007
Net Differences between Projected and Actual Earnings on Plan Investments	20,783	-
Change in Employer's Proportion	122,387	21,511
Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	71,481	-
Pension Contributions Subsequent to Measurement Date	124,099	-
Total	<u>\$ 431,387</u>	<u>\$ 39,129</u>

\$142,748 and \$124,099 reported as deferred outflows of resources related to contributions subsequent to the measurement date during the years ended June 30, 2019 and 2018, respectively, will be recognized as a reduction of the net pension liability in the years ended June 30, 2020 and 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2020	\$ 96,638
2021	76,049
2022	9,055
2023	(3,207)
2024	-
Thereafter	-
Total	<u>\$ 178,535</u>

**NOTE 8 – PENSION PLAN** (Continued)

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions** (Continued)

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2017 and 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies <sup>(1)</sup>	Varies
Investment Rate of Return	7.15% <sup>(2)</sup>	7.65%
Mortality	CalPERS <sup>(3)</sup>	CalPERS

<sup>(1)</sup> Depending on age, service, and type of employment.

<sup>(2)</sup> Net of pension plan investment expenses, including inflation.

<sup>(3)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability for June 30, 2019 and 2018, was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rates for 2019 and 2018, are applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

**NOTE 8 – PENSION PLAN** (Continued)

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions** (Continued)

The expected real rates of return by asset class are as follows:

2018	Current Target Allocation	Real Return Years 1 - 10 <sup>(b)</sup>	Real Return Years 11+ <sup>(c)</sup>
Asset Class <sup>(a)</sup>			
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

<sup>(a)</sup> In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(b)</sup> An expected inflation of 2.00% used for this period.

<sup>(c)</sup> An expected inflation of 2.92% used for this period.

2017	Current Target Allocation	Real Return Years 1 - 10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Asset Class			
Global Equity	47.00%	4.90%	0.00%
Global Fixed Income	19.00%	0.80%	0.00%
Inflation Sensitive	6.00%	0.60%	0.00%
Private Equity	12.00%	6.60%	0.00%
Real Estate	11.00%	2.80%	0.00%
Infrastructure and Forestland	3.00%	3.90%	0.00%
Liquidity	2.00%	-0.40%	0.00%
Total	100.00%		

<sup>(a)</sup> An expected inflation of 2.5% used for this period.

<sup>(b)</sup> An expected inflation of 3.0% used for this period.

**NOTE 8 – PENSION PLAN** (Continued)

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions** (Continued)

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents NVTA's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what NVTA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	2019	2018
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 716,531	\$ 678,319
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 356,433	\$ 375,403
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 59,178	\$ 124,523

***Pension Plan Fiduciary Net Position*** – Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports

**C. Payable to the Pension Plan**

At June 30, 2019 and 2018, NVTA had no outstanding amounts for contributions to the Plan required for the years then ended.

**NOTE 9 – OPEB**

**A. General Information about the OPEB Plan**

***Plan Description*** – NVTA participates in the California Employers' Retiree Benefit Trust (CERBT), a trust established by Chapter 331 of the 1988 Statutes and initially funded in 2007. The purpose of the trust is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for OPEB. The CERBT is an agent multiple-employer plan and is administered by CalPERS. A new OPEB Plan was adopted by the Board with an effective measurement date of June 30, 2018. The OPEB Plan provides postretirement health care benefits to all employees meeting certain selected criteria. Employees on the payroll as of June 30, 2019 and 2018, who retire from NVTA with 10 years of NVTA service and 20 years of CalPERS service will receive a percentage of \$500 cap (\$750 for dual coverage) based on years of service at NVTA. The PEMHCA minimum is paid for those retiring with less than 10 years of service at NVTA.

The following is a description of the current retiree benefit plan:

Benefit Types Provided	Medical only
Duration of Benefits	Lifetime
Required Service	CalPERS retirement and 10 years NVTA
Minimum Age	50
Dependent Coverage	Family eligible
NVTA Contribution %	Up to 100%
NVTA Cap Highest	\$500 (\$750 for dual coverage)

**NOTE 9 – OPEB** (Continued)

A. General Information about the OPEB Plan (Continued)

**Employees Covered** – As of the June 30, 2018 and 2017 valuation, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	2019	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	1	1
Inactive Employees Entitled to but not yet Receiving Benefits	3	2
Active Employees	15	14
Total	19	17

**Contributions** – The contribution requirements of plan members and NVTa are established and may be amended by NVTa's Board. These contributions are neither mandated nor guaranteed. NVTa has retained the right to unilaterally modify its payment for retiree health care benefits. Refer to the table above for the contribution requirements. For the year ended June 30, 2019 and 2018, NVTa contributed \$44,087 and \$25,930, respectively. Employees are not required to contribute to the OPEB Plan.

**Net OPEB Asset** – NVTa's net OPEB asset was measured as of June 30, 2018 and 2017, and the total OPEB asset used to calculate the net OPEB asset was the Plan Fiduciary Net Position of the OPEB trust held with CalPERS. The following actuarial methods and assumptions were used:

2018	
Reporting Date	June 30, 2019
Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	5.50%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds <sup>(1)</sup>
Pre-Retirement Turnover	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 1997 to 2015 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup> The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2015 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**NOTE 9 – OPEB (Continued)**

**A. General Information about the OPEB Plan (Continued)**

2017	
Reporting Date	June 30, 2018
Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	5.50%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds <sup>(1)</sup>
Pre-Retirement Turnover	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2017 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup> The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2015 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

The long-term expected rate of return on OPEB Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

2018		
	Asset Class	Target Allocation
		Long-Term Expected Real Rate of Return
	Global Equity	24.00%
	Fixed Income	39.00%
	Treasury Inflation Protected Securities	26.00%
	Commodities	3.00%
	REITs	8.00%
	Total	100.00%

**NOTE 9 – OPEB** (Continued)

A. General Information about the OPEB Plan (Continued)

2017		
	Asset Class	Target Allocation
		Long-Term Expected Real Rate of Return
	Global Equity	24.00%
	Fixed Income	39.00%
	Treasury Inflation Protected Securities	26.00%
	Commodities	3.00%
	REITs	8.00%
	Total	100.00%

**Discount Rate** – The discount rate used to measure the total OPEB liability was 5.5%. The projection of cash flows used to determine the discount rate assumed that NVTa contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 15 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Asset** – The changes in the net OPEB asset for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 169,487	\$ 283,227	\$ (113,740)
Changes in the Year:			
Service Cost	31,966	-	31,966
Interest	10,999	-	10,999
Changes of Benefit Terms	20,429	-	20,429
Actual vs. Expected Experience	(16,460)	-	(16,460)
Assumption Changes	50,801	-	50,801
Contribution - Employer	-	25,930	(25,930)
Contribution - Employee	-	-	-
Net Investment Income	-	13,303	(13,303)
Administrative Expenses	-	(522)	522
Benefit Payments	(2,930)	(2,930)	-
Net Changes	94,805	35,781	59,024
Balance at June 30, 2018	\$ 264,292	\$ 319,008	\$ (54,716)

**NOTE 9 – OPEB** (Continued)

A. General Information about the OPEB Plan (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2016	\$ 132,928	\$ 242,037	\$ (109,109)
Changes in the Year:			
Service Cost	31,035	-	31,035
Interest	8,924	-	8,924
Changes of Benefit Terms	-	-	-
Actual vs. Expected Experience	-	-	-
Assumption Changes	-	-	-
Contribution - Employer	-	34,400	(34,400)
Contribution - Employee	-	-	-
Net Investment Income	-	10,318	(10,318)
Administrative Expenses	-	(3,400)	3,400
Benefit Payments	(3,400)	(128)	(3,272)
Net Changes	36,559	41,190	(4,631)
Balance at June 30, 2017	\$ 169,487	\$ 283,227	\$ (113,740)

***Sensitivity of the Net OPEB Asset to Changes in the Discount Rate*** – The following presents the net OPEB asset of NVTA if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

2018

1% Decrease	4.50%
Net OPEB Asset	\$ (9,369)
Current Discount Rate	5.50%
Net OPEB Asset	\$ (54,716)
1% Increase	6.50%
Net OPEB Asset	\$ (91,123)

2017

1% Decrease	4.50%
Net OPEB Asset	\$ (85,100)
Current Discount Rate	5.50%
Net OPEB Asset	\$ (113,740)
1% Increase	6.50%
Net OPEB Asset	\$ (136,730)



**NOTE 9 – OPEB (Continued)****A. General Information about the OPEB Plan (Continued)**

***OPEB Plan Fiduciary Net Position*** – Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

***Recognition of Deferred Outflows and Deferred Inflows of Resources*** – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*** – For the years ended June 30, 2019 and 2018, NVTA recognized OPEB expense of \$52,962 and \$27,159, respectively. For the years ended June 30, 2019 and 2018, NVTA reported deferred outflows of resources related to OPEB from the following sources:

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 44,087	\$ -
Differences between Actual and Expected Experience	-	14,780
Changes in Assumptions	45,617	-
Net Differences between Projected and Actual Earnings on Plan Investments	3,765	-
Total	<u>\$ 93,469</u>	<u>\$ 14,780</u>
2018	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 25,930	\$ -
Differences between Actual and Expected Experience	-	-
Changes in Assumptions	-	-
Net Differences between Projected and Actual Earnings on Plan Investments	2,610	-
Total	<u>\$ 28,540</u>	<u>\$ -</u>

The \$44,087 and \$25,930 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 and 2017 measurement date will be recognized as an increase to the net OPEB liability during the year ending June 30, 2020 and 2019, respectively.

**NOTE 10 – EMPLOYEE BENEFITS – DEFERRED COMPENSATION PLAN**

Employees of NVTA may participate in a deferred compensation plan adopted under the provisions of the Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

**NOTE 10 – EMPLOYEE BENEFITS – DEFERRED COMPENSATION PLAN** (Continued)

The deferred compensation plan is available to all employees of NVTA. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution through CalPERS. Under the terms of the IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employee.

**NOTE 11 – INSURANCE AND RISK OF LOSS**

NVTA is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. NVTA maintains various insurance policies for directors and officers, property and liability, commercial liability, and workers' compensation against potential risk of loss through private insurance carriers. NVTA secures vehicular and liability coverage for business-type activities of up to \$5,000,000 per incident through its purchased transportation contractor.

**NOTE 12 – RELATED PARTY TRANSACTIONS**

County personnel provide administration services to NVTA. The County also provides legal counsel. During the years ended June 30, 2019 and 2018, NVTA paid to the County, a related party, the following amounts:

	<u>2019</u>	<u>2018</u>
Accounting and Legal Services	\$ 13,138	\$ 12,426
Other Services and Supplies	<u>132,061</u>	<u>135,409</u>
Total Related Party Transactions	<u>\$ 145,199</u>	<u>\$ 147,835</u>

## NOTE 13 – FAREBOX RATIO

### Article 4

Article 4 transit operations include Vine and American Canyon Transit. As agreed to by MTC, the combined farebox ratio requirement is 15%. The farebox ratio for the years ended June 30, 2019 and 2018, was 17.01% and 17.98%, respectively, as follows:

	June 30, 2019		
	Total		
<u>Article 4</u>	<u>Article 4</u>	<u>Vine</u>	<u>ACT</u>
	<u>Services</u>		
Farebox Subject to Farebox Ratio	<u>\$ 1,466,049</u>	<u>\$ 1,413,306</u>	<u>\$ 52,743</u>
Operating Cost, Net of Depreciation	<u>\$ 8,619,351</u>	<u>\$ 8,289,707</u>	<u>\$ 329,644</u>
Farebox Ratio	<u>17.01%</u>		
	June 30, 2018		
	Total		
<u>Article 4</u>	<u>Article 4</u>	<u>Vine</u>	<u>ACT</u>
	<u>Services</u>		
Farebox Subject to Farebox Ratio	<u>\$ 1,495,204</u>	<u>\$ 1,446,489</u>	<u>\$ 48,715</u>
Operating Cost, Net of Depreciation	<u>\$ 8,317,188</u>	<u>\$ 8,014,163</u>	<u>\$ 303,025</u>
Farebox Ratio	<u>17.98%</u>		

Farebox revenue and operating cost used for farebox ratio calculation will not agree to the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Fund (see page 19). The sales of non-federal assets are eligible as farebox revenues. Supplies not directly used for transit have been removed from operating costs.

Recent changes to the TDA statutes allow for the inclusion of local funds to calculate statutory farebox ratio. California Public Utilities Code (PUC) Section 99268.19 states that: "If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator."

For the years ended June 30, 2019 and 2018, NVTA was in compliance with the minimum farebox ratio of 15% for Article 4 transit operations.

Without the use of local funds, sale of asset revenue, and chargebacks to meet statutory requirements, operation farebox for the year ended June 30, 2019, would be 11.83%.

**NOTE 13 – FAREBOX RATIO (Continued)****Article 8**

Article 8 transit operations include Vine Go, Calistoga Shuttle, St. Helena Shuttle, Yountville Trolley, and the Taxi Scrip program. TDA Section 6633.2 requires NVTa to meet a 10% farebox revenue to total operating expenses ratio. The farebox revenue ratio for the years ended June 30, 2019 and 2018, for Article 8 transit operations was 9.63% and 10.53%, respectively, as follows:

	June 30, 2019		
<u>Article 8</u>	Total Article 8 Services	Taxi Scrip and Vine Go	Calistoga, Yountville, and St. Helena
Farebox Subject to Farebox Ratio	\$ 260,160	\$ 100,838	\$ 159,322
Operating Cost, Net of Depreciation	\$ 2,700,553	\$ 1,424,317	\$ 1,276,236
Farebox Ratio	9.63%		
	June 30, 2018		
<u>Article 8</u>	Total Article 8 Services	Taxi Scrip and Vine Go	Calistoga, Yountville, and St. Helena
Farebox Subject to Farebox Ratio	\$ 270,679	\$ 111,524	\$ 159,155
Operating Cost, Net of Depreciation	\$ 2,570,413	\$ 1,343,502	\$ 1,226,911
Farebox Ratio	10.53%		

For the year ended June 30, 2019, NVTa was not in compliance with the minimum farebox ratio required for Article 8 transit operations. For the year ended June 30, 2018, NVTa was in compliance with the minimum farebox ratio required for Article 8 transit operations.

**NOTE 14 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the years ended June 30, 2019 and 2018, expenditures exceeded appropriations in the Planning Fund as follows:

Appropriations Category		Excess Expenditures	
		2019	2018
Planning Fund:	Communications	\$ 3,764	\$ 15,327
	Rents and Leases	453	-
	Transportation	-	2,494
	Salaries and Benefits	48,021	-
	Miscellaneous Expense	44,576	-

**NOTE 15 – PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to net position for the year 2018 as follows:

Net Position, as Previously Reported	\$ 2,046,804
Implementation of GASB Statement No. 75 Change in Accounting Principle	<u>143,509</u>
Net Position Beginning of Year, as Restated	<u>\$ 2,190,313</u>

**NOTE 16 – STATE OF GOOD REPAIR (SGR)**

SGR funds of \$16,439 and \$13,449 were received during fiscal years 2019 and 2018, respectively. The unspent funds are included in unearned revenue at June 30, 2019.

**NOTE 17 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 23, 2019, which is the date the basic financial statements were available to be issued. There were no subsequent events identified by management which would require disclosure in the basic financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GOVERNMENTAL FUND – PLANNING FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues</b>				
Local Transportation Fund Allocation	\$ 6,344,231	\$ 6,444,231	\$ 5,533,143	\$ (911,088)
Federal Highway Allocations	69,000	69,000	1,287,403	1,218,403
Programming, Planning, and Monitoring	2,374,000	2,374,000	43,284	(2,330,716)
Other Grants	-	-	68,914	68,914
Interest	20,000	20,000	27,406	7,406
Other Revenues	10,000	10,000	184,269	174,269
<b>Total Revenues</b>	<b>8,817,231</b>	<b>8,917,231</b>	<b>7,144,419</b>	<b>(1,772,812)</b>
<b>Expenditures</b>				
Communications	29,241	29,241	33,005	(3,764)
Insurance	60,000	60,000	43,556	16,444
Office Expense	117,000	147,000	101,172	45,828
Rents and Leases	7,000	7,000	7,453	(453)
Transportation	16,000	16,000	13,250	2,750
Salaries and Benefits	1,868,100	1,868,100	1,916,121	(48,021)
Miscellaneous Expense	266,500	401,500	446,076	(44,576)
Professional Services	6,146,390	6,111,390	2,449,830	3,661,560
<b>Total Expenditures</b>	<b>8,510,231</b>	<b>8,640,231</b>	<b>5,010,463</b>	<b>3,629,768</b>
<b>Net Change in Fund Balance</b>	<b>307,000</b>	<b>277,000</b>	<b>2,133,956</b>	<b>(1,856,956)</b>
Fund Balance, Beginning of Year	313,918	313,918	313,918	-
Fund Balance, End of Year	<u>\$ 620,918</u>	<u>\$ 590,918</u>	<u>\$ 2,447,874</u>	<u>\$ (1,856,956)</u>

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GOVERNMENTAL FUND – PLANNING FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues</b>				
Local Transportation Fund Allocation	\$ 1,926,700	\$ 2,176,700	\$ 1,992,256	\$ (184,444)
Federal Highway Allocations	700,000	700,000	818,480	118,480
Programming, Planning, and Monitoring	69,000	69,000	46,487	(22,513)
Other Grants	374,000	374,000	65,406	(308,594)
Interest	5,000	5,000	19,238	14,238
Other Revenues	-	-	36,599	36,599
<b>Total Revenues</b>	<u>3,074,700</u>	<u>3,324,700</u>	<u>2,978,466</u>	<u>(346,234)</u>
<b>Expenditures</b>				
Communications	10,000	14,000	29,327	(15,327)
Insurance	65,000	65,000	42,033	22,967
Office Expense	75,000	175,000	145,456	29,544
Rents and Leases	8,000	8,000	10,494	(2,494)
Transportation	21,000	21,000	11,669	9,331
Salaries and Benefits	1,907,700	1,977,700	1,714,868	262,832
Miscellaneous Expense	250,000	589,000	537,954	51,046
Professional Services	738,000	3,433,863	2,203,519	1,230,344
<b>Total Expenditures</b>	<u>3,074,700</u>	<u>6,283,563</u>	<u>4,695,320</u>	<u>1,588,243</u>
<b>Net Change in Fund Balance</b>	-	(2,958,863)	(1,716,854)	(1,242,009)
Fund Balance, Beginning of Year	<u>2,030,772</u>	<u>2,030,772</u>	<u>2,030,772</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,030,772</u>	<u>\$ (928,091)</u>	<u>\$ 313,918</u>	<u>\$ (1,242,009)</u>



**NAPA VALLEY TRANSPORTATION AUTHORITY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019**

**BUDGETS AND BUDGETARY ACCOUNTING**

Formal budgetary accounting is employed as a management control by Napa Valley Transportation Authority (NVTA). A biennial budget is adopted each even-numbered fiscal year by the Board of Directors (the Board). The accounting method used to prepare the budget is consistent with accounting principles generally accepted in the United States of America. All changes or amendments to the budget require prior approval of the Board. Unused appropriations lapse at the end of the fiscal year.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
ASSET AND RELATED RATIOS  
FOR THE MEASUREMENT PERIOD ENDED JUNE 30**

	<i>Measurement Period</i>	
	2018	2017
<b>Total OPEB Liability</b>		
Service Cost	\$ 31,966	\$ 31,035
Interest	10,999	8,924
Actual and Expected Experience Difference	(16,460)	-
Changes in Assumptions	50,801	-
Changes in Benefits Terms	20,429	-
Benefit Payments	(2,930)	(3,400)
Net Change in Total OPEB Liability	94,805	36,559
Total OPEB Liability - Beginning	169,487	132,928
Total OPEB Liability - Ending (a)	<u>\$ 264,292</u>	<u>\$ 169,487</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 25,930	\$ 34,400
Net Investment Income	13,303	10,318
Benefit Payments	(2,930)	(3,400)
Administrative Expenses	(522)	(128)
Net Change in Plan Fiduciary Net Position	35,781	41,190
Plan Fiduciary Net Position - Beginning	283,227	242,037
Plan Fiduciary Net Position - Ending (b)	<u>\$ 319,008</u>	<u>\$ 283,227</u>
Net OPEB Asset - Ending [(a) - (b)]	<u>\$ (54,716)</u>	<u>\$ (113,740)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	120.70%	167.11%
Covered Payroll	\$ 1,621,492	\$ 1,870,622
Net OPEB Asset as a Percentage of Covered Payroll	-3.37%	-6.08%

**Notes to the Schedule:**

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF NVTA'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, 2019  
LAST 10 YEARS\***

	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.003700%	0.003785%	0.003379%	0.003120%	0.003084%
Proportionate Share of the Net Pension Liability	\$ 356,433	\$ 375,403	\$ 292,430	\$ 214,127	\$ 191,920
Covered Payroll	\$ 1,436,566	\$ 1,392,133	\$ 1,116,442	\$ 1,100,512	\$ 1,014,983
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	24.81%	26.97%	26.19%	19.46%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	73.31%	74.06%	78.40%	79.82%

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only five years are shown.

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014, as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** GASB Statement No. 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expenses but without reduction for pension plan administrative expenses. The discount rate of 7.15 percent used for the June 30, 2016 measurement date was net of administrative expenses.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF CONTRIBUTIONS  
AS OF JUNE 30, 2019  
LAST 10 YEARS\***

	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 142,748	\$ 124,099	\$ 117,333	\$ 91,990	\$ 130,432
Contributions in Relation to the Actuarially Determined Contributions	142,748	124,099	117,333	91,990	130,432
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,515,963	\$ 1,436,566	\$ 1,392,113	\$ 100,512	\$ 1,014,983
Contributions as a Percentage of Covered Payroll	9.42%	8.64%	8.43%	91.52%	12.85%

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only five years are shown.

**Notes to Schedule:**

Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies <sup>(1)</sup>	Varies <sup>(1)</sup>
Investment Rate of Return	7.15% <sup>(2)</sup>	7.65% <sup>(2)</sup>
Mortality	CalPERS <sup>(3)</sup>	CalPERS <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service, and type of employment.

<sup>(2)</sup> Net of pension plan investment expenses, including inflation.

<sup>(3)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

## **SUPPLEMENTARY INFORMATION**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2019**

	Abandoned Vehicle Abatement	Air Quality Management	Total
<b><u>ASSETS</u></b>			
Current Assets			
Cash and Investments in County Treasury	\$ 20	\$ 723,266	\$ 723,286
Due from Other Government Agencies	-	101,100	101,100
Total Current Assets	20	824,366	824,386
Total Assets	<u>\$ 20</u>	<u>\$ 824,366</u>	<u>\$ 824,386</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts Payable	\$ -	\$ 13,766	\$ 13,766
Total Current Liabilities	-	13,766	13,766
Total Liabilities	-	13,766	13,766
<b><u>NET POSITION</u></b>			
Net Position Held in Trust for Other Purposes	20	810,600	810,620
Total Net Position	20	810,600	810,620
Total Liabilities and Net Position	<u>\$ 20</u>	<u>\$ 824,366</u>	<u>\$ 824,386</u>

**NAPA VALLEY TRANSPORTATION AUTHORITY  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2018**

	Abandoned Vehicle Abatement	Air Quality Management	Total
<b><u>ASSETS</u></b>			
Current Assets			
Cash and Investments in County Treasury	\$ 9,839	\$ 687,553	\$ 697,392
Due from Other Government Agencies	-	96,250	96,250
	<hr/>	<hr/>	<hr/>
Total Current Assets	9,839	783,803	793,642
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 9,839</u>	<u>\$ 783,803</u>	<u>\$ 793,642</u>
	<hr/>	<hr/>	<hr/>
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts Payable	\$ -	\$ 7,382	\$ 7,382
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	-	7,382	7,382
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	7,382	7,382
	<hr/>	<hr/>	<hr/>
<b><u>NET POSITION</u></b>			
Net Position Held in Trust for Other Purposes	9,839	776,421	786,260
	<hr/>	<hr/>	<hr/>
Total Net Position	9,839	776,421	786,260
	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Position	<u>\$ 9,839</u>	<u>\$ 783,803</u>	<u>\$ 793,642</u>
	<hr/>	<hr/>	<hr/>

**NAPA VALLEY TRANSPORTATION AUTHORITY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Abandoned Vehicle Abatement	Air Quality Management	Total
<b>ADDITIONS</b>			
Aid from Other Government Agencies	\$ 316	\$ 208,567	\$ 208,883
Interest Income	91	12,658	12,749
<b>Total Additions</b>	407	221,225	221,632
<b>DEDUCTIONS</b>			
Program Expenses	10,310	186,962	197,272
<b>Total Deductions</b>	10,310	186,962	197,272
<b>CHANGE IN NET POSITION</b>	(9,903)	34,263	24,360
Net Position, Beginning of Year	9,923	776,337	786,260
Net Position, End of Year	<u>\$ 20</u>	<u>\$ 810,600</u>	<u>\$ 810,620</u>



**NAPA VALLEY TRANSPORTATION AUTHORITY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Abandoned Vehicle Abatement	Air Quality Management	Total
<b>ADDITIONS</b>			
Aid from Other Government Agencies	\$ 1,452	\$ 202,669	\$ 204,121
Interest Income	<u>446</u>	<u>6,653</u>	<u>7,099</u>
Total Additions	1,898	209,322	211,220
<b>DEDUCTIONS</b>			
Program Expenses	<u>113,228</u>	<u>120,412</u>	<u>233,640</u>
Total Deductions	<u>113,228</u>	<u>120,412</u>	<u>233,640</u>
<b>CHANGE IN NET POSITION</b>	(111,330)	88,910	(22,420)
Net Position, Beginning of Year	<u>121,169</u>	<u>687,511</u>	<u>808,680</u>
Net Position, End of Year	<u><u>\$ 9,839</u></u>	<u><u>\$ 776,421</u></u>	<u><u>\$ 786,260</u></u>

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
ENTERPRISE FUND – TRANSIT RELATED  
BY OPERATION  
FOR THE YEAR ENDED JUNE 30, 2019**

	Vine Go	Vine	Taxi	American Canyon	Yountville
Operating Revenues:					
Farebox Revenues	\$ 71,526	\$ 963,222	\$ 29,312	\$ 52,740	\$ 41,303
Operating Expenses:					
Marketing	1,747	60,800	-	-	-
Vehicle Maintenance	-	182,084	-	-	-
Other Maintenance	-	16,069	-	12,627	12,627
Fuel and Lubricants	171,336	956,970	-	23,075	8,402
Insurance	39,971	289,624	-	9,840	12,281
Planning and Administration	-	-	-	-	-
Security	-	14,873	-	-	-
Services	3,221	104,835	1,375	819	1,125
Supplies	1,709	55,641	-	-	-
Purchased Transportation	1,132,299	6,368,216	55,791	278,707	350,664
Rents and Leases	-	-	-	-	-
Utilities	-	5,964	-	-	-
Miscellaneous Expense	-	15,497	-	-	-
Depreciation	134,382	2,486,789	-	21,774	16,445
Personnel Costs	15,741	151,493	1,250	3,664	4,031
Total Operating Expenses	1,500,406	10,708,855	58,416	350,506	405,575
Operating Loss	(1,428,880)	(9,745,633)	(29,104)	(297,766)	(364,272)
Nonoperating Revenues (Expenses):					
Local Transportation Fund	632,417	4,090,244	42,600	210,000	210,000
State Transit Assistance	70,350	1,385,050	-	70,000	71,000
Federal Transit Assistance					
Grant Revenues - Operating	65,824	2,835,876	-	-	66,306
Other Federal Grants					
Other Operating Grants	-	446,400	-	-	-
Interest Income	2,236	26,681	529	2,111	391
Other Revenues	-	3,686	-	-	-
Returned Local Transportation Fund Allocations	(108,400)	(842,420)	(7,302)	(35,995)	(35,995)
Total Nonoperating Revenues (Expenses)	662,427	7,945,517	35,827	246,116	311,702
Change in Net Position Before Contributions	(766,453)	(1,800,116)	6,723	(51,650)	(52,570)
Capital Contributions:					
Federal Transit Assistance	-	46,192	-	-	-
Other Capital	-	-	-	-	-
Local Transportation Fund	-	11,824	-	-	-
Change in Net Position	(766,453)	(1,742,100)	6,723	(51,650)	(52,570)
Net Position, Beginning of Year	396,717	27,591,259	(86,618)	(212,203)	(556,241)
Net Position, End of the Year	\$ (369,736)	\$ 25,849,159	\$ (79,895)	\$ (263,853)	\$ (608,811)

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION (Continued)  
ENTERPRISE FUND – TRANSIT RELATED  
BY OPERATION  
FOR THE YEAR ENDED JUNE 30, 2019**

	St. Helena	Calistoga	Totals
Operating Revenues:			
Farebox Revenues	\$ 39,860	\$ 78,159	\$ 1,276,122
Operating Expenses:			
Marketing	-	-	62,547
Vehicle Maintenance	-	-	182,084
Other Maintenance	12,627	12,845	66,795
Fuel and Lubricants	15,287	25,801	1,200,871
Insurance	12,136	15,337	379,189
Planning and Administration	-	-	-
Security	-	-	14,873
Services	900	1,200	113,475
Supplies	-	2,175	59,525
Purchased Transportation	343,950	432,811	8,962,438
Rents and Leases	-	-	-
Utilities	-	-	5,964
Miscellaneous Expense	-	12,583	28,080
Depreciation	8,430	8,430	2,676,250
Personnel Costs	4,121	5,180	185,480
Total Operating Expenses	397,451	516,362	13,937,571
Operating Loss	(357,591)	(438,203)	(12,661,449)
Nonoperating Revenues (Expenses):			
Local Transportation Fund	215,109	234,195	5,634,565
State Transit Assistance	70,000	71,009	1,737,409
Federal Transit Assistance			
Grant Revenues - Operating	66,307	81,800	3,116,113
Other Federal Grants	-	-	-
Other Operating Grants	-	-	446,400
Interest Income	(36)	(926)	30,986
Other Revenues	-	-	3,686
Returned Local Transportation			
Fund Allocations	(36,871)	(40,143)	(1,107,126)
Total Nonoperating Revenues (Expenses)	314,509	345,935	9,862,033
Change in Net Position Before Contributions	(43,082)	(92,268)	(2,799,416)
Capital Contributions:			
Federal Transit Assistance	-	-	46,192
Other Capital	-	-	-
Local Transportation Fund	-	-	11,824
Change in Net Position	(43,082)	(92,268)	(2,741,400)
Net Position, Beginning of Year	(349,370)	(295,480)	26,488,064
Net Position, End of the Year	\$ (392,452)	\$ (387,748)	\$ 23,746,664

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
ENTERPRISE FUND – TRANSIT RELATED  
BY OPERATION  
FOR THE YEAR ENDED JUNE 30, 2018**

	Vine Go	Vine	Taxi	American Canyon	Yountville
Operating Revenues:					
Farebox Revenues	\$ 69,222	\$ 1,011,547	\$ 42,301	\$ 48,715	\$ 40,985
Operating Expenses:					
Marketing	1,992	111,100	-	356	704
Vehicle Maintenance	5,166	74,321	-	14,607	892
Other Maintenance	-	1,154	-	-	15,051
Fuel and Lubricants	144,645	888,734	-	20,712	23,316
Insurance	38,418	284,535	-	9,395	10,981
Planning and Administration	-	-	-	-	-
Security	-	12,772	-	-	-
Services	3,181	110,345	1,281	2,923	3,710
Supplies	1,511	15,296	-	221	221
Purchased Transportation	1,062,303	6,166,854	62,946	250,403	328,473
Rents and Leases	-	6,000	-	-	-
Utilities	-	5,180	-	-	-
Miscellaneous Expense	-	34,677	-	-	-
Depreciation	150,051	2,491,686	-	21,774	11,991
Personnel Costs	20,059	179,344	2,000	4,409	6,482
Total Operating Expenses	1,427,326	10,381,998	66,227	324,800	401,821
Operating Loss	(1,358,104)	(9,370,451)	(23,926)	(276,085)	(360,836)
Nonoperating Revenues (Expenses):					
Local Transportation Fund	798,391	5,002,219	54,860	150,000	172,000
State Transit Assistance	97,973	352,835	-	10,000	60,000
Federal Transit Assistance					
Grant Revenues - Operating	364,606	2,038,200	-	60,000	68,857
Other Federal Grants	-	-	-	-	-
Other Operating Grants	-	426,400	-	-	-
Interest Income	3,418	19,699	254	929	460
Other Revenues	13,226	(28,077)	-	3,011	3,717
Returned Local Transportation Fund Allocations	(194,572)	(1,219,069)	(13,370)	(36,556)	(41,917)
Total Nonoperating Revenues (Expenses)	1,083,042	6,592,207	41,744	187,384	263,117
Change in Net Position Before Contributions	(275,062)	(2,778,244)	17,818	(88,701)	(97,719)
Capital Contributions:					
Federal Transit Assistance	-	-	-	-	-
Other Capital	-	-	-	-	-
Local Transportation Fund	13,162	99,692	-	-	-
Change in Net Position	(261,900)	(2,678,552)	17,818	(88,701)	(97,719)
Net Position, Beginning of Year	658,617	30,269,811	(104,436)	(123,502)	(458,522)
Net Position, End of the Year	\$ 396,717	\$ 27,591,259	\$ (86,618)	\$ (212,203)	\$ (556,241)

**NAPA VALLEY TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION (Continued)  
ENTERPRISE FUND – TRANSIT RELATED  
BY OPERATION  
FOR THE YEAR ENDED JUNE 30, 2018**

	St. Helena	Calistoga	Totals
Operating Revenues:			
Farebox Revenues	\$ 39,188	\$ 78,982	\$ 1,330,940
Operating Expenses:			
Marketing	356	356	114,864
Vehicle Maintenance	14,607	14,607	124,200
Other Maintenance	-	-	16,205
Fuel and Lubricants	22,084	20,869	1,120,360
Insurance	10,706	14,181	368,216
Planning and Administration	-	-	-
Security	-	-	12,772
Services	2,840	2,778	127,058
Supplies	221	2,129	19,599
Purchased Transportation	315,908	404,686	8,591,573
Rents and Leases	-	-	6,000
Utilities	-	-	5,180
Miscellaneous Expense	-	-	34,677
Depreciation	20,514	20,514	2,716,530
Personnel Costs	4,640	6,111	223,045
Total Operating Expenses	391,876	486,231	13,480,279
Operating Loss	(352,688)	(407,249)	(12,149,339)
Nonoperating Revenues (Expenses):			
Local Transportation Fund	154,000	226,000	6,557,470
State Transit Assistance	60,000	41,097	621,905
Federal Transit Assistance			
Grant Revenues - Operating	68,855	68,855	2,669,373
Other Federal Grants	-	-	-
Other Operating Grants	-	-	426,400
Interest Income	425	559	25,744
Other Revenues	3,633	4,490	-
Returned Local Transportation			
Fund Allocations	(37,531)	(55,077)	(1,598,092)
Total Nonoperating Revenues (Expenses)	249,382	285,924	8,702,800
Change in Net Position Before Contributions	(103,306)	(121,325)	(3,446,539)
Capital Contributions:			
Federal Transit Assistance	-	-	-
Other Capital	-	-	-
Local Transportation Fund	-	-	112,854
Change in Net Position	(103,306)	(121,325)	(3,333,685)
Net Position, Beginning of Year	(246,064)	(174,155)	29,821,749
Net Position, End of the Year	\$ (349,370)	\$ (295,480)	\$ 26,488,064

## OTHER REPORTS



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## BROWN ARMSTRONG

*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND  
REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT  
AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF  
THE METROPOLITAN TRANSPORTATION COMMISSION**

To the Honorable Members  
of the Board of Directors  
Napa Valley Transportation Authority  
Napa, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Napa Valley Transportation Authority (NVTa) as of and for the year ended June 30, 2019, and have issued our report thereon dated December 23, 2019.

### **Compliance**

As part of obtaining reasonable assurance about whether NVTa's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to determine that allocations made and expenditures paid by NVTa were made in accordance with the allocation instructions and resolutions of the Metropolitan Transportation Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6666 and 6667 that are applicable to NVTa. Based on our procedures, no instances of noncompliance with applicable statutes, rules, and regulations of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission were noted. 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.

Also as part of our audit, we performed tests of compliance to determine whether certain state funds were received and expended in accordance with the applicable bond act and state accounting requirements.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NVTa's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

\*\*\*\*\*

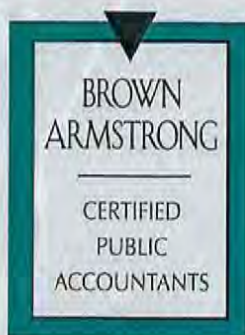
This report is intended solely for the information and use of management, the Board of Directors, the California Department of Transportation, the State Controller's Office, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 23, 2019





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Honorable Members  
of the Board of Directors  
Napa Valley Transportation Authority  
Napa, California

### Report on Compliance with Transportation Development Act Requirements

We have audited the Napa Valley Transportation Authority's (NVTa) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by NVTa were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Metropolitan Transportation Commission as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the year ended June 30, 2019.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

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- (f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2,
- (g) Verify the amount of the claimant's actual fare revenues for the fiscal year,
- (h) Verify the amount of the claimant's actual local support for the fiscal year,
- (i) Verify the amount of the claimants was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649,
- (j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1,
- (k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273,
- (l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251,
- (m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7, and
- (n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

#### **Opinion on Compliance**

In our opinion, NVTA complied, in all material respects, with the compliance requirements referred to above that are applicable to NVTA for the year ended June 30, 2019.

#### **Purpose of this Report**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 23, 2019



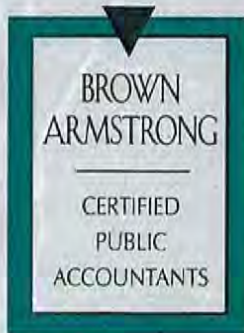
**NAPA VALLEY  
TRANSPORTATION AUTHORITY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED  
JUNE 30, 2019**

NAPA VALLEY TRANSPORTATION AUTHORITY  
JUNE 30, 2019

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## BROWN ARMSTRONG

*Certified Public Accountants*

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

Board of Directors  
Napa Valley Transportation Authority  
Napa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Napa Valley Transportation Authority (NVTa), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the NVTa's basic financial statements, and have issued our report thereon dated December 23, 2019.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the NVTa'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 the NVTa's internal control. Accordingly, we do not express an opinion on the effectiveness of the NVTa'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 NVTa'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 NVTA'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. 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 result of our tests disclosed the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*:

For the year ended June 30, 2019, NVTA's farebox ratio for Article 4 transit operations was 17.01%, while the requirement was at least 15%. Therefore, NVTA was in compliance with this requirement for the year ended June 30, 2019.

### **Purpose of this Report**

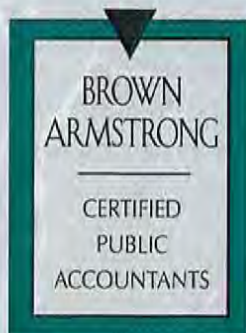
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NVTA's internal control or on compliance. This report is an integral part of an audit performed in accordance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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 23, 2019





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## BROWN ARMSTRONG

*Certified Public Accountants*

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

Board of Directors  
Napa Valley Transportation Authority  
Napa, California

#### **Report on Compliance for Each Major Federal Program**

We have audited the Napa Valley Transportation Authority's (NVTa) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the NVTa's major federal programs for the year ended June 30, 2019. The NVTa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the NVTa's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the NVTa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### **Opinion on Each Major Federal Program**

In our opinion, the NVTa complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

Management of the NVTA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the NVTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the NVTA's internal control over compliance.

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

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

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

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

We have audited the basic financial statements of the NVTA as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the NVTA's basic financial statements. We issued our report thereon dated December 23, 2019, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures we applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 23, 2019



**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Federal Transit Formula Grants	20.507	CA-2019-119	\$ -	\$ 2,692,160
Federal Transit Formula Grants	20.507	CA-90-Y927	-	20,308
Federal Transit Formula Grants	20.507	CA-2016-014	-	31,450
Bus and Bus Facilities Formula Program	20.526	CA-2018-103	-	123,500
Subtotal Federal Transit Formula Grants			-	2,867,418
Highway Planning and Construction	20.205	CA-95-X290	-	74,339
Passed through Metropolitan Transportation Commission Highway Planning and Construction	20.205	--	-	749,000
Passed through State Department of Transportation (Caltrans)				
Federal Grants for Rural Areas	20.509	Pending	-	214,413
Federal Grants for Rural Areas	20.509	64BO19-00902	-	192,315
Subtotal Federal Transit for Rural Areas			-	406,728
Safe Routes to Schools	20.205	ATSB1NI-6429(022)	281,943	281,943
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AO16-00066	-	8,900
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AM16-00029	-	61,381
Subtotal Highway Planning and Construction Enhanced Mobility of Seniors and Individuals with Disabilities			-	70,281
Total U.S. Department of Transportation			281,943	4,449,709
Total Expenditures of Federal Awards			\$ 281,943	\$ 4,449,709

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

**NAPA VALLEY TRANSPORTATION AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) *Compliance Supplement*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 – INDIRECT COST RATE**

Napa Valley Transportation Authority (NVTA) has elected not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION I**

Summary of Auditor's Results

Financial Statements

- |  |            |
|--|------------|
| 1. Type of auditor's report issued:  | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | No         |
| 3. Noncompliance material to financial statements noted?                         | No         |

Federal Awards

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

CFDA Number

20.205

Name of Federal Program

Highway Planning and Construction

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under the Uniform Guidance?      | Yes       |

## **SECTION II**

### Financial Statement Findings

No matters were reported.

## **SECTION III**

### Federal Award Findings and Questioned Costs

No matters were reported.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

No matters were reported.



## NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

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**TO:** NVRTA Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Rebecca Schenck, Principal Planner  
(707) 259-8636 / Email: [rschenck@nvta.ca.gov](mailto:rschenck@nvta.ca.gov)  
**SUBJECT:** Resolution No. 20-01 Authorizing the Executive Director to Execute the Cooperative Agreement 04-2749 between the State of California Department of Transportation (Caltrans) and the Napa Valley Transportation Authority (NVRTA) for the Napa Valley Vine Trail Calistoga to St Helena Project

---

### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVRTA) Board adopt Resolution No. 20-01 (Attachment 1) approving Cooperative Agreement 04-2749 (Attachment 2) with Caltrans and authorize the Executive Director, or designee, to sign the Cooperative Agreement for an amount not to exceed \$440,000 and amendments for the Napa Valley Vine Trail (Vine Trail) Calistoga to St. Helena project (Project).

### **OTHER OPTIONS FOR CONSIDERATION**

The Board could decide not to authorize the Cooperative Agreement in which case Caltrans would not allow the project to move forward in the state's right of way.

### **COMMITTEE RECOMMENDATION**

None

### **EXECUTIVE SUMMARY**

This Cooperative Agreement is a standard Caltrans document for improvements to the State Highway System. Previously, on July 18, 2018 the NVRTA Board approved NVRTA entering into a Cooperative Agreement ("Coop") with Caltrans for the Vine Trail. This 2018 Coop was for the Project Initiation Document (PID) phase of the Project only and was canceled on August 8, 2019 at Caltrans' recommendation. Caltrans drafted a new Coop (Attachment 2) which is a single more comprehensive agreement which covers Caltrans

oversight on the entire Calistoga to St. Helena Vine Trail Project from Project Approval and Environmental Document through Construction.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comments
3. Motion, Second, Discussion and Vote

### **FISCAL IMPACT**

Is there a Fiscal Impact? Yes. Up to \$440,000. NVTA is working with Caltrans to reduce the cost.

Is it currently budgeted? No - a budget amended would be required.

Future Fiscal Impact? No. This covers Caltrans' oversight costs through the construction phase of the Calistoga to St. Helena Vine Trail project.

Consequences if not approved? The St. Helena to Calistoga section of the Vine Trail will not proceed and the Active Transportation Program (ATP) and One Bay Area Grant 2 (OBAG 2) funds allocated to the project will be forfeited.

### **STRATEGIC GOALS MET BY THIS PROPOSAL**

Goal 1- Serve the transportation needs of the entire community regardless of age, income, or ability.

The Vine Trail is a critical project that supports alternative transportation for individuals who may not have the income or the ability to drive an automobile.

Goal 2 – Improve system safety in order to support all modes and serve all users.

This segment of the Vine Trail will allow bikers and walkers to safely navigate from St Helena to Calistoga on a Class I bike path – separated from automobile traffic.

### **CEQA REQUIREMENTS**

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

---

**BACKGROUND AND DISCUSSION**

NVTA continues to work with the Napa Valley Vine Trail Coalition and Caltrans on the St. Helena to Calistoga segment of the Vine Trail. The project is now at 65% design and the environmental consultant has finalized the Area of Potential Effect (APE) and is working on a draft Initial Study Mitigated Negative Declaration (IS/MND) for CEQA and a Categorical Exclusion (CE) for NEPA. NVTA is in the process of finalizing the Design Contract with RSA+ within the maximum \$1.4 million Board authorization from June 12, 2019. NVTA will complete the final design at the end 2020 and start construction in the spring of 2021.

This Caltrans Cooperative Agreement process is different from the process for the Oak Knoll sections of the Vine Trail because a significant portion of the proposed trail alignment is within the Caltrans Right of Way. The Caltrans process will be administered through their Project Management division. The payment to Caltrans under this Cooperative Agreement will cover review and approval of the environmental and design documents as well as construction oversight and long-term environmental mitigation for the project elements within the Caltrans' right of way.

**SUPPORTING DOCUMENTS**

Attachments: (1) Resolution No. 20-01  
(2) Cooperation Agreement 04-2749



**RESOLUTION No. 20 – 01**

**A RESOLUTION OF THE  
NAPA VALLEY TRANSPORTATION AUTHORITY (NVRTA)  
AUTHORIZATION TO EXECUTE THE COOPERATIVE AGREEMENT 04-2749  
BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION  
(CALTRANS) AND THE NAPA VALLEY TRANSPORTATION AUTHORITY**

**WHEREAS**, the Napa Valley Vine Trail is a proposed 47-mile class 1 path from the Vallejo Ferry Terminal to the City of Calistoga, and

**WHEREAS**, the Napa Valley Transportation Authority (NVRTA) Board wishes to build the Napa Valley Vine Trail Calistoga to St Helena project utilizing Caltrans Right of Way along State Route 29; and

**WHEREAS**, it is being proposed that roughly 4 miles of the Calistoga to St. Helena Vine Trail segment be constructed within the Caltrans right of way on SR 29; and

**WHEREAS**, Caltrans requires the execution of a Cooperation Agreement for all transportation projects on the State Highway System; and

**NOW THEREFORE BE IT RESOLVED**, that the NVRTA Board hereby authorizes the Executive Director to execute and make minor changes to Cooperative Agreement 04-2749 with the State of California Department of Transportation and Napa Valley Transportation Authority.

Passed and Adopted the 15<sup>th</sup> day of January 2020.

\_\_\_\_\_  
Chris Canning, NVRTA Chair

Ayes:

Nays:

Absent:

ATTEST:

---

Karalyn E. Sanderlin, NVTA Board Secretary

APPROVED:

---

DeeAnne Gillick, NVTA Legal Counsel

## **COOPERATIVE AGREEMENT (11-27-19, AH)**

This AGREEMENT, effective on \_\_\_\_\_, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

Napa Valley Transportation Authority, a public corporation/entity, referred to hereinafter as NVTA.

An individual signatory agency in this AGREEMENT is referred to as a PARTY. Collectively, the signatory agencies in this AGREEMENT are referred to as PARTIES.

### **RECITALS**

1. PARTIES are authorized to enter into a cooperative agreement for improvements to the State Highway System per the California Streets and Highways Code, Sections 114 and 130.
2. For the purpose of this AGREEMENT, *Design and construction of a 9.4 miles long Class I bicycle and pedestrian path from St. Helena to Calistoga in Napa County.* will be referred to hereinafter as PROJECT. The PROJECT scope of work is defined in the project initiation and approval documents (e.g. Project Study Report, Permit Engineering Evaluation Report, or Project Report).
3. All obligations and responsibilities assigned in this AGREEMENT to complete the following PROJECT COMPONENTS will be referred to hereinafter as WORK:
  - PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENT (PA&ED)
  - PLANS, SPECIFICATIONS, AND ESTIMATE (PS&E)
  - RIGHT-OF-WAY
  - CONSTRUCTION

Each PROJECT COMPONENT is defined in the CALTRANS Workplan Standards Guide as a distinct group of activities/products in the project planning and development process.

4. The term AGREEMENT, as used herein, includes this document and any attachments, exhibits, and amendments.

This AGREEMENT is separate from and does not modify or replace any other cooperative agreement or memorandum of understanding between the PARTIES regarding the PROJECT.

PARTIES intend this AGREEMENT to be their final expression that supersedes any oral understanding or writings pertaining to the WORK. The requirements of this AGREEMENT will preside over any conflicting requirements in any documents that are made an express part of this AGREEMENT.

If any provisions in this AGREEMENT are found by a court of competent jurisdiction to be, or are in fact, illegal, inoperative, or unenforceable, those provisions do not render any or all other AGREEMENT provisions invalid, inoperative, or unenforceable, and those provisions will be automatically severed from this AGREEMENT.

Except as otherwise provided in the AGREEMENT, PARTIES will execute a written amendment if there are any changes to the terms of this AGREEMENT.

PARTIES agree to sign a CLOSURE STATEMENT to terminate this AGREEMENT. However, all indemnification, document retention, audit, claims, environmental commitment, legal challenge, maintenance and ownership articles will remain in effect until terminated or modified in writing by mutual agreement or expire by the statute of limitations.

5. The following work associated with this PROJECT has been completed or is in progress:
  - NVTa completed several environmental and traffic technical studies and the 35% project plans.
6. In this AGREEMENT capitalized words represent defined terms, initialisms, or acronyms.
7. PARTIES hereby set forth the terms, covenants, and conditions of this AGREEMENT.

## **RESPONSIBILITIES**

### **Sponsorship**

8. A SPONSOR is responsible for establishing the scope of the PROJECT and securing the financial resources to fund the WORK. A SPONSOR is responsible for securing additional funds when necessary or implementing PROJECT changes to ensure the WORK can be completed with the funds obligated in this AGREEMENT.

PROJECT changes, as described in the CALTRANS Project Development Procedures Manual, will be approved by CALTRANS as the owner/operator of the State Highway System.

9. NVTa is the SPONSOR for the WORK in this AGREEMENT.

### **Implementing Agency**

10. The IMPLEMENTING AGENCY is the PARTY responsible for managing the scope, cost, schedule, and quality of the work activities and products of a PROJECT COMPONENT.

- NVTa is the Project Approval and Environmental Document (PA&ED) IMPLEMENTING AGENCY.

PA&ED includes the completion of the Final Environmental Document and the Project Report (documenting the project alternative selection).

- NVTa is the Plans, Specifications, and Estimate (PS&E) IMPLEMENTING AGENCY.

PS&E includes the development of the plans, specifications, and estimate; obtaining any resource agency permits; and the advertisement/award of the construction contract.

- NVTa is the RIGHT OF WAY IMPLEMENTING AGENCY

RIGHT OF WAY includes coordination with utility owners for the protection, removal, or relocation of utilities; the acquisition of right-of-way interests; and post-construction work such as right-of-way monumentation/recordation, relinquishments/vacations, and excess land transactions. The RIGHT OF WAY component budget identifies the cost of the capital costs of right-of-way acquisition (RIGHT-OF-WAY CAPITAL) and the cost of the staff work in support of the acquisition (RIGHT-OF-WAY SUPPORT).

- NVTa is the CONSTRUCTION IMPLEMENTING AGENCY.

CONSTRUCTION includes construction contract administration, surveying/staking, inspection, quality assurance, and assuring regulatory compliance. The CONSTRUCTION component budget identifies the capital costs of the construction contract/furnished materials (CONSTRUCTION CAPITAL) and the cost of the staff work in support of the construction contract administration (CONSTRUCTION SUPPORT).

11. The IMPLEMENTING AGENCY for a PROJECT COMPONENT will provide a Quality Management Plan (QMP) for the WORK in that component. The QMP describes the IMPLEMENTING AGENCY's quality policy and how it will be used. The QMP will include a process for resolving disputes between the PARTIES at the team level. The QMP is subject to CALTRANS review and approval.
12. Any PARTY responsible for completing WORK will make its personnel and consultants that prepare WORK available to help resolve WORK-related problems and changes for the entire duration of the PROJECT including PROJECT work that may occur under separate agreements.

### **Funding**

13. Funding sources, PARTIES committing funds, funding amounts, and invoicing/payment details are documented in the Funding Summary section of this AGREEMENT.

PARTIES will amend this AGREEMENT by updating and replacing the Funding Summary, in its entirety, each time the funding details change. Funding Summary replacements will be executed by a legally authorized representative of the respective PARTIES. The most current fully executed Funding Summary supersedes any previous Funding Summary created for this AGREEMENT.

14. PARTIES will not be reimbursed for costs beyond the funds obligated in this AGREEMENT.
15. Unless otherwise documented in the Funding Summary, overall liability for project costs within a PROJECT COMPONENT will be in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.
16. Unless otherwise documented in the Funding Summary, any savings recognized within a PROJECT COMPONENT will be credited or reimbursed, when allowed by policy or law, in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.

17. WORK costs, except those that are specifically excluded in this AGREEMENT, are to be paid from the funds obligated in the Funding Summary. Costs that are specifically excluded from the funds obligated in this AGREEMENT are to be paid by the PARTY incurring the costs from funds that are independent of this AGREEMENT.

### **CALTRANS' Quality Management**

18. CALTRANS, as the owner/operator of the State Highway System (SHS), will perform quality management work including Independent Quality Assurance (IQA) and owner/operator approvals for the portions of WORK within the existing and proposed SHS right-of-way.
19. CALTRANS' Independent Quality Assurance (IQA) efforts are to ensure that NVTAs quality assurance results in WORK that is in accordance with the applicable standards and the PROJECT's quality management plan (QMP). An IQA does not include any efforts necessary to develop or deliver WORK or any validation by verifying or rechecking WORK.

When CALTRANS performs IQA it does so for its own benefit. No one can assign liability to CALTRANS due to its IQA.

20. CALTRANS, as the owner/operator of the State Highway System, will approve WORK products in accordance with CALTRANS policies and guidance and as indicated in this AGREEMENT.
21. Per National Environmental Policy Act (NEPA) assignment and California Environmental Quality Act (CEQA) statutes, CALTRANS will perform environmental document quality control and NEPA assignment review procedures for environmental documentation. CALTRANS quality control and quality assurance procedures for all environmental documents are described in the NEPA Assignments memorandums, available at [http://www.dot.ca.gov/ser/memos.htm#LinkTarget\\_705](http://www.dot.ca.gov/ser/memos.htm#LinkTarget_705). This also includes the independent judgement analysis and determination under CEQA that the environmental documentation meets CEQA requirements.
22. NVTAs will provide WORK-related products and supporting documentation upon CALTRANS' request for the purpose of CALTRANS' quality management work.

23. NVTA, including any employee, agent, consultant or sub-consultant retained by the NVTA, shall implement uniform document control policies necessary to retain all records and electronically stored information associated with the WORK, including but not limited to those records identified in California Public Resources Code, Section 21167.6, and including email and attachments, in a manner consistent with the CALTRANS Uniform Filing System and the “Final Caltrans Environmental Records Retention Policy”, available at <http://www.dot.ca.gov/ser/vol1/sec6/ch38nepa/pdf/cal-env-rec-retention-policy.pdf>. These records, along with an index of the records, shall be provided to CALTRANS within 60 days of CALTRANS’ written request.

#### **CEQA/NEPA Lead Agency**

24. NVTA is the CEQA Lead Agency for the PROJECT.
25. CALTRANS is a CEQA Responsible Agency for the PROJECT.
26. CALTRANS is the NEPA Lead Agency for the PROJECT.

#### **Environmental Permits, Approvals and Agreements**

27. PARTIES will comply with the commitments and conditions set forth in the environmental documentation, environmental permits, approvals, and applicable agreements as those commitments and conditions apply to each PARTY’S responsibilities in this AGREEMENT.
28. Unless otherwise assigned in this AGREEMENT, the IMPLEMENTING AGENCY for a PROJECT COMPONENT is responsible for all PROJECT COMPONENT WORK associated with coordinating, obtaining, implementing, renewing, and amending the PROJECT permits, agreements, and approvals whether they are identified in the planned project scope of work or become necessary in the course of completing the PROJECT.



29. It is expected that the PROJECT requires the following environmental permits/approvals:

ENVIRONMENTAL PERMITS/REQUIREMENTS
404, US Army Corps Of Engineers
401, Regional Water Quality Control Board
National Pollutant Discharge Elimination System (NPDES), State Water Resources Control Board
State Waste Discharge Requirements (Porter Cologne), Regional Water Quality Control Board
1602 California Department of Fish and Wildlife
2080.1 California Department of Fish and Wildlife
2080 (B) California Department of Fish and Wildlife

**Project Approval and Environmental Document (PA&ED)**

30. As the PA&ED IMPLEMENTING AGENCY, NVTA is responsible for all PA&ED WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.
31. NVTA will be responsible for completing the following PA&ED activities:

CALTRANS Work Breakdown Structure Identifier (If Applicable)	AGREEMENT Funded Cost
100.10.10.xx Quality Management	Yes
165.15.15.xx Essential Fish Habitat Consultation	Yes
165.15.15.xx Section 7 Consultation	Yes
165.25.25 Approval to Circulate Resolution	Yes
180.10.05.45 Section 7 Consultation	Yes

32. Any PARTY preparing environmental documentation, including studies and reports, will ensure that qualified personnel remain available to help resolve environmental issues and perform any necessary work to ensure that the PROJECT remains in environmental compliance.
33. NVTA will provide written notice of the initiation of environmental studies to the NEPA Lead Agency (CALTRANS) prior to completing any other PA&ED phase work.

California Environmental Quality Act (CEQA)

34. The CEQA Lead Agency will determine the type of CEQA documentation and will cause that documentation to be prepared in accordance with CEQA requirements.
35. Any PARTY involved in the preparation of CEQA documentation will prepare the documentation to meet CEQA requirements and follow the CEQA Lead Agency's standards that apply to the CEQA process.
36. CALTRANS is a CEQA Responsible Agency for the PROJECT and will review, comment, and concur on all environmental documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) at appropriate stages of development prior to approval and public availability.
37. Any PARTY preparing any portion of the CEQA documentation, including any studies and reports, will submit that portion of the documentation to the CEQA Lead Agency for review, comment, and approval at appropriate stages of development prior to public availability.
38. If the CEQA Lead Agency makes any changes to the CEQA documentation, the CEQA Lead Agency will allow CALTRANS to review, comment, and concur on those changes prior to the CEQA Lead Agency's approval at appropriate stages of development prior to public availability.
39. If the CEQA Lead Agency makes any changes to CEQA-related public notices, then the CEQA Lead Agency will allow CALTRANS to review, comment, and concur on those changes prior to publication and circulation.
40. The CEQA Lead Agency will attend all CEQA-related public meetings.

41. If a PARTY who is not the CEQA Lead Agency holds a public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the CEQA Lead Agency on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the CEQA public review process.

That PARTY will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the CEQA Lead Agency for review, comment, and approval at least ten (10) working days prior to publication or use. If that PARTY makes any changes to the materials, it will allow the CEQA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the public meeting date.

The CEQA Lead Agency maintains final editorial control with respect to text or graphics that could lead to public confusion over CEQA-related roles and responsibilities.

National Environmental Policy Act (NEPA)

42. Pursuant to Chapter 3 of Title 23, United States Code (23 U.S.C. 326) and 23 U.S.C. 327, CALTRANS is the NEPA Lead Agency for the PROJECT. CALTRANS is responsible for NEPA compliance, will determine the type of NEPA documentation, and will cause that documentation to be prepared in accordance with NEPA requirements.

CALTRANS, as the NEPA Lead Agency for PROJECT, will review, comment, and approve all environmental documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) at appropriate stages of development prior to approval and public availability.

When required as NEPA Lead Agency, CALTRANS will conduct consultation and coordination and obtain, renew, or amend approvals pursuant to the Federal Endangered Species Act, and Essential Fish Habitat.

When required as NEPA Lead Agency, CALTRANS will conduct consultation and coordination approvals pursuant to Section 106 of the National Historic Preservation Act.

43. Any PARTY involved in the preparation of NEPA documentation will follow FHWA and CALTRANS standards that apply to the NEPA process including, but not limited to, the guidance provided in the FHWA Environmental Guidebook (available at [www.fhwa.dot.gov/hep/index.htm](http://www.fhwa.dot.gov/hep/index.htm)) and the CALTRANS Standard Environmental Reference.

44. Any PARTY preparing any portion of the NEPA documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) will submit that portion of the documentation to CALTRANS for CALTRANS' review, comment, and approval prior to public availability.
45. NVTa will prepare, publicize, and circulate all NEPA-related public notices, except Federal Register notices. NVTa will submit all notices to CALTRANS for CALTRANS' review, comment, and approval prior to publication and circulation.  
  
CALTRANS will work with the appropriate federal agency to publish notices in the Federal Register.
46. The NEPA Lead Agency will attend all NEPA-related public meetings.
47. NVTa will submit all NEPA-related public meeting materials to CALTRANS for CALTRANS' review, comment, and approval at least ten (10) working days prior to the public meeting date.
48. If a PARTY who is not the NEPA Lead Agency holds a public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the NEPA Lead Agency on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the NEPA public review process.

That PARTY will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the NEPA Lead Agency for review, comment, and approval at least ten (10) working days prior to publication or use. If that PARTY makes any changes to the materials, it will allow the NEPA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the public meeting date.

The NEPA Lead Agency has final approval authority with respect to text or graphics that could lead to public confusion over NEPA-related roles and responsibilities.

49. NVTa will ensure that the PROJECT is included in the approved Federal Statewide Transportation Improvement Program (FSTIP) prior to the NEPA Lead Agency's approval of the environmental document.

### **Plans, Specifications, and Estimate (PS&E)**

50. As the PS&E IMPLEMENTING AGENCY, NVTa is responsible for all PS&E WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.

51. CALTRANS will be responsible for completing the following PS&E activities:

CALTRANS Work Breakdown Structure Identifier (If Applicable)	AGREEMENT Funded Cost
100.15.10.xx Quality Management	No

52. NVTA will prepare Utility Conflict Maps identifying the accommodation, protection, relocation, or removal of any existing utility facilities that conflict with construction of the PROJECT or that violate CALTRANS' encroachment policy.

NVTA will provide CALTRANS a copy of Utility Conflict Maps for CALTRANS' concurrence prior to issuing the Notices to Owner and executing the utility agreement. All utility conflicts will be addressed in the PROJECT plans, specifications, and estimate.

53. NVTA will determine the cost to positively identify and locate, accommodate, protect, relocate, or remove any utility facilities whether inside or outside the State Highway System right-of-way in accordance with federal and California laws and regulations, and CALTRANS' policies, procedures, standards, practices, and applicable agreements including but not limited to Freeway Master Contracts.

## **RIGHT-OF-WAY**

54. As the RIGHT-OF-WAY IMPLEMENTING AGENCY, NVTA is responsible for all RIGHT-OF-WAY WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.

55. CALTRANS will be responsible for completing the following RIGHT-OF-WAY activities:

CALTRANS Work Breakdown Structure Identifier (If Applicable)	AGREEMENT Funded Cost
100.25.10.xx Quality Management	No

56. The selection of personnel performing RIGHT-OF-WAY WORK will be in accordance with federal and California laws and regulations, and CALTRANS' policies, procedures, standards, practices, and applicable agreements.
57. NVTA will make all necessary arrangements with utility owners for the timely accommodation, protection, relocation, or removal of any existing utility facilities that conflict with construction of the PROJECT or that violate CALTRANS' encroachment policy.

58. NVTA will provide CALTRANS a copy of conflict maps, relocation plans, proposed notices to owner, reports of investigation, and utility agreements (if applicable) for CALTRANS' concurrence prior to issuing the notices to owner and executing the utility agreement. All utility conflicts will be fully addressed prior to Right-of-Way Certification and all arrangements for the protection, relocation, or removal of all conflicting facilities will be completed prior to construction contract award and included in the PROJECT plans, specifications, and estimate.
59. NVTA will provide a land surveyor licensed in the State of California to be responsible for surveying and right-of-way engineering. All survey and right-of-way engineering documents will bear the professional seal, certificate number, registration classification, expiration date of certificate, and signature of the responsible surveyor.
60. NVTA will hear and adopt Resolutions of Necessity when authorized to do so by law or will work with local agencies having jurisdiction and authorized under the law to hear and adopt Resolutions of Necessity.

NVTA will conduct and document Condemnation Evaluation and Condemnation Panel Review meetings as required in accordance with CALTRANS policy and guidance. CALTRANS will be notified in advance of any Condemnation Panel Review meetings.

61. If NVTA acquires any right-of-way to be incorporated into the State Highway System, NVTA will first acquire in its own name.

If CALTRANS acquires any right-of-way, CALTRANS will first acquire in NVTA's name.

Title to the State Highway System right-of-way will ultimately be vested in the State. CALTRANS' acceptance of title will occur after the Right-of-Way Closeout activities are complete.

62. NVTA will utilize a public agency currently qualified by CALTRANS or a properly licensed consultant for all RIGHT-OF-WAY activities. A qualified right-of-way agent will administer all right-of-way consultant contracts.

NVTA will submit a draft Right-of-Way Certification to CALTRANS six weeks prior to the scheduled Right-of-Way Certification milestone date for review.

NVTA will submit a final Right-of-Way Certification to CALTRANS for approval prior to the advertising the construction contract.

63. Physical and legal possession of the right-of-way must be completed prior to advertising the construction contract, unless PARTIES mutually agree to other arrangements in writing.

64. CALTRANS' acceptance of right-of-way title is subject to review of an Updated Preliminary Title Report provided by NVTA verifying that the title is free of all encumbrances and liens. Upon acceptance, NVTA will provide CALTRANS with a Policy of Title Insurance in CALTRANS' name.
65. Right-of-way conveyances must be completed prior to WORK completion unless PARTIES mutually agree to other arrangements in writing.

## **CONSTRUCTION**

66. As the CONSTRUCTION IMPLEMENTING AGENCY, NVTA is responsible for all CONSTRUCTION WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.
67. CALTRANS will be responsible for completing the following CONSTRUCTION SUPPORT activities:

CALTRANS Work Breakdown Structure Identifier (If Applicable)	AGREEMENT Funded Cost
100.20.10.xx Quality Management	No

68. NVTA will include a Disadvantaged Business Enterprise (DBE) utilization goal in the PROJECT construction contract(s) in accordance with the Local Assistance Procedures Manual. NVTA will award the construction contract to the lowest responsive bidder who makes a Good Faith Effort to meet the DBE goal.
69. CALTRANS will not issue an encroachment permit to NVTA for construction work until the following conditions are met:
- CALTRANS accepts the final plans, specifications, and estimate
  - CALTRANS accepts the Right-of-Way Certification
  - Any new or amended maintenance agreement required for the WORK are executed.
70. NVTA will require the construction contractor to furnish payment and performance bonds naming NVTA as obligee, and CALTRANS as additional obligee, and to carry liability insurance in accordance with CALTRANS Standard Specifications.

71. NVTa will advertise, open bids, award, and approve the construction contract in accordance with the California Public Contract Code and the California Labor Code. By accepting responsibility to advertise and award the construction contract, NVTa also accepts responsibility to administer the construction contract.
72. If the lowest responsible construction contract bid is greater than the funding commitment to CONSTRUCTION CAPITAL, PARTIES must agree in writing on a course of action within fifteen (15) working days. If no agreement is reached within fifteen (15) work days the IMPLEMENTING AGENCY will not award the construction contract.
73. CALTRANS will not issue an encroachment permit to NVTa's construction contractor until CALTRANS accepts:
  - The payment and performance bonds
  - The CONSTRUCTION Quality Management Plan
74. The CONSTRUCTION Quality Management Plan (QMP) will describe how construction material verification and workmanship inspections will be performed at manufacturing sources and the PROJECT job-site. The construction material and source inspection QMP is subject to review and approval by the State Materials Engineer.
75. The CONSTRUCTION Quality Management Plan will address the radiation safety requirements of the California Code of Regulations 17 CCR § 30346 when the work requires Gamma-Gamma Logging acceptance testing for Cast in Drilled Hole (CIDH) pile or whenever else it is applicable. In accordance with these regulations NVTa, as the "well operator", will have a written agreement with any consultant or external entity performing these tests.
76. NVTa will provide a Resident Engineer and CONSTRUCTION SUPPORT staff that are independent of the construction contractor. The Resident Engineer will be a Civil Engineer, licensed in the State of California, who is responsible for construction contract administration activities.
77. NVTa will provide a landscape architect who will be responsible for all landscaping activities within the State Highway System.



78. NVTA will implement changes to the construction contract through Change Orders. PARTIES will review and concur on all Change Orders over \$50,000, or as indicated in paragraph 79 of this agreement, as appropriate.
79. CALTRANS will review and concur with:
- Change Orders affecting public safety, public convenience, protected environmental resources, the preservation of property, all design and specification changes, and all major changes as defined in the CALTRANS Construction Manual. These Change Orders must receive written concurrence by CALTRANS prior to implementation.
  - The Stormwater Pollution Prevention Plan (SWPPP) or the Water Pollution Control Plan (WPCP).
80. NVTA will administer and process all construction contract claims pursuant to the requirements set forth under Public Contract Code, Section 9204. CALTRANS will provide Independent Quality Assurance for the claims process.
81. NVTA is designated as the Legally Responsible Person pursuant to the Construction General Permit, State Water Resources Control Board (SWRCB) Order Number 2009-0009-DWQ, as defined in Appendix 5, Glossary, and assumes all roles and responsibilities assigned to the Legally Responsible Person as mandated by the Construction General Permit. NVTA is required to comply with the CALTRANS MS4 National Pollutant Discharge Elimination System (NPDES) permit for all work within the State Highway System.
82. As the CONSTRUCTION IMPLEMENTING AGENCY, NVTA is responsible for maintenance of the State Highway System (SHS) within the PROJECT limits as part of the construction contract until the following conditions are met:
- Any required maintenance agreements are executed for the portions of SHS for which relief of maintenance is to be granted.
  - CALTRANS approves a request from NVTA for relief from maintenance of the PROJECT or a portion thereof.
83. PARTIES confirm that, upon WORK completion, PARTIES will execute a new Maintenance Agreement stipulating the terms and conditions under which the PARTY responsible for maintenance of the PROJECT area will carry out that responsibility.

84. Upon WORK completion, ownership and title to all materials and equipment constructed or installed for the operation and/or maintenance of the State Highway System (SHS) within the SHS right-of-way as part of the WORK become the property of CALTRANS, except:

- \*\*\*Phase con ownership TE\*\*\* will become the property of NVT A

CALTRANS and NVT A will develop and execute a new or amended maintenance agreement for this property prior to WORK completion.

Property owners will operate, maintain, relocate, remove, and protect their property within the State Highway system at their own expense including removing, relocating, or protecting said property when required for future improvements or whenever else required by CALTRANS.

CALTRANS will assume no responsibility for the property which it does not own. Property owners will defend, indemnify, and save harmless CALTRANS and all of its officers and employees from all claims, suits, or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of said property.

85. Within one hundred eighty (180) calendar days following the completion and acceptance of the PROJECT construction contract, NVT A will furnish CALTRANS with a complete set of “As-Built” plans and Change Orders, including any changes authorized by CALTRANS, on a CD ROM and in accordance with CALTRANS’ then current CADD User’s Manual (Section 4.3), Plans Preparation Manual, and CALTRANS practice. The plans will have the Resident Engineer’s name, contract number, and construction contract acceptance date printed on each plan sheet, and with the Resident Engineer’s signature only on the title sheet. The As-Built plans will be in Microstation DGN format, version 7.0 or later. In addition, NVT A will provide one set of As-Built plans and addenda in TIFF format.

The submittal must also include all CALTRANS requested contract records, and land survey documents. The land survey documents include monument preservation documents and records of surveys prepared to satisfy the requirements of the California Land Surveyors Act (Business and Professions Code, Sections 8700 – 8805). Copies of survey documents and Records of Surveys filed in accordance with Business & Professions Code, Sections 8762 and 8771, will contain the filing information provided by the county in which filed.

## **Schedule**

86. PARTIES will manage the WORK schedule to ensure the timely use of obligated funds and to ensure compliance with any environmental permits, right-of-way agreements, construction contracts, and any other commitments. PARTIES will communicate schedule risks or changes as soon as they are identified and will actively manage and mitigate schedule risks.

87. The IMPLEMENTING AGENCY for each PROJECT COMPONENT will furnish PARTIES with written monthly progress reports during the completion of the WORK.

### **Additional Provisions**

#### **Standards**

88. PARTIES will perform all WORK in accordance with federal and California laws, regulations, and standards; Federal Highway Administration (FHWA) standards; and CALTRANS standards. CALTRANS standards include, but are not limited to, the guidance provided in the:

- CADD Users Manual
- CALTRANS policies and directives
- Plans Preparation Manual
- Project Development Procedures Manual (PDPM)
- Workplan Standards Guide
- Standard Environmental Reference
- Highway Design Manual
- Right of Way Manual
- Construction Manual
- Construction Manual Supplement for Local Agency Resident Engineers
- Local Agency Structure Representative Guidelines

#### **Noncompliant Work**

89. CALTRANS retains the right to reject noncompliant WORK. NVTA agrees to suspend WORK upon request by CALTRANS for the purpose of protecting public safety, preserving property rights, and ensuring that all WORK is in the best interest of the State Highway System.

#### **Qualifications**

90. Each PARTY will ensure that personnel participating in WORK are appropriately qualified or licensed to perform the tasks assigned to them.

### Consultant Selection

91. NVTa will invite CALTRANS to participate in the selection of any consultants that participate in the WORK.

### Encroachment Permits

92. CALTRANS will issue, upon proper application, the encroachment permits required for WORK within State Highway System (SHS) right-of-way. NVTa, their contractors, consultants, agents and utility owners will not work within the SHS right-of-way without an encroachment permit issued in their name. CALTRANS will provide encroachment permits to NVTa, their contractors, consultants, and agents at no cost. CALTRANS will provide encroachment permits to utility owners at no cost. If the encroachment permit and this AGREEMENT conflict, the requirements of this AGREEMENT will prevail.
93. The IMPLEMENTING AGENCY for a PROJECT COMPONENT will coordinate, prepare, obtain, implement, renew, and amend any encroachment permits needed to complete the WORK.

### Protected Resources

94. If any PARTY discovers unanticipated cultural, archaeological, paleontological, or other protected resources during WORK, all WORK in that area will stop and that PARTY will notify all PARTIES within 24 hours of discovery. WORK may only resume after a qualified professional has evaluated the nature and significance of the discovery and CALTRANS approves a plan for its removal or protection.

### Disclosures

95. PARTIES will hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for the WORK in confidence to the extent permitted by law and where applicable, the provisions of California Government Code, Section 6254.5(e) will protect the confidentiality of such documents in the event that said documents are shared between PARTIES.

PARTIES will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete the WORK without the written consent of the PARTY authorized to release them, unless required or authorized to do so by law.

96. If a PARTY receives a public records request pertaining to the WORK, that PARTY will notify PARTIES within five (5) working days of receipt and make PARTIES aware of any disclosed public documents. PARTIES will consult with each other prior to the release of any public documents related to the WORK.

Hazardous Materials

97. HM-1 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law, irrespective of whether it is disturbed by the PROJECT or not.

HM-2 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by the PROJECT.

The management activities related to HM-1 and HM-2, including and without limitation, any necessary manifest requirements and disposal facility designations are referred to herein as HM-1 MANAGEMENT and HM-2 MANAGEMENT respectively.

98. If HM-1 or HM-2 is found the discovering PARTY will immediately notify all other PARTIES.

99. CALTRANS, independent of the PROJECT, is responsible for any HM-1 found within the existing State Highway System right-of-way. CALTRANS will undertake, or cause to be undertaken, HM-1 MANAGEMENT with minimum impact to the PROJECT schedule.

CALTRANS will pay, or cause to be paid, the cost of HM-1 MANAGEMENT for HM-1 found within the existing State Highway System right-of-way with funds that are independent of the funds obligated in this AGREEMENT.

100. If HM-1 is found within the PROJECT limits and outside the existing State Highway System right-of-way, responsibility for such HM-1 rests with the owner(s) of the parcel(s) on which the HM-1 is found. NVTa, in concert with the local agency having land use jurisdiction, will ensure that HM-1 MANAGEMENT is undertaken with minimum impact to PROJECT schedule.

The cost of HM-1 MANAGEMENT for HM-1 found within the PROJECT limits and outside the existing State Highway System right-of-way will be paid from funds that are independent of the funds obligated in this AGREEMENT and will be the responsibility of the owner(s) of the parcel(s) where the HM-1 is located.

101. NVTA and CALTRANS will comply with the Soil Management Agreement for Aerially Deposited Lead Contaminated Soils (Soil Management Agreement) executed between CALTRANS and the California Department of Toxic Substances Control (DTSC). Under Section 3.2 of the Soil Management Agreement, CALTRANS and NVTA each retain joint and severable liability for noncompliance with the provisions of the Soil Management Agreement. NVTA will assume all responsibilities assigned to CALTRANS in the Soil Management Agreement during PROJECT COMPONENTS for which they are the IMPLEMENTING AGENCY except for final placement and burial of soil within the State right-of-way, per Section 4.5 of the Soil Management Agreement, which is subject to CALTRANS concurrence and reporting to DTSC which will be performed by CALTRANS.
102. CALTRANS' acquisition or acceptance of title to any property on which any HM-1 or HM-2 is found will proceed in accordance with CALTRANS' policy on such acquisition.

#### Claims

103. Any PARTY that is responsible for completing WORK may accept, reject, compromise, settle, or litigate claims arising from the WORK without concurrence from the other PARTY.
104. PARTIES will confer on any claim that may affect the WORK or PARTIES' liability or responsibility under this AGREEMENT in order to retain resolution possibilities for potential future claims. No PARTY will prejudice the rights of another PARTY until after PARTIES confer on the claim.
105. If the WORK expends state or federal funds, each PARTY will comply with the Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards of 2 CFR, Part 200. PARTIES will ensure that any for-profit consultant hired to participate in the WORK will comply with the requirements in 48 CFR, Chapter 1, Part 31. When state or federal funds are expended on the WORK these principles and requirements apply to all funding types included in this AGREEMENT.

#### Accounting and Audits

106. PARTIES will maintain, and will ensure that any consultant hired by PARTIES to participate in WORK will maintain, a financial management system that conforms to Generally Accepted Accounting Principles (GAAP), and that can properly accumulate and segregate incurred PROJECT costs and billings.

107. PARTIES will maintain and make available to each other all WORK-related documents, including financial data, during the term of this AGREEMENT.

PARTIES will retain all WORK-related records for three (3) years after the final voucher.

PARTIES will require that any consultants hired to participate in the WORK will comply with this Article.

108. PARTIES have the right to audit each other in accordance with generally accepted governmental audit standards.

CALTRANS, the State Auditor, FHWA (if the PROJECT utilizes federal funds), and NVTa will have access to all WORK -related records of each PARTY, and any consultant hired by a PARTY to participate in WORK, for audit, examination, excerpt, or transcription.

The examination of any records will take place in the offices and locations where said records are generated and/or stored and will be accomplished during reasonable hours of operation. The auditing PARTY will be permitted to make copies of any WORK-related records needed for the audit.

The audited PARTY will review the draft audit, findings, and recommendations, and provide written comments within thirty (30) calendar days of receipt.

Upon completion of the final audit, PARTIES have forty-five (45) calendar days to refund or invoice as necessary in order to satisfy the obligation of the audit.

Any audit dispute not resolved by PARTIES is subject to mediation. Mediation will follow the process described in the General Conditions section of this AGREEMENT.

109. If the WORK expends state or federal funds, each PARTY will undergo an annual audit in accordance with the Single Audit Act in the Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as defined in 2 CFR, Part 200.
110. When a PARTY reimburses a consultant for WORK with state or federal funds, the procurement of the consultant and the consultant overhead costs will be in accordance with the Local Assistance Procedures Manual, Chapter 10.

#### Interruption of Work

111. If WORK stops for any reason, IMPLEMENTING AGENCY will place the PROJECT right-of-way in a safe and operable condition acceptable to CALTRANS.

112. If WORK stops for any reason, each PARTY will continue with environmental commitments included in the environmental documentation, permits, agreements, or approvals that are in effect at the time that WORK stops, and will keep the PROJECT in environmental compliance until WORK resumes.

#### Penalties, Judgements and Settlements

113. The cost of awards, judgements, or settlements generated by the WORK are to be paid from the funds obligated in this AGREEMENT.
114. The cost of legal challenges to the environmental process or documentation may be paid from the funds obligated in this AGREEMENT.
115. Any PARTY whose action or lack of action causes the levy of fines, interest, or penalties will indemnify and hold all other PARTIES harmless per the terms of this AGREEMENT.

#### Project Files

116. NVTA will furnish CALTRANS with the Project History Files related to the PROJECT facilities on State Highway System within sixty (60) days following the completion of each PROJECT COMPONENT. NVTA will prepare the Project History File in accordance with the Project Development Procedures Manual, Chapter 7. All material will be submitted neatly in a three-ring binder and on a CD ROM in PDF format.

### **GENERAL CONDITIONS**

#### **Venue**

117. PARTIES understand that this AGREEMENT is in accordance with and governed by the Constitution and laws of the State of California. This AGREEMENT will be enforceable in the State of California. Any PARTY initiating legal action arising from this AGREEMENT will file and maintain that legal action in the Superior Court of the county in which the CALTRANS district office that is signatory to this AGREEMENT resides, or in the Superior Court of the county in which the PROJECT is physically located.

#### **Exemptions**

118. All CALTRANS' obligations under this AGREEMENT are subject to the appropriation of resources by the Legislature, the State Budget Act authority, programming and allocation of funds by the California Transportation Commission (CTC).



### **Indemnification**

119. Neither CALTRANS nor any of their officers and employees, are responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by NVTa, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon NVTa under this AGREEMENT. It is understood and agreed that NVTa, to the extent permitted by law, will defend, indemnify, and save harmless CALTRANS and all of their officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by NVTa, its contractors, sub-contractors, and/or its agents under this AGREEMENT.
120. Neither NVTa nor any of their officers and employees, are responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this AGREEMENT. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless NVTa and all of their officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under this AGREEMENT.

### **Non-parties**

121. PARTIES do not intend this AGREEMENT to create a third party beneficiary or define duties, obligations, or rights for entities not signatory to this AGREEMENT. PARTIES do not intend this AGREEMENT to affect their legal liability by imposing any standard of care for fulfilling the WORK different from the standards imposed by law.
122. PARTIES will not assign or attempt to assign obligations to entities not signatory to this AGREEMENT without an amendment to this AGREEMENT.

### **Ambiguity and Performance**

123. NVTa will not interpret any ambiguity contained in this AGREEMENT against CALTRANS. NVTa waives the provisions of California Civil Code, Section 1654.

A waiver of a PARTY's performance under this AGREEMENT will not constitute a continuous waiver of any other provision.

124. A delay or omission to exercise a right or power due to a default does not negate the use of that right or power in the future when deemed necessary.

### **Defaults**

125. If any PARTY defaults in its performance of the WORK, a non-defaulting PARTY will request in writing that the default be remedied within thirty (30) calendar days. If the defaulting PARTY fails to do so, the non-defaulting PARTY may initiate dispute resolution.

### **Dispute Resolution**

126. PARTIES will first attempt to resolve AGREEMENT disputes at the PROJECT team level as described in the Quality Management Plan. If they cannot resolve the dispute themselves, the CALTRANS District Director and the Executive Officer of NVTa will attempt to negotiate a resolution. If PARTIES do not reach a resolution, PARTIES' legal counsel will initiate mediation. PARTIES agree to participate in mediation in good faith and will share equally in its costs.

Neither the dispute nor the mediation process relieves PARTIES from full and timely performance of the WORK in accordance with the terms of this AGREEMENT. However, if any PARTY stops fulfilling its obligations, any other PARTY may seek equitable relief to ensure that the WORK continues.

Except for equitable relief, no PARTY may file a civil complaint until after mediation, or forty-five (45) calendar days after filing the written mediation request, whichever occurs first.

PARTIES will file any civil complaints in the Superior Court of the county in which the CALTRANS District Office signatory to this AGREEMENT resides or in the Superior Court of the county in which the PROJECT is physically located.

127. PARTIES maintain the ability to pursue alternative or additional dispute remedies if a previously selected remedy does not achieve resolution.

### **Prevailing Wage**

128. When WORK falls within the Labor Code § 1720(a)(1) definition of "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code § 1771, PARTIES will conform to the provisions of Labor Code §§ 1720-1815, and all applicable provisions of California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapter 3, Articles 1-7. PARTIES will include prevailing wage requirements in contracts for public work and require contractors to include the same prevailing wage requirements in all subcontracts.

Work performed by a PARTY's own employees is exempt from the Labor Code's Prevailing Wage requirements.

If WORK is paid for, in whole or part, with federal funds and is of the type of work subject to federal prevailing wage requirements, PARTIES will conform to the provisions of the Davis-Bacon and Related Acts, 40 U.S.C. §§ 3141-3148.

When applicable, PARTIES will include federal prevailing wage requirements in contracts for public works. WORK performed by a PARTY's employees is exempt from federal prevailing wage requirements.

DRAFT

## **SIGNATURES**

PARTIES are empowered by California Streets and Highways Code to enter into this AGREEMENT and have delegated to the undersigned the authority to execute this AGREEMENT on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this AGREEMENT.

Signatories may execute this AGREEMENT through individual signature pages provided that each signature is an original. This AGREEMENT is not fully executed until all original signatures are attached.

### **STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION**

\_\_\_\_\_  
Helena (Lenka) Culik-Caro  
Deputy District Director, Design

### **VERIFICATION OF FUNDS AND AUTHORITY:**

\_\_\_\_\_  
Jeffrey Armstrong  
District Budget Manager

### **APPROVED AS TO FORM AND PROCEDURE:**

\_\_\_\_\_  
Meera Danday  
Deputy Attorney

### **CERTIFIED AS TO FINANCIAL TERMS AND POLICIES:**

\_\_\_\_\_  
Tamara Warren  
HQ Accounting Supervisor

### **NAPA VALLEY TRANSPORTATION AUTHORITY**

\_\_\_\_\_  
Kate Miller  
Executive Director

Attest:

\_\_\_\_\_  
Karrie Sanderlin  
Program Manager Administration

Approved as to form and procedure:

\_\_\_\_\_  
Dee Anne Gillick  
General Counsel

## **FUNDING SUMMARY NO. 01**

<b>FUNDING TABLE</b> <span style="float: right;">v. 1122</span>									
<u>IMPLEMENTING AGENCY</u> →			<u>NVTA</u>	<u>NVTA</u>	<u>NVTA</u>		<u>NVTA</u>		
Source	Party	Fund Type	PA&ED	PS&E	R/W SUPPORT	R/W CAPITAL	CONST. SUPPORT	CONST. CAPITAL	Totals
STATE	CALTRANS	ATP	0	0	0	0	100,000	6,006,000	6,106,000
LOCAL	NVTA	Local	260,000	700,000	5,000	95,000	0	0	1,060,000
Totals			260,000	700,000	5,000	95,000	100,000	6,006,000	7,166,000

<b>SPENDING SUMMARY</b> <span style="float: right;">v 222121</span>											
Fund Type	PA&ED		PS&E		R/W Support		R/W CAPITAL	CONST. SUPPORT		CONST. CAPITAL	Totals
	CALTRANS	<u>NVTA</u>	CALTRANS	<u>NVTA</u>	CALTRANS	<u>NVTA</u>	<u>NVTA</u>	CALTRANS	<u>NVTA</u>	<u>NVTA</u>	
ATP	0	0	0	0	0	0	0	0	100,000	6,006,000	6,106,000
Local	0	260,000	0	700,000	0	5,000	95,000	0	0	0	1,060,000
<b>Totals</b>	0	260,000	0	700,000	0	5,000	95,000	0	100,000	6,006,000	7,166,000

**Funding**

1. If there are insufficient funds available in this AGREEMENT to place the PROJECT right-of-way in a safe and operable condition, the appropriate IMPLEMENTING AGENCY will fund these activities until such time as PARTIES amend this AGREEMENT.

That IMPLEMENTING AGENCY may request reimbursement for these costs during the amendment process.

2. If there are insufficient funds in this AGREEMENT to implement the obligations and responsibilities of this AGREEMENT, including the applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, and/or approvals that are in effect at a time that WORK stops, each PARTY accepts responsibility to fund their respective WORK until such time as PARTIES amend this AGREEMENT.

Each PARTY may request reimbursement for these costs during the amendment process.

**ICRP Rate**

3. The cost of any engineering support performed by CALTRANS includes all direct and applicable indirect costs. CALTRANS calculates indirect costs based solely on the type of funds used to pay support costs. State and federal funds administered by CALTRANS are subject to the current Program Functional Rate. All other funds are subject to the current Program Functional Rate and the current Administration Rate. The Program Functional Rate and Administration Rate are adjusted periodically.

In accordance with California Senate Bill 848, the Administration Rate is capped at 10 percent until July 1, 2021, for Self-Help Counties with a countywide sales tax measure dedicated to transportation improvements.

4. If the WORK is funded with state or federal funds, any PARTY seeking CALTRANS reimbursement of indirect costs must submit an indirect cost rate proposal and central service cost allocation plan (if any) in accordance with Local Assistance Procedures Manual, 2 CFR, Part 200 and Chapter 5. These documents are to be submitted annually to CALTRANS' Audits and Investigations for review and acceptance prior to CALTRANS' reimbursement of indirect costs.

5. Travel, per diem, and third-party contract reimbursements for WORK are to be paid from the funds in this AGREEMENT only after the contractor performs the work and incurs said costs.

Payments for travel and per diem will not exceed the rates paid rank and file state employees under current California Department of Human Resources (CalHR) rules current at the effective date of this AGREEMENT.

If NVTA invoices for rates in excess of CalHR rates, NVTA will fund the cost difference and reimburse CALTRANS for any overpayment.

6. In accordance with the CALTRANS Federal-Aid Project Funding Guidelines, PARTIES must obtain approval from the Federal Highway Administration prior to any PROJECT funding changes that that will change the federal share of funds.

### **Invoicing and Payment**

7. PARTIES will invoice for funds where the SPENDING SUMMARY shows that one PARTY provides funds for use by another PARTY. PARTIES will pay invoices within forty-five (45) calendar days of receipt of invoice when not paying with Electronic Funds Transfer (EFT). When paying with EFT, NVTA will pay invoices within five (5) calendar days of receipt of invoice.
8. If NVTA has received EFT certification from CALTRANS then NVTA will use the EFT mechanism and follow all EFT procedures to pay all invoices issued from CALTRANS.
9. When a PARTY is reimbursed for actual cost, invoices will be submitted each month for the prior month's expenditures. After all PROJECT COMPONENT WORK is complete, PARTIES will submit a final accounting of all PROJECT COMPONENT costs. Based on the final accounting, PARTIES will invoice or refund as necessary to satisfy the financial commitments of this AGREEMENT.
10. If an executed Program Supplement Agreement (PSA) or STIP Planning, Programming, and Monitoring Program Fund Transfer Agreement (PPM) exists for this PROJECT then NVTA will abide by the billing and payment conditions detailed for the fund types identified in the PSA or PPM.
11. If CALTRANS reimburses NVTA for any costs later determined to be unallowable, NVTA will reimburse those funds.

*Project Approval and Environmental Document (PA&ED)*

12. No invoicing or reimbursement will occur for the PA&ED PROJECT COMPONENT.

*Plans, Specifications, and Estimate (PS&E)*

13. No invoicing or reimbursement will occur for the PS&E PROJECT COMPONENT.

*RIGHT-OF-WAY Support*

14. No invoicing or reimbursement will occur for the R/W SUPPORT PROJECT COMPONENT.

*RIGHT-OF-WAY Capital*

15. No invoicing or reimbursement will occur for the R/W CAPITAL PROJECT COMPONENT.

*CONSTRUCTION Support*

16. NVTA will invoice and CALTRANS will reimburse for actual costs incurred and paid.

*CONSTRUCTION Capital*

17. NVTA will invoice and CALTRANS will reimburse for actual costs incurred and paid.





## NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Kate Miller, Executive Director  
(707) 259-8634 / Email: [kmiller@nvta.ca.gov](mailto:kmiller@nvta.ca.gov)  
**SUBJECT:** State and Federal Legislative Update and State Bill Matrix

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### **RECOMMENDATION**

Information only

### **EXECUTIVE SUMMARY**

#### *State Update*

Attached are the State legislative update (Attachment 1) and the State Bill Matrix (Attachment 2).

AB 1350 (Gonzalez) has been amended. The bill would require all public transit properties to provide free transit to students. The amendment lowers the eligible age to from 25 to 18 and no longer proposes a revenue source to fund the program. Without additional revenues, NVTA's fare revenues would be reduced by over \$50,000 annually and the Vine would no longer meet its mandated farebox recovery of 15%. Consequently, staff is recommending that the NVTA Board change its position from WATCH to OPPOSE, unless amended.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comments

### **FISCAL IMPACT**

Is there a Fiscal Impact? No

### **SUPPORTING DOCUMENTS**

Attachments: (1) January 6, 2020 State Legislative Update (Platinum Advisors)  
(2) January 6, 2020 State Bill Matrix (Platinum Advisors)



January 6, 2020

TO: Kate Miller, Executive Director  
Napa Valley Transportation Authority

FR: Steve Wallaich  
Platinum Advisors

**RE: Legislative Update**

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**Reconvene:** The Legislature returns today for the second half of the legislative session. The second half of session starts with a flurry of activity. Governor Newsom will release his proposed budget on January 10<sup>th</sup>, and all legislation that remains in its house of origin must be approved by the end of January to remain alive. The month of January is packed with hearings in the rush to move two-year bills.

**Budget Outlook:** While the Governor's spending priorities will not be unveiled until later this week, the Legislative Analyst's Office (LAO) released its mid-year fiscal outlook and the Assembly Budget Committee released its priorities for the next fiscal year.

According to the LAO the future remains cautiously bright. The LAO estimates a \$7 billion surplus in the 2020-21 fiscal year, but this assumes that the federal government approves the state's reauthorization of the managed care organization (MCO) tax. If it is not approved the surplus drops to \$4 billion. Of the \$7 billion surplus the LAO estimates an ongoing surplus of about \$3 billion. However, the LAO recommends that the Legislature budget \$1 billion or less for ongoing purposes in 2020-21. The remaining surplus should be allocated toward building reserves, paying down debt, and providing funding for one-time flexible commitments. The LAO estimates the Budget Stabilization Account (BSA)/rainy-day fund will reach about \$18.3 billion by the end of 2020-21.

The chair of the Assembly Budget Committee, Assemblyman Phil Ting, provided a general outline of the Committee's spending priorities in advance of the Governor's plan. The Assembly adheres to the LAO's fiscal outlook and has pegged its priorities to first prepare for any economic downturn, and also continue to provide needed investments in childcare, education behavioral health, affordability, and climate change. The plan did not provide details on how cap & trade funds would be allocated to address the transition toward zero emission transit vehicles.

**Faster Bay Area:** SB 278 (Beall) is the likely vehicle for the Faster Bay Area regional transportation sales tax proposal. This measure remains in the Senate Transportation

Committee and must be approved by the Senate by the end of the month to remain alive. Given the complexity of this measure, the version approved by the Senate will be little more than a spot bill as negotiations continue. SB 278 currently makes minor changes to Bay Area transportation planning statutes. It will likely be amended this week to deal more directly with the Faster Bay Area proposal. SB 278 is expected to be heard by the Senate Transportation Committee on January 14<sup>th</sup>.

**Housing:** There have been numerous housing related bills introduced last year, and more to come this year. One of the more controversial proposals has been SB 50 (Wiener), which was held in the Senate Appropriations Committee last year. However, SB 50 will be amended today with the expectation it will be approved by the Appropriations Committee and the Senate before the end of the month.

In short, SB 50 would require local governments to provide a specified “equitable communities incentive” to developers that construct residential developments in “jobs-rich” and “transit-rich” areas, which may include certain exceptions to specified requirements for zoning, density, parking, height restrictions, and floor area ratios. In order to move this bill forward, amendments are being made to provide another pathway for cities and counties. The bulk of the amendments are structural and technical, but they will also include a local flexibility option. The devil is always in the details, which will be made clear tomorrow.

The amendments will delay the implementation of the SB 50 equitable community incentives for two years, taking effect on January 1, 2023. During that time, local governments can then do nothing and let SB 50 take effect, or develop a local flexibility plan. The local plan could be an existing plan if it provides equally robust housing and is consistent with fair housing findings. These flexibility plans would be submitted to the Governor’s Office of Planning and Research and the Department of Housing and Community Development for review and approval. The local flexibility plan would also be based on VMTs, which eliminates the need for the projects to be located near transit.

A new requirement being added to the bill would require 40% of affordable units in a housing project must be reserved for people that live within a ½ mile of the project. More details to follow as the SB 50 rewrite is introduced, but the expectation is SB 50 will be approved by the Senate and undergo a more thorough vetting in the Assembly.



January 6, 2020

*The following bill matrix has been edited to delete all measures that were chaptered or vetoed in 2019. The following measure remain active in 2020; however, measures held on suspense are unlikely to move. All two-year bills must be approved by their house of origin by January 31<sup>st</sup>.*

### Existing Positions

Bills	Subject	Status	Recommended Positions
<b><u>AB 1350</u></b> <b>(Gonzalez D)</b> Youth Transit Pass Pilot Program.	AB 1350 would create the Youth Transit Pass Pilot Program. This bill is similar to prior efforts to create a funding program to provide free transit passes to persons under 18 years old. AB 1350 does not include an appropriation. Governor Brown vetoed a similar bill because of the need for additional information on existing programs. The UCLA study is not expected to be completed until the end of this year.	ASSEMBLY TRANS. – Two-Year Bill	OPPOSE unless amended
Bills	Subject	Status	Client Positions
<b><u>AB 11</u></b> <b>(Chiu D)</b> Community Redevelopment Law of 2019.	AB 11 would enact the Community Redevelopment Act of 2019 and allow local governments to form a housing and infrastructure agency that would focus on affordable housing and infrastructure investments. The bill requires a seat on the governing board for each affected taxing entity, and it allows an affected taxing entity to elect to contribute to the Redevelopment Agency (RDA) or not. In addition, the bill also allows an RDA to capture the growth on the schools' share (i.e. Educational Revenue Augmentation	ASSEMBLY APPR – Held on Suspense  Two-Year Bill	WATCH

<p><b><u>AB 11</u></b>  <b>(Chiu D)</b>  <i>(Continued)</i></p>	<p>Fund [ERAF]) of the property tax growth.</p> <p>AB 11 does require any new RDA to be approved by the Strategic Growth Council, which must find that the redevelopment plan furthers greenhouse gas (GHG) reduction goals and the fiscal impact to the state for backfilling the lost ERAF growth does not exceed a yet to be specified amount. The new RDA could finance housing, transit, transit priority projects, interchanges, bridges, parks and port infrastructure, to name a few. The projects do need to be located within the redevelopment area, but must have a nexus to the project area.</p>		
<p><b><u>AB 659</u></b>  <b>(Mullin D)</b>  Transportation: emerging transportation technologies: California Smart City Challenge Grant Program.</p>	<p>AB 659 requires the California Transportation Commission (CTC) to form a working group, consisting of local governments and transportation entities that would develop the guidelines and selection criteria for the Smart City Challenge Grants. The bill envisions funding projects that use intelligent transportation systems and applications that would reduce congestion, enhance mobility, safety, and spurring innovation. The bill does not currently identify or appropriate funds for this program.</p>	<p>ASSEMBLY APPR – Held on Suspense</p> <p>Two-Year Bill</p>	<p>WATCH</p>
<p><b><u>AB 847</u></b>  <b>(Grayson D)</b>  Transportation finance: priorities: housing.</p>	<p>As introduced, AB 847 would create a funding incentive for cities and counties to produce housing by reallocating non-Article 19 transportation funds and provide bonuses for certain funding programs.</p> <p>However, the bill was gutted and amended to now create a new competitive grant program. This bill</p>	<p>ASSEMBLY H &amp; C. D. – Two-Year Bill</p>	<p>WATCH</p>

<p><b><u>AB 847</u></b>  <b>(Grayson D)</b>  <i>(Continued)</i></p>	<p>does not provide a funding source, but it directs the Department of Housing and Community Development to create a grant program that would offset up to 100% of any local transportation impact fees imposed on a housing project that includes at least 20% affordable units.</p>		
<p><b><u>AB 1402</u></b>  <b>(Petrie-Norris D)</b>  Active Transportation Program.</p>	<p>AB 1402 was not heard in the Assembly Committee on Transportation and is now a two-year bill.</p> <p>This bill would revise the allocation process for Active Transportation Program (ATP) Funds. AB 1402 is substantively similar to the changes made to the ATP in SB 152 (Beall), but the bills are structured a little differently.</p>	<p>ASSEMBLY TRANS. Two-Year Bill</p>	<p>SUPPORT</p>
<p><b><u>AB 1568</u></b>  <b>(McCarty D)</b>  General plans: housing element: production report: withholding of transportation funds</p>	<p>AB 1568 was held by the Appropriations Committee and is now a 2-year bill.</p> <p>This bill would, if on or before January 1, 2025, a city or county is found to be out of compliance with existing housing element requirements then that city or county would be prohibited from applying for state grants. This prohibition would not apply to grants protected under Article 19 of the Constitution, which covers most transportation funds, or if the grant would assist the city or county in complying with housing element laws.</p> <p>As introduced this bill would have withheld SB 1 local streets and roads funds from a city or county that is found to be out of compliance with existing housing element laws.</p>	<p>ASSEMBLY APPR – Held on Suspense</p> <p>Two-Year Bill</p>	<p>OPPOSE</p>

<p><b><u>ACA 1</u></b>  <b>(Aguiar-Curry D)</b>  Local government financing: affordable housing and public infrastructure: voter approval.</p>	<p>ACA 1 failed passage on the Assembly Floor. Reconsideration was granted, and another attempt is possible, but the measure was 8 votes short of the 54 needed for passage. A few Democrat members voted No, and several others abstained. Given the stigma that this measure erodes Prop 13 protections makes it unlikely it will secure the needed support to move to the Senate.</p> <p>ACA 1 would lower the voter threshold for property tax increases, parcel taxes and sales taxes to 55% if the funds are used for affordable housing and infrastructure projects. This includes capital improvements to transit and streets and highways.</p> <p>However, ACA 1 does not allow for the 55% local measure to use the tax revenue for transit operations.</p>	<p>ASSEMBLY FLOOR</p> <p>Failed Passage – Reconsideration Granted</p>	<p>SUPPORT</p>
<p><b><u>SB 50</u></b>  <b>(Wiener D)</b>  Planning and zoning: housing development: equitable communities incentive.</p>	<p>SB 50 would require local governments to provide a specified “equitable communities incentive” to developers that construct residential developments in “jobs-rich” and “transit-rich” areas, which may include certain exceptions to specified requirements for zoning, density, parking, height restrictions, and floor area ratios.</p>	<p>SENATE APPR</p> <p>Two-Year Bill</p>	<p>WATCH</p>
<p><b><u>SB 152</u></b>  <b>(Beall D)</b>  Active Transportation Program.</p>	<p>This bill would implement some of the findings made by the Legislative Analyst’s Office (LAO) regarding the administration of the ATP. The goal is to streamline the administrative process for awarding ATP funds. The bill includes the following changes:</p> <ul style="list-style-type: none"> <li>• Modified the distribution formula to increase from 40% to 75% that is allocated to metropolitan planning organizations (MPO), increase the rural county share from</li> </ul>	<p>SENATE APPR – Held on Suspense</p> <p>Two-Year Bill</p>	<p>SUPPORT</p>

<b>SB 152</b> <b>(Beall D)</b> <i>(Continued)</i>	<p>10% to 15%, and reduce the statewide pot that is administered by the CTC from 50% to 10%.</p> <ul style="list-style-type: none"> <li>• Shift greater administrative control for the regional share to the MPOs.</li> <li>• Increase reporting requirements from the MPOs to the CTC.</li> </ul>		
<b>SB 336</b> <b>(Dodd D)</b> Transportation: fully-automated transit vehicles.	<p>SB 336 aims to address safety and customer service issues by requiring at least one public transit employee to be present on any fully automated transit vehicle. The public transit employee shall be trained in passenger safety, communications, emergency preparedness, and assisting the disabled and elderly.</p> <p>SB 336 would also require any transit operator that deploys an autonomous vehicle to submit a report to the legislature on that deployment by March 31<sup>st</sup>, 2025. SB 336 would sunset on January 1, 2025.</p>	ASSEMBLY TRANSP – Two-Year Bill	SUPPORT