

Napa Valley Transportation Authority

625 Burnell Street
Napa, CA 94559



Agenda

**Wednesday, February 17, 2021
1:30 PM**

REFER TO COVID-19 SPECIAL NOTICE

NVTa Board of Directors

****COVID-19 SPECIAL NOTICE****

PUBLIC MEETING GUIDELINES FOR PARTICIPATING VIA PHONE/VIDEO CONFERENCE

Consistent with Executive Orders No. N-25-20 and N-29-20 from the Executive Department of the State of California and Napa County's Shelter in Home Order issued March 18, 2020 and further extended, a physical location will not be provided for the Napa Valley Transportation Board of Directors meeting. The public is invited to participate telephonically or electronically via the methods below:

To observe the meeting by video conference, click on the link below at the noticed meeting time:
<https://countyofnapa.zoom.us/j/99750072830>

Instructions on how to join a video conference are available at: <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

To observe the meeting by phone, call 1 (669) 900-6833 at the noticed meeting time, then enter Meeting ID
997 5007 2830. When asked for the participant ID or code, press #.

Instructions on how to join a meeting by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663-Joining-a-meeting-by-phone>

How to Submit a Public Comment

1. Members of the public may submit a public in writing by emailing info@nvta.ca.gov by 11 a.m. on the day of the meeting with PUBLIC COMMENT identified in the subject line of the email. For comments to be read into record, emails with the equivalent of a maximum of 3 minutes shall contain in the subject line "Public Comment-Not on the Agenda" or "Public Comment-Agenda Item # (include item number)". All written comments should be 350 words or less, which corresponds to approximately 3 minutes of less of speaking time. All other written comments received will still be provided to the Board of Directors and be included as part of the meeting record.

2. To comment during a virtual meeting (Zoom), click the "Raise Your Hand" button to request to speak when Public Comment is being taken on the Agenda item. You will be unmuted when it is your turn to make your comment for up to 3 minutes. After allotted time, you will be re-muted.

Instructions for how to "Raise Your Hand" are available at: <https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>.

3. To comment by phone, press "*9" to request to speak when Public Comment is being taken on the Agenda item. You will be unmuted when it is your turn to make your comment for up to 3 minutes. After your allotted time, you will be re-muted.

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. Pledge of Allegiance
3. Roll Call
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

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.

9. PUBLIC HEARINGS

9.1 Public Hearing to Increase the FY 2020-21 Budget Appropriation to Allow Financing the Vine Bus Maintenance Facility (Kate Miller & Antonio Onorato) (Pages 10-40)

Recommendation:

Hold a Public Hearing to amend the FY 2020-21 Budget and increase the appropriations limit to \$35,747,000; and
Adopt Resolution 21-05 (Attachment 2) adopting the budget appropriation and conceptual financing plan for the Vine Bus Maintenance Facility Project in the amount of \$35,747,000; and
Approve Resolution 21-06 authorizing the Executive Director to execute a Loan Agreement with the Bank of Marin in the amount of \$5,000,000; and
Authorize the Executive Director or designee and legal counsel to negotiate and execute agreements with the Build American Bureau (BAB) and agreements with other organizations required by the BAB to complete the Transportation Infrastructure Finance and Innovation Act (TIFIA) financing arrangements.

Estimated Time: 1:45 p.m.

Attachments: [Staff Report](#)

10. CONSENT AGENDA ITEMS

10.1 Approval of Meeting Minutes of January 20, 2021 (Laura Sanderlin) (Pages 41-44)

Recommendation: Board action will approve the meeting minutes of January 20, 2021

Estimated Time: 2:15 p.m.

Attachments: [Meeting Minutes](#)

10.2 Resolution No. 21-07 Adopting the Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan for Fiscal Year End (FYE) 2022 and Authorizing Staff to Issue a Call for Projects (Diana Meehan) (Pages 45-82)

Recommendation: That the Napa Valley Transportation Authority (NVTB) Board approve Resolution No. 21-07 (Attachment 1) adopting the Fiscal Year End (FYE) 2022 Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan (Attachment 1, Exhibit B) and adopting the section criteria shown in Attachment 1, Exhibit A, for issuing a call for projects consistent with the Bay Area Air Quality Management District (BAAQMD) TFCA County Program Manager Fund Policies for FYE 2022.

Estimated Time: 2:15 p.m.

Attachments: [Staff Report](#)

11. QUARTERLY PROJECT UPDATE (Sanjay Mishra)

11.1 Soscol Junction Project

Vine Trail St. Helena to Calistoga

Bus Maintenance Facility

SR 29 Comprehensive Multimodal Corridor Plan (CMCP) and American Canyon Project

Imola Avenue Complete Street Improvements

SR 29 Adaptive Signal Control and Transit Signal Priority

Imola Avenue Park and Ride

SR 37 Corridor Improvements

Estimated Time: 2:20 p.m.

12. REGULAR AGENDA ITEMS

12.1 Napa Valley Transportation Authority (NVTA) Audited Financial Statement Years Ended June 30, 2020 and 2019 (Antonio Onorato) (Pages 83-182)

Recommendation: Information only. Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2020 and 2019 and Single Audit Report of Uniform Guidance for the Year Ended June 30, 2020.

Estimated Time: 2:45 p.m.

Attachments: [Staff Report](#)

12.2 Purchase Two- 40' Zero-Emission, Battery-Electric Buses (Antonio Onorato) (Pages 183-198)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute Purchase Order 21-2002 (Attachment 1) to acquire two (2) zero-emission battery-electric low-floor forty (40) foot buses from Proterra Incorporated in an amount not to exceed \$2,200,000.

Estimated Time: 3:00 p.m.

Attachments: [Staff Report](#)

12.3 Vine Transit Update (Rebecca Schenck) (Pages 199-204)

Recommendation: Information only. That the Napa Valley Transportation Authority Board receive the Vine Transit Services Fiscal Year (FY) 2020-21 second quarter (Q2) operational performance update.

Estimated Time: 3:10 p.m.

Attachments: [Staff Report](#)

12.4 Federal and State Legislative Update (Kate Miller) (Pages 205-212)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board receive the State Legislative update prepared by Platinum Advisors (Attachment 1) and approve board position recommendation on the State Bill Matrix (Attachment 2).

Estimated Time: 3:20 p.m.

Attachments: [Staff Report](#)

13. FUTURE AGENDA ITEMS**14. CLOSED SESSION****14.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957(B)(1))**

Title: Executive Director

Estimated Time: 3:45 p.m.

15. ADJOURNMENT**15.1 Approval of the next meeting of March 17, 2021 at 1:30 p.m. and Adjournment**

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. by Friday, February 12, 2021.

Laura Sanderlin (e-sign) 2/10/2021
Laura M. Sanderlin, NVTA Board Secretary

Glossary of Acronyms

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

Glossary of Acronyms

P3 or PPP	Public-Private Partnership	SOV	Single-Occupant Vehicle
PCC	Paratransit Coordination Council	STA	State Transit Assistance
PCI	Pavement Condition Index	STIC	Small Transit Intensive Cities
PCA	Priority Conservation Area	STIP	State Transportation Improvement Program
PDA	Priority Development Areas	STP	Surface Transportation Program
PIR	Project Initiation Report	TAC	Technical Advisory Committee
PMS	Pavement Management System	TCM	Transportation Control Measure
Prop. 42	Statewide Initiative that requires a portion of gasoline sales tax revenues be designated to transportation purposes	TCRP	Traffic Congestion Relief Program
PSE	Plans, Specifications and Estimates	TDA	Transportation Development Act
PSR	Project Study Report	TDM	Transportation Demand Management Transportation Demand Model
PTA	Public Transportation Account	TE	Transportation Enhancement
RACC	Regional Agency Coordinating Committee	TEA	Transportation Enhancement Activities
RFP	Request for Proposal	TEA 21	Transportation Equity Act for the 21 st Century
RFQ	Request for Qualifications	TFCA	Transportation Fund for Clean Air
RHNA	Regional Housing Needs Allocation	TIGER	Transportation Investments Generation Economic Recovery
RM2	Regional Measure 2 (Bridge Toll)	TIP	Transportation Improvement Program
RM3	Regional Measure 3	TIRCP	Transit and Intercity Rail Capital Program
RMRP	Road Maintenance and Rehabilitation Program	TLC	Transportation for Livable Communities
ROW	Right of Way	TLU	Transportation and Land Use
RTEP	Regional Transit Expansion Program	TMP	Traffic Management Plan
RTIP	Regional Transportation Improvement Program	TMS	Transportation Management System
RTP	Regional Transportation Plan	TNC	Transportation Network Companies
SAFE	Service Authority for Freeways and Expressways	TOAH	Transit Oriented Affordable Housing
SAFETEA-LU	Safe, Accountable, Flexible, and Efficient Transportation Equity Act-A Legacy for Users	TOD	Transit-Oriented Development
SB 375	Sustainable Communities and Climate Protection Act 2008	TOS	Transportation Operations Systems
SB 1	The Road Repair and Accountability Act of 2017	TPA	Transit Priority Area
SCS	Sustainable Community Strategy	TPI	Transit Performance Initiative
SHA	State Highway Account	TPP	Transit Priority Project Areas
SHOPP	State Highway Operation and Protection Program	VHD	Vehicle Hours of Delay
SNTDM	Solano Napa Travel Demand Model	VMT	Vehicle Miles Traveled
SR	State Route		
SRTS	Safe Routes to School		



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Public Hearing on Financing the Vine Bus Maintenance Facility

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board:

Hold a Public Hearing to amend the FY 2020-21 Budget and increase the appropriations limit to \$35,747,000; and

Adopt Resolution 21-05 (Attachment 2) adopting the budget appropriation and conceptual financing plan for the Vine Bus Maintenance Facility Project in the amount of \$35,747,000; and

Approve Resolution 21-06 authorizing the Executive Director to negotiate and execute a Loan Agreement with the Bank of Marin in the amount of \$5,000,000; and

Authorize the Executive Director or designee and legal counsel to negotiate and execute agreements with the Build American Bureau (BAB) and agreements with other organizations required by the BAB to complete the Transportation Infrastructure Finance and Innovation Act (TIFIA) financing arrangements.

EXECUTIVE SUMMARY

This action will hold a public hearing to consider amendments to NVTA's FY 2020-21 budget and increasing the appropriations level to include \$35,747,000 to fund the construction of the Vine Maintenance Facility. NVTA staff is further requesting the Board authorize the Executive Director to execute an agreement with the Bank of Marin and approve the conceptual financing package for the Bus Maintenance Facility.

FISCAL IMPACT

Total Construction Costs: \$35,747,000



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Memo

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
SUBJECT: Public Hearing to Amend the FY 2020-21 Budget and
Increase the Appropriations Limit to Include the Financing Amount
for the Vine Bus Maintenance Facility

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board:

1. Hold a Public Hearing to amend the FY 2020-21 Budget and increase the appropriations limit by \$35,747,000; and
2. Adopt Resolution 21-05 (Attachment 2) approving the budget appropriation and conceptual financing plan for the Vine Bus Maintenance Facility Project in the amount of \$35,747,000; and
3. Approve Resolution 21-06 authorizing the Executive Director to negotiate and execute a Loan Agreement with the Bank of Marin in the amount of \$5,000,000; and
4. Authorize the Executive Director or designee and legal counsel to negotiate and execute agreements with the Build American Bureau (BAB) and agreements with other organizations required by the BAB to complete the Transportation Infrastructure Finance and Innovation Act (TIFIA) financing arrangements.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

The current Vine Maintenance Facility on Jackson is a City-owned property that was adopted by NVRTA when it assumed operating the Vine system from the City. At that time, the City provided only fixed route services inside the City of Napa. Since then, NVRTA has consolidated the city transit services with the American Canyon Shuttle, the Calistoga Shuttle, the St. Helen Shuttle, and the Yountville Trolley. NVRTA has also added four regional routes and two express bus routes. The fleet has grown substantially to accommodate the expanded services. Consequently, the maintenance facility is no longer large enough to meet the needs of the transit service. The administrative offices are housed in a small trailer which cannot adequately accommodate staff, training needs or emergency operations. It also cannot accommodate NVRTA's advanced technology systems without significant manual interface. In addition, many of the operational components, such as the bus washer, have become obsolete and parts are no longer available forcing some systems into a state of perpetual disrepair. The facility has become a financial drain on NVRTA's resources and is compromising reliability of transit services.

Staff has been working on the development of the facility for 8 years, and has provided the board with periodic updates, soliciting comments and approvals along the way. The new maintenance facility will be located on two parcels that NVRTA acquired in 2018 on Sheehy Court, just north of Airport Drive. The new facility will include 6 modern bays, a bus washer, and administrative offices, including an emergency operation center and regional meeting facility. The NVRTA board certified the California Environmental Quality Act (CEQA) at its meeting on June 2018 and the Federal Transit Administration certified the National Environmental Protection Act (NEPA) environmental document in June 2019. The board has also received periodic design reviews and updates on financing options.

Board approval is now required to complete the financing package to stay on track to break ground on the facility, planned for late summer. Staff has provided periodic updates on its negotiations with BAB, the agency that manages the federal TIFIA loan program. Staff is proposing to borrow roughly \$20 million through the TIFIA program and \$5 million from the Bank of Marin to complete the project funding.

Staff is seeking Board approval for changes to the FY 2020-21 budget and to increase the appropriations level. Staff is also requesting the Board's approval of the Vine Maintenance Facility conceptual financing package and authorization for the Executive Director, or her designee, in collaboration with legal counsel, to negotiate and execute agreements in support of the financing arrangement. This will also involve developing a Credit and Security Agreement and Irrevocable Direction of Deposit of Local Transportation Funds (LTF) between the NVRTA, County of Napa, with concurrence from the Metropolitan Transportation Commission (MTC). This latter negotiation is a

requirement to ensure that the LTF funds for the amount of the debt payment can be transferred automatically to the BAB's agent.

While not all the information is certain for the financing plan at present, approval will allow staff to progress on other aspects of this project such as releasing the Invitation for Bid for Construction Services, negotiate debt service agreements, and proceed with final negotiations with the BAB to obtain a TIFIA loan. If there are any significant revisions to the financing package, those changes will be presented to the Board for its approval.

Attachment 5 are the loan terms from the Bank of Marin. Attachment 6 are the tentatively terms of the TIFIA loan provided by KNN, NVT A's finance consultants.

BACKGROUND AND DISCUSSION

Project Funding and Financing

The current budget of project stands at \$40,649,823, which includes \$4,902,594 of costs already incurred—purchase of real estate, architectural and engineering documents, and environmental impact reports (EIR). The project is at 100% design and shovel ready. The construction phase can commence when the financing package is approved.

Table 1 provides a summary project budget and fund sources. Attachment 4 provides a more detailed project budget and funding sources.

Table 1: Project Budget and Fund Sources (in '000)

	BUDGET	Local Grants TDA	State Grants SGR, SB1 LPP	Federal FTA Grants	Federal TIFIA Loan	Non-Federal Bank Loan
Pre-Construction	\$4,903	\$4,903				
Construction Costs	\$35,747	\$4,413	\$1,163	\$5,253	\$19,918	\$5,000
Totals	\$40,650	\$9,316	\$1,163	\$5,253	\$19,918	\$5,000
Interest Expense-TIFIA	\$4,431	\$4,431				
Interest Expense-BofM	\$1,064	\$1,064				
Total Project Cost	\$46,145	\$5,495				

Initially, a significant portion of the funding package included Regional Measure (RM3) funds, the \$3 toll increase on the seven state owned bridges in the Bay Area. While the Bay Area Toll Authority (BATA) has been collecting the revenues since RM3's passage in 2018, the funds have not flowed to eligible projects due to several lawsuits. The lower

courts have all sided with MTC but the plaintiffs appealed to the California Supreme Court which has agreed to hear the case, further delaying the flow of funding to critical projects such as the Vine Maintenance facility.

This delay prompted staff to seek alternative funding options through a private secondary bank. NVTAG has been in discussion with U.S. Bank and Bank of Marin for a \$5 million bridge loan. After analysis of proposed terms, staff selected Bank of Marin as the preferred lender primarily because the 12-year payback term provided a more favorable cash flow scenario than U.S. Bank's 6-year payback terms. The terms of the Bank of Marin loan are included as Attachment 5. NVTAG staff will file a *letter of no prejudice* with MTC so that if and when the RM3 funds are released, NVTAG will be able to pay back the private loan with no prepayment penalty.

In 2018, the Board authorized agreements with Public Finance Advisory Limited and subsequently with KNN Public Finance, to assist staff with developing and evaluating a TIFIA credit assistance proposal to the BAB for the construction portion of the Project.

The TIFIA loan program – and, specifically, under Rural Project Initiative (RPI) is a new lending initiative that places an emphasis on rural transportation needs and offers some significant benefits and savings to rural sponsors, including:

- Below market interest rates (50% of the U.S. Treasury rate, currently at 0.8%);
- Subsidized application fees;
- All the same structuring flexibility afforded by the traditional TIFIA Loan program;
- Funding of up to 49% of total project costs with TIFIA Loan proceeds;
- Five years of interest only payments and a 35-year loan period with funds being available on an as-needed basis and interest accrual on drawn-down funds only.

The tentative BAB TIFIA terms are included on Attachment 6. Should the final terms deviate significantly from the Attachment, staff will return to the NVTAG Board for final approval.

It is anticipated that the Vine Maintenance Facility will be the third project funded through the RPI program across the United States, with the other two RPI projects located in California, San Luis Obispo Regional Transit Authority and Monterey-Salinas Transit, both of which had assistance from KNN Public Finance.

Staff has also requested indicative ratings from Moody's Investment Services to support the TIFIA financing structure, which factored in the additional \$5 million proposed private sector bank loan. On January 20, 2021, Moody's Investor Services re-issued a new indicative ratings letter (Attachment 4), a requirement of the Build America Bureau. Moody's has reiterated an investment grade, low risk of default rating to both loans:

- The TIFIA Loan, 2021 proposed to be entered into by the Issuer with the United States Department of Transportation is assigned an Indicative Rating of A2.

- The Bank Loan, 2021 proposed to be entered into by the Issuer with a local bank is assigned an Indicative Rating of A2.

With the assistance of special legal counsel on this project, NVT A has been in discussions with MTC and County of Napa to redirect Local Transportation Funds (LTF) (Attachment 7). The Irrevocable Direction to Deposit Local Transportation Funds is a requirement of the BAB to facilitate the debt service payments through an independent, third party collateral agent.

The proposed project funding sources are summarized in the Table 1, above. Federal and State grants that staff has already secured contribute to 39% of total Project funding sources. The TIFIA Loan will provide 49% of the total Project funding needs, which is capped at this percentage contribution pursuant to Federal statute. A bank loan with Bank of Marin will secure the remaining 12% of Project funding requirements. Further, Federal funds, including the \$5.253 million that has already been secured through several grants, can be used to maximize Federal interest in the Project up to 80% of the project cost – the currently anticipated Federal interest is 62%. Staff also continues to actively secure additional Federal grant funding to offset borrowing.

The Bank of Marin loan will be secondary, and will only be used when the TIFIA funds have been fully drawn down. As previously noted, RM 3 funds will nominalize any borrowing should MTC prevail in the litigation. Table 2 summarizes the percentage contribution of the financing package.

Table 2: Funding Percentage Contributions

Source of Funding	Amount (in '000)	% of Total Project Costs
TIFIA (% of eligible costs, up to 49%)	\$19,918	49%
Total Federal (% of eligible costs, up to 80%)	\$25,170	62%
Total Non-Federal Sources (at least 20%)	\$15,480	38%
Project Total	\$40,650	100%

TIFIA Loan (\$19.918 Million): The TIFIA/RPI program offers NVT A significantly reduced borrowing cost and annual budgetary benefits. Notably, at the time of closing on the TIFIA loan, the NVT A will lock-in a fixed interest rate for a 35-year term based on 50% of the current US Treasury rate at the time on close. By way of illustration, if current US Treasury rates remained unchanged between now and the time of closing on the TIFIA Loan, then the NVT A's interest cost on a 35-year obligation would be 0.81% (based on a 30-year UST rate of 1.61% as of January 29, 2021). The TIFIA Loan program typically requires high upfront fees to cover U.S. DOT/BAB legal and advisor costs; however, under RPI a limited amount of Federal funds are available to cover such costs, and NVT A's upfront TIFIA program costs incurred by U.S. DOT/BAB have been fully offset. ***The TIFIA loan can be prepaid and redeemed at any time.***

Bank of Marin Loan (\$5 Million): Initially, term sheets were received from two banks: U.S. Bank and Bank of Marin. Each bank has a pre-existing relationship with NVTA. Although both financial institutions offered similar conditions, U.S. Bank's loan facility offered a six-year term compared to 10 years at Bank of Marin. With a two-year drawdown period, Bank of Marin's amortization period was effectively twelve years. Although NVTA intends to pay back any loans as quickly as possible, a 10-year payback period provides NVTA maximum flexibility for cash flow purposes if RM3 funds fail to materialize. Table 3 shows the amortization schedule if **all** the loan proceeds were used.

Table 3: Loan Payback Comparison

Year*	Bank of Marin	US Bank
Year 0	\$ 0	\$59,989
Year 1	121,142	1,059,880
Year 2	660,263	1,059,880
Year 3	660,263	1,059,880
Year 4	660,263	1,059,880
Year 5	660,263	1,059,880
Year 6	660,263	
Year 7	660,263	
Year 8	660,263	
Year 9	660,263	
Year 10	660,263	
Total	\$6,063,510	\$ 5,359,388

- Start year is for illustrative purposes only

Staff considers Bank Marin's term sheet (Attachment 5) as the preferred lender for the secondary bank loan primarily due to the payback period and also because of a few other ancillary and more restrictive terms that U.S. Bank proposed. The current business operational relationship NVTA has with Bank of Marin includes: an operating account for online pass sales, a \$5M Line of Credit, and several Certificates of Deposits. Bank of Marin has shown a strong interest and commitment to the Project. The Bank of Marin Terms Sheet presented to the Board for approval accomplishes two key objectives of the financing process:

1. Line of Credit – Provides access to funds over a two-year “draw down” or construction period for the total available borrowing amount of \$5 million, if needed. NVTA is only required to pay the interest portion of the funds used during the drawdown period.
2. Permanent Loan – Secures permanent Project funding needs of \$5 million that together with the TIFIA Loan (whose size is capped under Federal statutes) will close the total Project funding gap.

The Bank of Marin loan can be prepaid and redeemed **at any time** without penalty.

The Loan Repayment and Security Structure

Table 4 presents the expected annual debt service payments for the combined loans. The proposed loan repayment structure aims to achieve fixed level annual payments to support ongoing budget certainty. Following an interest-only payment period for the first five years of the TIFIA loan. As noted, the Bank of Marin loan is expected to fully amortize in 2026 *if* the full \$5M is drawn. The Bank of Marin loan will be paid off using RM 3 funds if they become available. Neither loan approval is subject to the RM 3 funds becoming available.

Table 4: Loan Payment Amortization Schedule (based on fully amortized loans)

Year	TIFIA	Bank of Marin	Total Debt Service
2022	\$83,381	\$ 0	\$ 82,416
2023	183,290	121,142	304,432
2024	185,232	660,263	845,495
2025	185,232	660,263	845,495
2026	185,232	660,263	845,495
2027	185,232	660,263	845,495
2028	185,232	660,263	845,495
2029	185,232	660,263	845,495
2030	185,232	660,263	845,495
2031	185,232	660,263	845,495
2032	185,232	660,263	845,495
2033	896,580		896,580
2034	896,580		896,580
2035	896,580		896,580
2036	896,580		896,580
2037	896,580		896,580
2038	896,580		896,580
2039	896,580		896,580
2040	896,580		896,580
2041	896,580		896,580
2042	896,580		896,580
2043	896,580		896,580
2044	896,580		896,580
2045	896,580		896,580
2046	896,580		896,580
2047	896,580		896,580
2048	896,580		896,580
2049	896,580		896,580
2050	896,580		896,580
2051	896,580		896,580
2052	896,580		896,580
2053	896,580		896,580
2054	896,580		896,580

2055	896,580		896,580
2056	896,580		896,580
2057 (Last Year)	896,580		896,580
Totals	\$24,348,257	\$6,280,349	\$30,411,767

Based on the secured Bank of Marin Loan rate of 3.5% during draw period and 4% during repayment, and a TIFIA Loan rate of 0.93%, estimated aggregate annual debt service payments equate to between \$82,416 to \$845,495 for the first five years and \$845,495 to \$896,580 for years 6 to 35.

As proposed to MTC and the County of Napa, NVTA will direct the County of Napa to deposit all of NVTA's allocated LTF funds on each calendar quarter basis (when LTF funds are received by the County from the State) with the Collateral Agent (Trustee) who will deposit from these amounts into the debt service accounts held by the Collateral Agent (the Irrevocable Direction RE Deposit of LTF Funds) (Attachment 4). NVTA is currently seeking an independent, third-party collateral agent.

Any amount of LTF claimed funds not required to make the quarterly debt service deposits will be transferred back to the County of Napa's LTF Trust account by the Collateral Agent, for NVTA's exclusive use.

The Irrevocable Direction to Deposit of LTF Funds will be in effect until NVTA's financial obligations under the loan agreements have been satisfied. Under the TIFIA and Bank of Marin loan agreements, NVTA will budget and appropriate from all available sources of revenue (excepting federal grant funds which are not allowed to be used for debt payment on the TIFIA loan) necessary to repay debt service on the TIFIA Loan. These sources include LTF, farebox revenues, and member contributions.

ALTERNATIVES

NVTA could forego the loans and wait for RM3 or other grant funding to become available. There is no guarantee grant funds will become available but further delays in constructing the facility will result in project cost escalation. Other costs may be associated with a delay in TIFIA financing, including higher interest rates, fees to update indicative rating letters and additional consultant fees.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 3: Use taxpayer dollars efficiently.

Financing to complete the project funding package and begin the construction phase will significantly offset the cost associated with construction escalation delays.

ATTACHMENTS

- (1) Resolution 21-05
- (2) Resolution 21-06
- (3) Moody's Indicative Ratings Letter
- (4) Vine Bus Maintenance Facility Budget
- (5) Bank of Marin Term Sheet
- (6) Tentative TIFIA terms provided by KNN
- (7) Draft Agreement for Irrevocable Direction To Deposit Local Transportation Funds

RESOLUTION No. 21-05

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY (NVTA)
INCREASING THE BUDGET APPROPRIATION IN THE AMOUNT OF \$35,747,200
FOR THE CONSTRUCTION OF THE
VINE BUS MAINTENANCE FACILITY PROJECT**

WHEREAS, since 2012, the Napa Valley Transportation Authority (“NVTA”) has been developing a new bus maintenance facility in Napa County (“Project”); and

WHEREAS, has been operating its countywide public transit services from a small facility leased by the City of Napa since the inception of public transit in Napa County; and;

WHEREAS, the NVTA completed a Bus Maintenance Facility feasibility study which was received by the board on December 12, 2013 evaluating transit service demands and facility requirements over a 25-year time horizon; and;

WHEREAS, in September 2018, NVTA purchased two parcels- APN 057-250-036 and APN 057-250-025 located at 96 and 101 Sheehy Court for the construction of a new Maintenance Facility; and;

WHEREAS, Resolution 18-04 certified the Environmental Impact Report (SCH #2017052029) for the Project and subsequently Resolution 18-12 made minor modifications to site layout was modified as the design process progressed and the revised project was analyzed for potential environmental impacts; and;

WHEREAS, the Project is at 100% design and shovel ready; and;

WHEREAS, the total project budget for the Project is estimated to be \$40,650,000, with \$35,747,200 for the construction portion of the project and \$4,902,600 of cost incurred-to-date; and;

WHEREAS, the NVTA received grant funds of approximately \$15,732,400; and

WHEREAS, a preliminary financing plan has been developed to address the unfunded amount as described to this Board to fully fund the project construction; and;

WHEREAS, the NVTA received a term sheet from a secondary financial institution, to provide a loan to the NVTA in the amount of up to \$5,000,000, if needed; and

WHEREAS, the Build America Bureau will provide up to 49% of the total project financing through the Transportation Infrastructure Finance and Innovation Act ; and

WHEREAS, the NVTA may supplement the project budget and use up to an additional \$8 million in federal funds if those funds become available; and;

WHEREAS, the NVTA will submit a Letter of No Prejudice (LONP) to the Metropolitan Transportation Commission to repay financed debt if Regional Measure 3 funds become available; and

WHEREAS, the NVTA Board desires to delegate to the Executive Director the authority to execute a with the Bank of Marin on the terms, conditions and fees as set forth in the Term Sheet, attached hereto as Attachment A;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Napa Valley Transportation Authority that:

1. That the NVTA Board adopt the construction budget appropriation for the Bus Maintenance Facility in the amount of \$35,747,200;

2. The Executive Director or designee is authorized to negotiate, execute and make minor changes to relevant agreements and documents, and direct staff to deliver the Vine Bus Maintenance Facility project.

Passed and adopted this 17th day of February, 2021.

Alfredo Pedroza, NVTA Chair

Ayes:

Nays:

Absent:

ATTEST:

Laura M. Sanderlin, NVTA Board Secretary

APPROVED:

DeeAnne Gillick, NVTALegal Counsel

RESOLUTION No. 21-06

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY (NVTA)
APPROVING A TERM SHEET FROM BANK OF MARIN TO PROVIDE FINANCING
FOR THE CONSTRUCTION OF THE VINE BUS MAINTENANCE FACILITY**

WHEREAS, the Napa Valley Transportation Authority (“NVTA”) is developing a new bus maintenance facility project in Napa County (“Project”); and

WHEREAS, based on current cost estimates and a preliminary funding plan as described to this Board, the NVTA will need to finance a portion of the cost of the Project; and;

WHEREAS, the NVTA received a term sheet from Bank of Marin to provide a loan to the NVTA in the amount of up to \$5,000,000; and

WHEREAS, the Bank of Marin loan will complete the financing of the Project which will produce significant public benefits; and

WHEREAS, the NVTA Board desires to delegate to the Executive Director the authority to execute a loan agreement with the Bank of Marin on the terms, conditions and fees as set forth in the Term Sheet, attached hereto as Attachment A;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Napa Valley Transportation Authority that:

1. The term sheet with the Bank of Marin to finance a portion of the cost of the Project is hereby approved, attached hereto as Attachment A; and

2. The Executive Director or designee is authorized to negotiate and execute the financing agreement with the Bank of Marin on the terms, conditions and fees as set forth in the Term Sheet,

Passed and adopted this 17th day of February, 2021.

Alfredo Pedroza, NVTA Chair

Ayes:

Nays:

Absent:

ATTEST:

Laura M. Sanderlin, NVTB Board Secretary

APPROVED:

DeeAnne Gillick, NVTB Legal Counsel

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7 World Trade Center
250 Greenwich Street
New York, NY 10007
www.moody's.com

January 20, 2021

Napa Valley Transportation Authority
625 Burnell St
Napa, CA 94559

For the attention of: Kate Miller, Executive Director

Re: Napa Valley Transportation Authority (the "**Issuer**")
TIFIA Loan, 2021 and Bank Loan, 2021

Dear Ms. Miller:

At your request, Moody's Investors Service ("**Moody's**") has reviewed the business fundamentals and financial condition of the Issuer, as well as the terms and conditions surrounding the Issuer's proposed financing, as described below with a view to assigning Indicative Ratings.

A Moody's Indicative Rating is an unmonitored, point-in-time opinion of the potential credit rating(s) of an issuer or a proposed debt issuance by an issuer contemplating such a debt issuance at some future date. Indicative Ratings are not equivalent to and do not represent traditional Moody's credit ratings. However, Indicative Ratings are expressed on Moody's traditional rating scale. Please refer to Moody's *Rating Symbols & Definitions*, which is available at www.moody's.com, for the meaning of Moody's rating(s) and other products/services.

Based on the documents and information provided to Moody's to date and particularly on key assumptions and considerations, including but not limited to those presented below, Moody's has assigned the Indicative Ratings, A2 (the "**Indicative Ratings**"), detailed below. This letter and the Indicative Ratings contained within it are subject in all respects to the terms of your application for the Indicative Ratings.

Indicative Ratings

Moody's has assigned the below Indicative Ratings:

The TIFIA Loan, 2021 proposed to be entered into by the Issuer with the United States Department of Transportation is assigned an Indicative Rating of A2.

The Bank Loan, 2021 proposed to be entered into by the Issuer with a local bank is assigned an Indicative Rating of A2.

The TIFIA and bank loans are expected to be parity obligations secured by a gross pledge of the Issuer's farebox revenues, also payable from other legally available revenues of the Issuer, primarily California Transit Development Act (TDA) Local Transportation Fund (LTF) revenues. The Issuer plans to execute an irrevocable directive pursuant to which the County of Napa will transfer, upon receipt, the Issuer's monthly

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allocation of LTF funds first to the Collateral Agent to make deposits into the debt service funds as may be required before such LTF funds are returned to the County of Napa and made available to NVT A

The indicative A2 ratings on the TIFIA and bank loans reflect long-term positive trends for the service area economy, a strong history of support for local transit by State of California (Aa2 stable), local support for transit demonstrated by member agencies' agreement to contribute annual membership fees to the Issuer, the budget flexibility and liquidity provided by the Issuer's ability to draw upon additional LTF funds if needed, and a minimal pension liability for the Issuer's transit enterprise. These strengths are offset, in part, by the small size of the Issuer's bus system, an economy concentrated in wine making and tourism, and the risks of federal operating support for transit. The rating is based on the Issuer's long-term credit fundamentals which are expected to be restored following containment of the coronavirus pandemic and recovery of the regional economy. We assume that federal and other assistance will be sufficient to sustain the Issuer's liquidity for the length of the current crisis.

Disclaimers

The Indicative Ratings have been assigned on a "point-in-time" basis and will not be monitored going forward.

Credit ratings issued by Moody's are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address credit risk only and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Such other non-credit risks may have a significant effect on the yield to investors.

Neither Moody's Indicative Ratings nor its credit ratings are, and they do not provide, investment advice or recommendations to purchase, sell, or hold particular securities. Moody's issues its Indicative Ratings and credit ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, holding, or sale.

Under no circumstances shall Moody's or any of its affiliates or any of their respective directors, officers or employees have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any action or error (negligent or otherwise) or other circumstance or contingency within or outside the control of Moody's or any of its or its affiliates' directors, officers, employees or agents in connection with the Indicative Ratings or the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any information used in assigning the Indicative Ratings, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if Moody's is advised in advance of the possibility of such damages, resulting from the Indicative Ratings or the use of, or inability to use, any information in connection with the Indicative Ratings. **ALL INFORMATION, INCLUDING THE INDICATIVE RATING OR ANY FEEDBACK OR OTHER COMMUNICATION RELATING THERETO, IS PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. MOODY'S MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH INFORMATION.**

The assignment of an Indicative Rating or a credit rating does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of the Indicative Rating or credit rating. Moody's has not consented to and will not consent to being named as an "expert" under the applicable securities laws, including, without limitation, Section 7 of the Securities Act of 1933.

We would like to draw your attention to the fact that while the information and assumptions conveyed to Moody's in connection with the Indicative Ratings may broadly describe the ultimately negotiated

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agreements and final terms of the actual financing, these final terms and agreements could deviate in many significant respects from the information provided to Moody's for purposes of assigning the Indicative Ratings. The final terms, contractual provisions and debt structure of the actual financing could be collectively stronger or weaker than those reviewed by Moody's to date and a change in even a single contractual provision, or any difference between the final terms of the actual financing and the information provided to us, could have the potential to impact the credit quality of the transaction. Accordingly, the definitive credit ratings assigned to an actual financing will reflect final terms and conditions and could conceivably be higher or lower than the assigned Indicative Ratings.

Confidentiality

Please be aware that the contents of this letter are strictly confidential. The Indicative Ratings are only for the benefit of the Issuer and should not be disclosed to any other person except strictly in accordance with your application for the Indicative Ratings. Moody's reserves the right to publish or disclose the Indicative Rating in accordance with your application for the Indicative Rating, including, without limitation (i) as required by law, regulation, judicial or governmental order, subpoena or other legal process or as requested or required by any governmental or regulatory authority, or (ii) in the event that such Indicative Rating is disclosed (other than by Moody's or any affiliate of Moody's) to any third party other than as expressly permitted pursuant to the confidentiality provisions set forth in your application for the Indicative Ratings.

Yours faithfully,

Moody's Investors Service

Cc: KBK, Global Middle Office

Vine Transit Maintenance Facility
Capital Expenditure and Funding Plan

	Secured	Secured	Pending	Secured	Secured	Secured	Secured	Pending	Prgrmmd	Prgrmmd	Prgrmmd	Eligible
Budget	TDA LTF/STA	STA SGR	Bank Loan (in lieu of RM3)	SB 1 LPP	FTA 5339(c) LowNo	FTA 5339(a) Formula	FTA 5339(a) Formula	FTA FHWA Flex	FTA 5307 FY21	FTA 5339(a) Formula	FTA 5339(a) Formula	TIFIA
					CA-2018-103	CA-2019-119	CA-2020-166	Dec 2020 TIP, Jan 2021 app	CA-2021-XXX	CA-2021-XXX	CA-2022-XXX	
Pre-Construction												
Architectural & Engineering	\$2,028,594	\$2,028,594	-	-	-	-	-	-	-	-	-	-
Lot Purchase	\$2,610,000	\$2,610,000	-	-	-	-	-	-	-	-	-	-
Environmental Impact Report	\$250,000	\$250,000	-	-	-	-	-	-	-	-	-	-
Appraisal	\$14,000	\$14,000	-	-	-	-	-	-	-	-	-	-
Subtotal Incurred Costs	\$4,902,594	\$4,902,594	-	-	-	-	-	-	-	-	-	-
Construction												
Site Work	\$10,096,375	\$190,414		\$289,713					\$2,336,082			\$7,280,166
Maintenance Building	\$8,514,169		\$63,304	\$469,318		\$205,812	\$214,207		\$23,202	\$197,431	\$225,046	\$7,115,849
Operations/Admin Building	\$5,282,981	\$724,965		\$2,072,129				\$2,000,000				\$485,887
Bus Wash	\$1,036,125			\$629,841								\$406,284
Offsite (Road Improvements)	\$200,000			\$200,000								
Furniture, Fixtures, & Equipment	\$2,479,840				\$50,625							\$2,429,215
Construction Manager	\$1,339,000			\$1,339,000								
Photovoltaic System	\$3,000,000	\$1,900,000			\$1,100,000							
Contingency	\$2,500,000	\$500,000										\$2,000,000
Financial Advisor/Legal	\$200,000	\$0										\$200,000
Permitting Fees/ Mitigation	\$500,000	\$500,000										
Engineering Services	\$598,739	\$598,739										
Subtotal Anticipated Costs	\$35,747,229	\$4,414,118	\$63,304	\$5,000,000	\$1,100,000	\$50,625	\$205,812	\$214,207	\$2,000,000	\$2,359,284	\$197,431	\$225,046
Total Project Sources/Uses	\$40,649,823	\$9,316,712	\$63,304	\$5,000,000	\$1,100,000	\$50,625	\$205,812	\$214,207	\$2,000,000	\$2,359,284	\$197,431	\$225,046



February 5, 2021

Kate Miller, Executive Director
Antonio Onorato, Director of Administration, Finance, and Policy
Napa Valley Transportation Authority
625 Burnell Street
Napa CA 94559

Dear Kate & Antonio

In response to your request, Bank of Marin (“Bank”) is pleased to express our interest in pursuing loans based upon the following primary terms, it being understood that some additional terms and/or conditions may be required by us before a formal commitment is extended:

1. Credit Facility: Non-Revolving Line of Credit to Term Loan (“**Bank Loan**”)
2. Borrower: The Napa Valley Transportation Authority, a joint powers authority created under the laws of the State of California (the “**Borrower**”)
3. Purpose/Project: Financing for a new transit vehicle maintenance and administration facility to be constructed and owned by the Borrower and located in the City of Napa, California (the “**Project**”).

Loan will bridge the financing needs for the construction of the Project until designated funding of Regional Measure 3 is released. In the event the release of the Measure 3 funds is delayed or denied, the outstanding balance may be converted to a Term Loan.

4. Proposed Loan Amount: A maximum principal amount not to exceed \$5,000,000.

This Credit Facility is conditioned upon the following:

- Approval of the Transportation Infrastructure Finance and Innovation Act (the “**TIFIA Loan**”) to be entered into by the Borrower and United States Department of Transportation (the “**TIFIA Lender**”) acting by and through the Executive Director of the Build America Bureau, in an amount no less than 49% of the total project cost (currently estimated at \$19,917,401) with final terms acceptable to Bank.
- Approval of all grants in an amount no less than 38% of the total project cost (currently estimated at \$15,732,421).

5. Loan Term: Up to twelve years (“**Maturity**”) as detailed below. However, loan will become due and payable in full the earlier of the Maturity or the release of Measure 3 funds.

Draw Period: Funds may be advanced during the first two years. Borrower may make one draw per month subject to, but not limited to the following:

- All grants and the TIFIA Loan must be funded in full prior to the first advance.
- Borrower to be in compliance with all loan agreements
- Borrower to provide monthly draw reports (which must include the updated percent to completion) to verify that the remaining funding sources are sufficient to complete the project. If there is a short fall, then borrower will be required to provide proof of additional funding sources needed to complete project prior to disbursement of Bank funds.
- Borrower to provide invoices and following each draw, proof of payment for work invoiced.
- Bank will reserve the right to require inspection prior to disbursement to verify percent of completion.

Term Loan: Ten Years fully amortizing

6. Interest Rate:

Draw Period: The loan shall be priced at the current Prime Rate during the two year draw period. Prime Rate shall mean the Prime Rate published in the Wall Street Journal, as such rate may change from time to time. The current Prime Rate is 3.25%.

Term loan: At conversion to a term facility the borrower will have the option to fix the rate. If borrower executes that option the rate will be fixed at the to the then most current month's 10-year Treasury Constant Maturity (TCM) plus 2.5%. Rate floor: 3.50%.

Interest will accrue daily on the simple interest basis of a 365/360 day year.

7. Repayment

Draw Period: Interest payable quarterly. Principal may be repaid at any time during the Draw Period but amounts repaid may not be reborrowed.

Term Loan: Equal principal payments of \$125,000 plus interest payments to be payable in quarterly installments.

The Bank loan will be repaid from a **Dedicated Repayment Source** (as described in Section 8). Payment performance will be administered and enforced by a third party Collateral Agent acting for the benefit of the Bank and TIFIA Lender (the "**Secured Parties**") to be detailed in the Collateral Accounts and Security Agreement for the transaction (the "**CASA**") to be entered into by the Borrower, the Bank, the TIFIA Lender

and Collateral Agent with terms satisfactory to the Bank. The Collateral Agent assigned must be acceptable to Bank.

The Bank Loan will be a senior obligation of the Borrower in right of payment from (and claim on) all Dedicated Repayment Sources, *pari passu* with the secured loan pursuant to the TIFIA Loan.

8. Dedicated
Repayment
Source:

The Borrower shall deposit (or cause to be deposited) the following revenues to an account administered by the Collateral Agent (the “**Revenue Account**”) through the following **Dedicated Repayment Sources**.

- **LTF Funds:** Borrower will issue an irrevocable direction letter to the County of Napa, in form and substance satisfactory to the Bank Lender and TIFIA Lender, directing the County of Napa to send all LTF Funds allocated to the Borrower directly to the Revenue Account when received by the California Department of Tax and Fee Administration.
- **Farebox Revenues:** As the pledged revenue source for the Bank Loan, the Borrower shall cause all Farebox Revenues to be deposited to the Revenue Account. Borrower will issue an irrevocable direction letter to the Farebox Bank, directing the Bank to send all Farebox Revenues directly to the Revenue Account on a monthly basis.

Funds deposited into the Revenue Account will then be directed to the respective Secured Parties **Debt Service Accounts** and **Reserve Accounts** as defined in Section 9 to meet the balance requirements of each secured party. Funding of the accounts will be administered in the following order of priority:

- **First**, on a *pari passu* basis, deposits to the Bank Debt Service Account and the TIFIA Debt Service Account required balance
- **Second**, on a *pari passu* basis deposits to fund the Reserve Account and the TIFIA Debt Service Reserve Account.
- **Third**, any remaining amounts after items *first* and *second* will be transferred to the Borrower.

If at any time LTF Funds and Farebox Revenues deposited to the Revenue Account will not be sufficient to fund the Debt Service Accounts and Reserve Accounts, the Borrower shall deposit (or cause to be deposited) amounts sufficient to fund the respective accounts through other revenue sources (other revenues include STA Revenues, Membership Fees, and Other Revenues).

9. Bank Loan
Account Balance
Requirements:

Debt Service Accounts:
 Borrower must maintain at all times an amount equal to the quarterly contractual principal plus interest payments. The account shall be assigned exclusively to the Bank Lender.

Reserve Account:
 Borrower must maintain at all times an amount equal to fifty percent (50%) of the principal plus interest payments on the Bank Loan due and payable during the then-current Borrower Fiscal Year. The account shall be assigned exclusively to the Bank Lender.
10. Loan Fee: 0.50% of the loan amount or \$25,000. *Attorney fees for the preparation and review of loan documents will be billed separately.*
11. Prepayment
Penalty None
12. Collateral: The Loan will be secured by the following and will be subject to the terms and conditions outlined in a Security Agreement, the CASA and any Intercreditor Agreement between Bank and the TIFIA Lender:
 - Commercial security agreement and UCC filing covering all of Borrower's assets, including accounts, inventory, equipment and general intangibles. This filing will be subordinate to the existing UCC broadform filing in priority position securing Borrower's existing Line of Credit with the Bank.
 - A direct pledge of all Farebox Revenues
 - A perfected security interest in each of the accounts established under the CASA including but not limited to the Bank Loan Debt Service and Reserve Accounts.
13. Additional Debt: The Borrower shall not incur any indebtedness without the prior written consent of the Bank Lender.
14. Reporting
Requirements Standard conditions and covenants including:
 - Borrower to provide annual CPA Audited financial statements within 180 days of the fiscal year end.
 - Borrower shall provide interim financial statements within 45 days of each quarter-end.
 - Borrower shall provide Annual Allocation letters/Funding Availability Notices.
 - Borrower shall provide Annual Cash Flow Projections.
 - Borrower shall provide MTC reports including the Local Transportation Fund Activity Statement; unpaid Allocations; Administrative Fee Schedule within 45 days of each quarter-end.

Napa Valley Transportation Authority
2/5/2021
Page 5

- Borrower shall provide updated information regarding the status of the pending litigation of Measure 3.
15. Additional Requirements:
- Borrower to provide a copy of fixed-price construction contract satisfactory to bank.
 - Borrower to provide evidence of construction insurance (subject to satisfactory review of bank).
 - Cross default to all current and future credit agreements.
 - Modifications to the TIFIA loan may require Bank consent.
 - Borrower to maintain primary operating accounts at Bank of Marin.

THIS LETTER OF INTEREST IS FOR DISCUSSION PURPOSES ONLY AND IS NOT AN OFFER OR COMMITMENT TO LEND. THIS LETTER OF INTEREST REFLECTS THE BANK'S PRELIMINARY INTEREST IN EXPLORING A CREDIT ARRANGEMENT AND WILL NOT BE BINDING ON THE BANK OR THE ADDRESSEE. The terms proposed herein including rates and margins are subject to revision at Bank of Marin's discretion. Should Bank of Marin enter into a credit relationship with the borrower, documents may contain additional or different terms, covenants and conditions. This letter of interest may not be contradicted by evidence or any alleged oral agreement, may not be disclosed, and may not be relied upon for any purpose without Bank of Marin's prior written consent.

If these proposed terms and conditions are acceptable to you, please indicate by signing and returning a copy of this letter to us.

Thank you for providing us the opportunity to be of service to you. Please call Scott McAdams at 707-265-2022 or Christina Perez at 707-265-2021 if you have any questions or we can be of additional assistance.

Sincerely,

Scott McAdams
SVP, Regional Manager
ScottMcAdams@BankofMarin.com

Christina Perez
Commercial Banking Officer
ChristinaPerez@BankofMarin.com

Acknowledged: _____ Date: _____

Date: February 8, 2021

To: Napa Valley Transportation Authority
Kate Miller, Executive Director
Antonio Onorato, Director of Administration, Finance, and Policy

From: KNN Public Finance, LLC
David Leifer, Melissa Shick, Nedko Nedev

Re: United States Department of Transportation
Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program
Anticipated Loan Terms and Security Covenants

KNN Public Finance, LLC (KNN) has been appointed by Napa Valley Transportation Authority (NVTA) to serve as your financial advisor and to assist with securing credit assistance under the United States Department of Transportation's (U.S. DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program. NVTA is pursuing a TIFIA Loan under the Rural Project Initiative (RPI) – a program that provides important value to rural borrowers, including below market borrowing costs and subsidized program fees.

KNN advised the inaugural two borrowers under the TIFIA/RPI program – San Luis Obispo Regional Transit Authority and Monterey-Salinas Transit District (collectively, the Prior Borrowers) – in the successful execution of their respective TIFIA Loans. While each agency has its own unique characteristics, by and large the loan terms and security covenants set forth within the Loan Agreements for each of the Prior Borrowers were generally consistent. Representatives from the U.S. DOT administering the TIFIA/RPI Program have indicated that it is their expectation that NVTA's Loan Agreement with the U.S. DOT would be modeled after those of the Prior Borrowers.

Below we set forth the primary loan terms and security covenants that we anticipate being effectuated on NVTA's TIFIA Loan borrowing.

ANTICIPATED TIFIA LOAN TERMS

TIFIA LENDER	United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau.
BORROWER	Napa Valley Transportation Authority (NVTA), a joint powers authority created under the laws of the State of California.
LOAN AMOUNT	Not to exceed \$19,918,000; subject to adjustment prior to the Closing Date on the TIFIA Loan to the extent the overall project budget changes. Total loan amount is conditioned upon: (a) the loan amount does

	not exceed 49% of eligible project costs and (b) total federal assistance (the TIFIA Loan amount together with any grants or other federal funding sources) provided to the project does not exceed 80% of eligible project costs.
INTEREST RATE	<p>Based on half the interest rate of securities (State and Local Government Series (SLGS)) of a similar maturity as the TIFIA Loan (in NVTa's case, amounting to the longest SLGS rate) to be locked-in on the Closing Date of the TIFIA Loan.</p> <p>As an illustration, based on the SLGS rates as of 1/29/2021, the Interest Rate would be determined by the following calculation:</p> <ul style="list-style-type: none"> • Interest Rate = 50% * (35-YR SLGS Rate + 0.01%). • The SLGS rate on 1/29/2021 was 1.85% • 1/29/2021 Interest Rate for NVTa = 50% * (1.86%) = <u>0.93%</u> <p>The SLGS rate table is updated daily and can be accessed at https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm. SLGS rates can fluctuate daily between now and the Closing Date of the TIFIA Loan, generally reflecting movements in US Treasury yields.</p>
LOAN TERM – MATURITY	The earlier of (a) 35 years following the project substantial completion date and (b) July 1, 2057.
REPAYMENT STRUCTURE	<p>Interest-only payments (accrued on drawn amounts only) through construction period – currently projected to run through late 2022.</p> <p>Interest-only payments on fully drawn amount from 2023 to 2032.</p> <p>Level annual Principal and Interest payments from 2033 to 2057.</p>
PREPAYMENT	The TIFIA Loan can be prepaid at anytime without penalty.
DEDICATED REPAYMENT SOURCE / SECURITY	<p>NVTa Revenues will be used to pay debt service on the TIFIA Loan. “Revenues” consist of the following:</p> <p><u>Farebox Revenue Pledge</u>: NVTa's Farebox Revenues are subject to a pledge and security interest in favor of the TIFIA Lender and the NVTa's other secured lenders.</p> <p><u>LTF Direction to Deposit</u>: NVTa LTF Funds will not be subject</p>

	<p>to a legal pledge but will be the primary source of funds to pay the TIFIA Loan. Under a Direction to Deposit LTF Funds agreement among NVTa and the County of Napa, all future LTF Revenues will be directed to a Collateral Agent for deposit in the TIFIA Loan payment funds and reserve fund, as may be needed, prior to distribution to NVTa.</p> <p><u>Legally Available Revenues:</u> LTF will be the primary repayment source on the TIFIA Loan; however, any legally available funds of NVTa can be used to pay the TIFIA Loan. Legally Available Revenues are: (a) all LTF Funds allocated to NVTa; (b) all Farebox Revenues and contract service revenues received by or on behalf of NVTa in connection with the operation of transit vehicles owned or leased by the NVTa; (c) STA Revenues; (d) Membership Fees; and (e) all Other Revenues received by or on behalf of NVTa.</p> <p>“Revenues” do NOT include federal revenue sources.</p>
DEBT SERVICE RESERVE FUND	An account held by the Collateral Agent in an amount equal to fifty percent (50%) of the annual debt service payment coming due in the next borrower Fiscal Year.
ADDITIONAL DEBT	<p>NVTa may not incur debt that is senior to the TIFIA Loan.</p> <p>NVTa may incur debt that is on parity with the TIFIA Loan so long as Farebox Revenues and LTF Funds are at least equal to 2.0x Maximum Annual Debt Service for all outstanding senior obligations of NVTa.</p>

NVTA AGREEMENT NO. _____

COUNTY OF NAPA AGREEMENT NO. _____

METROPOLITAN TRANSPORTATION COMMISSION AGREEMENT NO. _____

AGREEMENT FOR IRREVOCABLE DIRECTION TO DEPOSIT LOCAL TRANSPORTATION FUNDS

This AGREEMENT FOR IRREVOCABLE DIRECTION TO DEPOSIT LOCAL TRANSPORTATION FUNDS (LTF) (this "Irrevocable Direction") is entered into this [] day of [], 2021, by and between the Napa Valley Transportation Authority ("NVTA"), a joint powers authority formed under the laws of the State of California and the County of Napa ("County"), a general law county duly existing under the laws of the State of California ("County").

RECITALS:

WHEREAS, NVTA is a public transportation provider that serving the residents of the County of Napa; and

WHEREAS, County receives apportionments of Local Transportation Fund sales tax revenues ("LTF Funds") from the California Department of Tax and Fee Administration ("CDTFA") allocated by the Metropolitan Transportation Commission ("MTC") to NVTA as a claimant pursuant to the California Transportation Development Act; and

WHEREAS, NVTA is a recipient of LTF Funds to pay in part the capital and operating expenses relating to providing public transportation services; and

WHEREAS, NVTA is entering into (a) a Transportation Infrastructure Finance and Innovation Act ("TIFIA") Loan Agreement (the "TIFIA Loan Agreement"), dated _____, with the United States Department of Transportation (USDOT), a federal agency of the United States of America, acting by and through the Executive Director of the Build America Bureau (the "TIFIA Lender") and (b) that certain [Bank] Credit Agreement, dated as of the date thereof, with [Bank] (the "[Bank] Credit Agreement"), to pay for costs relating to the construction of a new operations and maintenance facility for transit vehicles that is to be constructed and owned by NVTA known as the Vine Transit Maintenance Facility; and

WHEREAS, the TIFIA Loan Agreement and [Bank] Credit Agreement (collectively referred to hereafter as the "Loan Agreements") require NVTA to make principle and interest payments as well as pay certain fees and expenses relating to the administration of the Loan Agreements and, pursuant to the Loan Agreements, NVTA has covenanted to budget and appropriate all of its revenues, including LTF Funds allocated to NVTA, but excluding any Federal Transit Administration funds, in order to make payments when due with respect to the Loan Agreements; and

WHEREAS, NVTA has entered into that certain Collateral Accounts and Security Agreement (as it may be amended, amended and restated, or otherwise supplemented or modified, the "CASA") with the

[Collateral Agent/Bank], a national banking association, as collateral agent ("Collateral Agent"), that has established a revenue fund, debt service fund and debt service reserve fund that will secure the Loan Agreements and into which NVTa will deposit or cause to be deposited all LTF Funds allocated to it upon their initial receipt by the County from CDTFA, and, subject to the CASA, certain other revenues of NVTa; *provided* that no Federal funds shall be used to make payments in respect of the TIFIA Loan Agreement; and

WHEREAS, to provide assurances to the lenders under the Loan Agreements that sufficient revenues will be deposited with the Collateral Agent to satisfy NVTa's financial obligations under the Loan Agreements, NVTa is entering into this Irrevocable Direction.

NOW, therefore, in consideration of the foregoing the parties agree as follows:

1. Irrevocable Direction to Deposit LTF Funds into the Revenue Account Upon Their Initial Receipt from CDTFA. From and after the Initial LTF Funds Deposit Date (as defined in the CASA), NVTa irrevocably and unconditionally directs the County to deposit all LTF Funds that are allocated to NVTa by MTC upon their initial receipt by the County from the CDTFA (or any successor or alternate public agency or governing body that may in the future apportion, direct or transfer or otherwise administer funds available pursuant to the California Transportation Development Act), into the revenue account described below (the "Revenue Account"), which account is held by the Collateral Agent and governed by the terms of the CASA:

Revenue Account: Account Number _____

2. Acknowledgement. County hereby (a) acknowledges and agrees to NVTa's irrevocable direction to deposit all LTF Funds allocated to NVTa by MTC upon their initial receipt by the County from CDTFA into the Revenue Account and (b) covenants to comply with the requirements of Section 1 above. County shall not transfer, allocate or otherwise provide any LTF Funds allocated to NVTa to any other person or entity.

3. Term. This Irrevocable Direction shall be in force and effect until all outstanding financial obligations of NVTa under the Loan Agreements have been irrevocably paid in full in cash. Upon such irrevocable payment in full of NVTa's financial obligations, the Collateral Agent shall deliver a notice of such payment to County.

4. Amendment. County acknowledges that the directions set forth herein are irrevocable. This Irrevocable Direction shall not be amended, modified, supplemented, replaced, or revoked (including by waiver of any provision of this Irrevocable Direction) without the prior written consent of the lenders under the Loan Agreements.

5. Third-Party Beneficiaries. The TIFIA Lender and the other lenders under the Loan Agreements are third-party beneficiaries of this Irrevocable Direction with respect to all rights, benefits, remedies, claims and other privileges of NVTa with respect to this Irrevocable Direction and have all of the rights and benefits of third-party beneficiaries, including an independent right of action to enforce such rights, benefits, remedies, claims and other privileges directly, without the consent or joinder of any other person. Except as set forth in this Section 5, nothing herein express or implied shall give to any person any benefit or any legal or equitable right, remedy, or claim hereunder.

6. Counterparts. This Irrevocable Direction may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Irrevocable Direction. Electronic delivery of an executed counterpart of a signature page of this Irrevocable Direction shall be effective as delivery of an original executed counterpart of this Irrevocable Direction and any printed or copied versions of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page. Signatures for this Irrevocable Direction may be made by electronic means, if accompanied by an email from the applicable signatory, contemporaneous or otherwise, confirming the use of such means.

7. Governing Law. This Irrevocable Direction shall be governed by and construed in accordance with the laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Irrevocable Direction to be effective as of the date first written above.

Napa Valley Transportation Authority

County of Napa

ATTEST:

ATTEST:

Laura Sanderlin
Clerk to the Board

[Name]
Clerk to the Board

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM:

NVTA Counsel

Office of the Napa County Counsel
County Counsel

By: _____
[Name]

By: _____
[Name]
County Counsel

Dated: _____

Dated: _____

Acknowledged and agreed to:

U.S. BANK NATIONAL ASSOCIATION (BANK),
as Collateral Agent

Acknowledged and agreed to:

METROPOLITAN TRANSPORTATION
COMMISSION

By: _____
[Name]
[Position]

By: _____
[Name]
[Position]

**Napa Valley Transportation
Authority
Meeting Minutes
NVTB Board of Directors**

625 Burnell Street
Napa, CA 94559

Wednesday, January 20, 2021

1:30 PM

REFER TO COVID-19 SPECIAL NOTICE

1. Call to Order

Chair Pedroza called the meeting to order at 1:40pm.

2. Pledge of Allegiance

The Pledge of Allegiance was said in the preceding NVTB-TA meeting.

3. Roll Call

Attendance was confirmed as presented during Roll Call at the NVTB-TA meeting with no absences.

Leon Garcia
Chris Canning
Alfredo Pedroza
Paul Dohring
Mark Joseph
John F. Dunbar
Kerri Dorman
Belia Ramos
Geoff Ellsworth
Liz Alessio
Gary Kraus
Scott Sedgley
Doug Weir

4. Adoption of the Agenda

Motion MOVED by KRAUS, SECONDED by SEDGLEY to APPROVE adoption of the agenda. Motion carried by the following roll call vote:

Aye: 24 - Garcia, Canning, Pedroza, Dohring, Joseph, Dunbar, Dorman, Ramos, Ellsworth, Alessio, Kraus, and Sedgley

5. Public Comment

None

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

ABAG Update

Belia Ramos noted there are no updates

MTC Update

Chair Pedroza provided an update of recent MTC activities and noted upcoming funding to be received by the Blue Ribbon Task Force and distributed to traffic relief and improvement projects within Napa County.

7. Director's Update

Director Miller provided:

- Announcement of NVTA staff member, Rebecca Schenck's promotion to Transit Manager
- Imola Complete Street Plan was prioritized by Caltrans District 4 to receive \$5 million from State Highway Operations and Protection Program Active Transportation Program funds
- Gratitude to the City of American Canyon, water supplier to the Vine Maintenance Facility, agreed to waive water capacity fee of approximately \$170,000
- On January 15, Caltrans cleared the Calistoga to St. Helena NEPA Categorical Exclusion document keeping the project on track
- Noted that a Letter of support signed by Alfredo Pedroza for the NVTA to become eligible recipient of the Speed Management Training Workshop

8. Caltrans' Update

Kelly Hirschberg, Caltrans, provided a Caltrans project update.

Byron Lim, Caltrans, could not present his powerpoint as intended due to technical difficulties. His presentation was continued to the February 17, 2021 Board meeting.

9. CONSENT AGENDA ITEMS

Motion MOVED by JOSEPH, SECONDED by GARCIA to APPROVE Consent Items 9.1-9.7. Motion carried by the following roll call vote:

Aye: 24 - Garcia, Canning, Pedroza, Dohring, Joseph, Dunbar, Dorman, Ramos, Ellsworth, Alessio, Kraus, and Sedgley

9.1 Approval of Meeting Minutes of November 18, 2020 (Laura Sanderlin) (Pages 9-14)

Attachments: [Draft Minutes](#)

9.2 Citizen Advisory Committee (CAC) Member Appointment (Danielle Schmitz) (Pages 15-21)

Attachments: [Staff Report](#)

**9.3 Active Transportation Advisory Committee (ATAC) Member Appointments
(Diana Meehan) (Pages 22-30)**

Attachments: [Staff Report](#)

**9.4 Paratransit Coordinating Council (PCC) Member Appointments (Libby Payan)
(Pages 31-37)**

Attachments: [Staff Report](#)

**9.5 Granting of Funds from the State Coastal Conservancy for the Ridge/Vine
Trail: Calistoga to Bothe State Park (Rebecca Schenck) (Pages 38-42)**

Attachments: [Staff Report](#)

**9.6 Resolution 21-02 and Resolution 21-03 Submitting Regional Measure 3 (RM 3)
Letters of No Prejudice (LONP) Requests to the Metropolitan Transportation
Commission (Antonio Onorato) (pages 43-69)**

Attachments: [Staff Report](#)

**9.7 Resolution 21-04 Approving Amendment No. 12 to the Napa Valley
Transportation Authority (NVTA) Joint Powers Agreement (Antonio Onorato)
(Pages 70-102)**

Attachments: [Staff Report](#)

10. REGULAR AGENDA ITEMS

10.1 Blue Ribbon Task Force (Kate Miller) (Pages 103-109)

Attachments: [Staff Report](#)

Information Only/No Action Taken

Director Miller provided an update on the Blue Ribbon Task Force's activities and reviewed the goals, objectives and accomplishments established to date.

10.2 Authorization to purchase new bus stop shelters from Tolar Manufacturing Company, Inc. using Affordable Housing & Sustainable Communities (AHSC) Grant Funding (Rebecca Schenck) (Pages 110-128)

Attachments: [Staff Report](#)

Motion MOVED by DUNBAR, SECONDED by ELLSWORTH to APPROVE the authorization for purchase of new bus stop shelters from Tolar Manufacturing Company, Inc. using AHSC Grant funding. Motion carried by the following roll call vote:

Aye: 24 - Garcia, Canning, Pedroza, Dohring, Joseph, Dunbar, Dorman, Ramos, Ellsworth, Alessio, Kraus, and Sedgley

10.3 Federal and State Legislative Update (Kate Miller) (Pages 129-146)

Attachments: [Staff Report](#)

Information Only/NoAction Taken

Director Miller provided an overview of the State Legislative update as written by Platinum Advisors with information on the COVID Relief funding package that additional bill will be presented for Board consideration as new bills are introduced.

11. FUTURE AGENDA ITEMS

None

12. ADJOURNMENT

12.1 Approval of the next meeting of February 17, 2021 at 1:30 p.m. and Adjournment

Chair Pedroza adjourned the meeting at 2:24pm.

Laura M. Sanderlin, NVTA Board Secretary



NAPA VALLEY TRANSPORTATION AUTHORITY

COVER MEMO

SUBJECT

Resolution No. 21-07 Adopting the Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan for Fiscal Year End (FYE) 2022 and Authorizing Staff to Issue a Call for Projects.

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve Resolution No. 21-07 (Attachment 1) adopting the Fiscal Year End (FYE) 2022 Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan (Attachment 1, Exhibit B) and adopting the section criteria shown in Attachment 1, Exhibit A, for issuing a call for projects consistent with the Bay Area Air Quality Management District (BAAQMD) TFCA County Program Manager Fund Policies for FYE 2022.

EXECUTIVE SUMMARY

NVTA annually allocates TFCA funds which are generated from a four-dollar vehicle license fee authorized under Assembly Bill 434 (AB 434) administered by the Bay Area Air Quality Management District (BAAQMD). Of the total amount generated in Napa County, 40% are returned to NVTA for distribution to local projects. Projects must be beneficial to air quality and be cost effective. The remaining 60% is allocated by the BAAQMD on an air district-wide competitive basis. The Program Expenditure Plan for the Program Managers' Funds is due in March 2021.

The BAAQMD TFCA policies only allow funds to be retained for two (2) years unless NVTA originally requests additional time or the project is making reasonable progress and is granted a one (1) year extension. Bicycle Projects must be completed in 2 years and will not be granted a time extension beyond that limit.

FISCAL IMPACT

\$207,140 in TFCA Program Manager funds are available for program Administration and projects.

ATTACHMENT(S)

Attachment 1: Resolution No. 21-07



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Diana Meehan, Senior Planner
(707) 259-8327 / Email: dmeehan@nvta.ca.gov
SUBJECT: Resolution No. 21-07 Adopting the Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan for Fiscal Year End (FYE) 2022

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve Resolution No. 21-07 (Attachment 1) adopting the Fiscal Year End (FYE) 2022 Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan (Attachment 1, Exhibit B) and adopting the section criteria shown in Attachment 1, Exhibit A, for issuing a call for projects consistent with the Bay Area Air Quality Management District (BAAQMD) TFCA County Program Manager Fund Policies for FYE 2022.

COMMITTEE RECOMMENDATION

The Technical Advisory Committee recommended the NVTA Board approve the TFCA Program Manager Fund Expenditure Plan for FYE 2022 and issue the Call for Projects.

BACKGROUND

Annually, the NVTA adopts a list of projects for the TFCA Program Manager funds. NVTA receives roughly \$190,000 each year in DMV revenues. Six and one quarter percent (6.25%) of the revenues can be used for administration of the program.

Beginning in 2018, NVTA staff recommended the TAC collectively plan the TFCA program manager funds over a three-year rolling period in order to use the funds more efficiently, especially for larger projects. Funds programmed in the first year of the three-year cycle have a firm commitment under the annually adopted expenditure plan. Funds in years two and three are flexible, based on project status and actual available revenues

generated by the program. NVTa, as the program manager, reviews the program and trues up funding annually. This three-year program will cover FYE 2022 through FYE 2024. Funds for program administration and projects for FYE 2022 are \$207,140 and estimated at \$187,000 for years two and three as shown in Table 1.

Table 1: Three-year Cycle FYE 2022-2024 TFCA Program Manager Funds (Estimated)

FYE 2022-2024 TFCA Expenditures	Program Amount Year 1	Program Amount Year 2 (Est.)	Program Amount Year 3 (Est)
Administration Costs for FYE 2022-24	\$12,946	\$12,000	\$12,000
Program Manager Funds	\$194,194	\$175,000	\$175,000
TOTAL	\$207,140	\$ 187,000	\$187,000

The Program Expenditure Plan for FYE 2022 Program Manager Funds is due to the Air District by March 1, 2021. Funds not programmed annually run the risk of being programmed by the Air District to other counties.

APPLICATIONS

Applications are due Friday, March 19 by 5:00 PM. The application must consist of a completed Project Information Form with a detailed project description and a completed project cost effectiveness worksheet.

Basic Eligibility

1. Reduction of emissions
2. TFCA cost-effectiveness
3. Eligible recipients
4. Consistent with existing plans and programs
5. Public agencies applying on behalf of non-public Entities

TFCA Project Eligibility

1. Bicycle Facility Improvements
2. Arterial Management
3. Transit or Vanpool Incentive Programs
4. Shuttle/Vanpool Feeder Program

Updated program guidance for FYE 2022 is available for review on the NVTa Website:
<https://bit.ly/3oKXJrV>

ALTERNATIVES

The Board could choose not to approve the FYE 2022 Expenditure Plan, and program funds could be reallocated to projects in another county.

STRATEGIC GOALS MET BY THIS PROPOSAL

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

The TFCA Program Manager Funds provide an opportunity to fund sustainable transportation projects, such as bicycle and pedestrian projects, clean vehicles and vehicle charging infrastructure or shuttle projects to serve a wide variety of local transportation needs.

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

The TFCA funded projects improve air quality and reduce traffic congestion by providing sustainable transportation options throughout the region.

ATTACHMENT(S)

Attachment 1: Resolution No. 21-07

RESOLUTION No. 21-07

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY (NVTA)
ADOPTING THE TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
PROGRAM MANAGER EXPENDITURE PROGRAM FOR
FISCAL YEAR END (FYE) 2022**

WHEREAS, the Bay Area Air Quality Management District (BAAQMD) has imposed a vehicle license fee as allowed under Assembly Bill 434 to implement actions that will help reduce harmful auto emissions; and

WHEREAS, that program is known as the Transportation Fund for Clean Air Program Manager funds; and

WHEREAS, Assembly Bill 434 calls for the designation of an overall program manager to receive forty percent of the fees generated in the county to be expended for the improvement of air quality; and

WHEREAS, the Napa Valley Transportation Authority (NVTA) has been designated the overall program manager for Napa County; and

WHEREAS, the TFCA Program requires at least one public meeting each year for the purpose of adopting criteria for the expenditure of funds consistent with BAAQMD's Adopted TFCA County Program Manager Fund Policies; and

WHEREAS, the NVTA held a public meeting on February 17, 2021, to adopt the criteria for the expenditure of TFCA funds.

NOW THEREFORE BE IT RESOLVED by the Board of Directors that

1. The foregoing recitals are true and correct.
2. The criteria in Exhibit A, consistent with the BAAQMD Board Adopted TFCA County Program Manager Fund Policies for FYE 2022, are hereby adopted.
3. Staff is directed to finalize and submit the FYE 2022 Expenditure Plan for Napa County, as shown in Exhibit B.

4. The Executive Director or her designee is authorized to submit to or request all necessary information from other agencies on behalf of the NVTa, and to execute any other documents or certifications to gain and expend these funds.

Passed and adopted this day of February 17, 2021.

Alfredo Pedroza, NVTa Chair

Ayes

Nays:

Absent:

ATTEST:

Laura Sanderlin, NVTa Board Secretary

APPROVED:

DeeAnne Gillick, NVTa General Counsel

Resolution 21-07 Exhibit B

Summary Information

Directions: Please fill out the yellow highlights.

County Program Manager Agency Name: Napa Valley Transportation Authority
Address: 625 Burnell St., Napa, CA 94559

PART A: NEW TFCA FUNDS

		Project	Admin (default 6.25%)	Total (Project + Admin)
1. Estimated FYE 2022 DMV revenues (based on projected CY2020 revenues):	Line 1	\$174,188	\$ 11,613	\$ 185,800
2. Difference between prior-year estimate and actual revenue:	Line 2	\$5,485	\$366	\$5,851
a. Actual FYE 2020 DMV revenues (based on CY2019):	2a	\$195,798	\$ 13,053	\$ 208,851
b. Estimated FYE 2020 DMV revenues: (<i>'a' minus 'b' equals Line 2.</i>)	2b	\$190,313	\$ 12,688	\$ 203,000
3 Estimated New Allocation (<i>Sum of Lines 1 and 2</i>):	Line 3	\$180,039	\$11,978	\$191,651

PART B: INTEREST FOR PROGRAMMING AND TFCA FUNDS AVAILABLE FOR REPROGRAMMING

4 Total available for programming/reprogramming to other projects.	Line 4	\$9,620	\$5,869	\$15,489
a. Amount available from previously funded projects:	4a	\$0		
b. Admin expended in FYE 2020:	4b		7184	
c. Interest income earned on TFCA funds in CY 2020: (Project equals '4a' plus '4c' equals Line 4. Admin equals '2a' minus '4b'.)	4c	\$9,620		\$9,620

PART C: TOTAL AVAILABLE TFCA FUNDS

5 Total Available TFCA Funds (Sum of Lines 3 and 4)	Line 5	\$189,659	\$17,482	\$207,140
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I certify that, to the best of my knowledge, the information contained in this application is complete and accurate.

Executive Director Signature

Feb. 17, 2021

Date

[1] The "Estimated TFCA funds budgeted for administration" amount is listed for informational purposes only. Per California Health and Safety Code Section 44233, County Program Managers must limit their administrative costs to no more than 6.25% of the actual total revenue received from the Air District.

EXHIBIT "A"



Guide for the
Transportation Fund for Clean Air Program
(TFCA) for Napa County Program Manager Funds



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

NVTA
625 Burnell Street
Napa, CA 94559
Phone: 707-259-8631
Fax: 707-259-8638
www.nvta.net

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February 17, 2021

Greetings!

The Transportation Fund for Clean Air (TFCA) is a grant program, funded by a \$4 surcharge on motor vehicles registered in the Bay Area. This generates approximately \$22 million per year in revenues. The purpose of the TFCA program is to provide grants to implement the most cost-effective projects in the Bay Area that will decrease motor vehicle emissions, and thereby improve air quality. Projects must be consistent with the 1988 California Clean Air Act and the Bay Area Ozone Strategy.

The TFCA program can fund a wide range of project types, including the construction of: new bicycle lanes; shuttle and feeder bus services to train stations or transit hubs; ridesharing programs to encourage carpool, vanpool and transit use; bicycle facility improvements such as bicycle racks and lockers and new bicycle purchases; arterial management projects that reduce traffic congestion such as signal interconnect projects.

NVTA has prepared this packet to help guide you in submitting a successful application for funding in the next three-year funding cycle.

The available funding for Napa County TFCA for FYE 2022 for projects and administration will be approximately \$205,699 dollars. The TFCA Applications for FYE 2021 were approved by the NVTA Board in May 2018 during the last three-year cycle call for projects. This three-year cycle call for projects is for FYE 2022-24.

If you have any questions, you may contact Diana Meehan, TFCA Program Manager at:

NVTA TFCA Program
625 Burnell Street
Napa, CA 94559
Phone: 707-259-8327
Email: dmeehan@nvta.ca.gov

Sincerely,

Kate Miller
Executive Director
Napa Valley Transportation Authority

Introduction

On-road motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the Bay Area. Vehicle emissions contribute to unhealthy levels of ozone (summertime "smog") and particulate matter.

To protect public health, the State Legislature enacted the California Clean air Act in 1988. Pursuant to this law, the Bay Area Air Quality Management District (Air District) has adopted the 2017 Clean Air Plan (CAP), which describes how the region will work toward compliance with State and Federal ambient air quality standards and make progress on climate protection. To reduce emissions from motor vehicles, the 2017 CAP includes transportation control measures (TCM's) and mobile source measures (MSM's). A TCM is defined as "any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions." MSMs encourage the retirement of older, more polluting vehicles and the introduction of newer, less polluting motor vehicle technologies.

The TFCA Program

To fund the implementation of TCMs and MSMs, the State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicle registration fees paid within the nine-county Bay Area. These revenues are allocated by the Air District through the Transportation Fund for Clean Air (TFCA). TFCA grants are awarded to public and private entities to implement eligible projects.

TFCA-funded projects have many benefits, including the following:

- Reducing air pollution, including air toxics such as benzene and diesel particulates
- Conserving energy and helping to reduce greenhouse gas emissions
- Improving water quality by decreasing contaminated runoff from roadways
- Improving transportation options
- Reducing traffic congestion

Forty percent (40%) of these funds are allocated to the designated program manager within each of the nine counties within the Air Districts jurisdiction. This allocation is referred to as the TFCA Program Manager Fund. NVTa is the program manager for Napa County. The remaining sixty percent (60%) of these funds are directed to Air District sponsored programs and to Air District-administered TFCA Regional Fund.

Your Responsibilities as Project Sponsor:

1. Submit projects to the Program Manager that comply with Air District policies.
2. Prepare and submit your project's information form and cost-effectiveness worksheet to the Program Manager.
3. Adhere to the Program Manager's timeline and submit deliverables on time.
4. Submit project status report forms on time, **May 20 and October 20.**
5. Complete your TFCA project two years from the effective date of the Master Agreement between the Program Manager and the Air District (July 2024 for project programmed in FYE 2022).
6. Provide proof of Air District credit for vehicles purchased, published materials, and construction funded or partially funded through the TFCA program.
7. Provide itemized invoices no less than quarterly to the Program Manager for reimbursement of your project.
8. Provide proof of general liability insurance with a limit of not less than \$1,000,000 per occurrence.

NVTA's Responsibilities as Program Manager:

1. Provide guidance, offer technical support to project sponsors.
2. Review Project Sponsor's Project Information forms, cost-effectiveness sheets, and reporting forms.
3. Administer program in accordance with applicable legislation, including Health and Safety Code Sections 44233, 44241, and 44242, and with Air District Board-Adopted TFCA County Program Manager Fund Policies
4. Hold one or more public meeting each year for the purpose of adopting criteria for the expenditure of the funds and to review expenditure of revenues received.
5. Provide funds only to projects that comply with Air District Policies and Procedures.
6. Encumber and expend funds within two years of the receipt of funds.
7. Provide information to the Air District and to auditors on the expenditures of TFCA funds.

Basic Eligibility

Reduction of Emissions: Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and the Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE 2022. Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, ordinances, contracts, and other legally binding obligations at the time of the execution of a grant agreement between the County Program Manager and the grantee. Projects must also achieve surplus emission reductions at the time of an amendment to a grant agreement if the amendment modifies the project scope or extends the project completion deadline.

TFCA Cost-Effectiveness: Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total emissions reduced, unless a different value is specified in the policy for that project type. (See "Eligible Project Categories" below.) Cost-effectiveness is based on the ratio of TFCA funds divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NOx), and weighted particulate matter 10 microns in diameter and smaller (PM10) reduced (\$/ton). All TFCA-generated funds (e.g., TFCA Regional Funds, reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route, etc.), each component must achieve this cost-effectiveness requirement.

Eligible Projects, and Case-by-Case Approval: Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board adopted policies and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.

Consistent with Existing Plans and Programs: All projects must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved plan for achieving and maintaining State and national ambient air quality standards, which are adopted pursuant to HSC sections 40233, 40717 and 40919, and, when specified, with other adopted State, regional, and local plans and programs.

Eligible Recipients: Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District.

A. Public agencies are eligible to apply for all project categories.

B. Non-public entities are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

Readiness: Projects must commence by the end of calendar year 2021. For purposes of this policy, “commence” means a tangible action taken in connection with the project’s operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. “Commence” can mean the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

Maximum Two Years Operating Costs: Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years. Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

Independent Air District Audit Findings and Determinations: Grantees who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for five (5) years from the date of the Air District’s final audit determination in accordance with HSC section 44242, or duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

A failed fiscal or performance audit of the County Program Manager or its grantee may subject the County Program Manager to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC section 44242(c)(3).

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Insurance: Both the County Program Manager and each grantee must maintain general liability insurance, workers compensation insurance, and additional insurance

as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

DRAFT

Use of TFCA Funds

- 1. Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are **not eligible** for reimbursement using TFCA funds.
- 2. Combined Funds:** TFCA County Program Manager Funds may NOT be combined with TFCA Regional Funds for the same project.
- 3. Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year. A County Program Manager may, if it finds that significant progress has been made on a project, approve a (1-year) extension. **Bicycle Projects must be completed in 2 years and will not be granted a time extension beyond this limit.**

Beginning in FYE 2017, the Air District and the County Program Managers are directed to enforce the two-year time limit for bicycle projects (i.e., any projects under Policy # 29), the County Program Managers should cancel any projects that are not completed within the two-year time limit, and the Air District will not consider any extension requests for bicycle projects that have already been granted a two-year extension from the County Program Manager.

TFCA Project Types

- 1. Ridesharing projects**
- 2. Shuttle/Feeder Bus**
- 3. Bicycle Facility Improvements**
- 4. Smart Growth/Pedestrian projects**
- 5. Clean Air Vehicle Purchase**
- 6. Arterial Management**

Ineligible Project Types

- 1. Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects (including Bicycle Facility Program projects) and therefore do not achieve additional emission reductions are ineligible.
- 2. Planning Activities:** Feasibility studies are not eligible, nor are projects that only involve planning activities and that do not include an implementation phase.
- 3. Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to employees of the project sponsor are not eligible.

Recent Project Examples in Napa County

<u>Project Name</u>	<u>Sponsor</u>	<u>TFCA Funds</u>	<u>Total Project \$</u>
Imola P&R Express Bus Improvements Phase II	NVTA	\$239,833	\$1,200,000
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Projects will be evaluated on a cost effective and project readiness basis.

TFCA Program Manager Selection Criteria for Napa County

- 1) The proposed project must improve the quality of the air as determined by the BAAQMD.
- 2) The project must fall into one or more of the statutory expenditure categories, which are:
 - The implementation of ridesharing programs.

- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management.
- Implementation of rail-bus integration and regional transit information systems.
- Implementation of low-emission and zero-emission vehicle programs and of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of a smoking vehicles program (Air District project).
- Implementation of an automobile buy-back scrappage program operated by a governmental agency (Air District project).
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions.
- Implementation of vehicle-based projects to reduce mobile source emissions, including but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.

TFCA Do's and Don'ts

Do

- Establish a clear link to the air quality benefits of your project
- Provide clear and detailed cost estimates
- Have good back-up documentation including maps and pictures
- Have a clearly defined project scope and timeline
- Keep NVTA in “the loop” the greater understanding the Program Manager has of your project, the better

Don't

- Bite off more than you can chew – if the project cannot be completed in two years apply for funding in phases or in outer years of the three-year program, it will not hurt your chances of eligibility
- Scope creep – when you fill out your **Project Information Form** this is your application. You have to adhere to the project description you write on this form
- Forget to ask for help – NVTA is here as a resource, do not assume, rather ask for clarification
- Apply for the TFCA funds now, and figure out where the rest of your project's funding is going to come from later

Frequently Asked Questions

1. Is there a local match requirement to apply for TFCA funding?

No, there is no requirement for a local match.

2. Can TFCA Program Manager Funds be combined with TFCA Regional Funds?

No, TFCA funds cannot be combined with TFCA Regional funds but may be combined with other funding sources, local, federal, state.

3. What is the TFCA funding limit for alternative fuel vehicles?

TFCA funds awarded to alternative fuel vehicle projects may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed 2011 emissions standards

Contact Information:

Napa County TFCA Program Manager:
Diana Meehan
625 Burnell Street
Napa, CA 94559
Phone: (707) 259-8327
dmeehan@nvta.ca.gov

NVTA Main Office
625 Burnell Street
Napa, CA 94559
Phone: (707) 259-8631
Fax: (707) 259-8638
www.nvta.ca.gov

Bay Area Air Quality Management District:
Strategic Incentives Division
Karen Schkolnick
Phone: (415) 749-5070
kschkolnick@baaqmd.gov

Appendix A

PROJECT INFORMATION

A. Project Number: 22XX01

Use consecutive numbers for projects funded, with year, county code, and number, e.g., 22NAP01, 22NAP02 for Napa County. Zero (e.g., 22NAP00) is reserved for County Program Manager TFCA funds allocated for administration costs.

B. Project Title: _____

Provide a concise, descriptive title for the project (e.g., "Elm Ave. Signal Interconnect" or "Purchase Ten Gasoline-Electric Hybrid Light-Duty Vehicles").

C. TFCA County Program Manager Funds Allocated: \$_____

D. TFCA Regional Funds Awarded (if applicable):\$_____

E. Total TFCA Funds Allocated (sum of C and D):\$_____

F. Total Project Cost: \$_____

Indicate the TFCA dollars allocated (C, D and E) and total project cost (D). Data from Line E (Total TFCA Funds) should be used to calculate C-E.

G. Project Description:

Grantee will use TFCA funds to _____. Include information sufficient to evaluate the eligibility and cost-effectiveness of the project. Ex. of the information needed include

but are not limited to: what will be accomplished by whom, how many pieces of equipment are involved, how frequently it is used, the location, the length of roadway segments, the size of target population, etc. Background information should be brief. For shuttle/feeder bus projects, indicate the hours of operation, frequency of service, and rail station and employment areas served.

H. Final Report Content: Final Report form and final Cost Effectiveness Worksheet

Reference the appropriate Final Report form that will be completed and submitted after project completion. See <http://www.baaqmd.gov/Divisions/Strategic-Incentives/Funding-Sources/TFCA/County-Program-Manager-Fund.aspx> for a listing of the following forms:

- ☐ *Form for Ridesharing, Shuttles, Transit Information, Rail/Bus Integration, Smart Growth, and Traffic Calming Projects. (Includes Transit Bus Signal Priority.)*
- ☐ *Form for Clean Air Vehicle and Infrastructure Projects*
- ☐ *Form for Bicycle Projects*
- ☐ *Form for Arterial Management Projects*

I. Attach a completed Cost-effectiveness Worksheet and any other information used to evaluate the proposed project. *For example, for vehicle projects, include the California Air Resources Board Executive Orders for all engines and diesel emission control systems. Note, Cost-effectiveness Worksheets are not needed for TFCA County Program Managers' own administrative costs.*

J. Comments (if any):
Add any relevant clarifying information in this section.

RESOLUTION No. 21-07

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY (NVTa)
ADOPTING THE TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
PROGRAM MANAGER EXPENDITURE PROGRAM FOR
FISCAL YEAR END (FYE) 2022**

WHEREAS, the Bay Area Air Quality Management District (BAAQMD) has imposed a vehicle license fee as allowed under Assembly Bill 434 to implement actions that will help reduce harmful auto emissions; and

WHEREAS, that program is known as the Transportation Fund for Clean Air Program Manager funds; and

WHEREAS, Assembly Bill 434 calls for the designation of an overall program manager to receive forty percent of the fees generated in the county to be expended for the improvement of air quality; and

WHEREAS, the Napa Valley Transportation Authority (NVTa) has been designated the overall program manager for Napa County; and

WHEREAS, the TFCA Program requires at least one public meeting each year for the purpose of adopting criteria for the expenditure of funds consistent with BAAQMD's Adopted TFCA County Program Manager Fund Policies; and

WHEREAS, the NVTa held a public meeting on February 17, 2021, to adopt the criteria for the expenditure of TFCA funds.

NOW THEREFORE BE IT RESOLVED by the Board of Directors that

1. The foregoing recitals are true and correct.
2. The criteria in Exhibit A, consistent with the BAAQMD Board Adopted TFCA County Program Manager Fund Policies for FYE 2022, are hereby adopted.
3. Staff is directed to finalize and submit the FYE 2022 Expenditure Plan for Napa County, as shown in Exhibit B.

4. The Executive Director or her designee is authorized to submit to or request all necessary information from other agencies on behalf of the NVTa, and to execute any other documents or certifications to gain and expend these funds.

Passed and adopted this day of February 17, 2021.

Ayes

Alfredo Pedroza, NVTa Chair

Nays:

Absent:

ATTEST:

Laura Sanderlin, NVTa Board Secretary

APPROVED:

DeeAnne Gillick, NVTa General Counsel

EXHIBIT “A”



Guide for the
Transportation Fund for Clean Air Program
(TFCA) for Napa County Program Manager Funds



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

NVTA
625 Burnell Street
Napa, CA 94559
Phone: 707-259-8631
Fax: 707-259-8638
www.nvta.net

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February 17, 2021

Greetings!

The Transportation Fund for Clean Air (TFCA) is a grant program, funded by a \$4 surcharge on motor vehicles registered in the Bay Area. This generates approximately \$22 million per year in revenues. The purpose of the TFCA program is to provide grants to implement the most cost-effective projects in the Bay Area that will decrease motor vehicle emissions, and thereby improve air quality. Projects must be consistent with the 1988 California Clean Air Act and the Bay Area Ozone Strategy.

The TFCA program can fund a wide range of project types, including the construction of: new bicycle lanes; shuttle and feeder bus services to train stations or transit hubs; ridesharing programs to encourage carpool, vanpool and transit use; bicycle facility improvements such as bicycle racks and lockers and new bicycle purchases; arterial management projects that reduce traffic congestion such as signal interconnect projects.

NVTA has prepared this packet to help guide you in submitting a successful application for funding in the next three-year funding cycle.

The available funding for Napa County TFCA for FYE 2022 for projects and administration will be approximately \$205,699 dollars. The TFCA Applications for FYE 2021 were approved by the NVTA Board in May 2018 during the last three-year cycle call for projects. This three-year cycle call for projects is for FYE 2022-24.

If you have any questions, you may contact Diana Meehan, TFCA Program Manager at:

NVTA TFCA Program
625 Burnell Street
Napa, CA 94559
Phone: 707-259-8327
Email: dmeehan@nvta.ca.gov

Sincerely,

Kate Miller
Executive Director
Napa Valley Transportation Authority

Introduction

On-road motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the Bay Area. Vehicle emissions contribute to unhealthy levels of ozone (summertime "smog") and particulate matter.

To protect public health, the State Legislature enacted the California Clean air Act in 1988. Pursuant to this law, the Bay Area Air Quality Management District (Air District) has adopted the 2017 Clean Air Plan (CAP), which describes how the region will work toward compliance with State and Federal ambient air quality standards and make progress on climate protection. To reduce emissions from motor vehicles, the 2017 CAP includes transportation control measures (TCM's) and mobile source measures (MSM's). A TCM is defined as "any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions." MSMs encourage the retirement of older, more polluting vehicles and the introduction of newer, less polluting motor vehicle technologies.

The TFCA Program

To fund the implementation of TCMs and MSMs, the State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicle registration fees paid within the nine-county Bay Area. These revenues are allocated by the Air District through the Transportation Fund for Clean Air (TFCA). TFCA grants are awarded to public and private entities to implement eligible projects.

TFCA-funded projects have many benefits, including the following:

- Reducing air pollution, including air toxics such as benzene and diesel particulates
- Conserving energy and helping to reduce greenhouse gas emissions
- Improving water quality by decreasing contaminated runoff from roadways
- Improving transportation options
- Reducing traffic congestion

Forty percent (40%) of these funds are allocated to the designated program manager within each of the nine counties within the Air Districts jurisdiction. This allocation is referred to as the TFCA Program Manager Fund. NVTa is the program manager for Napa County. The remaining sixty percent (60%) of these funds are directed to Air District sponsored programs and to Air District-administered TFCA Regional Fund.

Your Responsibilities as Project Sponsor:

1. Submit projects to the Program Manager that comply with Air District policies.
2. Prepare and submit your project's information form and cost-effectiveness worksheet to the Program Manager.
3. Adhere to the Program Manager's timeline and submit deliverables on time.
4. Submit project status report forms on time, **May 20 and October 20.**
5. Complete your TFCA project two years from the effective date of the Master Agreement between the Program Manager and the Air District (July 2024 for project programmed in FYE 2022).
6. Provide proof of Air District credit for vehicles purchased, published materials, and construction funded or partially funded through the TFCA program.
7. Provide itemized invoices no less than quarterly to the Program Manager for reimbursement of your project.
8. Provide proof of general liability insurance with a limit of not less than \$1,000,000 per occurrence.

NVTA's Responsibilities as Program Manager:

1. Provide guidance, offer technical support to project sponsors.
2. Review Project Sponsor's Project Information forms, cost-effectiveness sheets, and reporting forms.
3. Administer program in accordance with applicable legislation, including Health and Safety Code Sections 44233, 44241, and 44242, and with Air District Board-Adopted TFCA County Program Manager Fund Policies
4. Hold one or more public meeting each year for the purpose of adopting criteria for the expenditure of the funds and to review expenditure of revenues received.
5. Provide funds only to projects that comply with Air District Policies and Procedures.
6. Encumber and expend funds within two years of the receipt of funds.
7. Provide information to the Air District and to auditors on the expenditures of TFCA funds.

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No, TFCA funds cannot be combined with TFCA Regional funds but may be combined with other funding sources, local, federal, state.

3. What is the TFCA funding limit for alternative fuel vehicles?

TFCA funds awarded to alternative fuel vehicle projects may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed 2011 emissions standards

Contact Information:

Napa County TFCA Program Manager:
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Bay Area Air Quality Management District:
Strategic Incentives Division
Karen Schkolnick
Phone: (415) 749-5070
kschkolnick@baaqmd.gov

Appendix A

PROJECT INFORMATION

A. Project Number: 22XX01

Use consecutive numbers for projects funded, with year, county code, and number, e.g., 22NAP01, 22NAP02 for Napa County. Zero (e.g., 22NAP00) is reserved for County Program Manager TFCA funds allocated for administration costs.

B. Project Title: _____

Provide a concise, descriptive title for the project (e.g., "Elm Ave. Signal Interconnect" or "Purchase Ten Gasoline-Electric Hybrid Light-Duty Vehicles").

C. TFCA County Program Manager Funds Allocated: \$_____

D. TFCA Regional Funds Awarded (if applicable):\$_____

E. Total TFCA Funds Allocated (sum of C and D):\$_____

F. Total Project Cost: \$_____

Indicate the TFCA dollars allocated (C, D and E) and total project cost (D). Data from Line E (Total TFCA Funds) should be used to calculate C-E.

G. Project Description:

Grantee will use TFCA funds to _____. Include information sufficient to evaluate the eligibility and cost-effectiveness of the project. Ex. of the information needed include

but are not limited to: what will be accomplished by whom, how many pieces of equipment are involved, how frequently it is used, the location, the length of roadway segments, the size of target population, etc. Background information should be brief. For shuttle/feeder bus projects, indicate the hours of operation, frequency of service, and rail station and employment areas served.

H. Final Report Content: Final Report form and final Cost Effectiveness Worksheet

Reference the appropriate Final Report form that will be completed and submitted after project completion. See <http://www.baaqmd.gov/Divisions/Strategic-Incentives/Funding-Sources/TFCA/County-Program-Manager-Fund.aspx> for a listing of the following forms:

- ☐ *Form for Ridesharing, Shuttles, Transit Information, Rail/Bus Integration, Smart Growth, and Traffic Calming Projects. (Includes Transit Bus Signal Priority.)*
- ☐ *Form for Clean Air Vehicle and Infrastructure Projects*
- ☐ *Form for Bicycle Projects*
- ☐ *Form for Arterial Management Projects*

I. Attach a completed Cost-effectiveness Worksheet and any other information used to evaluate the proposed project. *For example, for vehicle projects, include the California Air Resources Board Executive Orders for all engines and diesel emission control systems. Note, Cost-effectiveness Worksheets are not needed for TFCA County Program Managers' own administrative costs.*

J. Comments (if any):
Add any relevant clarifying information in this section.

Resolution 21-07 Exhibit B

Summary Information

Directions: Please fill out the yellow highlights.

County Program Manager Agency Name: Napa Valley Transportation Authority
Address: 625 Burnell St., Napa, CA 94559

PART A: NEW TFCA FUNDS

		Project	Admin (default 6.25%)	Total (Project + Admin)
1. Estimated FYE 2022 DMV revenues (based on projected CY2020 revenues):	Line 1	\$174,188	\$ 11,613	\$ 185,800
2. Difference between prior-year estimate and actual revenue:	Line 2	\$5,485	\$366	\$5,851
a. Actual FYE 2020 DMV revenues (based on CY2019):	2a	\$195,798	\$ 13,053	\$ 208,851
b. Estimated FYE 2020 DMV revenues: (‘a’ minus ‘b’ equals Line 2.)	2b	\$190,313	\$ 12,688	\$ 203,000
3 Estimated New Allocation (Sum of Lines 1 and 2) :	Line 3	\$180,039	\$11,978	\$191,651

PART B: INTEREST FOR PROGRAMMING AND TFCA FUNDS AVAILABLE FOR REPROGRAMMING

4 Total available for programming/reprogramming to other projects.	Line 4	\$9,620	\$5,869	\$15,489
a. Amount available from previously funded projects:	4a	\$0		
b. Admin expended in FYE 2020:	4b		7184	
c. Interest income earned on TFCA funds in CY 2020: (Project equals ‘4a’ plus ‘4c’ equals Line 4. Admin equals ‘2a’ minus ‘4b’.)	4c	\$9,620		\$9,620

PART C: TOTAL AVAILABLE TFCA FUNDS

5 Total Available TFCA Funds (Sum of Lines 3 and 4)	Line 5	\$189,659	\$17,482	\$207,140
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I certify that, to the best of my knowledge, the information contained in this application is complete and accurate.

Executive Director Signature

Feb. 17, 2021

Date

[1] The “Estimated TFCA funds budgeted for administration” amount is listed for informational purposes only. Per California Health and Safety Code Section 44233, County Program Managers must limit their administrative costs to no more than 6.25% of the actual total revenue received from the Air District.



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2020 and 2019 and Single Audit Report of Uniform Guidance for the Year Ended June 30, 2020.

STAFF 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, 2020 and 2019 (Attachment 2) and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2020 (Attachment 3); and
- (2) Return an allocation surplus of \$2,486,395, to the Local Transportation Fund (LTF) Trust Fund administered by the Metropolitan Transportation Commission for future allocation.

EXECUTIVE SUMMARY

The certified public accountants firm, Brown Armstrong Incorporated, has completed NVTA's annual financial audit for the years ended June 30, 2020 and 2019 and federal Single Audit Report of Uniform Guidance for the year ended June 30, 2020.

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, 2020 and 2019. Attachment 3 is the Single Audit Report for the fiscal year ending June 30, 2020.

FISCAL IMPACT

Not for this action. Nevertheless, \$2,486,395 will be returned to the Local Transportation Fund for reallocation, which will be made available for future allocations to NVTA.



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Memo

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Antonio Onorato, Director of Administration, Finance and Policy
(707) 259-8779 / Email: anonorato@nvta.ca.gov
SUBJECT: Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2020 and 2019 and Single Audit Report of Uniform Guidance for the Year Ended June 30, 2020

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, 2020 and 2019 (Attachment 2) and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2020 (Attachment 3); and
- (2) Return an allocation surplus of \$2,486,395, 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, 2020 and 2019 and federal Single Audit Report of Uniform Guidance for the year ended June 30, 2020.

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 \$25,654,466. Of this amount, \$21,450,570 is the net investment in capital assets. The remaining \$4,203,896 represents the unrestricted Net Position.

As of June 30, 2020, NVTA's governmental activities reported an ending fund balance of \$2,286,459 or 40% of total governmental fund expenditures.

Business-type activity (Transit Fund) expenses increased from \$13,937,571 in fiscal year 2018-2019 to \$14,064,048 in fiscal year 2019-2020 which is an overall increase of 0.9%. 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 slightly decreased to \$2,286,459 from \$2,440,230 in 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%, the same as 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 \$378,657. The reason for the decrease was due to the disposal of the New Flyer hybrid buses which was offset by lower expenses due to the pandemic.

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.

Due to the COVID-19 pandemic, transit agencies statewide, including Vine Transit, have experienced significant declines in local and farebox revenues. In response, the State of California has provided statutory and administrative/regulatory relief for public transportation agencies. Assembly Bill No. 90 (AB 90) was approved by the Governor on June 29, 2020.

AB 90 contains changes to transportation statutes, in particular relief for public transit operators. The bill temporarily suspends the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares for the 2020-2021 and 2021-2022 budget years. As transit ridership has declined due to the COVID-19 pandemic, this language would prevent agencies from being penalized due to the reduced ridership caused by the sustained public health crisis. For the year ended June 30, 2020, the farebox recovery ratios were suspended due to the effects of the pandemic.

NVRTA will return an allocation surplus to the Local Transportation Fund (LTF) trust account of \$2,486,395. 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 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 2019-20, the Fiduciary Fund Type shows net assets of \$724,471 due to the carryover of projects into later years for the TFCA program.

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

NVRTA 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, 2020:

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>.

ALTERNATIVES

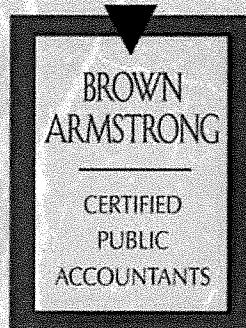
None. Financial audits are a statutory requirement.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 3: Use taxpayer dollars efficiently. A financial audit is an objective examination and evaluation of NVTA's financial statements to ensure the financial records are a fair and accurate representation of the transactions of the agency.

ATTACHMENTS

- (1) Brown Armstrong CPA's Letter to NVTA's Board of Directors dated December 22, 2020 (SAS 114)
- (2) NVTA Audit Report for Fiscal Years Ended June 30, 2020 and 2019
- (3) NVTA Single Audit Report for Fiscal Years Ended June 30, 2019



BROWN ARMSTRONG

Certified Public Accountants

AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING (MANAGEMENT LETTER)

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

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We have audited the basic financial statements of the Napa Valley Transportation Authority (NVTa) for the year ended June 30, 2020, and have issued our report thereon dated December 22, 2020. In planning and performing our audit of the basic financial statements of NVTa, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NVTa's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

During our audit we did not become aware of matters that are an opportunity for strengthening of internal controls and operating efficiencies.

Current Year Findings and Recommendations

None.

Status of Prior Year Findings and Recommendations

Finding 1 – Reimbursement Requests

Condition:

A reimbursement request from the County Office of Education (COE) was not properly accrued for the fiscal year 2017/18. The COE submitted a reimbursement request to NVTa in November 2018 for expenses incurred in the prior fiscal year. The agreement with the County Office of Education states reimbursement requests can be submitted up to 90 days after the completion of a project.

Recommendation:

In order to match expenses in the period they are incurred, we recommend NVTa require reimbursements be submitted within 90 days of the date incurred to be able to accrue expenditures in the proper period before closing the books.

Management Response:

NVTa management is aware of the issue and has created a structure in place to ensure timely reporting and payment of expenses of subrecipients going forward.

Current Year Status:

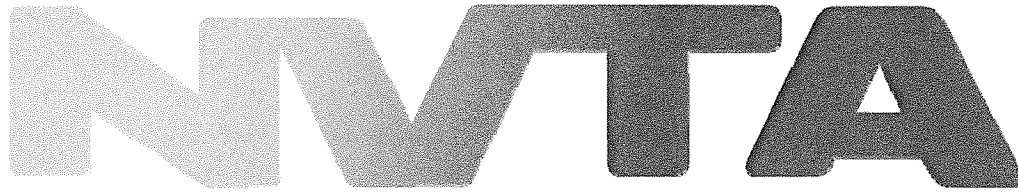
Resolved.

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 22, 2020



**NAPA VALLEY
TRANSPORTATION AUTHORITY**

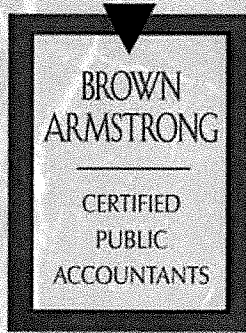
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

**NAPA VALLEY TRANSPORTATION AUTHORITY
JUNE 30, 2020 AND 2019**

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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 (NVTa), as of and for the years ended June 30, 2020 and 2019, and the related notes to the basic financial statements, which collectively comprise NVTa'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 NVTa'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 NVTa'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, 2020 and 2019, 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 Contributions – OPEB, Schedule of NVTa's Proportionate Share of the Net Pension Liability, and Schedule of Contributions – Pension, 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 statements of fiduciary net position; combining statements 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 statements of fiduciary net position; combining statements 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 22, 2020, 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 22, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NAPA VALLEY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

This section of the Napa Valley Transportation Authority's (NVRTA) annual financial report presents our discussion and analysis of NVRTA's financial performance during the years ended June 30, 2020 and 2019. It should be read in conjunction with the basic financial statements contained in the independent auditor's report.

NVRTA 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. NVRTA 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. NVRTA 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.

NVRTA 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 the County. The NVRTA Board of Directors (the Board) adopted a name change from the Napa County Transportation and Planning Agency (NCTPA) to the new name at its February 17, 2016 meeting. NVRTA 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. NVRTA is not subject to income tax.

Financial Highlights

- At the close of the fiscal year 2019-2020, total assets and deferred outflows of resources of NVRTA exceeded liabilities and deferred inflows of resources of NVRTA by \$25,654,466. Of this amount, \$21,450,570 is the net investment in capital assets. The remaining \$4,203,896 represents unrestricted Net Position.
- At the close of the fiscal year 2018-2019, total assets and deferred outflows of resources of NVRTA exceeded liabilities and deferred inflows of resources of NVRTA 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.
- As of June 30, 2020, NVRTA's Governmental Activities reported an ending net position of \$2,286,459 or 40% of total governmental fund expenditures.
- As of June 30, 2019, NVRTA's Governmental Activities reported an ending net position of \$2,440,230 or 48% of total governmental fund expenditures.
- Capital contributions in the form of grants from the Federal and State governments increased from \$58,016 in fiscal year 2018-2019 to \$2,098,284 in fiscal year 2019-2020. Capital purchases for the year were the acquisition of real estate, new buses and transit related equipment.
- 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.
- NVRTA continues to improve operation performance, compliance, and accountability during fiscal year 2019-2020 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 decreased by \$153,771 due to expenditures in excess of revenues. The business-type activities Net Position decreased \$378,657. The result is an overall decrease in Net Position of \$532,428 or 2% in fiscal year 2019-2020 from fiscal year 2018-2019.

However, in the prior 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.

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

	As of June 30, 2020			As of June 30, 2019			As of June 30, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 3,993,160	\$ 8,835,103	\$ 10,828,263	\$ 3,094,250	\$ 5,382,520	\$ 8,476,770	\$ 1,256,509	\$ 4,868,038	\$ 6,222,547
Capital assets	-	21,450,570	21,450,570	-	22,508,328	22,508,328	-	25,184,578	25,184,578
Total assets	3,993,160	28,085,673	32,078,833	3,094,250	27,890,848	30,985,098	1,256,509	30,150,616	31,407,125
Deferred outflows of resources	630,324	-	630,324	438,223	-	438,223	459,927	-	459,927
Current and other liabilities	2,293,713	4,717,668	7,011,379	1,053,892	4,144,184	5,198,176	1,323,128	3,662,552	4,985,680
Total liabilities	2,293,713	4,717,668	7,011,379	1,053,892	4,144,184	5,198,176	1,323,128	3,662,552	4,985,680
Deferred inflows of resources	43,312	-	43,312	38,251	-	38,251	39,129	-	39,129
Net position:									
Net investment in capital assets	-	21,450,570	21,450,570	-	22,508,328	22,508,328	-	25,184,578	25,184,578
Unrestricted net position	2,286,459	1,917,437	4,203,896	2,440,230	1,238,336	3,678,566	354,179	1,303,486	1,657,665
Total net position	\$ 2,286,459	\$ 23,368,007	\$ 25,654,466	\$ 2,440,230	\$ 23,746,664	\$ 26,186,894	\$ 354,179	\$ 26,488,064	\$ 26,842,243

Changes in Net Position

A summary of NVTa's Statement of Activities recapping NVTa's revenues earned during the years ended June 30, 2020, 2019, and 2018, and the expenses incurred is as follows:

	As of June 30, 2020			As of June 30, 2019			As of June 30, 2018		
	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	\$ -	\$ 993,746	\$ 993,746	\$ -	\$ 1,276,122	\$ 1,276,122	\$ -	\$ 1,330,940	\$ 1,330,940
Operating grants and contributions	5,569,375	11,185,967	16,755,342	7,117,013	9,827,361	16,944,374	2,959,228	8,677,056	11,636,284
Capital grants and contributions	-	2,098,284	2,098,284	-	58,016	58,016	-	112,854	112,854
General revenues:									
Unrestricted interest and investment earnings	60,803	32,208	93,011	27,406	30,986	58,392	19,238	25,744	44,982
Miscellaneous	-	(624,814)	(624,814)	-	3,686	3,686	-	-	-
Total revenues	5,630,178	13,685,391	19,315,569	7,144,419	11,195,171	18,340,590	2,978,466	10,146,594	13,125,060
Expenses:									
Transportation planning	5,783,949	-	5,783,949	5,058,368	-	5,058,368	4,814,600	-	4,814,600
Transit	-	14,064,048	14,064,048	-	13,937,571	13,937,571	-	13,480,279	13,480,279
Total expenses	5,783,949	14,064,048	19,847,997	5,058,368	13,937,571	18,995,939	4,814,600	13,480,279	18,294,879
Change in net position	(153,771)	(378,657)	(532,428)	2,086,051	(2,741,400)	(655,349)	(1,836,134)	(3,333,685)	(5,169,819)
Net position, beginning	2,440,230	23,746,664	26,186,894	354,179	26,488,064	26,842,243	2,190,313	29,821,749	32,012,062
Net position, ending	\$ 2,286,459	\$ 23,368,007	\$ 25,654,466	\$ 2,440,230	\$ 23,746,664	\$ 26,186,894	\$ 354,179	\$ 26,488,064	\$ 26,842,243

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 \$5,058,368 in fiscal year 2018-2019 to \$5,783,949 in fiscal year 2019-2020. Governmental activity expenses increased from \$4,814,600 in fiscal year 2017-2018 to \$5,058,368 in fiscal year 2018-2019.

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 the County's most urgent transportation needs by:

- Pursuing funding for highway and safety improvements;
- Providing equitable and accessible mobility choices for seniors, low income and minority populations, and people with disabilities;
- Expanding travel options for commuters;
- Supporting 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, the effects of the COVID-19 pandemic, and the ensuing recession that followed the stay-at-home order in March, 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 installing lighting on the southbound and northbound ramps. Pedestrian friendly sidewalks, bicycle storage and bike lanes connecting both ramps 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 without deviating off the highway.

Environmental work on the project was completed in May 2020. Design plans, specifications, and cost estimates are estimated to be finalized by December 2020. Construction should begin in Spring 2021 and is anticipated to conclude five months later. The Imola Park and Ride is expected to be in service by August 2021.

Soscol Junction

Unrelenting congestion has meant commuters must endure up to 225 hours of delay in the morning and 630 hours of delay in the evening at Soscol Junction annually. 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 FHWA, and NVTa which is the project implementing agency. Soscol Junction is currently in the design phase, with the groundbreaking expected to occur in 2021.

Napa Valley Vine Trail-St. Helena to Calistoga

The Napa Valley Vine Trail (Vine Trail) is a visionary and connective trail that 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 it is fully completed, the 47-mile multi-use paved trail will involve land controlled by twelve separate public agencies.

The next portion of the trail to be constructed is an 8-mile segment connecting the City of St. Helena and the City of Calistoga. The segment parallels SR-29 and connects to Bothe Napa Valley State Park. This project provides economic viability to the surrounding area while providing a safe alternative for individuals using active transportation, such as biking or walking, by reducing motorized traffic on SR-29 and Silverado Trail. 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.

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 County. In fiscal year 2019-2020, the level of this funding was \$764,000.

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), which is a trust account for TDA; or alternatively, the TDA balances may be 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 administered by the MTC through the Napa County Auditor-Controller; the LTF is not a fund under NVTA's control.

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 \$2,286,459 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 \$13,937,571 in fiscal year 2018-2019 to \$14,064,048 in fiscal year 2019-2020 which is an overall increase of 0.9%. The growth is accounted for by increases in operating expenses.

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.

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.

COVID-19 Pandemic and the Effects on Public Transit

Public transit tends to be the backbone of the local economy which serves a wide swath of residents across socio-economic groups. Like all public transit providers, Vine Transit is operating in an unprecedented period of uncertainty. Transit use has plummeted as people work from home or avoid buses for fear of contracting COVID-19, resulting in less revenue from fares. So too, has the tax revenues upon which Vine Transit relies on to support operations.

COVID-19 severely diminished Vine Transit's customer base. Ridership rates have been decimated gutting fare collections. And with the economy floundering more broadly, the tax revenues that help subsidize public transit have also taken a dramatic hit. Additionally, costs are up as the NVTA engages in expensive cleaning campaigns meant to keep the operators and buses safe.

Some assistance has already occurred. The CARES Act, a \$2.2 trillion stimulus bill signed in March, included \$25 billion for public transportation relief. \$4.5 million was granted to NVTa which has covered portion of current fiscal year's and next year's funding gaps. But as the COVID-19 crisis worsens, it's becoming clear that Vine Transit will need more help from the federal government.

Congress returned to work on a second stimulus package known as the HEROES Act. However, funding for public transit remains as a sore spot and the timeline for another appropriation is unknown.

Vine Transit System

Prior to the pandemic, Vine Transit continued to face persistent challenges with significant growth in operating costs and marginal increases in operating revenues coupled with decreasing passenger ridership mirroring a statewide and national trend. Although ridership was showing a modest increase prior to the pandemic of two percent (2%) from the previous year, overall transit ridership cratered by thirteen percent (13%) from the previous fiscal year.

Vine Transit reduced services hours by nearly 20% in the last few months of the fiscal year, initiated rear door boarding on most vehicles, halted fare collections, and instituted a mask mandate. As most commuters transitioned to a work-from-home environment and nearly all county-wide attractions closed, transit use plummeted to all-time lows. Consequently, all Vine Transit services experienced passenger declines from the previous fiscal year as a direct result of the pandemic and the stay-at-home order. Year-over-year, passenger counts on the Vine decreased by 11.5%, Vine Go by 23%; Calistoga by 18%; St. Helena by 36%, Yountville by 29%, and American Canyon by 9%.

Fortunately, 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. However, the revenues are merit based and an unreliable source of future funding.

Vine Transit 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. Total project costs are approximately \$40 million which includes purchasing the real estate. The project is expected to break ground in Spring of 2021 with an in-service date by June 2022.

NVTa staff has been working with its financial and legal advisors, Federal Transit Administration Region IX, and the Build America Bureau 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. A funding proposal is expected to be presented to the Board of Directors at their November 18, 2020, meeting for consideration. An approval of the funding package will begin the Invitation for Bid (IFB) process for a firm to construct the new maintenance facility.

BUDGETARY HIGHLIGHTS

NVTa adopts a biannual operating budget that includes proposed expenditures and the means of financing them. NVTa'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 55 provides a budget to actual comparison of the Governmental Fund.

For NVTa's Governmental Fund for the year ended June 30, 2020, the budget for revenues was \$3,714,400 and for expenditures was \$6,372,400. For the year ended June 30, 2019, the budget for revenues was \$8,917,231 and for expenditures was \$8,640,231. When comparing actual expenditures and revenue to the final budget for both fiscal years, NVTa was within budget.

CAPITAL ASSETS

The governmental activities financial statements include capital assets of \$0 and unrestricted Net Position of \$2,286,459 for fiscal year 2019-2020. The governmental activities financial statements include capital assets of \$0 and unrestricted Net Position of \$2,440,230 for fiscal year 2018-2019. Capital assets in total are composed of one vehicle dedicated for agency use and office furniture located at NVTA's administrative offices at the Soscol Gateway Transit Center.

The business-type activities financial statements include capital assets of \$21,450,570 and unrestricted Net Position of \$1,917,437 in fiscal year 2019-2020. 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. 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 real estate and transit related equipment in fiscal year 2019-2020 and purchases of transit related equipment in fiscal year 2018-2019.

For additional information on NVTA'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, 2020, NVTA had debt of \$0, and recorded long-term obligations for compensated absences in the amount of \$139,695. For additional information on NVTA'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, 2020

	Primary Government			Discrete Component Unit
	Governmental Activities	Business-Type Activities	Totals	NVTA - Tax Agency
<u>ASSETS</u>				
Cash and Investments in County Treasury	\$ 3,251,545	\$ 1,496,117	\$ 4,747,662	\$ 2,165,720
Imprest Cash	500	-	500	-
Investments	-	720,257	720,257	-
Due from Other Government Agencies	625,996	4,140,211	4,766,207	-
Intergovernmental Receivables	-	-	-	3,163,383
Prepaid Expenses	50,259	50,036	100,295	-
Inventory	-	228,482	228,482	-
Other Postemployment Benefits (OPEB)	64,860	-	64,860	-
Capital Assets, Net of Accumulated Depreciation	-	21,450,570	21,450,570	-
Total Assets	3,993,160	28,085,673	32,078,833	5,329,103
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
OPEB	91,040	-	91,040	-
Pension Adjustments	539,284	-	539,284	-
Total Deferred Outflows of Resources	630,324	-	630,324	-
<u>LIABILITIES</u>				
Accounts Payable	871,120	1,423,164	2,294,284	5,127,583
Accrued Salaries	81,227	-	81,227	-
Unearned Revenue	497,900	760,257	1,258,157	-
Unearned Revenue - State of Good Repair	-	47,850	47,850	-
Due to Other Government Agencies	-	2,486,395	2,486,395	-
Net Pension Liability	703,771	-	703,771	-
Compensated Absences	139,695	-	139,695	-
Total Liabilities	2,293,713	4,717,666	7,011,379	5,127,583
<u>DEFERRED INFLOWS OF RESOURCES</u>				
OPEB	15,325	-	15,325	-
Pension Adjustments	27,987	-	27,987	-
Total Deferred Outflows of Resources	43,312	-	43,312	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	-	21,450,570	21,450,570	-
Unrestricted	2,286,459	1,917,437	4,203,896	201,520
Total Net Position	\$ 2,286,459	\$ 23,368,007	\$ 25,654,466	\$ 201,520

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

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

	Primary Government			Discrete Component Unit
	Governmental Activities	Business-Type Activities	Totals	NVTA - Tax Agency
<u>ASSETS</u>				
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
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
OPEB	93,469	-	93,469	-
Pension Adjustments	344,754	-	344,754	-
Total Deferred Outflows of Resources	438,223	-	438,223	-
<u>LIABILITIES</u>				
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
<u>DEFERRED INFLOWS OF RESOURCES</u>				
OPEB	14,780	-	14,780	-
Pension Adjustments	23,471	-	23,471	-
Total Deferred Outflows of Resources	38,251	-	38,251	-
<u>NET POSITION</u>				
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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

					Net (Expense) Revenue and Changes in Net Position			
Program Revenues								Discrete Component Unit
					Primary Government			
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	\$ 5,783,949	\$ -	\$ 5,569,375	\$ -	\$ (214,574)	\$ -	\$ (214,574)	\$ -
Business-Type Activities:								
Transit	14,064,048	993,746	11,185,967	2,098,284	-	213,949	213,949	-
Total Primary Government	\$ 19,847,997	\$ 993,746	\$ 16,755,342	\$ 2,098,284	(214,574)	213,949	(625)	-
Discrete Component Unit:								
NVTA - Tax Agency	\$ 18,551,891	\$ -	\$ -	\$ -	-	-	-	(18,551,891)
General Revenues								
Taxes					\$ -	\$ -	\$ -	\$ 18,597,396
Unrestricted Interest and Investment Earnings					60,803	32,208	93,011	42,459
Miscellaneous					-	(624,814)	(624,814)	-
Total General Revenues					60,803	(592,606)	(531,803)	18,639,855
Change in Net Position					(153,771)	(378,657)	(532,428)	87,964
Net Position July 1, 2019					2,440,230	23,746,664	26,186,894	113,556
Net Position June 30, 2020					\$ 2,286,459	\$ 23,368,007	\$ 25,654,466	\$ 201,520

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								Discrete Component Unit
					Primary Government			
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	<u>\$ 18,995,939</u>	<u>\$ 1,276,122</u>	<u>\$ 16,944,374</u>	<u>\$ 58,016</u>	<u>2,058,645</u>	<u>(2,776,072)</u>	<u>(717,427)</u>	<u>-</u>
Discrete Component Unit:								
NVTA - Tax Agency	<u>\$ 19,593,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,593,102)</u>
General Revenues								
Taxes					-	-	-	19,669,765
Unrestricted Interest and Investment Earnings					27,406	30,986	58,392	36,893
Miscellaneous					<u>-</u>	<u>3,686</u>	<u>3,686</u>	<u>-</u>
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					<u>354,179</u>	<u>26,488,064</u>	<u>26,842,243</u>	<u>-</u>
Net Position June 30, 2019					<u>\$ 2,440,230</u>	<u>\$ 23,746,664</u>	<u>\$ 26,186,894</u>	<u>\$ 113,556</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments in County Treasury	\$ 3,251,545	\$ 2,750,811
Imprest Cash	500	500
Grants Receivable	625,996	237,817
Prepaid Expenses	<u>50,259</u>	<u>50,406</u>
Total Current Assets	<u>3,928,300</u>	<u>3,039,534</u>
Total Assets	<u><u>\$ 3,928,300</u></u>	<u><u>\$ 3,039,534</u></u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 871,120	\$ 512,338
Accrued Salaries and Benefits	81,227	79,322
Unearned Revenue	<u>497,900</u>	<u>-</u>
Total Current Liabilities	<u>1,450,247</u>	<u>591,660</u>
Total Liabilities	<u>1,450,247</u>	<u>591,660</u>
<u>FUND BALANCE</u>		
Nonspendable	50,259	50,406
Unassigned	<u>2,427,794</u>	<u>2,397,468</u>
Total Fund Balance	<u>2,478,053</u>	<u>2,447,874</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,928,300</u></u>	<u><u>\$ 3,039,534</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Total Fund Balance - Governmental Fund	\$ 2,478,053	\$ 2,447,874
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	(139,695)	(105,899)
Net pension liability	(703,771)	(356,433)
Net OPEB asset	64,860	54,716
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	539,284	344,754
Deferred outflows of resources - OPEB	91,040	93,469
Deferred inflows of resources - Pension	(27,987)	(23,471)
Deferred inflows of resources - OPEB	<u>(15,325)</u>	<u>(14,780)</u>
Total Net Position - Governmental Activities	<u>\$ 2,286,459</u>	<u>\$ 2,440,230</u>

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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Revenues		
Local Transportation Fund Allocation	\$ 2,881,900	\$ 5,533,143
Federal Highway Allocations	979,930	1,287,403
Programming, Planning, and Monitoring	511,103	43,284
Other Grants	117,471	68,914
Local Support	250,000	-
Interest	60,803	27,406
Other Revenues	<u>828,971</u>	<u>184,269</u>
Total Revenues	<u>5,630,178</u>	<u>7,144,419</u>
Expenditures		
Communications	33,240	33,005
Insurance	40,174	43,556
Office Expense	78,575	101,172
Rents and Leases	5,877	7,453
Transportation	12,152	13,250
Salaries and Benefits	1,961,494	1,916,121
Miscellaneous Expense	389,586	446,076
Professional Services	<u>3,078,901</u>	<u>2,449,830</u>
Total Expenditures	<u>5,599,999</u>	<u>5,010,463</u>
Net Change in Fund Balance	<u>30,179</u>	<u>2,133,956</u>
Fund Balance, Beginning of Year	<u>2,447,874</u>	<u>313,918</u>
Fund Balance, End of Year	<u><u>\$ 2,478,053</u></u>	<u><u>\$ 2,447,874</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Net Change in Fund Balance - Governmental Fund	\$ 30,179	\$ 2,133,956
Amounts reported for governmental activities in the Statement of Activities are different because:		
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	(157,324)	(52,005)
OPEB expense - GASB Statement No. 75	7,170	(8,875)
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>(33,796)</u>	<u>12,975</u>
Total Change in Net Position - Governmental Activities	<u>\$ (153,771)</u>	<u>\$ 2,086,051</u>

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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments in County Treasury	\$ 1,496,117	\$ 995,307
Investments	720,257	419,748
Grants Receivable	4,140,211	3,502,577
Prepaid Expenses	50,036	55,938
Inventory	<u>228,482</u>	<u>408,950</u>
Total Current Assets	<u>6,635,103</u>	<u>5,382,520</u>
Noncurrent Assets		
Land	5,535,633	3,967,565
Capital Assets, Net of Accumulated Depreciation	<u>15,914,937</u>	<u>18,540,763</u>
Total Noncurrent Assets	<u>21,450,570</u>	<u>22,508,328</u>
Total Assets	<u><u>\$ 28,085,673</u></u>	<u><u>\$ 27,890,848</u></u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 1,423,164	\$ 2,567,422
Unearned Revenue	760,257	439,748
Unearned Revenue - State of Good Repair	47,850	29,888
Due to Other Government Agencies	<u>2,486,395</u>	<u>1,107,126</u>
Total Current Liabilities	<u>4,717,666</u>	<u>4,144,184</u>
Total Liabilities	<u>4,717,666</u>	<u>4,144,184</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	21,450,570	22,508,328
Unrestricted	<u>1,917,437</u>	<u>1,238,336</u>
Total Net Position	<u>23,368,007</u>	<u>23,746,664</u>
Total Liabilities and Net Position	<u><u>\$ 28,085,673</u></u>	<u><u>\$ 27,890,848</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, 2020 AND 2019**

	2020	2019
Operating Revenues		
Farebox Revenues	\$ 993,746	\$ 1,276,122
Total Operating Revenues	<u>993,746</u>	<u>1,276,122</u>
Operating Expenses		
Marketing	84,047	62,547
Vehicle Maintenance	418,297	182,084
Other Maintenance	6,960	66,795
Fuel and Lubricants	1,078,484	1,200,871
Insurance	390,330	379,189
Security	44,008	14,873
Services	136,681	113,475
Supplies	67,660	59,525
Purchased Transportation	9,001,075	8,962,438
Utilities	6,545	5,964
Miscellaneous Expense	14,228	28,080
Depreciation	2,635,809	2,676,250
Personnel Costs	179,924	185,480
Total Operating Expenses	<u>14,064,048</u>	<u>13,937,571</u>
Operating Loss	<u>(13,070,302)</u>	<u>(12,661,449)</u>
Nonoperating Revenue, Net		
Local Transportation Fund	7,407,749	5,634,565
Loss: Returned Local Transportation Fund Allocations	(2,486,395)	(1,107,126)
State Transit Assistance	2,064,265	1,737,409
Federal Transit Assistance Grant Revenues - Operating	3,811,329	3,116,113
Other Operating Grants	389,019	446,400
Interest Income	32,208	30,986
Other Revenues	15,705	3,686
Loss from Disposal of Property	(640,519)	-
Total Nonoperating Revenue, Net	<u>10,593,361</u>	<u>9,862,033</u>
Change in Net Position Before Contributions	<u>(2,476,941)</u>	<u>(2,799,416)</u>
Capital Contributions		
Federal Transit Assistance	280,000	46,192
Local Transportation Fund	1,818,284	11,824
Total Capital Contributions	<u>2,098,284</u>	<u>58,016</u>
Change in Net Position	<u>(378,657)</u>	<u>(2,741,400)</u>
Net Position, Beginning of Year	<u>23,746,664</u>	<u>26,488,064</u>
Net Position, End of Year	<u><u>\$ 23,368,007</u></u>	<u><u>\$ 23,746,664</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, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Passengers	\$ 993,746	\$ 1,276,122
Cash Payments for General and Administrative Expenses	(834,990)	(755,564)
Cash Payments to Suppliers for Operations	(11,551,137)	(9,722,724)
Net Cash Used in Operating Activities	<u>(11,392,381)</u>	<u>(9,202,166)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Local Transportation Fund	6,613,258	4,316,560
Federal Operating Grants	3,352,144	2,758,495
State Transit Assistance	1,863,802	1,822,814
State of Good Repair	47,850	-
Other Operating Grants	404,724	446,400
Net Cash Provided by Noncapital Financing Activities	<u>12,281,778</u>	<u>9,344,269</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds From Sale of Property and Equipment	21,032	-
Capital Contributions	2,098,284	58,016
Insurance Settlement	-	3,686
Payments for the Acquisition of Capital Assets	(2,239,602)	-
Net Cash (Used in) Provided by Capital and Related Financing Activities	<u>(120,286)</u>	<u>61,702</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments	(300,509)	(195,323)
Interest Received	32,208	30,986
Net Cash Provided by (Used in) Investing Activities	<u>(268,301)</u>	<u>(164,337)</u>
Net Increase in Cash and Investments in County Treasury	500,810	39,468
Cash and Investments in County Treasury at Beginning of Year	995,307	955,839
Cash and Investments in County Treasury at End of Year	<u>\$ 1,496,117</u>	<u>\$ 995,307</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	\$ (13,070,302)	\$ (12,661,449)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	2,635,809	2,676,250
Changes in Assets and Liabilities:		
Decrease in Inventory	180,468	4,159
Decrease in Prepaid Expenses	5,902	38,038
(Decrease) Increase in Accounts Payable and Accrued Expenses	(1,144,258)	740,836
Net Cash Used in Operating Activities	<u>\$ (11,392,381)</u>	<u>\$ (9,202,166)</u>

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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash and Investments in County Treasury	\$ 597,868	\$ 723,286
Due from Other Government Agencies	<u>126,603</u>	<u>101,100</u>
Total Current Assets	<u>724,471</u>	<u>824,386</u>
Total Assets	<u><u>\$ 724,471</u></u>	<u><u>\$ 824,386</u></u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	<u>\$ 85,624</u>	<u>\$ 13,766</u>
Total Current Liabilities	<u>85,624</u>	<u>13,766</u>
Total Liabilities	<u>85,624</u>	<u>13,766</u>
<u>NET POSITION</u>		
Net Position Held in Trust for Other Purposes	<u>638,847</u>	<u>810,620</u>
Total Net Position	<u>638,847</u>	<u>810,620</u>
Total Liabilities and Net Position	<u><u>\$ 724,471</u></u>	<u><u>\$ 824,386</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ADDITIONS		
Aid from Other Government Agencies	\$ 234,354	\$ 208,883
Interest Income	<u>14,818</u>	<u>12,749</u>
Total Additions	<u>249,172</u>	<u>221,632</u>
DEDUCTIONS		
Program Expenses	<u>420,945</u>	<u>197,272</u>
Total Deductions	<u>420,945</u>	<u>197,272</u>
CHANGE IN NET POSITION	(171,773)	24,360
Net Position, Beginning of Year	<u>810,620</u>	<u>786,260</u>
Net Position, End of Year	<u><u>\$ 638,847</u></u>	<u><u>\$ 810,620</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, 2020 AND 2019**

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 (MTC). 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 discrete 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, 2020, 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 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. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance.* The requirements of this standard are effective immediately. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting 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 periods beginning after December 15, 2018. GASB Statement No. 95 delayed the effective date to December 15, 2019. NVTA will implement GASB Statement No. 84 if and where applicable.

GASB Statement No. 87 – *Leases.* The requirements of this statement were originally effective for periods beginning after December 15, 2019. GASB Statement No. 95 delayed the effective date to June 15, 2021. The NVTA will implement GASB Statement No. 87 if and where applicable.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The requirements of this statement were originally effective for periods beginning after December 15, 2019. GASB Statement No. 95 delayed the effective date to December 15, 2020. NVTA will implement GASB Statement No. 89 if and where applicable.

GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61.* The requirements of this statement were originally effective for periods beginning after December 15, 2018. GASB Statement No. 95 delayed the effective date to December 15, 2019. NVTA will implement GASB Statement No. 90 if and where applicable.

GASB Statement No. 91 – *Conduit Debt Obligations.* The requirements of this statement were originally effective for periods beginning after December 15, 2020. GASB Statement No. 95 delayed the effective date to December 15, 2021. The NVTA will implement GASB Statement No. 91 if and where applicable.

GASB Statement No. 92 – *Omnibus 2020.* The requirements of this statement were originally effective for periods beginning after June 15, 2020. GASB Statement No. 95 delayed the effective date to June 15, 2021. NVTA will implement GASB Statement No. 92 if and where applicable.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates.* The requirements of this statement were originally effective for periods beginning after June 15, 2020. GASB Statement No. 95 delayed the effective date to June 15, 2021. NVTA will implement GASB Statement No. 93 if and where applicable.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future Accounting Pronouncements (Continued)

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

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement are effective for periods beginning after June 15, 2021. NVTA will implement GASB Statement No. 97 if and where applicable.

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.

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 CASHGeneral

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.

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

June 30, 2020					
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Statement of Net Position:					
Cash	\$ 3,251,545	\$ 1,496,117	\$ 4,747,662	\$ 2,165,720	\$ 597,868
Imprest Cash	500	-	500	-	-
Investments	-	720,257	720,257	-	-
	<u>\$ 3,252,045</u>	<u>\$ 2,216,374</u>	<u>\$ 5,468,419</u>	<u>\$ 2,165,720</u>	<u>\$ 597,868</u>
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>

Cash and investments consisted of the following at June 30, 2020 and 2019:

June 30, 2020					
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Cash on Hand and in Banks	\$ 56,398	\$ 25,716	\$ 82,114	\$ -	\$ -
Pooled Investments	3,195,647	1,470,401	4,666,048	2,165,720	597,868
Investments	-	720,257	720,257	-	-
	<u>\$ 3,252,045</u>	<u>\$ 2,216,374</u>	<u>\$ 5,468,419</u>	<u>\$ 2,165,720</u>	<u>\$ 597,868</u>
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>

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 fair 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.

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

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, 2020.

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, 2020, 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.

2020

<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	\$ 6,831,768	N/A	N/A	\$ 6,831,768
Held by trustee:				
Certificates of deposit	<u>720,257</u>	N/A	N/A	<u>720,257</u>
	<u><u>\$ 7,552,025</u></u>			<u><u>\$ 7,552,025</u></u>

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>

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.

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

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.

At June 30, 2020, 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:

2020

Investments type	Total	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Pooled investments	\$ 6,831,768	\$ 6,831,768	\$ -	\$ -	\$ -
Held by trustee:					
Certificates of deposit	720,257	720,257	-	-	-
	<u>\$ 7,552,025</u>	<u>\$ 7,552,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2019

Investments type	Total	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
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>

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

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, 2020 and 2019:

2020

<u>Investments by fair value level</u>	<u>Fair Value Measurements Using</u>		
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Held by trustee:			
Certificates of deposit	\$ 720,257	\$ 720,257	\$ -
	<u>\$ 720,257</u>	<u>\$ 720,257</u>	<u>\$ -</u>

2019

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

Investments in the County investment pool totaling \$4,666,048 and \$3,706,528 as of June 30, 2020 and 2019, 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Federal (FTA)		
Operating	\$ 3,286,018	\$ 3,204,509
Capital	280,000	-
Caltrans	210,435	-
State		
Caltrans	607,614	-
STA	429,116	155,463
Regional Measure 2	26,672	88,036
TDA	-	100,736
Other	-	43,284
Local		
Cities and Country	40,322	65,377
Local - Other	12,633	184,089
Total	<u>\$ 4,892,810</u>	<u>\$ 3,841,494</u>

NOTE 3 – DUE FROM OTHER GOVERNMENT AGENCIES (Continued)

Reconciliation to Financial Statements		2020	2019
Planning Fund	Grants Receivable	\$ 625,996	\$ 237,817
Transit Fund	Due from Other Government Agencies	4,140,211	3,473,365
Transit Fund	Other Receivables	-	29,212
Total per Statement of Net Position		4,766,207	3,740,394
Fiduciary Funds	Due from Other Government Agencies	126,603	101,100
Total including Fiduciary Funds		<u>\$ 4,892,810</u>	<u>\$ 3,841,494</u>

NOTE 4 – CAPITAL ASSETS

A physical reconciliation of all assets, including federal assets, was completed on October 9, 2020. Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
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	\$ 1,568,068	\$ -	\$ 5,535,633
Total Capital Assets, Not Being Depreciated	<u>3,967,565</u>	<u>1,568,068</u>	<u>-</u>	<u>5,535,633</u>
Capital Assets, Being Depreciated:				
Vehicles and Equipment	35,156,019	671,534	(4,820,267)	31,007,286
Less Accumulated Depreciation for:				
Vehicles and Equipment	(16,615,256)	(2,635,809)	4,158,716	(15,092,349)
Total Capital Assets, Being Depreciated, Net	<u>18,540,763</u>	<u>(1,964,275)</u>	<u>(661,551)</u>	<u>15,914,937</u>
Business-Type Activities,				
Capital Assets, Net	<u>\$ 22,508,328</u>	<u>\$ (396,207)</u>	<u>\$ (661,551)</u>	<u>\$ 21,450,570</u>
Total Government-Wide Capital Assets, Net	<u>\$ 22,508,328</u>	<u>\$ (396,207)</u>	<u>\$ (661,551)</u>	<u>\$ 21,450,570</u>

Government-wide depreciation expense for the year ended June 30, 2020, was \$2,635,809.

NOTE 4 – CAPITAL ASSETS (Continued)

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 5 – COMPENSATED ABSENCES

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

	2020	2019
Beginning Balance July 1	\$ 105,899	\$ 118,874
Additions	43,939	22,155
Reductions	<u>(10,143)</u>	<u>(35,130)</u>
Ending Balance June 30	<u>\$ 139,695</u>	<u>\$ 105,899</u>
Amounts Due Within One Year	<u>\$ 139,695</u>	<u>\$ 105,899</u>

NOTE 6 – DUE TO OTHER GOVERNMENT AGENCIES

Business-Type Activities – Due to the Local Transportation Fund (LTF)

TDA funds are apportioned, allocated, and disbursed in accordance with allocation instructions from the MTC for specific transportation purposes. The 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 \$2,486,395 and \$1,107,126 at June 30, 2020 and 2019, 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:

	2020	2019
Balance - Beginning of Year	\$ 1,107,126	\$ 1,598,092
LTF - Operating	7,407,749	5,634,565
LTF - Capital	1,818,284	11,824
Total LTF	9,226,033	5,646,389
Operating Expenses	14,064,048	13,872,421
Adjustments:		
Add Back Depreciation	(2,635,809)	(2,676,250)
Farebox Revenues	(993,746)	(1,276,122)
State Transit Assistance (STA)	(2,064,265)	(1,737,409)
Other Revenues	(389,019)	(446,400)
Interest Income	(32,208)	(30,986)
FTA Grant Revenues	(3,811,329)	(3,116,113)
Other Federal Grants	(280,000)	(46,192)
Capital Asset Outlays	2,239,602	-
Capital Asset Outlays - not capitalized	17,550	-
Property Disposal	624,814	(3,686)
Net Operating Expenses	6,739,638	4,539,263
Net Increase	2,486,395	1,107,126
Return of LTF Capital	(1,107,126)	(1,598,092)
Balance - End of Year	\$ 2,486,395	\$ 1,107,126

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.

NOTE 7 – AGREEMENTS AND COMMITMENTS (Continued)

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.

The rate plan provisions and benefits in effect at June 30, 2020 and 2019, 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	10.823%	8.081%	6.985%

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

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. 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, 2020 and 2019, were \$161,492 and \$142,748, respectively.

As of June 30, 2020 and 2019, NVTA reported a net pension liability for its proportionate share of the net pension liability of the Plan in the amount of \$703,771 and \$356,433, 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, 2019 and 2018, 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, 2018 and 2017, rolled forward to June 30, 2019 and 2018, 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, 2019 and 2018, was as follows:

Proportion - June 30, 2018	0.00370%
Proportion - June 30, 2019	<u>0.00687%</u>
Change - Increase (Decrease)	<u>0.003170%</u>

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

For the years ended June 30, 2020 and 2019, NVTA recognized pension expense of \$318,816 and \$194,753. At June 30, 2020 and 2019, NVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 48,880	\$ 3,787
Changes in Assumptions	33,559	11,896
Net Differences between Projected and Actual Earnings on Plan Investments	-	12,304
Change in Employer's Proportion	247,433	-
Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	47,920	-
Pension Contributions Subsequent to Measurement Date	161,492	-
Total	<u>\$ 539,284</u>	<u>\$ 27,987</u>

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

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>

\$161,492 and \$142,748 reported as deferred outflows of resources related to contributions subsequent to the measurement date during the years ended June 30, 2020 and 2019, 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	
2021	\$ 186,091
2022	92,573
2023	68,654
2024	2,487
2025	-
Thereafter	-
Total	<u>\$ 349,805</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, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies ⁽¹⁾	Varies ⁽¹⁾
Investment Rate of Return	7.15% ⁽²⁾	7.15% ⁽²⁾
Mortality	CalPERS ⁽³⁾	CalPERS ⁽³⁾

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

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

⁽³⁾ 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, 2018 and 2017 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, 2020 and 2019, 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 2020 and 2019, 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:

2019	Current Target Allocation	Real Return Years 1 - 10 ^(b)	Real Return Years 11+ ^(c)
Asset Class ^(a)			
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%		

^(a) In the CalPERS' 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.

^(b) An expected inflation of 2.00% used for this period.

^(c) An expected inflation of 2.92% used for this period.

2018	Current Target Allocation	Real Return Years 1 - 10 ^(b)	Real Return Years 11+ ^(c)
Asset Class ^(a)			
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%		

^(a) In the CalPERS' 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.

^(b) An expected inflation of 2.00% used for this period.

^(c) An expected inflation of 2.92% 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:

	2020	2019
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 1,171,108	\$ 716,531
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 703,771	\$ 356,433
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 318,018	\$ 59,178

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, 2020 and 2019, 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, 2020 and 2019, 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, 2019 and 2018 valuations, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	2020	2019
Inactive Employees or Beneficiaries Currently Receiving Benefits	2	1
Inactive Employees Entitled to but not yet Receiving Benefits	2	3
Active Employees	15	15
Total	19	19

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 years ended June 30, 2020 and 2019, NVTa contributed \$50,607 and \$44,087, 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, 2019 and 2018, 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:

2020	
Reporting Date	June 30, 2020
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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 ⁽¹⁾ Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076; Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Healthcare Cost Trend Rates	

⁽¹⁾ 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 under Forms and Publications.

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

2019	
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 ⁽¹⁾ Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076; Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Healthcare Cost Trend Rates	

⁽¹⁾ 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 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:

2020		
	Target	Long-Term
Asset Class	Allocation	Expected Real Rate of Return
Global Equity	22.00%	4.82%
Fixed Income	49.00%	1.47%
Treasury Inflation Protected Securities	16.00%	1.29%
Commodities	5.00%	0.84%
REITs	8.00%	3.76%
Total	100.00%	

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

2019		
	Asset Class	Target Allocation
	Global Equity	24.00%
	Fixed Income	39.00%
	Treasury Inflation Protected Securities	26.00%
	Commodities	3.00%
	REITs	8.00%
	Total	100.00%
		Long-Term Expected Real Rate of Return
		4.82%
		1.47%
		1.29%
		0.84%
		3.76%

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 (Asset)
Balance at June 30, 2019	\$ 264,292	\$ 319,008	\$ (54,716)
Changes in the Year:			
Service Cost	41,141	-	41,141
Interest	16,632	-	16,632
Contribution - Employer	-	44,087	(44,087)
Net Investment Income	-	23,900	(23,900)
Administrative Expenses	-	(70)	70
Benefit Payments	(6,087)	(6,087)	-
Net Changes	51,686	61,830	(10,144)
Balance at June 30, 2020	\$ 315,978	\$ 380,838	\$ (64,860)

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Balance at June 30, 2018	\$ 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)
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, 2019	\$ 264,292	\$ 319,008	\$ (54,716)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate – The following presents the net OPEB asset of NVT A 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, 2019:

2020

1% Decrease	4.50%
Net OPEB Asset	\$ (10,776)
Current Discount Rate	5.50%
Net OPEB Asset	\$ (64,860)
1% Increase	6.50%
Net OPEB Asset	\$ (108,266)

2019

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)

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

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB asset of NVTA if it were calculated using health care cost trend rates that are percentage point lower or one percentage point higher than the current rates, for measurement period ended June 30, 2019:

2020

1% Decrease	4.50%
Net OPEB Asset	\$ (96,647)
Current Discount Rate	5.50%
Net OPEB Asset	\$ (64,860)
1% Increase	6.50%
Net OPEB Asset	\$ (15,014)

2019

1% Decrease	4.50%
Net OPEB Asset	\$ (79,479)
Current Discount Rate	5.50%
Net OPEB Asset	\$ (54,716)
1% Increase	6.50%
Net OPEB Asset	\$ (15,857)

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.

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

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the years ended June 30, 2020 and 2019, NVTa recognized OPEB expense of \$43,437 and \$52,962, respectively. For the years ended June 30, 2020 and 2019, NVTa reported deferred outflows of resources related to OPEB from the following sources:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 50,607	\$ -
Differences between Actual and Expected Experience	-	13,100
Changes in Assumptions	40,433	-
Net Differences between Projected and Actual Earnings on Plan Investments	-	2,225
Total	<u>\$ 91,040</u>	<u>\$ 15,325</u>
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>

The \$50,607 and \$44,087 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 and 2018 measurement dates will be recognized as an increase to the net OPEB asset during the years ending June 30, 2020 and 2019, respectively. In addition, future recognition of the deferred inflows of resources and deferred outflows of resources is shown below:

Fiscal Year Ended June

2021	\$ 3,388
2022	3,386
2023	2,735
2024	2,282
2025	3,504
Thereafter	9,813
	<u>\$ 25,108</u>

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, 2020 and 2019, NVTA paid to the County, a related party, the following amounts:

	<u>2020</u>	<u>2019</u>
Accounting and Legal Services	\$ 15,300	\$ 13,138
Other Services and Supplies	<u>152,751</u>	<u>132,061</u>
Total Related Party Transactions	<u><u>\$ 168,051</u></u>	<u><u>\$ 145,199</u></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, 2020 and 2019, was 12.87% and 17.01%, respectively, as follows:

	June 30, 2020		
	Total		
<u>Article 4</u>	<u>Article 4</u>	<u>Vine</u>	<u>ACT</u>
	<u>Services</u>		
Farebox Subject to Farebox Ratio	\$ 1,159,344	\$ 1,101,947	\$ 57,397
Operating Cost, Net of Depreciation	\$ 9,006,085	\$ 8,644,897	\$ 361,188
Farebox Ratio	12.87%		
	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	\$ 1,466,049	\$ 1,413,306	\$ 52,743
Operating Cost, Net of Depreciation	\$ 8,619,351	\$ 8,289,707	\$ 329,644
Farebox Ratio	17.01%		

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."

Due to the COVID-19 pandemic, transit agencies statewide, including Vine Transit, have experienced significant declines in local and farebox revenues. In response, the State of California has provided statutory and administrative/regulatory relief for public transportation agencies. Assembly Bill No. 90 (AB 90) was approved by the Governor on June 29, 2020. AB 90 contains changes to transportation statutes, in particular relief for public transit operators. The bill temporarily suspends the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares for the 2020-2021 and 2021-2022 budget years. As transit ridership has declined due to the COVID-19 pandemic, this language would prevent agencies from being penalized due to the ongoing public health crisis.

For the year ended June 30, 2020, the farebox recovery ratios were suspended due to the effects of the COVID-19 health pandemic.

NOTE 13 – FAREBOX RATIO (Continued)**Article 4 (Continued)**

For the year ended June 30, 2019, 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, 2020, would be 8.15%.

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, 2020 and 2019, for Article 8 transit operations was 9.70% and 9.63%, respectively, as follows:

	June 30, 2020		
<u>Article 8</u>	<u>Total Article 8 Services</u>	<u>Taxi Scrip and Vine Go</u>	<u>Calistoga, Yountville, and St. Helena</u>
Farebox Subject to Farebox Ratio	<u>\$ 233,910</u>	<u>\$ 87,166</u>	<u>\$ 146,744</u>
Operating Cost, Net of Depreciation	<u>\$ 2,412,544</u>	<u>\$ 1,162,974</u>	<u>\$ 1,249,570</u>
Farebox Ratio	<u>9.70%</u>		
	June 30, 2019		
<u>Article 8</u>	<u>Total Article 8 Services</u>	<u>Taxi Scrip and Vine Go</u>	<u>Calistoga, Yountville, and St. Helena</u>
Farebox Subject to Farebox Ratio	<u>\$ 260,160</u>	<u>\$ 100,838</u>	<u>\$ 159,322</u>
Operating Cost, Net of Depreciation	<u>\$ 2,700,553</u>	<u>\$ 1,424,317</u>	<u>\$ 1,276,236</u>
Farebox Ratio	<u>9.63%</u>		

For the year ended June 30, 2020, NVTA was not in compliance with the minimum farebox ratio required for Article 8 transit operations. For the year ended June 30, 2019, NVTA was not 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, 2020 and 2019, expenditures exceeded appropriations in the Planning Fund as follows:

Appropriations Category		Excess Expenditures	
		2020	2019
Planning Fund:	Communications	\$ 4,115	\$ 3,764
	Rents and Leases	-	453
	Salaries and Benefits	-	48,021
	Miscellaneous Expense	67,686	44,576

NOTE 15 – STATE OF GOOD REPAIR (SGR)

SGR funds of \$17,962 and \$16,439 were received during fiscal years 2020 and 2019, respectively. The unspent funds are included in unearned revenue at June 30, 2020.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 22, 2020, which is the date the basic financial statements were available to be issued. There were no other subsequent events identified by management which would require disclosure in the basic financial statements.

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

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, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Local Transportation Fund Allocation	\$ 2,481,900	\$ 2,481,900	\$ 2,881,900	\$ 400,000
Federal Highway Allocations	790,000	790,000	979,930	189,930
Programming, Planning, and Monitoring	69,000	69,000	511,103	442,103
Other Grants	-	-	117,471	117,471
Local Support	-	-	250,000	250,000
Interest	20,000	20,000	60,803	40,803
Other Revenues	353,500	353,500	828,971	475,471
Total Revenues	3,714,400	3,714,400	5,630,178	1,915,778
Expenditures				
Communications	29,125	29,125	33,240	(4,115)
Insurance	60,000	60,000	40,174	19,826
Office Expense	117,000	215,000	78,575	136,425
Rents and Leases	7,000	7,000	5,877	1,123
Transportation	16,000	16,000	12,152	3,848
Salaries and Benefits	2,208,900	2,408,900	1,961,494	447,406
Miscellaneous Expense	253,900	321,900	389,586	(67,686)
Professional Services	693,475	3,314,475	3,078,901	235,574
Total Expenditures	3,385,400	6,372,400	5,599,999	772,401
Net Change in Fund Balance	329,000	(2,658,000)	30,179	(2,688,179)
Fund Balance, Beginning of Year	2,447,874	2,447,874	2,447,874	-
Fund Balance, End of Year	\$ 2,776,874	\$ (210,126)	\$ 2,478,053	\$ (2,688,179)

See accompanying note to 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**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
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
Total Revenues	<u>8,817,231</u>	<u>8,917,231</u>	<u>7,144,419</u>	<u>(1,772,812)</u>
Expenditures				
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
Total Expenditures	<u>8,510,231</u>	<u>8,640,231</u>	<u>5,010,463</u>	<u>3,629,768</u>
Net Change in Fund Balance	<u>307,000</u>	<u>277,000</u>	<u>2,133,956</u>	<u>(1,856,956)</u>
Fund Balance, Beginning of Year	<u>313,918</u>	<u>313,918</u>	<u>313,918</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 620,918</u>	<u>\$ 590,918</u>	<u>\$ 2,447,874</u>	<u>\$ (1,856,956)</u>

See accompanying note to required supplementary information.

**NAPA VALLEY TRANSPORTATION AUTHORITY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

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>	2019	2018	2018
Total OPEB Liability			
Service Cost	\$ 41,141	\$ 31,966	\$ 31,035
Interest	16,632	10,999	8,924
Actual and Expected Experience Difference	-	(16,460)	-
Changes in Assumptions	-	50,801	-
Changes in Benefits Terms	-	20,429	-
Benefit Payments	(6,087)	(2,930)	(3,400)
Net Change in Total OPEB Liability	51,686	94,805	36,559
Total OPEB Liability - Beginning	264,292	169,487	132,928
Total OPEB Liability - Ending (a)	<u>\$ 315,978</u>	<u>\$ 264,292</u>	<u>\$ 169,487</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 44,087	\$ 25,930	\$ 34,400
Net Investment Income	23,900	13,303	10,318
Benefit Payments	(6,087)	(2,930)	(3,400)
Administrative Expenses	(70)	(522)	(128)
Net Change in Plan Fiduciary Net Position	61,830	35,781	41,190
Plan Fiduciary Net Position - Beginning	319,008	283,227	242,037
Plan Fiduciary Net Position - Ending (b)	<u>\$ 380,838</u>	<u>\$ 319,008</u>	<u>\$ 283,227</u>
Net OPEB Asset - Ending [(a) - (b)]	<u>\$ (64,860)</u>	<u>\$ (54,716)</u>	<u>\$ (113,740)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	120.53%	120.70%	167.11%
Covered Payroll	\$ 1,621,492	\$ 1,621,492	\$ 1,870,622
Net OPEB Asset as a Percentage of Covered Payroll	-4.00%	-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 CONTRIBUTIONS – OPEB
AS OF JUNE 30, 2020
LAST 10 YEARS***

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contributions	\$ 39,000	\$ 38,000	\$ 23,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(50,607)</u>	<u>(44,087)</u>	<u>(25,930)</u>
Contribution Deficiency (Excess)	<u>\$ (11,607)</u>	<u>\$ (6,087)</u>	<u>\$ (2,930)</u>
Covered Payroll	\$ 1,611,705	\$ 1,621,492	\$ 1,870,622
Contributions as a Percentage of Covered Payroll	2.42%	2.34%	1.23%

Notes to the Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020, were from the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	5.50%
Inflation	2.75%
Salary Increases	3.00%
Healthcare Cost Trend Rates	6.5% in 2021, fluctuating down to 4% by 2076
Mortality Rate	CalPERS 2017 Experience Study; Projected with MW Scale 2020

* Fiscal year 2018 was the 1st year of implementation; therefore, only three years are shown.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF NVTA'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2020
LAST 10 YEARS***

	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.006870%	0.003700%	0.003785%	0.003379%	0.003120%	0.003084%
Proportionate Share of the Net Pension Liability	\$ 703,771	\$ 356,433	\$ 375,403	\$ 292,430	\$ 214,127	\$ 191,920
Covered Payroll	\$ 1,515,963	\$ 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	46.42%	24.81%	26.97%	26.19%	19.46%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 was the 1st year of implementation; therefore, only six 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, 2018 measurement date was net of administrative expenses.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF CONTRIBUTIONS – PENSION
AS OF JUNE 30, 2020
LAST 10 YEARS***

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 161,492	\$ 142,748	\$ 124,099	\$ 117,333	\$ 91,990	\$ 130,432
Contributions in Relation to the Actuarially Determined Contributions	161,492	142,748	124,099	117,333	91,990	130,432
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,546,016	\$ 1,515,963	\$ 1,436,566	\$ 1,392,113	\$ 100,512	\$ 1,014,983
Contributions as a Percentage of Covered Payroll	10.45%	9.42%	8.64%	8.43%	91.52%	12.85%

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

Notes to Schedule:

Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies ⁽¹⁾	Varies ⁽¹⁾
Investment Rate of Return	7.15% ⁽²⁾	7.15% ⁽²⁾
Mortality	CalPERS ⁽³⁾	CalPERS ⁽³⁾

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

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

⁽²⁾ 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, 2020**

	Abandoned Vehicle Abatement	Air Quality Management	Total
<u>ASSETS</u>			
Current Assets			
Cash and Investments in County Treasury	\$ -	\$ 597,868	\$ 597,868
Due from Other Government Agencies	-	126,603	126,603
Total Current Assets	-	724,471	724,471
Total Assets	<u>\$ -</u>	<u>\$ 724,471</u>	<u>\$ 724,471</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	\$ -	\$ 85,624	\$ 85,624
Total Current Liabilities	-	85,624	85,624
Total Liabilities	-	85,624	85,624
<u>NET POSITION</u>			
Net Position Held in Trust for Other Purposes	-	638,847	638,847
Total Net Position	-	638,847	638,847
Total Liabilities and Net Position	<u>\$ -</u>	<u>\$ 724,471</u>	<u>\$ 724,471</u>

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

	Abandoned Vehicle Abatement	Air Quality Management	Total
<u>ASSETS</u>			
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>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	\$ -	\$ 13,766	\$ 13,766
Total Current Liabilities	-	13,766	13,766
Total Liabilities	-	13,766	13,766
<u>NET POSITION</u>			
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 CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Abandoned Vehicle Abatement	Air Quality Management	Total
ADDITIONS			
Aid from Other Government Agencies	\$ -	\$ 234,354	\$ 234,354
Interest Income	-	14,818	14,818
Total Additions	-	249,172	249,172
DEDUCTIONS			
Program Expenses	-	420,945	420,945
Total Deductions	-	420,945	420,945
CHANGE IN NET POSITION	-	(171,773)	(171,773)
Net Position, Beginning of Year	-	810,620	810,620
Net Position, End of Year	<u>\$ -</u>	<u>\$ 638,847</u>	<u>\$ 638,847</u>

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

**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, 2020**

	Vine Go	Vine	Taxi	American Canyon	Yountville
Operating Revenues:					
Farebox Revenues	\$ 64,575	\$ 702,439	\$ 22,591	\$ 57,397	\$ 39,870
Operating Expenses:					
Marketing	-	83,995	-	-	52
Vehicle Maintenance	-	367,065	-	12,808	12,808
Other Maintenance	-	-	-	-	-
Fuel and Lubricants	148,626	859,506	-	19,509	9,295
Insurance	34,178	305,857	-	11,023	12,115
Security	-	44,008	-	-	-
Services	3,034	124,997	-	2,160	2,230
Supplies	926	65,844	-	124	124
Purchased Transportation	958,119	6,635,931	-	310,583	340,570
Utilities	-	6,545	-	-	-
Miscellaneous Expense	-	5,270	-	-	-
Depreciation	91,784	2,505,806	-	21,774	16,445
Personnel Costs	18,091	139,569	-	4,981	5,409
Total Operating Expenses	1,254,758	11,144,393	-	382,962	399,048
Operating Loss	(1,190,183)	(10,441,954)	22,591	(325,565)	(359,178)
Nonoperating Revenues (Expenses):					
Local Transportation Fund	1,134,294	4,589,160	-	472,550	391,350
State Transit Assistance	268,580	1,685,685	-	-	-
Federal Transit Assistance					
Grant Revenues - Operating	70,704	3,506,781	-	-	66,800
Other Operating Grants	-	389,019	-	-	-
Interest Income	(4,231)	30,817	658	2,563	1,008
Other Revenues	-	(624,814)	-	-	-
Returned Local Transportation Fund Allocations	(418,962)	(1,371,450)	-	(248,413)	(144,549)
Total Nonoperating Revenues (Expenses)	1,050,385	8,205,198	658	226,700	314,609
Change in Net Position Before Contributions	(139,798)	(2,236,756)	23,249	(98,865)	(44,569)
Capital Contributions:					
Federal Transit Assistance	-	280,000	-	-	-
Local Transportation Fund	-	1,818,284	-	-	-
Change in Net Position	(139,798)	(138,472)	23,249	(98,865)	(44,569)
Net Position, Beginning of Year	(369,736)	25,849,159	(79,895)	(263,853)	(608,811)
Net Position, End of the Year	\$ (509,534)	\$ 25,710,687	\$ (56,646)	\$ (362,718)	\$ (653,380)

**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, 2020**

	St. Helena	Calistoga	Totals
Operating Revenues:			
Farebox Revenues	\$ 36,731	\$ 70,143	\$ 993,746
Operating Expenses:			
Marketing	-	-	84,047
Vehicle Maintenance	12,808	12,808	418,297
Other Maintenance	-	6,960	6,960
Fuel and Lubricants	17,946	23,602	1,078,484
Insurance	11,917	15,240	390,330
Security	-	-	44,008
Services	2,120	2,140	136,681
Supplies	124	518	67,660
Purchased Transportation	317,421	438,451	9,001,075
Utilities	-	-	6,545
Miscellaneous Expense	-	8,958	14,228
Depreciation	-	-	2,635,809
Personnel Costs	5,274	6,600	179,924
Total Operating Expenses	367,610	515,277	14,064,048
Operating Loss	(330,879)	(445,134)	(13,070,302)
Nonoperating Revenues (Expenses):			
Local Transportation Fund	390,295	430,100	7,407,749
State Transit Assistance	-	110,000	2,064,265
Federal Transit Assistance			
Grant Revenues - Operating	64,000	103,044	3,811,329
Other Operating Grants	-	-	389,019
Interest Income	1,302	91	32,208
Other Revenues	-	-	(624,814)
Returned Local Transportation			
Fund Allocations	(144,159)	(158,862)	(2,486,395)
Total Nonoperating Revenues (Expenses)	311,438	484,373	10,593,361
Change in Net Position Before Contributions	(19,441)	39,239	(2,476,941)
Capital Contributions:			
Federal Transit Assistance	-	-	280,000
Local Transportation Fund	-	-	1,818,284
Change in Net Position	(19,441)	39,239	(378,657)
Net Position, Beginning of Year	(392,452)	(387,748)	23,746,664
Net Position, End of the Year	\$ (411,893)	\$ (348,509)	\$ 23,368,007

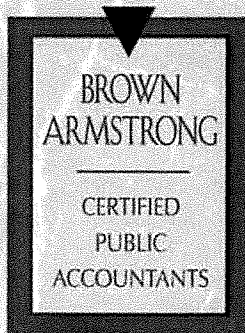
**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUND – TRANSIT RELATED
BY OPERATION
FOR THE YEAR ENDED JUNE 30, 2019**

	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

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, 2020, and have issued our report thereon dated December 22, 2020.

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

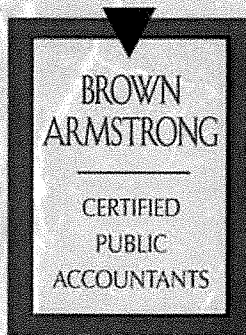
The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NVTa's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

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 22, 2020



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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, 2020.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on each of 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; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000,
- (d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions,
- (e) Determine whether interest earned on funds received by the claimant, pursuant to the TDA, were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6,

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

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, 2020.

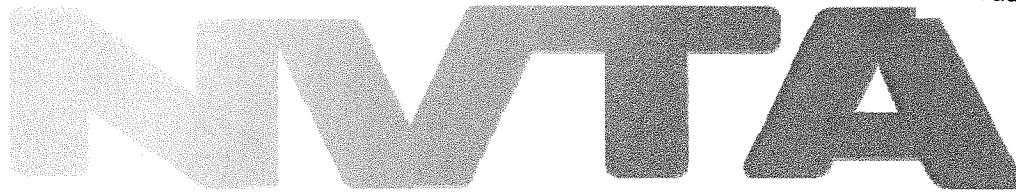
Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 22, 2020



**NAPA VALLEY
TRANSPORTATION AUTHORITY**

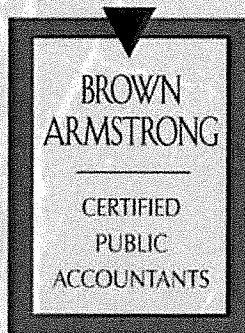
SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2020**

**NAPA VALLEY TRANSPORTATION AUTHORITY
JUNE 30, 2020**

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BROWN ARMSTRONG

Certified Public Accountants

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

Board of Directors
Napa Valley Transportation Authority
Napa, California

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the 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, 2020, 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 22, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

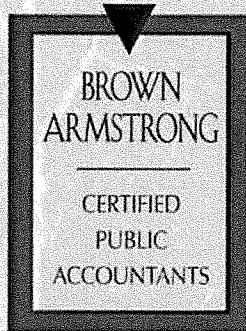
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 22, 2020



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

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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, 2020. 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, 2020.

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, 2020, 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 22, 2020, 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 22, 2020

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<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 Grant	20.507	CA-2020-166	\$ -	\$ 2,774,566
Federal Transit Formula Grant	20.507	CA-90-Y927	-	22,903
Federal Transit Formula Grant	20.507	CA-2016-014	-	7,946
Bus and Bus Facilities Formula Program	20.526	CA-2018-103	-	20,900
Subtotal Federal Transit Formula Grants			-	2,826,315
COVID-19 CARES Act	21.019	CA-2020-111	-	461,683
Highway Planning and Construction	20.205	CA-95-X290	-	60,887
Passed through Metropolitan Transportation Commission (MTC) Highway Planning and Construction	20.205	-	-	839,000
Passed through State Department of Transportation (Caltrans) Federal Grants to Rural Areas	20.509	64CO19-01008	-	269,663
Federal Grants to Rural Areas	20.509	Pending	-	233,844
Subtotal Federal Transit for Rural Areas			-	503,507
Safe Routes to Schools	20.205	ATSB1NI-6429(022)	73,652	73,652
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	280,000
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AM16-00029	-	19,654
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AO16-00066	-	6,561
Subtotal Enhanced Mobility of Seniors and Individuals with Disabilities			-	306,215
Total U.S. Department of Transportation			73,652	5,071,259
Total Expenditures of Federal Awards			\$ 73,652	\$ 5,071,259

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, 2020**

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

The 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, 2020**

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

20.507/20.526

Name of Federal Program

Federal Transit Formula Grants

- | | |
|---|-----------|
| 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, 2020**

No matters were reported.



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Authorization to Purchase Two- 40' Zero-Emission, Battery-Electric Buses

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute Purchase Order 21-2002 (Attachment 1) to acquire two (2) zero-emission battery-electric low-floor forty (40) foot buses from Proterra Incorporated in an amount not to exceed \$2,200,000.

EXECUTIVE SUMMARY

The Satellite Affordable Housing Associates (SAHA) awarded NVTA \$2,500,000 in 2019 for the purchase of two 40' zero emission battery electric buses, charging stations, and bus shelters. NVTA is ready to move forward on the bus procurement portion of the grant.

FISCAL IMPACT

Yes, the purchase for the buses is not to exceed \$2,200,000, paid entirely with grant funds. The budget for these assets have been approved. Table 1 provides a summary of the expenditure plan and financing plan.

Table 1: Expenditure Plan

Proterra Inc	Total
2-40' Zero Emission Battery Electric Buses	\$2,200,000
Bus Shelters and EV Charging Infrastructure (<i>previously approved</i>)	300,000
TOTAL	\$2,500,000

Table 2: Funding Plan

SAHA Grant	\$2,200,000
-------------------	--------------------



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Memo

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
SUBJECT: Purchase Two- 40' Zero-Emission, Battery-Electric Buses

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute Purchase Order 21-2002 (Attachment 1) to acquire two (2) zero-emission battery-electric low-floor forty (40) foot buses from Proterra Incorporated in an amount not to exceed \$2,200,000.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

The Satellite Affordable Housing Associates (SAHA) awarded NVTA \$2,500,000 in 2019 for the purchase of two 40' zero emission battery electric buses and transit related equipment such as charging stations specifically called in the grant application. NVTA is ready to move forward on the bus procurement portion of the grant.

BACKGROUND AND DISCUSSION

In collaboration with the City of Napa, NVTA submitted a joint grant proposal to the Strategic Growth Council and the Department of Housing and Community Development to provide funding for the construction of the Manzanita Family Apartments affordable housing project in Napa. NVTA provided the transit element for the successful grant application.

NVTA will be reimbursed for up to \$2,500,000 for two electric buses and \$300,000 for transit related infrastructure. When service begins, the buses will be used on the Routes

10X and 11X regional services to enhance transit access to the Manzanita Family Apartments and surrounding area.

Production of the new electric bus will take approximately 14 to 18 months, with delivery scheduled in 2022.

ALTERNATIVES

Forego purchasing the zero emission buses and return the grant funds.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 1: Serve the transportation needs of the entire community regardless of age, income or ability. The grant funding is specifically intended to improve transit services to the Manzanita Family Apartments, an affordable housing unit for families.

Goal 5: Minimize the energy and other resources required to move people and goods. Electric buses significantly reduce mobile emissions as compared to clean diesel and compressed natural gas-fueled buses. In addition, expanded services on the 10X and 11X will encourage transit use and thereby reduce automobile use and eliminate harmful auto emissions.

ATTACHMENTS

(1) Purchase Order 21-2002

DRAFT



Purchase Order

Napa Valley
Transportation
Authority
625 Burnell Street
Napa, CA 94559

Phone: 707-259-8631
Fax: 707-259-8638
www.nvta.ca.gov

VENDOR

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T: 864.438.0000
E: mbismeyer@proterra.com

Purchase Order #: 21-2002

Date:

Vendor ID:

Bill To:

Napa Valley Transportation Authority
(NVTA)
ATTN: Accounts Payable /ap@nvta.ca.gov
625 Burnell Street
Napa, CA 94559-2912

Ship To:

NVTA-Vine Transit Yard
720 Jackson Street
Napa, CA 94559
POC: Antonio Onorato, CCFM
T 707.259.8779 E aonorato@nvta.ca.gov

Requested By	Ship Date	Ship Via	FOB	Buyer	Terms	Tax ID
ONORATO		GROUND	-	KULICK	NET 30	68-0471080

QTY	Item #	Units	Description	Discount %	Taxable	Unit Price	Total
2		EA	PROTERRA, MODEL ZX5 MAX, ELECTRIC BUS, 40', 40 PAX			\$944,925	\$1,889,849
1		EA	TOOLS, SET			\$ 5,000	\$ 5,000
			AS PER ATTACHED SPECIFICATIONS				

NOTICE OF INCLUDED TERMS AND CONDITIONS

CONTINUED OF 2 OF 13

Subtotal	\$1,894,849
Tax 7.75%	0
Other	0
Ship	
TOTAL	\$1,894,849

THIS ORDER WILL BECOME VALID UPON RECEIPT OF VENDOR ACCEPTANCE.

VENDOR ACCEPTANCE

Vendor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) contract/purchase order, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. *(Attachments are listed herein.)*

ORDER AWARDED AND ISSUED BY

Individual listed below is hereby authorized to award ordered material/services as specified, or incorporated by reference herein, on behalf of the Napa County Transportation and Planning Agency.

NAME AND TITLE
(Signature of person authorized to sign)

DATE

KATE MILLER, Executive Director DATE

FOR INTERNAL USE ONLY

FUND APPROPRIATION: SAHA/AHSC GRANT (MANZANITA PROJECT)

CONTINUATION SHEET

VEHICLE DESCRIPTION

2021 PROTERRA ELECTRIC BUS, MODEL ZX5

MAX, 40', DUOPOWER DRIVE, SIX (6) HV

BATTERY PACKS, 660kWh, PASSENGER

CAPACITY 40

SUMMARY FEATURES & EQUIPMENT: AMEREX Fire Detection/Suppression System, Tow Package, Wheel Base - Clean Buff Aluminum (ALCOA PN896517), Tires – Michelin X InCity Energy Z LR L, Driver Visors./Sun Shades, Recaro Ergo Metro Driver's Seat, Mirrors – Hi- and Low Mount SafeFleet w/ LED lights, Four (4) Emergency Exits, HVAC – Eberspaecher 136 30 kW cooling-16 kW heating, Two (2) Hatches, DL3 Trilogy – 3-position Bike Racks, Operator Barrier, LED Interior Lighting, GFI – Fare Collection Box, American Seating Insight Passenger Seating with USB Ports, Passenger Assists, Touch Tape Passenger Stop Request, ADA Help Request Button, Interior Stop Request Signage, Camera Surveillance System

SUMMARY COST

DESCRIPTION	UNIT PRICE	# OF UNITS	TOTAL PRICE
BUS & CONFIGURABLE OPTIONS			
Base bus	\$699,000	2	\$1,398,000
Options/Configurables (Customer Request)	\$245,925	2	\$ 491,849
Sub-Total, Customer Configured Bus:	\$944,925	2	\$1,889,849
Sales Tax @xx.xx% (If Applicable) <i>Taxable Amount: \$xxxxxx.xx (Excl. ADA-Related for CA only)</i>	TBD	2	TBD
Bus HVIP Voucher Discount (If Applicable)	TBD	2	TBD
Warranty	\$0	2	\$0
Sub-Total, Bus with Config/Options, Warranty, Tax & Discount:	\$944,925	2	\$1,889,849
OTHER ITEMS			
Training	\$0		\$0
Manuals	\$0		\$0
Tools	\$5,000	1	\$5,000
Parts and other service	\$0		\$0
Sales Tax @xx.xx% (If Applicable) <i>Taxable Amount: \$ xxxxx.xx (Materials Only)</i>	\$0		\$0
Sub-Total, Other Items (Incl. Tax):	\$5,000		\$5,000
TOTAL:			\$1,894,849

EACH VEHICLE WILL HAVE THE FOLLOWING STANDARD & CUSTOMER REQUESTED OPTIONS INSTALLED:

CONTINUED

Proterra Tech Spec	Category	Customer Selection	Option	Price Impact
TS 9	Propulsion System (Electric) Energy Storage System		ZX5+ - Four (4) HV Battery Packs, 440kWh	
		X	ZX5 Max - Six (6) HV Battery Packs, 660kWh - Only Available on the 40' Bus	\$200,000
TS 9	Electric Drivetrain		Base - 250kW ProDrive (Motor, Inverter, & 2-speed Transmission)	\$0
			DuoPower E-Axle (Single Axle, Dual Electric Motors, Invertors, and Transmissions)	\$40,000
TS 9	Overhead Charging Interface	X	Base - None	\$0
			Overhead, Conductive - SAE J3105 Pantograph Rails (Inverted Pantograph)	\$12,192
TS 9	Charge Ports		Base - One (1) Standard J1772-CCS Charge Port: Curbside Rear	\$0
			Two (2) J1772-CCS Charge Ports: (1) Curbside Rear & (1) Streetside Rear	\$1,761
		X	Two (2) J1772-CCS Charge Ports: (1) Curbside Rear & (1) Curbside Front - Incompatible with Overhead Charge	\$4,282
TS 5.10	Fire Detection / Suppression		Base - Fire Extinguisher in Curb Side Storage box	\$0
		X	Amerex V25 2 Nozzle Fire Suppression System (LV Battery compartment)	\$3,762
			Amerex V25 4 Nozzle Fire Suppression System (Electric Drive compartment & LV Battery compartment) Note: Recommended when fuel-fired heater is selected	\$4,741
			Special Request	Calculated
TS 25	Towing		40' Bus Body Only	
		X	Base - Capable of front tow, no rear tow	\$0
			Capable of front tow and rear ditch extraction (no rear tow)	\$6,189
			Special Request	Calculated
			35' Bus Body Only	
			Base - Capable of front tow, no rear tow	\$0
			Capable of front tow and rear ditch extraction (no rear tow)	\$6,189
			Special Request	Calculated
	Tow Connections		Base - Single Male Industrial fitting @ bumper and Rear SS access panel	\$0
		X	Base plus additional Male Industrial fitting @ bumper for brake control Special Request	\$905 Calculated
TS 32.1	Wheels (22.5 x 9")	X	Base - Clean Buff Aluminum, ALCOA PN 896517	\$0
			Brushed Aluminum with DuraBright and DuraFlange, ALCOA 896510DD	\$587
			Polished Aluminum, ALCOA 896513	\$402
			Polished Aluminum with Durabright ALCOA 896513DB	\$742
			Polished Aluminum with Durabright and DuraFlange, ALCOA 896513DD	\$1,014
			Special Request	Calculated
	Wheel & Tire Accessories	X	Base - Torque Indicators, Green (Wheel Check WLCH-B)	\$0
			Lug Nut Caps, Chrome Plated ABS Plastic, Push On - Haltec H 181 (Alcoa) (Not Compatible with Torque Indicators)	\$68
			Valve Stem Extensions, Inside Rear Wheels, Plastic (Alcoa)	\$6
			Hubodometer - Veeder-Root Mechanical	\$160
			Spare Wheel	Calculated
			Special Request	Calculated
TS 32.2	Tires	X	Base - Michelin X InCity Energy Z LR L- 315/80R22.5	\$0
			Goodyear Metromiler 652 RTB - 315/80/R22.5	\$890
			Firestone FS400 - 315/80/R22.5 (coach tire)	\$1,261
			Leased tires - [specify manufacturer and model]	-\$2,610
			Spare Tire (per Tire)	Calculated
			Special Request	Calculated
TS 33	Steering Wheel		Base - Standard Proterra Layout (Leather 18")	\$0
		X	2 Spoke (20")	\$62
			Special Request	Calculated
TS 46.3	Visors / Sun Shades		Base - One Shade on Front Window 30" (Mesh)	\$0
			One Shade on Front Window 48" (Mesh)	\$20
			Front 30" / Side 48" (Solid)	\$116
			Front 30" / Side 48" (Half solid/Half Mesh)	\$116
			Front and Side 48" (Mesh)	\$135
			Front and Side 48" (Solid)	\$135
			Front and Side 48" (Half Solid/Half Mesh)	\$135
			Special Request	Calculated
TS 46.4	Drivers Controls		Base - Standard Proterra Layout	\$0
		X	5-Position Door Switch	\$675
		X	Add Emergency Brake Release Valve (Base has none)	\$7
			Special Request - Reference Template	Calculated
TS 46.6	Driver Foot Controls		Base - Non-Adjustable Pedals	\$0
		X	Adjustable Pedals	\$1,539
			Special Request	Calculated
TS 47	Driver's Amenities		Base - None	\$0
		X	Cup Holder	\$83
			Driver Coat Hanger	\$30
		X	Two (2) Driver Controlled Dash Fans	\$249
			Special Request	Calculated

TS 49	Driver's Seat Note: If these buses are subject to CMVSS, a 3-point seat belt is required.		Base - Recaro Ergo Metro P/N 8H0.01.591.VV11 (Proterra P/N 045151) 1. Head Rest (Vinyl) 2. No Armrests 3. No Alarms 4. 240 mm (9.25") Tracks 5. Right Hand Controls 6. Right Hand 2-PT Belt, Black Webbing 7. 12 Degree Recline 8. Powder Coated Black CRS (Cold Rolled Steel) Riser 9. Vinyl Inserts and Bolster (Recaro Lettering Stitching)	\$0
			Heated Seat (Reference Winter Weather Selection), included in seat cost	\$603
			Special Request - Specify Vendor and Configuration	Calculated
TS 49.8	Mirrors (Exterior)	X	Base - SafeFleet Low Mount SS Exterior Mirror / High-Mount CS Ext. Mirror w/ Integrated LED Turn Signal Lamp	\$0
			SafeFleet High Mount SS & CS Exterior Mirrors	\$365
			Lucerix Low Mount SS Exterior Mirror / High- Mount CS Ext. Mirror w/ Integrated LED Turn Signal Lamp	\$1,314
			Lucerix High Mount SS & CS Exterior Mirrors (Split Glass)	\$1,314
			Special Request	Calculated
TS 52	Driver's Side Window		Base - Flush Mounted, Single Slider Opening, Rocker Latch Handle, 75% Green, 5mm Tempered Glass	\$0
			Special Request - Reference Template	Calculated
TS 53.4	Passenger Windows		Base - Single-Piece, Flush Mounted, 50% Grey, 5mm Tempered Glass	\$0
			Special Request	Calculated
TS 53.2	Emergency Exit (Egress) Configuration	40' Bus Body Only		
			Base - 4 Egress Windows (3 SS & 1 CS)	\$0
			Special Request - Reference Template	Calculated
		35' Bus Body Only		
			Base - 2 Egress Windows (2 SS)	\$0
			Special Request - Reference Template	Calculated
TS 54	HVAC	X	Base - Eberspaecher 136 All Electric HVAC - R134a refrigerant, 30 kW cooling, 16 kW heating	\$0
			Special Request - Specify Performance Requirements	Calculated
	Winter Weather Package	X	Base - None	\$0
			Auxiliary Heat System - diesel fuel-fired heater, streetside rear fill, aluminum tank. Click and include the Driver's Heated Seat option (TS49) when opting for the winter weather package.	\$20,187
			Special Request	Calculated
TS 62	Hatches	40' Bus Only		
		X	Base - 2 x Opaque Manually Operated	\$0
			2 x Clear Manually Operated	\$318
			Special Request	Calculated
		35' Bus Only		
			Base - 1 x Opaque Manually Operated	\$0
			1 x Clear Manually Operated	\$159
			Special Request	Calculated
TS 66	Front License Plate Holder		Base - None	\$0
		X	Mounted on Front bumper, toward street side of bus	\$40
			Special Request	Calculated
TS 69.2	Access Door Latch/Locks	X	Base - Square Key for Exterior Access Panels (Except the Access Panel for the Master Battery Disconnect Switch which remains unlocked)	\$0
			Special Request	Calculated
TS 70.2	Bike Rack Proterra is aware that certain bicycles could be placed on any front-mounted bicycle rack in such a way as to interfere with the front headlights. The variety of shapes and sizes of bicycles makes this issue inherently difficult to test for every case. We encourage the use of operational safeguards for any bicycle rack by prohibiting its use at night or in any other case where it affects the driver's vision or ability to operate the bus safely.		Base - No Bike Rack	\$0
			Sportworks 2 position - Veloporter 2	\$928
			Sportworks 2 position - APEX 2	\$1,041
			Sportworks 2 position - DL2	\$1,041
		X	Sportworks 3 position - DL3 Trilogy (California compliant)	\$1,532
			Sportworks 3 position - APEX 3 (Not Available in CA)	\$1,224
			Midwest BykRak 2 position	\$711
			Midwest BykRak 3 position	Calculated
			Special Request	Calculated
TS 70.2	Bike Rack Sensor		Base - No Sensor Installed	\$0
		X	Bike Rack Deployment Sensor (Req'd in California)	\$15
			Special Request	Calculated

TS 71.1	Appearance (Exterior Graphics)		Base - Base bus gel coat in white (high-gloss finish)	\$0
		X	Wrap - Reference Teamplate	Calculated
		X	Paint - Reference Template	Calculated
TS 72	Decals, Numbering and Signaling	X	Base - Proterra Decal Package Biligual (English & Spanish)	\$0
			Proterra Decal Package Biligual (English & French)	\$0
			Special Request - Customer Specific Decal Package	Calculated
TS 75.1	Operator's Barrier		Base - None	\$0
			Quarter Barrier	\$2,439
		X	Full Enclosure (Arow Global - Fixed or Slider)	\$3,692
			Proterra Sneeze Guard	\$225
			Special Request	Calculated
TS 75.8	Floor Covering		Base - Altro Meta 2.7 (Color = XXXX)	\$0
			Altro Chroma 2.7 (Color = XXXX)	\$281
			Altro Figura 2.7 (Color = XXXX)	\$240
		X	GerFloor (Color = 8297)	\$0
			Special Request	Calculated
TS 75.9	Interior Lighting	X	Base - Overhead LED Interior Lighting - White	\$0
			Special Request	Calculated
TS 76	Fare Collection		Base - None	\$0
			Mechanical and Electrical Provisions	\$150
			Install base plate for customer farebox [identify farebox supplier & model]	\$375
		X	Proterra purchase and install fare box [GFI]	\$15,828
			Special Request	Calculated
TS 78	Passenger Seating	40' Bus Body Only		
			Base - USSC Gemini, 40-Pass., 2 VPRO II (4-pt) ADA Securement Systems	\$0
			American Seating Insight, 40-Pass., 2 A.R.M (4-pt) ADA Securement Systems	\$150
		X	USB Ports	Calculated
		X	Special Request - American Seating Insight Reference Seating Template	Calculated
		35' Bus Body Only		
			Base - USSC Gemini, 29-Pass., 2 VPRO II (4-pt) ADA Securement Systems	\$0
			American Seating Insight, 29-Pass., 2 A.R.M (4-pt) ADA Securement Systems	\$158
			USB Ports	\$0
			Special Request - Reference Seating Template	Calculated
TS 79	Passenger Assists (Stanchions)		Base - Stainless steel except exit stanchions (yellow), 2 modesty panels without polycarbonate screens	\$0
			Base plus Rear Electric Plug-Slide Door (additional stanchions at exit door)	\$498
		X	Special Request - Base + additional color Reference Passenger Assist Template	Calculated
TS 79.5	Overhead	X	Base - 6 Grey Nylon Prima Grab Straps w/ Plastic Knuckle	\$0
			Special Request	Calculated
TS 80	Passenger Doors		Base - Ventura Pneumatic, Rear door is In-Swinging	\$0
			Ventura Electric, Rear Door is Plug, Slide Door	\$3,412
			Ventura Electric, Rear Door is Inward Swinging	\$2,224
			Special Request	Calculated
	Rear Door Operation	X	BASE - Driver Controlled Rear Door	\$0
			Passenger authorized rear door - Reference Template	Calculated
	Door Safety	X	Base - Dual Redundant System (Sensitive Edge + Motor Feedback)	\$0
			Ventura VIP IR Sensor	\$721
		Special Request - Reference Template	Calculated	

TS 81.1	Loading Systems for Low-Floor Bus (ADA Ramp)	X	Base - Ricon 4:1	\$0
			Ricon 6:1	\$2,048
			Lift U LU11 6:1	\$1,673
			Lift U LU18 6:1 / 8:1	\$1,673
			Special Request	Calculated
TS 81.5	Wheelchair Accomodations		Base -2 ADA Positions with 4-point ADA securement system (Q'Straint)	Incl. Seat Quote
		X	Q-Pod [Identify Qty]	Incl. Seat Quote
			Quantum [Identify Qty and Curbside or Streetside]	Incl. Seat Quote
			Special Request - Reference Seating Template	Calculated
TS 83	Destination Signs		Base - Hanover, Amber Front - 160x17, Curb Side - 112x15, Rear - 48x15	\$0
			Hanover, Silver/White [sizes]	\$757
			Hanover, Color (Spectrum) [sizes are different]	\$4,233
			Luminator, Amber Front - 160x16, CS - 8x96, rear 15x48	\$1,852
			Luminator, Silver/White [sizes]	\$2,744
			Luminator, Color [sizes]	\$9,651
			Add Street Side Sign	Calculated
			Add Dash Sign (Confirm Manufacturer)	Calculated
		X	Special Request - IO Controls Front CS & Rear	Calculated
TS 84	Interior Document Holders and Advertising	X	Base - 11" Advertistment Holders in interior overhead paneling	\$0
		X	Special Request - 2 schedule holders (local and regional)	Calculated
	Exterior Advertising	X	Base - None	\$0
		Special Request	Calculated	
TS 85	Passenger Stop Request / Exit Signal	X	Base - Touch Tape, Single Switch on Stanchion Forward of Rear Door	\$0
			Pull Cords, Single Switch on Stanchion Forward of Rear Door	\$393
			Special Request	Calculated
	ADA Stop Request Signal Type		Base - Touch Pad on Seat	\$0
		X	Palm Button	\$0
			Touch Tape	\$0
			Special Request	Calculated
	Stop Requested-Next Stop Sign		Base - Backlit "Stop Requested" sign, Transign #SRD300	\$0
X		Next Stop Sign (Provided by ITS Supplier) in place of the Base "Stop Requested" sign	Incl w/ ITS	
		Special Request	Calculated	
TS 86.1	Camera Surveillance System		Base - None	\$0
		X	Special Request - TSI X-DMR8	\$7,853
TS 86.2	Public Address System		Base - REI PA Only w/ Gooseneck mic activation switch on mic. 8 interior speakers and 1 exterior speaker	\$0
			Base - With Footswitch Operated Mic	\$164
		X	PA functionality integrated into ITS (30" Gooseneck Microphone footswitch active)	Incl w/ ITS
			Special Request	Calculated
TS 86.3	Automatic Passenger Counter (APC)		Base - None	\$0
		X	Special Request - UTA	\$5,287
TS 86.4	ITS		Base - None	\$0
		X	Special Request - TBD	Calculated
TS 86.4.4	Emergency Alarm		Base - Covert switch Triggers Destination Sign Emergency Message ONLY	\$0
		X	Special Request - Radio & Surveillance active as well	Calculated

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TS 86.5	Voice/CB (2-way) Radio System		Base - None	\$0
		X	Special Request - APX 6500	Calculated
TS 86.6	Interior Passenger Display Monitors	X	Base - None	\$0
			Special Request	Calculated
TS 87	Event Data Recorder		Base - None	\$0
		X	Special Request - Viriciti	Calculated
TS 88	Pedestrian Turn Warning System	X	Base - None	\$0
			ADA alarm will sound with the left or right turn signal, disable switch in the drivers area.	\$1,508
			Special Request	Calculated
	Other	X	Special Request - Clipper prewire	Calculated
			Special Request	Calculated
			Special Request	Calculated
			Special Request	Calculated
			Special Request	Calculated
			Special Request	Calculated
			Special Request	Calculated

CONTINUED



Option Tracker - Warranty Options

WARRANTY						REV D01		
Customer	Enter Customer Name in Summary Tab					Option Content Pricing (Per Bus):	\$0	
Number of buses	1							
Bus Length / Model	40' ZX5							
Contract/P.O. #	TBD							
Tentative Delivery Date	TBD							
Place a "Y" in column "G" for all applicable warranties. All Extended Warranties are designated by Orange Boxes. Any warranty coverage requested by the customer not listed in the tracker would be considered a "Custom Warranty" and should be entered at the bottom of the page with a detail description of coverage. For pricing see Warranty Pricing sheet or contact the Warranty Manager. Note **Extended Warranty Duration shown is added to the Standard Warranty Duration (I.E. if Standard Warranty Duration is 2 years and the customer is seeking 5 years of coverage you will choose the 3 year extended warranty)								
Warranty Area	Warranty Terms: Template Name	Covered Items	Warranty Type	Duration	Unit of Time	Warranty Applicable (Indicate "Y" if Yes)	Price	Extended Price
Auxiliary Heating System Package	Auxiliary Heating System Package - 2 Year/100,000 Std	Auxiliary Heater, Aux. Fuel Sending Unit, Blower Fan, Ducting, Thermistor	Standard	2	Years		N/C	
Auxiliary Heating System Package	Auxiliary Heating System Package - 1 Year/150,000 Ext		Extended	1	Years		\$ 329.00	
Auxiliary Heating System Package	Auxiliary Heating System Package - 2 Year/200,000 Ext		Extended	2	Years		\$ 668.00	
Auxiliary Heating System Package	Auxiliary Heating System Package - 3 Year/250,000 Ext		Extended	3	Years		\$ 1,017.00	
Body Warranty Package	Body Warranty Package - 12 Year/600,000 Std	Main Monocoque Structure & Corrosion Non-Structural Body elements of: Monocoque Body, Composite Materials Component within the Structural and Body Warranty against rust-through.	Standard	12	Years		N/C	
Chassis Package	Chassis Package - 2 Year/100,000 Std	Axles, Steering, Brakes & Suspension, ABS Controller, Front Suspension/Axle Assy, Rear Suspension Assy, Air Bags/Shocks, Ride Height Controller, Ride Height Sensors, Air Compressor, Air Dryer, Brake Calipers, Wheel Speed Sensors, Power Steering	Standard	2	Years		N/C	
Chassis Package	Chassis Package - 1 Year/150,000 Ext		Extended	1	Years		\$ 3,482.00	
Chassis Package	Chassis Package - 2 Year/200,000 Ext		Extended	2	Years		\$ 7,068.00	
Chassis Package	Chassis Package - 3 Year/250,000 Ext		Extended	3	Years		\$ 10,763.00	
Complete Vehicle (DuoPower)	Complete Vehicle (DuoPower) - 1 Year/50,000 Std	Limited Warranty	Standard	1	Years		N/C	
Complete Vehicle (DuoPower)	Complete Vehicle (DuoPower) - 1 Year/100,000 Ext		Extended	1	Years		\$ 17,500.00	
Complete Vehicle (DuoPower)	Complete Vehicle (DuoPower) - 2 Year/150,000 Ext		Extended	2	Years		N/A	
Complete Vehicle (DuoPower)	Complete Vehicle (DuoPower) - 3 Year/200,000 Ext		Extended	3	Years		N/A	
Complete Vehicle (DuoPower)	Complete Vehicle (DuoPower) - 4 Year/250,000 Ext		Extended	4	Years		N/A	
Complete Vehicle (ProDrive)	Complete Vehicle (ProDrive) - 1 Year/50,000 Std	Limited warranty	Standard	1	Years		N/C	
Complete Vehicle (ProDrive)	Complete Vehicle (ProDrive) - 1 Year/100,000 Ext		Extended	1	Years		\$ 14,500.00	
Complete Vehicle (ProDrive)	Complete Vehicle (ProDrive) - 2 Year/150,000 Ext		Extended	2	Years		N/A	
Complete Vehicle (ProDrive)	Complete Vehicle (ProDrive) - 3 Year/200,000 Ext		Extended	3	Years		N/A	
Complete Vehicle (ProDrive)	Complete Vehicle (ProDrive) - 4 Year/250,000 Ext		Extended	4	Years		N/A	
Control Systems Package	Control Systems Package - 2 Year/100,000 Std	Vehicle Controller, Powertrain Controller, Multiplex Modules, Charge Controller, Telemetry (Factory), Defroster, Blower Motor, Factory Ductwork, DWP Controls and Switches	Standard	2	Years		N/C	
Control Systems Package	Control Systems Package - 1 Year/150,000 Ext		Extended	1	Years		\$ 2,258.00	
Control Systems Package	Control Systems Package - 2 Year/200,000 Ext		Extended	2	Years		\$ 4,584.00	
Control Systems Package	Control Systems Package - 3 Year/250,000 Ext		Extended	3	Years		\$ 6,979.00	
HV Power Electronics & Cooling Package	HV Power Electronics & Cooling Package - 2 Year/100,000 Std	Variable Frequency Drive (VFD), DC/DC Converter, Battery Cooling Pumps, HV Junction Box, HV Component Cooling Systems, Contactors, Shunts, Buss Bars	Standard	2	Years		N/C	
HV Power Electronics & Cooling Package	HV Power Electronics & Cooling Package - 1 Year/150,000 Ext		Extended	1	Years		\$ 1,864.00	
HV Power Electronics & Cooling Package	HV Power Electronics & Cooling Package - 2 Year/200,000 Ext		Extended	2	Years		\$ 3,784.00	
HV Power Electronics & Cooling Package	HV Power Electronics & Cooling Package - 3 Year/250,000 Ext		Extended	3	Years		\$ 5,761.00	
HVAC Package	HVAC Package - 2 Year/100,000 Std	HVAC System	Standard	2	Years		N/C	
HVAC Package	HVAC Package - 1 Year/150,000 Ext		Extended	1	Years		N/A	
HVAC Package	HVAC Package - 2 Year/200,000 Ext		Extended	2	Years		N/A	
HVAC Package	HVAC Package - 3 Year/250,000 Ext		Extended	3	Years		N/A	
Propulsion System Package (DuoPower)	Propulsion System Package (DuoPower) - 2 Year/100,000 Std	Traction Motors, Traction Motor Inverter, Gearboxes, Planetary Sets, Axle Shafts	Standard	2	Years		N/C	
Propulsion System Package (DuoPower)	Propulsion System Package (DuoPower) - 1 Year/150,000 Ext		Extended	1	Years		\$ 7,228.00	
Propulsion System Package (DuoPower)	Propulsion System Package (DuoPower) - 2 Year/200,000 Ext		Extended	2	Years		\$ 14,673.00	
Propulsion System Package (DuoPower)	Propulsion System Package (DuoPower) - 3 Year/250,000 Ext		Extended	3	Years		\$ 22,341.00	
Propulsion System Package (ProDrive)	Propulsion System Package (ProDrive) - 2 Year/100,000 Std	Traction Motor, Traction Motor Inverter, Transmission, Driveshaft, Axle Shafts, Output Flange, Differential	Standard	2	Years		N/C	
Propulsion System Package (ProDrive)	Propulsion System Package (ProDrive) - 1 Year/150,000 Ext		Extended	1	Years		\$ 3,908.00	
Propulsion System Package (ProDrive)	Propulsion System Package (ProDrive) - 2 Year/200,000 Ext		Extended	2	Years		\$ 7,933.00	
Propulsion System Package (ProDrive)	Propulsion System Package (ProDrive) - 3 Year/250,000 Ext		Extended	3	Years		\$ 12,079.00	
Vehicle Structural Package	Vehicle Structural Package - 3 Year/150,000 Std	Includes the structural elements of the following: Suspension, Front & Rear, Powertrain Cradle, Including Support Members	Standard	3	Years		N/C	
Vehicle Structural Package	Vehicle Structural Package - 1 Year/150,000 Ext		Extended	1	Years		\$ 750.00	
Vehicle Structural Package	Vehicle Structural Package - 2 Year/200,000 Ext		Extended	2	Years		\$ 1,523.00	
Battery	Battery - State of Health - 6 Year Std	Battery (ESS) - Standard State of Health – 6yr/usage per warranty document	Standard	6	Years		N/C	
Battery	Battery - State of Health - 6 Year Ext	Battery (ESS) - Standard State of Health – Extended 6yr/usage per warranty document	Extended	6	Years		\$ 78,750.00	
Battery	Battery - Base Materials and Workmanship - 12 Year Std	Battery (ESS) - Base Materials and Workmanship – 12yr/Unlimited	Standard	12	Years		N/C	
ADA Ramp	ADA Ramp - 2 Year/100,000 Std		Standard	2	Years		N/C	
Destination Signs	Destination Signs - 2 Year/100,000 Std		Standard	2	Years		N/C	
Door Systems	Door Systems - 2 Year/100,000 Std		Standard	2	Years		N/C	
Fire Suppression	Fire Suppression - 2 Year/100,000 Std		Standard	2	Years		N/C	
Low Voltage Power	Low Voltage Power - 2 Year/100,000 Std		Standard	2	Years		N/C	
Seats	Seats - 2 Year/100,000 Std		Standard	2	Years		N/C	
Windows	Windows - 2 Year/100,000 Std		Standard	2	Years		N/C	
Charger Depot 60 kWh	Charger Depot 60 kWh - 2 Year Std		Standard	2	Years		N/C	
Charger Depot 60 kWh	Charger Depot 60 kWh - 1 Year Ext		Extended	1	Years		\$ 2,748.00	
Charger Depot 60 kWh	Charger Depot 60 kWh - 2 Year Ext		Extended	2	Years		\$ 5,661.00	
Charger Depot 60 kWh	Charger Depot 60 kWh - 3 Year Ext		Extended	3	Years		\$ 8,661.00	
Charger Depot 125 kWh	Charger Depot 125 kWh - 2 Year Std		Standard	2	Years		N/C	
Charger Depot 125 kWh	Charger Depot 125 kWh - 1 Year Ext		Extended	1	Years		\$ 3,847.00	
Charger Depot 125 kWh	Charger Depot 125 kWh - 2 Year Ext		Extended	2	Years		\$ 7,925.00	
Charger Depot 125 kWh	Charger Depot 125 kWh - 3 Year Ext		Extended	3	Years		\$ 12,125.00	
Charger On-Route	Charger On-Route - 2 Year Std		Standard	2	Years		N/C	
Charger On-Route	Charger On-Route - 1 Year Ext		Extended	1	Years		N/A	

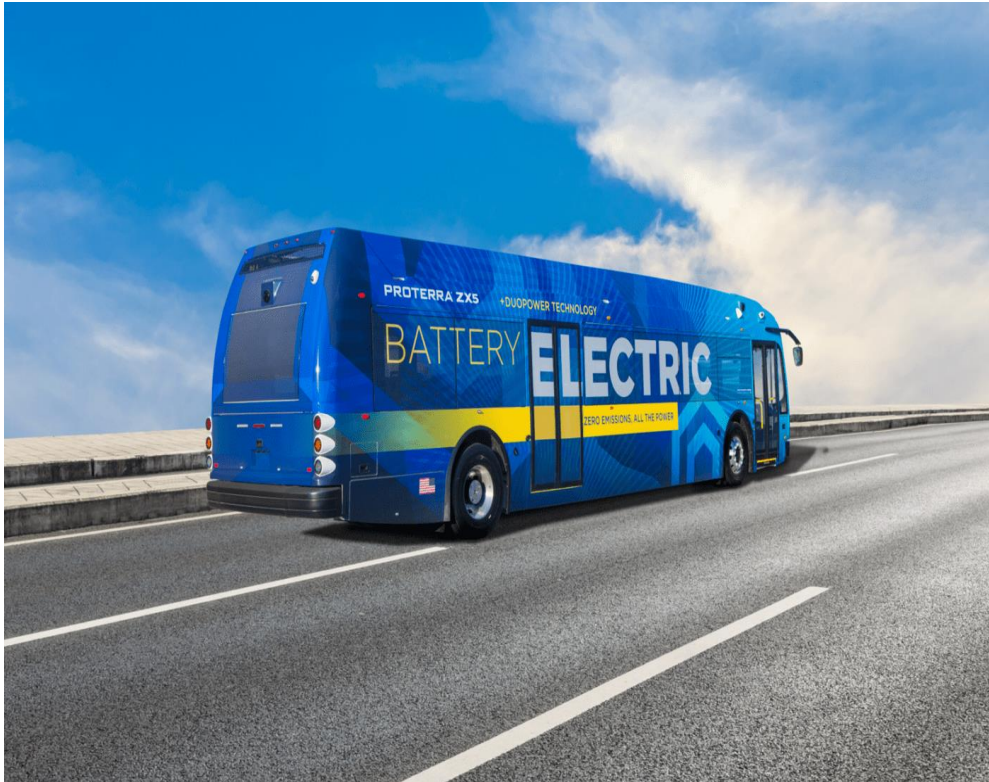
Approved by:



Option Tracker - Warranty Options

WARRANTY						REV D01		
Customer		Enter Customer Name in Summary Tab		Option Content Pricing (Per Bus):		\$0		
Number of buses		1						
Bus Length / Model		40' ZX5						
Contract/P.O. #		TBD						
Tentative Delivery Date		TBD						
Place a "Y" in column "G" for all applicable warranties. All Extended Warranties are designated by Orange Boxes. Any warranty coverage requested by the customer not listed in the tracker would be considered a "Custom Warranty" and should be entered at the bottom of the page with a detail description of coverage. For pricing see Warranty Pricing sheet or contact the Warranty Manager. Note **Extended Warranty Duration shown is added to the Standard Warranty Duration (I.E. if Standard Warranty Duration is 2 years and the customer is seeking 5 years of coverage you will choose the 3 year extended warranty)								
Warranty Area	Warranty Terms: Template Name	Covered Items	Warranty Type	Duration	Unit of Time	Warranty Applicable (Indicate "Y" if Yes)	Price	Extended Price
Charger On-Route	Charger On-Route - 2 Year Ext		Extended	2	Years		N/A	
Charger On-Route	Charger On-Route - 3 Year Ext		Extended	3	Years		N/A	
							Extended Warranty Cost	\$ -
Warranty Area	Warranty Terms: Template Name	Custom Warranty Description	Warranty Type	Duration	Unit of Time	Warranty Applicable (Indicate "Y" if Yes)	Cost	Extended Cost
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
Custom Warranty	Custom Warranty - see product warranty for details		Extended		Years			
							Customer Warranty Cost	\$ -
							Extended Warranty Cost	\$0
							Total BOM Cost	\$ -

Proterra ZX5 - Battery-Electric Transit Vehicle



PROTERRA[®]

ZX5

40 FOOT BUS

PLATFORM SPECIFICATIONS



	Description	ZX5	ZX5+	ZX5 MAX
ZX5 VEHICLE WITH DUOPOWER™ DRIVETRAIN				
Total Energy	kWh	225	450	675
Operating Efficiency*	kWh/mile	1.6-2.1	1.7-2.4	1.8-2.7
	MPGe	17.9-23.5	15.7-22.2	13.9-20.9
Operating Range*	Miles; Usable energy/Operating efficiency	92-120	163-232	221-329
Top Speed (Proterra-governed)	mph (per tire rating)	65	65	65
Acceleration (at SLW, seconds)	0 to 20 mph	5.7	5.7	5.8
	20 to 50 mph	15.4	12.8	13.6
Gradability (top speed at % grade, at SLW, mph)	5%	54	65	65
	10%	36	48	33
	15%	25.5	31.5	31
Max Grade (at SLW)		30.5%	27.5%	25%
Horsepower	Peak	338	550	550
	Continuous	170	338	338
Motor	Dual independent 205 kW motors	•	•	•
Gearbox	2-speed auto-shift EV gearbox	•	•	•
Curb Weight	lbs	26,649	29,849	33,149
Max Gross Vehicle Weight Rating	lbs	43,650	43,650	43,650

ZX5 VEHICLE WITH PRODRIVE DRIVETRAIN				
Total Energy	kWh	225	450	675
Operating Efficiency*	kWh/mile	1.7-2.2	1.8-2.5	1.9-2.8
	MPGe	17.1-22.2	15.1-20.9	13.5-19.8
Operating Range*	Miles; Usable energy/Operating efficiency	91-117	154-216	205-297
Top Speed (Proterra-governed)	mph (per tire rating)	65	65	65
Acceleration (at SLW, seconds)	0 to 20 mph	6	6.2	6.4
	20 to 50 mph	22.2	24.5	26.9
Gradability (top speed at % grade, at SLW, mph)	5%	45	41	30
	10%	28	28	27
	15%	22.5	20	18
Max Grade (at SLW)		24.5%	22%	20%
Horsepower	Peak	335	335	335
	Continuous	170	240	240
Motor	Single 250kW permanent magnet drive motor	•	•	•
Gearbox	2-speed auto-shift EV gearbox	•	•	•
Curb Weight	lbs	26,850	30,050	33,350
Max Gross Vehicle Weight Rating	lbs	43,650	43,650	43,650

CHARGING				
Max Plug-in Charge Rate at 200A	kW	73	132	132
Max Overhead Charge Rate	kW	165	330	330
Overhead Charging	Miles replenished per 10 min**	24	33	30
	Est. time Empty to Full***	1.8 hrs	2.0 hrs	2.7 hrs
Plug-in Charging	Est. time Empty to Full***	1.8 hrs	2.9 hrs	4.2 hrs

*Operating range and efficiencies approximated from simulations based on Altoona testing results at SLW, and will vary with route conditions, weather, vehicle configuration and driver behavior.
 ** ProDrive powertrain efficiencies | *** Charge time will vary depending on charger type. Estimated charge time empty to full based on 0-97%

PROTERRA[®]

ZX5

40 FOOT BUS

PLATFORM SPECIFICATIONS



	Description
VEHICLE DIMENSIONS	
Length	510"
Height	128"
Width (without mirrors)	102"
Width (with mirrors)	118.8"
Wheelbase	296"
Approach Angle	9.3°
Breakover Angle	7.8°
Departure Angle	9.3°
Turning Radius	503"
INTERIOR	
Seating Capacity	40
Door Width	Front 43.2", Rear 49.1"
Lighting	LED interior lighting system
Handles	Stainless-steel stanchion system
Stop Request	ADA pull cord or touch tape stop request
Doors	Sensitive edges on both front and rear door
Wipers	Electric wipers and washers
HVAC	Overhead integrated system
EXTERIOR	
Bus Body	Carbon-fiber-reinforced composite material
Tires	Standard: Michelin 315/80R22.5
Exterior Lights	LED
BRAKES & SUSPENSION	
Braking System	Regenerative braking; front & rear air disk brakes
Traction	4-wheel ABS with optional traction control
Suspension	Multi-Link Air Ride rear suspension
ELECTRICAL SYSTEM	
Battery System	Integrated battery management system
Low Voltage	Two, Group 31 700 CCA 12v batteries
Charge Ports	J1772 CCS: One port standard at curb-side rear, 2nd port optional at street-side rear or curb-side front
Overhead Charging	Optional
Plug-in Charging	Universal standard J1772-CCS
Overhead Charging	Universal standard J3105
ADA	
	Two ADA locations, one on each side of the aisle directly behind the front wheel
	ADA securement system
	Front ADA power wheelchair ramp (4:1, 6:1 slope)
	Rear door modesty panels
	Aisle width between front wheel wells: 35.7"
WARRANTY	
Vehicle	Complete Bus - 1 year or 50,000 miles Extended warranties and service contracts available upon request
Batteries	12 years / unlimited miles, materials and workmanship

1. **Compensation.**

(a) Rates. In consideration of CONTRACTOR's fulfillment of the promised work, NVTa shall pay CONTRACTOR not to exceed the total amount shown on page 1 (**\$1,894,849**).

(b) Expenses. No travel or other expenses will be reimbursed.

2. **Method of Payment.**

(a) Invoices. All payments for compensation and reimbursement for expenses shall be made only upon presentation by CONTRACTOR to NVTa of an itemized billing invoice which indicates CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked or task completed. All claims are to be submitted to NVTa, Accounts Payable, 625 Burnell Street, Napa, CA 94559 or electronically to ap@nvt.ca.gov.

3. **Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. NVTa shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

4. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Workers' Compensation insurance. To the extent required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of CONTRACTOR's duties under this Agreement, including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide NVTa with certification of all such coverages upon request by NVTa's Risk Manager.

(b) Liability Insurance. CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverage's, issued by a company licensed (admitted) to transact business in the State of California and/or having a A.M. Best rating of A VII or better:

1. General Liability. Commercial General Liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under this Agreement.

2. Professional Liability/Errors and Omissions. Professional liability/errors and omissions insurance for all activities of CONTRACTOR arising out of or in connection with this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per claim.

3. Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with CONTRACTOR's business of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence.

(c) Certificates. All insurance coverages referenced in 4(b), above, shall be evidenced by one or more certificates of coverage or, with the consent of NVTa's Risk Manager, demonstrated by other evidence of coverage acceptable to NVTa's Risk Manager, which shall be filed by CONTRACTOR with the Executive Director prior to commencement of performance of any of CONTRACTOR's duties.

5. **Hold Harmless/Defense/Indemnification.**

(a) In General. To the full extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify NVTa and the officers, agents, employees and volunteers of NVTa from any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, for personal injury (including death) or damage to property, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors and subcontractors in rendering services under this Agreement, excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of NVTa or

its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, providing that nothing shall require either party to disclose any documents, records or communications that are protected under peer review privilege, attorney-client privilege, or attorney work product privilege.

(b) Employee Character and Fitness. CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and period rechecks to the extent permitted by law if requested by the NVTa. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR shall hold NVTa and its officers, agents and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

6. **Termination.** This Agreement may be terminated by either party for any reason and at any time by giving prior written notice of such termination to the other party by giving at least ten(10) days prior to the effective date.

7. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person (by e-mail) or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested.

8. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties.

9. **Interpretation; Venue.** The headings used herein are for reference only. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court.

10. **Compliance with Laws.** CONTRACTOR shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes.

11. **Authority to Contract.** CONTRACTOR and NVTa each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

12. **Covenant of No Undisclosed Conflict.** The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. By executing this Agreement, the Executive Director hereby determines in writing on behalf of NVTa that CONTRACTOR has been hired to perform a range of duties so limited in scope as to not be required to comply with such disclosure obligation.

13. **Attorney's Fees.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

14. **Entirety of Contract.** This Agreement, including any documents expressly incorporated by reference whether or not attached hereto, constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with respect to the subject matter hereof.



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Vine Transit Update

STAFF RECOMMENDATION

Information only. This report will provide an update on the operational performance for Vine Transit services covering the second quarter of Fiscal Year (FY) 2020-21.

EXECUTIVE SUMMARY

The following report summarizes the Vine Transit's operational performance during the second quarter for Fiscal Year (FY) 2020-21, covering the period of October 1 to December 31, 2020.

This memo compares the second quarter of FY 2020-21 (Oct – Dec) to the previous quarter (Jul – Sep 2020) and the second quarter of FY 2019-20 to illustrate the impacts of the COVID-19 pandemic. The second quarter of FY 2020-21 provides the third full quarter of data reflecting the state of transit during the COVID-19 pandemic. The most recent quarter indicates a slight decrease in ridership compared to the first quarter of FY 2020-21. There are still large ridership drops when compared to the same time period last year (second quarter of FY 2019-20) of roughly 87% for Vine Go, 87% for Local Routes/On-Demand in the City of Napa, 78% for Community Shuttles, and 62% for Regional and Express Routes.

On November 16, 2020, the State of California moved Napa County to the Widespread Risk Level (Purple Tier). Additionally, the State also implemented a Regional Stay Home Order that became effective in Napa on December 17, 2020. These factors, coupled with the typical transit seasonal variation resulted in additional ridership decreases from Q1 of FY2020-21 to Q2 of FY2020-21.

FISCAL IMPACT

None



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Letter

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Rebecca Schenck, Program Manager – Public Transit
(707) 259-8636 / Email: rschenck@nvta.ca.gov
SUBJECT: Vine Transit Update

RECOMMENDATION

That the Napa Valley Transportation Authority Board receive the Vine Transit Services Fiscal Year (FY) 2020-21 second quarter (Q2) operational performance update.

COMMITTEE RECOMMENDATION

None

BACKGROUND & DISCUSSION

Starting in March 2020, NVTA made a number of service changes in anticipation of reduced ridership demand and revenue losses associated with the coronavirus pandemic and public health orders issued by the State and County of Napa. Specifically, service hours were reduced, seat spacing was introduced and face coverings were required for all passengers and staff.

The following service changes were in effect throughout Q2 of FY21.

- Reduced Regional Service on the 10 and 11 on Monday-Saturday hours to typical Saturday Service. Routes 10/11 are on the normal Sunday Schedule
- Temporarily suspended service on the 10X and 11X
- Normal weekday schedule on the Routes 21 and 29
- On-Demand service in the City of Napa replacing the fixed Routes A to H

NVTA continues to support auxiliary Emergency Operation Center (EOC) functions that include meal delivery to residents in isolation and quarantine sites, food bank distribution while centers are closed to the public and related transportation.

The first four tables compare ridership across different services in the second quarter of FY 2020-21 to the prior fiscal year. Table 1 shows an 87.43% decline in ridership on the local fixed routes in the City of Napa compared to the On-Demand routes that served the City of Napa during the second quarter of FY 19-20.

Table 1: Routes 1-8 Ridership and City of Napa On-Demand – Comparing Q2 of FY20 & FY21

	FY 19/20	(On-Demand) FY 20/21	% Difference	Numerical Difference
Total	100,670	12,654	-87.43%	-88,016

Table 2 indicates that the decrease in ridership on the regional and express routes (10, 11, 21 and 29) has been less severe than on the local/on-demand routes. The decrease in the second quarter of fiscal years 19-20 and 20-21 was -61.88%. Route 10 showed the smallest percentage drop in ridership (-57.35%) of all of the regional and express routes.

Table 2: Routes 10, 11, 21 and 29 Ridership – Comparing Q2 of FY20 & FY21

	FY 19/20	FY 20/21	% Difference	Numerical Difference
Route 10	49,522	21,121	-57.35%	-28,401
Route 11	60,333	21,660	-64.10%	-38,673
Route 10X	1,061	N/A	N/A	N/A
Route 11X	1,379	N/A	N/A	N/A
Route 21	9,669	3,641	-62.34%	-6,028
Route 29	21,326	8,193	-61.58%	-13,133
Total	143,290	54,615	-61.88%	-88,675

Table 3 shows the ridership patterns on the four community shuttles. Ridership is down 77.97% compared to the same quarter in the prior fiscal year. The ridership declines were similar across all four jurisdictions in the second quarter of the current fiscal year.

Table 3: Community Shuttles– Comparing Q2 of FY20 & FY21

	FY 19/20	FY 20/21	% Difference	Numerical Difference
Calistoga Shuttle	5,322	1,403	-73.64%	-3,919
St. Helena Shuttle	3,485	704	-79.08%	-2,781
Yountville Trolley	3,686	763	-79.03%	-2,923
American Canyon Transit	7,118	1,450	-79.63%	-5,668
Total	19,611	4,320	-77.97%	-15,291

VineGo ridership also has a precipitous drop (-86.99%) compared to the same time last year as shown in Table 4. NVTa has decreased the number of vehicles serving VineGo. Many of the customers who use VineGo travel for programs like the Collabria Day Program, Napa Senior Center events, and Clinic Ole classes that have been suspended during the COVID-19 pandemic.

Table 4: VineGo Ridership – Comparing Q2 of FY20 & FY21

	FY 19/20	FY 20/21	% Difference	Numerical Difference
Vine Go	6,503	846	-86.99%	-5,657

Tables 5, 6 and 7 compare the first quarter of FY 2020-21 to the second quarter of FY 2020-21 to provide context on ridership during the COVID-19 pandemic. Table 5 shows a slight decrease of 6.24% in On-Demand ridership in the City of Napa between the last two quarters. This is most likely caused by the holiday season and Napa County moving into the Purple Tier and implementing the Regional Stay Home Order, which limits the types of trips residents should make.

Table 5 Napa Local On-Demand Ridership – Comparing Q1 of FY21 & Q2 of FY21

	Q1 FY 21	Q2 FY 21	% Difference	Numerical Difference
Napa Local On Demand	13,496	12,654	-6.24%	-842

Ridership declined over the prior quarter on the Routes 10, 11, 21 and 29 as seen in Table 6. This is most likely caused by seasonal variation and Napa County moving into the Purple Tier and implementing the Regional Stay Home Order, which limits the types of trips residents should make.

Table 6: Routes 10, 11, 21 & 29 Ridership – Comparing Q1 of FY21 & Q2 of FY21

	Q1 FY 21	Q2 FY 21	% Difference	Numerical Difference
Route 10	24,152	21,121	-12.55%	-3,031
Route 11	23,516	21,660	-7.89%	-1,856
Route 10X	N/A	N/A	N/A	N/A
Route 11X	N/A	N/A	N/A	N/A
Route 21	4,599	3,641	-20.83%	-958
Route 29	8,669	8,193	-5.49%	-476
Total	60,936	54,615	-10.37%	-6,321

For the community shuttles, ridership decreased on all services, except the Yountville Trolley, which experienced a 34.09% increase in ridership compared to the previous quarter of the current fiscal year. Based on a clear and distinct increase pattern of riders going to and from the Veteran's home, staff believes that the increase may have to do with policy changes allowing residents to leave the facility.

Table 7: Community Shuttles– Comparing Q1 of FY21 & Q2 of FY21

	Q1 FY 21	Q2 FY 21	% Difference	Numerical Difference
Calistoga Shuttle	1,965	1,403	-28.60%	-562
St. Helena Shuttle	1,104	704	-36.23%	-400
Yountville Trolley	569	763	34.09%	194
American Canyon Transit	1,669	1,450	-13.12%	-219
Total	5,307	4,320	-18.60%	-987

The final table shows the on-time performance for the four fixed route services that NVTa is currently operating. The worst performing route is Route 21 and this is driven by 1) the Napa Valley College stop not being used, unless requested, when in-person classes were suspended and 2) an issue where the data shows that drivers are leaving the Suisun Train station early.

Table 8: On-Time Performance for FY 20/21 (Second Quarter)

	On-Time	Late	Early
Route 10	69.7%	15.5%	14.8%
Route 11	67.0%	20.9%	12.1%
Route 21	52.4%	12.0%	35.7%
Route 29	77.4%	14.2%	8.4%
Average	65.4%	13.5%	21.1%

ALTERNATIVES

N/A

STRATEGIC GOALS MET BY THIS PROPOSAL

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

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

Transit service continues to provide essential transportation for access to services and employment. Additional steps are being taken to improve safety for passengers and staff.

ATTACHMENTS

None



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Federal and State Legislative Update

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVRTA) Board receive the State Legislative update prepared by Platinum Advisors (Attachment 1) and approve the board position recommendation for one bill, ACA 1 (Aguiar Curry), on the State Bill Matrix (Attachment 2).

EXECUTIVE SUMMARY

The memos attached will provide the Board with federal and state legislative updates.

The US Senate confirmed Pete Buttigieg's Secretary of Transportation appointment. It has been confirmed that Nuria Fernandez, former General Manager of the Santa Clara Valley Transportation Authority, has been nominated and is currently serving as Federal Transit Administration (FTA) Acting Administrator pending Senate confirmation.

The Biden Administration's emergency spending bill would apportion \$30 billion for public transit systems nationwide.

The State Legislative memo summarizes legislative efforts focusing on several budget appropriations requested by Governor Newsom. The Department of Finance has drafted bill language that would extend TDA relief; State Transit Assistance and SB 1 Local Streets and Roads Maintenance of Effort (MOE) Adjustments; Bay Area Fast Forward Program; and the Climate Corporate Accountability Act.

FISCAL IMPACT

None



February 17, 2021
NVRTA Agenda Item 12.4
Continued From: New

Action Requested: APPROVAL

NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nvta.ca.gov
SUBJECT: Federal and State Legislative Update

RECOMMENDATION

That the Napa Valley Transportation Authority (NVRTA) Board receive the State Legislative update prepared by Platinum Advisors (Attachment 1) and approve board position recommendation on the State Bill Matrix (Attachment 2).

EXECUTIVE SUMMARY

Federal Update:

The US Senate confirmed Pete Buttigieg to serve as the next US Secretary of Transportation. Nuria Fernandez, former Santa Clara Valley Transportation Authority General Manager, was appointed by the Biden Administration to serve as Federal Transit Administration (FTA) Administrator and is now acting in that position pending Senate Confirmation.

There continues to be discussion in Washington about another stimulus bill. President Biden has proposed a near \$2 trillion stimulus proposal which has not received universal support from Republican leaders. The American Public Transit Association has determined that public transit will need \$39.3 billion to be sustained through FY 2023 and has reached out to the Biden Administration to include funding for public transit in the next stimulus bill.

The Biden Administration's emergency relief funding package includes \$30 billion for public transit. That amount includes \$3.975 billion in combined FTA 5307 and FTA 5311 funds for California. Of that amount, \$1.677 billion in FTA 5307 funds would be apportioned to Bay Area urbanized areas. The Napa Urbanized Area would receive over \$5 million depending on how the Metropolitan Transportation Commission programs the

funds. The FTA Section 5311 Non Urbanized Area Funds go to the States for distribution and it is unclear at this juncture how much of the funds would be apportioned to non-urbanized areas in the Bay Area.

State Update:

Attached is the State legislative update (Attachment 1) and the State Bill Matrix (Attachment 2) recommending one bill for board action, ACA 1 (Aguiar-Curry) proposing to lower the voter threshold for property tax increase, parcel taxes and sales taxed to 55% for affordable housing and infrastructure projects, including transportation related infrastructure projects. The bill specifically excludes sales tax measures that would fund transit operations.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comments

FISCAL IMPACT

Is there a Fiscal Impact? No

ATTACHMENT

- (1) February 1, 2021 State Legislative Update (Platinum Advisors)
- (2) February 1, 2021 State Budget Update (Platinum Advisors)



February 1, 2021

TO: Kate Miller, Executive Director
Napa Valley Transportation Authority

FR: Steve Wallaugh
Platinum Advisors

RE: Legislative Update

Although the state Capitol remains quiet with only one staffer permitted in the building per legislator, the legislative session has resumed. The start of every session is occupied with peeling away the layers of the budget proposal, analyzing newly introduced legislation, and watching budget hearings that are beginning on an expedited timeline. Not only has the Governor requested immediate action on several budget appropriations, the requirement of social distancing limits the number of hearing rooms that can be used to simultaneously run policy and budget hearings as is the usual practice. The Department of Finance is slowly releasing trailer bill language clarifying some of the Administration's proposals, and the Legislative Analyst's staff is busy examining the Governor's Budget Proposal and making recommendations about how the Legislature should respond to it.

Last week, in addition to the Governor lifting the regional stay-at-home order, the Legislature and Administration have primarily focused on various budget issues under consideration for early action. In particular, extending the eviction moratorium which expires January 31 has been a high priority. On Monday, January 25, legislative leadership and the Governor announced an agreement to extend the moratorium and create a rental assistance program to provide resources to renters and landlords impacted by COVID-19 economic hardships. The legislation, was amended on Monday, heard in budget committees on Monday and Wednesday, and approved by both houses, allowing the Governor to sign it onto law before the end of the month.

Transportation Development Act (TDA) Relief: The Department of Finance posted on Friday the TDA relief trailer bill language that was referenced in the Governor's budget summary. The proposal extends the freeze on the State Transit Assistance (STA) funding allocations an additional year, sunseting at the end of the 2021-22 fiscal year. In addition, the language waives the TDA performance/farebox requirements until July 1, 2026, if specified conditions are met. The following outlines the content of the bill, but we are still deciphering any potential impact these changes may have.

- Extends the hold harmless provision to cover the 2021-22 fiscal year for calculation and allocation of the STA Program, STA-State of Good Repair, and Low Carbon Transit Operations Program (LCTOP) allocations (Local Revenue Basis Only). The current year budget imposed these provisions for the 2019-2020 and 2020-2021 budget years. Specifically, this change directs the State Controller to “freeze” for the 2019-20, 2020-21 and 2021-22 budget years the local revenue allocation factors used most recently before the pandemic; and, to allocate to transit agencies funds under these three programs using those same allocation factors, as opposed to updating the factors each year.
- Caltrans is directed to work with local transportation entities to review the current performance audit requirements to identify opportunities to streamline and identify more effective measures. A report on this work and recommendations for changes shall be published by November 30, 2021.
- Changes the definition of “operating costs” used for calculating the ratio of fare revenues to operating costs. The definition adds to the costs excluded from the calculation increases beyond the CPI for the following:
 - The exemption for the cost of providing ADA paratransit service is not limited to costs that exceeds the prior year expense, but appears to exclude the entire cost of providing paratransit service.
 - Operation of demand-response and microtransit services that expand transit service beyond fixed route corridors.
 - Improvements or cost of funding payment and ticketing systems.
 - Planning for improvements in transit operations.
 - Integration with other operators and agencies.
 - Zero emission transition costs.
 - Compliance with state and federal mandates.
- “Microtransit” is defined as *“IT-enabled private multi-passenger transportation services that serve passengers using dynamically generated routes and may expect passengers to make their way to and from common pick-up or drop-off points. Vehicles can range from large SUVs to vans to shuttle buses. Because they provide transit-like service but on a smaller, more flexible scale, these services have been referred to as microtransit (as defined in Transit Cooperative Research Program Research Report 188).”*
- New sections are added that exempt operators from the performance requirements and calculations until July 1, 2026. To remain eligible for this exemption the operator is required to expend from local funds an amount not less than the amount of local funds expended for transit operations in the 2018-19 fiscal year. Local funds are defined as any nonstate or nonfederal funds.

Under the exemption, the Controller may request fiscal data from the operator that must be furnished to the Controller within 120 days. An operator would forfeit the

ability to use the exemption if the data is not provided within 120 days. The Controller may also perform performance audits to ensure compliance with the local fund expenditure requirements.

Maintenance of Effort (MOE) Adjustments: Another budget trailer bill was posted by the Department of Finance that would adjust the MOE calculation cities and counties are required to meet to receive local street and road funds. The proposed language would make adjustments to take into consideration drops in local sales tax revenue caused by the pandemic impacts. The adjustments are as follows:

- For fiscal year 2019-20 cities and counties are exempt from the annual expenditure requirement.
- For the 2020-21 fiscal year the Controller shall adjust the annual average expenditure requirements in proportion to any decrease in taxable sales within a city or county, from the 2018-19 fiscal year to the 2019-20 fiscal year.
- For fiscal year 2021-22, the Controller shall adjust the annual average expenditure requirements in proportion to any decrease in taxable sales within a city or county, from the 2018-19 fiscal year to the 2020-21 fiscal year.
- In a city or county where transient occupancy tax revenues exceed sales tax revenues in 2018-19, the city or county may petition the Controller to use transient occupancy tax revenues, in lieu of taxable sales, for purposes of adjusting the calculation in fiscal years 2020-21 or 2021-22.

Fast Forward: While the proposal has not been introduced yet, Assemblyman Bonta plans to proceed with the “Bay Bridge Fast Forward Program.” The proposal aims to improve transit service and people through-put along the Bay Bridge Corridor into San Francisco. The language defines the corridor to include points from the Sales Force Transit Center to the State Route 24 and I-580 interchange, the Powell Street on-ramp to I-580 interchange, the intersection of Frontage Road and West Grand Avenue, and the I-880 and I-980 interchange.

The Fast Forward Program would be split into two phases. Starting with an initial plan, to be developed by the Bay Area Toll Authority (BATA) in consultation with Caltrans, the San Francisco Transportation Authority, Alameda CTC, and the Contra Costa Transportation Authority. This plan shall identify, plan, and deliver a comprehensive set of operational, transit, and infrastructure investments for the Bay Bridge corridor, which shall be known collectively as the Bay Bridge Fast Forward Program.

Phase 1 of the Bay Bridge Fast Forward Program shall be developed and submitted to the Legislature by January 1, 2023. It is required to address the most congested parts of the Bay Bridge corridor in order to significantly improve bus and very high occupancy vehicle movement. Very high occupancy vehicles are defined as vehicles carrying five or more people including the driver. The Phase 1 plan shall be developed by BATA in consultation with Caltrans and transit operators, which is defined to include AC Transit, Amtrak, Western Contra Costa Transit Authority, and the Solano Transportation Authority.

The language defines specific elements that must be included in the Phase 1 plan and must be implemented on or before January 1, 2025.

Phase 2 of the plan shall include a conceptual design for delivering a lane on the Bay Bridge designed exclusively for bus and very high occupancy vehicles.

In addition, the proposal sets a travel speed reliability target for the corridor of 45 mph for buses and very high occupancy vehicles during the weekday morning and evening peak commute. Starting on January 1, 2025, if this reliability target is not met for six consecutive months, BATA in consultation with Caltrans may establish a pilot program that designates a lane on the Bay Bridge exclusively for bus and very high occupancy vehicles during peak commute times. BATA in consultation with Caltrans is also required to submit annual reports to the legislature on the travel speed reliability performance targets, and strategies deployed to meet the targets.

Corporate Accountability: Senator Scott Wiener has introduced SB 260 which would require large California businesses to inventory their carbon emissions and establish science-based targets to cut them. Titled the Climate Corporate Accountability Act, the requirements in the bill would apply to any corporation doing business in California and making more than a billion dollars annually. The inventory and reduction targets include three emission “scopes” as follows:

- “Scope 1 emissions” means all direct greenhouse gas emissions that stem from sources that a covered entity owns or directly controls, including, but not limited to, fuel combustion activities.
- “Scope 2 emissions” means indirect greenhouse gas emissions from electricity purchased and used by a covered entity.
- “Scope 3 emissions” means indirect greenhouse gas emissions from activities that stem from sources that the covered entity does not own or directly control and may include, but are not limited to, emissions associated with the covered entity’s supply chain, business travel, employee commutes, procurement, waste, and water usage.

If enacted, CARB would be responsible for developing the accounting rules, where affected corporations would have three years to report their climate impacts, and an additional year to start taking action to reduce its carbon impacts.



February 1, 2021

ACTION ITEM

Bills	Subject	Status	Client Positions
<u>ACA 1</u> (<u>Aguiar-Curry D</u>) Local government financing: affordable housing and public infrastructure: voter approval.	Identical to last session's proposal, which NVTA supported, 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. However, ACA 1 does not allow for the 55% local measure to use the tax revenue for transit operations.	ASSEMBLY PRINT	Recommended Position: Support