CALL TO ORDER AND ROLL CALL

EMERGENCY ITEMS
A. Discussion/Action of emergency items, if necessary.

PUBLIC COMMENTS
Any member of the public may address the Committee for a period not to exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Committee. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

APPROVAL OF CONSENT CALENDAR
A. Approval of Management Committee Draft Minutes: July 11, 2012
B. Receive and File:
   1. ICTC Board Draft Minutes: July 25, 2012
C. STIP/RTIP Consultant Agreement, COH and Associates FY 2012-13 to 2013-14 Page 20

It is requested that ICTC Management Committee forward this item to the ICTC Commission for their review and approval after public comment, if any:

1. Authorize the Chairman to sign the STIP/RTIP Consultant Agreement with the firm of COH and Associates for the not to exceed fee of $40,000.00 effective July 1, 2012 through June 30, 2014

CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL
D. Amendment to the West Shores Dial-A-Ride Operating Agreement, ARC – Imperial Valley FY 2012-13

It is requested that ICTC Management Committee forward this item to the ICTC Commission for their review and approval after public comment, if any:

1. Authorize the Chairman to sign an amendment document to the operating agreement with ARC-Imperial Valley for the continued operation of the West Shores Dial-A-Ride for the period effective July 1, 2012 through June 30, 2013, with an annual not to exceed operating subsidy ($66,147.00), a farebox ratio of 5%, with marketing funding of ($1,000.00), maintenance escalator ($3,500.00) and fuel escalator.

E. Transportation Development Act (TDA) and Miscellaneous Fiscal Audits for FY 2010-11

It is requested that ICTC Management Committee forward this item to the ICTC Commission for their review and approval after public comment, if any:

1. Receive and file the FY 2010-11 Transportation Development Act and other fiscal audits for the Imperial County Transportation Commission, for FY 2010-11.

V. REPORTS

A. ICTC Executive Director
B. Southern California Association of Governments
C. California Department of Transportation – District 11
D. Committee Member Reports

VI. INFORMATIONAL ITEMS

A. State-Local Partnership Program (SLPP) Update – Nomination List FY 2012-2013
B. Potential for Public Transit Routes – Yuma AZ., Winterhaven and El Centro, CA.

VII. ACTION CALENDAR


It is requested that ICTC Management Committee forward this item to the ICTC Commission for review and approval after public comment, if any.

1. Authorize the Chairman to sign the agreement for financial audit services effective July, 1 2012, for the audit period FY 2010-11 through FY 2014-15, with the firm of Hutchinson and Bloodgood for the not to exceed fees as listed:

   a. For the audit period July 1, 2010 through June 30, 2011, the annual fee set at $39,051.
   b. For the audit period July 1, 2011 through June 30, 2012, the annual fee set at $40,338.
   c. For the audit period July 1, 2012 through June 30, 2013, the annual fee set at $43,245.
   d. For the audit period July 1, 2013 through June 30, 2014, the annual fee set at $42,912.
   e. For the audit period July 1, 2014 through June 30, 2015, the annual fee set at $44,199.

B. Agreement for Professional Auditing Services for FY 2011-12 through FY 2015-16

It is requested that ICTC Management Committee forward this item to the ICTC Commission for review and approval after public comment, if any.
1. Authorize the Chairman to sign the agreement for financial audit services effective July, 1 2012, for the audit period FY 2011-12 through FY 2015-16, with the firm of Hutchinson and Bloodgood for the not to exceed fees as listed:

   a. For the audit period July 1, 2011 through June 30, 2012, the annual fee set at $62,973.
   b. For the audit period July 1, 2012 through June 30, 2013, the annual fee set at $58,482.
   c. For the audit period July 1, 2013 through June 30, 2014, the annual fee set at $60,327.
   d. For the audit period July 1, 2014 through June 30, 2015, the annual fee set at $62,127.
   e. For the audit period July 1, 2015 through June 30, 2016, the annual fee set at $64,017.

VIII. NEXT MEETING DATE AND PLACE

   The next meeting of the Management Committee will be held on Wednesday, September 12, 2012 at 10:30 a.m., at the City of Holtville, CA 92250

IX. ADJOURNMENT

   A. Motion to Adjourn
IV. CONSENT CALENDAR

A. APPROVAL OF MANAGEMENT COMMITTEE
   DRAFT MINUTES: JULY 11, 2012

B. RECEIVE AND FILE:
   1. ICTC BOARD DRAFT MINUTES:
      JULY 25, 2012
VOTING MEMBERS PRESENT:

City of Brawley                Rosanna Bayon Moore
City of Calexico              Nick Servin for Oscar Rodriguez
City of El Centro             Ruben Duran
City of Holtville             Alex Meyerhoff
City of Imperial              Marlene Best
County of Imperial            Ralph Cordova Jr.
County of Imperial            Bill Brunet

(Non-voting) ICTC            Mark Baza

STAFF PRESENT: Kathi Williams, David Salgado, Cristi Lerma, Virginia Mendoza

OTHERS PRESENT: Sam Amen (Caltrans), Tomas Oliva (SCAG), Grace Connor (City of El Centro)

The following minutes are listed as they were acted upon by the Imperial County Transportation Commission Management Committee and as listed on the agenda for the meeting held Wednesday, July 11, 2012 together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

Vice-Chair Cordova called the Committee meeting to order at 10:41 a.m. Roll call was taken. Introductions were made.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

There were none.

IV. CONSENT ITEMS

A motion was made by Duran, seconded by Servin to approve consent items 4A through 4D. Motion carried unanimously.

A. Approved ICTC Management Committee Minutes for June 13, 2012.

B. Received and filed:
   1. ICTC Board Draft minutes for June 27, 2012
   2. ICTC SSTAC Draft Minutes for June 6, 2012
   3. ICTC TAC Draft Minutes for June 28, 2012
C. Legal Services Agreement – County of Imperial – Imperial County Transportation Commission (ICTC) FY 2012-13

1. Authorized the Chairman to sign the agreement for the continuation of legal services between the County of Imperial and the Imperial County Transportation Commission for an annual cost not to exceed $10,000, effective July 1, 2012 through June 30, 2013.

2. Directed staff to forward the agreement to the County of Imperial.

D. Amendment to the Med-Express Operating Agreement, ARC – Imperial Valley FY 2012-13

1. Authorized the Chairman to sign an amendment document to the operating agreement with ARC-Imperial Valley for the continued operation of the Med-Express for the period effective July 1, 2012 through June 30, 2013, with an annual not to exceed operating subsidy ($161,737.00) with 3% marketing funding ($6,065.00), maintenance escalator ($7,500.00) and fuel escalator.

V. REPORTS

A. ICTC Executive Director

- Mr. Baza reported on the status of the EPA sanctions. He said that the EPA, APCD and State Parks and Recreations Department are working on a settlement agreement. At the minimum, a stay of the sanctions should be achieved by the end of the year. Mr. Baza said that Caltrans and FHWA have been working hard with ICTC to come up with a list of projects that will be impacted by the sanctions. Seven projects have been identified and all agencies are working diligently to get them obligated and are expected to get approved. Caltrans has made Imperial County a priority. There are three projects that would be impacted by the sanctions but because of the stay they are likely not to be impacted. Mr. Baza thanked Caltrans and FHWA staff for their hard work during this time.

- The $105 billion federal transportation bill (MAP 21) passed on June 29, 2012 through September 30, 2014. The funding is split 79.8% for highways and 20.2% for transit (vs current 81.2%/18.8%). Congress also approved a short term extension allowing the President to sign MAP 21 this week without the gas tax expiring on June 30th. The final conference report is $4 billion less than the Senate approved bill (SB 1813) but more than the House bill (HR 7) recommended but was not approved by their members. There is no change to programs for the remainder of FY 12 (through September 30th). Program changes take effect in FY 13 and the funding is at current level. There is a 1.4% increase for FY 14. The highway trust fund is not adequate to pay for the $105 b bill. The bill includes funding from pension referorm, a transfer of the Underground Storage Tank Trust Fund. Therefore, there is not a long-term fix for the Highway Trust Fund imbalance but gives Congress until September 30, 2016 to resolve. Staff has prepared two draft bill summaries: funding comparison and policy comparison of the 599 page conference report. Key changes from current law include:
  - Environmental streamlining provisions added to expedite project delivery including a dispute resolution process where fines are allowed if permits are delayed, reduces limitations on legal claims from 180 days to 150 days, additional categorical exemptions, and early right of way acquisition authority (see page 7 of summary table for detail). The House passed "Keystone House pipeline amendment" was not included.
  - Improved contracting efficiency was added where state DOTs can award a two-phase contract prior to completion of NEPA environmental approval for preconstruction and construction manager services.
ICTC MANAGEMENT COMMITTEE MINUTES  July 11, 2012

- Incentives for Innovative Project Delivery where 100% federal funding allowed in up to 10% of the funding in the National Highway Performance Program, Surface Transportation Program and Metropolitan Planning Program that speed construction and project delivery where the Secretary of DOT approves in advance.
- Consolidation of programs where two thirds of the highway programs were consolidated.
- Substantially increased TIFIA from $122m/year to $750m/year. Increased financing tools with loan funding in TIFIA (promoted by Metro America Fast Forward) to $1.75 B (page 3 of table). Federal share increases from 39% to 49%.
- Added new freight policy provisions for developing national freight and state freight plans. Includes increasing federal share to 95% of projects on interstate system and 90% for other projects (see page 5-7 of table). Did not include $2 billion funding for new freight program included in Senate bill.
- Increased MPO Funding by $6 m from $114.3 m to $120.75 m and added new requirement for MPO to conduct performance based development of plans and monitoring of transportation projects (page 4 of table). MPO's threshold was retained for 50,000 populations or greater. The amendment to allow the Governor to add projects to the TIP without local approval was not included in the bill.
- New Start rail funding was reduced to $1.907 b a year from general funds but the process was streamlined.
- Bus and Bus Facilities Formula allocation was modified to include population and service factors.
- Rail Modernization Program was renamed to the ‘State of Good Repair’. The allocation was funded at $2.1b and modified to eliminate tiers and earmarks and based upon formula of age of system, revenue vehicles miles and directional route miles.
- Retained Projects of National and Regional Significance funding at $500 m for FY 13 and FY 14.
- CMAO funding is left intact and does not sub allocate funds to construction retrofit equipment as originally proposed in Senate bill.
- Active Transportation programs affected. Transportation enhancement funding programs are cut by approximately 20% and combined into a new Transportation Alternatives program. Half of the funds are sub allocated to local areas. The State's half of the funds can be flexed to other types of highway projects not included in the Transportation Alternatives program. The Bill allows states to opt out of Recreational trails if they so choose.
- There is misinformation in the media about what Congress did re HSR in HR 4348 (MAP 21). HR 4348 or MAP 21 passed Congress on a strong bipartisan vote. The House provision prohibiting funds from going toward HSR was dropped in conference and thus is not part of the HR 4348 law. In a separate action, the FY 13 Transportation Appropriations bill in the House was also passed last week along with an amendment by Rep. Denham that prohibits funds in the bill from being used by California or the Authority for HSR. There are no funds in the bill dedicated to CA HSR, so this is largely a symbolic vote. No CA House Dem voted for the amendment. The conference committee on the Transportation Appropriations bill is not expected to occur until November or December. Even though it is likely to be part of a larger omnibus package, not as a stand-alone bill, this amendment does not rescind current prior appropriated HSR approved California funding.

The approved transportation funding bill includes the majority of the policy provisions supported by SCAG and County Commissions. In the interim, staff will work with SCAG and fellow transportation stakeholders in the region to provide input and information to the Secretary of Transportation as the Department promulgates the regulations that will implement the HR 4348 legislation. The approved bill is 599 pages. Staff with the help of SCAG will continue to refine the attached summary information and provide an updated report at the meeting.
Ms. Williams stated that the Paratransit RFP was distributed to the participating agencies and requested comments from each agency. Comments were still pending from El Centro. These ad hoc meetings are being held prior to the TAC meetings with the next one being held on July 26, 2012.

B. Southern California Association of Governments

Mr. Oliva had the following announcements:

- Toolbox Tuesdays provides a range of practical skills and knowledge for local planners including training in the use of computer-based tools and education in practical approaches to timely planning issues. All classes are free for staff of SCAG-member local governments and other SCAG partners in Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties. Private sector planners, non-profit staff, academics and students are welcome to attend in Los Angeles, as long as space is available. Toolbox Tuesdays Summer 2012 includes a training on July 31 (10:00 am - 1:00 pm) in Los Angeles but available via videoconference at Valley Center.
  - On the Map: Local Employment and Labor Statistics is a powerful (and free) online tool that a jurisdiction can use to obtain and analyze employment data for their region/county, city, and even individual projects. The US Census Bureau and the Bureau of Labor Statistics developed On The Map for disseminating, understanding, and displaying employment data for small user-defined areas.
  - The session will begin with a brief introduction to the types of available data and its relevance for local planning. The second part of the session will be a hands-on tutorial in using the On The Map program to obtain data for each participant’s jurisdiction. The final part of the session will walk participants through the process of analyzing data from the program for a variety of local planning projects, covering topics such as jobs-housing balance, environmental clearance, and strengths/weaknesses of the local economy.
  - This session is eligible for AICP Certification Maintenance credits.
  - Future classes on other exciting topics will be announced via email and on the Compass Blueprint website.

- Mr. Oliva provided a summary regarding the 2013 FTIP. He stated that it is a multi-modal list of capital improvement projects to be implemented over a six (6) year period and is the program that implements the Regional Transportation Plan (RTP). SCAG Staff recommended the release of the Draft 2013 FTIP for a 30-day public review and comment period on July 5, 2012. Upon completion of the public review and response to public comments, SCAG staff will report back to the Transportation Policy committee at the September 6, 2012 meeting on any comments received. Two public hearing will be broadcasted via video conference at Valley Center on July 19, 2012 from 10:00 a.m. to 12:00 p.m. and on July 26, 2012 from 3:00 p.m. to 5:00 p.m. The Draft 2013 FTIP will be posted on the SCAG website, noticed in numerous newspapers, and distributed to over 50 libraries throughout the region. The Executive Summary of the Draft 2013 FTIP is available upon request. The Draft 2013 FTIP Technical Appendix and Project Listings can be viewed at: http://www.scag.ca.gov/ftip/2013/draft.htm

- Mr. Oliva stated that he recently attended a grant writing workshop at the SCAG offices and that he is available to planning staff anytime if needed.

- Mr. Hasan Ikhrata has expressed interest in having a meeting with the City Managers this fall. More information will be provided when available.

C. California Department of Transportation – District 11

Mr. Amen had the following updates:
- The Brawley Bypass project (phase 3) is moving forward and should be ready to deliver before Thanksgiving. More information about the groundbreaking will be announced when available.
- The paving project on I-8 is still in progress in the mountain area that will require some road closures.
- The State budget was adopted. Caltrans will be open every Friday; however employees will have 8 hour furloughs each month.
- The following DLAE updates were also announced by Mr. Amen:
  1. Cycle 5 HSIP and Cycle 3 HR3 Calls for Projects, deadline to submit is by close of business Friday, July 20, 2012 and should be submitted to the attention of Caltrans District 11, District Local Assistance Engineer, Erwin Gojuangco.
  2. State funded Safe Routes To School (SR2S) Cycle 10 program District 11 received 29 applications and 7 were from the Imperial Valley region agencies. 12 applications were returned as successful with 1 from the Imperial Region and 11 from the San Diego Region agencies. Successful applicants Request for Allocation(s) are to be submitted within 6 months of selection notification as stated under the new requirements for project delivery and monitoring of the Cycle 10 SR2S Program.
  3. Local agencies that have bridge seismic projects funded with Prop 1B are required to provide a project update in the LA-ODIS on a quarterly basis. The next reporting deadline is July 13, 2012.
  4. Resident Engineer Academy will be held on September 24-27, 2012 at the Caltrans District 11 Offices in San Diego. Fees are $360 for state and local participants and $560 for all others. To register, contact Sofia Reynoso at sofia.reynoso@dot.ca.gov by 12:00 p.m. on July 18, 2012.
  5. The Federal Aid Series was completed in San Diego on June 4-8, 2012. If agencies missed this training and would like to attend, other locations are available in San Bernardino, Oakland, Los Angeles, Stockton, Fresno, San Luis Obispo and Irvine. For more info or to register contact (800) 858-7743.
  6. Mr. Amen distributed the Obligation Plan FFY2012 dated 7/10/12.
  7. The US DOT informed Caltrans that the DBE program waiver granted on August 7, 2008 was rescinded. With the rescission, contract goals for federally funded projects authorized on and after July 1, 2012 must include ALL DBE groups (African Americans, Asian Pacific Americans, Native Americans, Women, Hispanic American, and Subcontinent Asian American and any other groups whose members are certified as socially and economically disadvantaged). This is referred to as the New RC DBE Program.

D. Committee Member Reports

- There were none.

VI. INFORMATIONAL ITEMS

A. State-Local Partnership Program (SLPP) Funding Opportunity for FY 2012-2013

Mr. Baza stated that ICTC staff was notified of State-Local Partnership Program (SLPP) funding availability provided by the California Transportation Commission (CTC). Approximately $4.873 million is available for our region during fiscal year 2012/2013. The goal of the program is to support Self-Help Counties by providing a formula share of state funds with a local match requirement of 50% using local sales tax funds (Measure D – Imperial). The challenge is that we have only a limited time to identify and nominate projects to submit to the CTC as we have been informed that the funds must be allocated and approved by June 2013.
Program funding is only available for the construction phase of projects. SLPP funds will not be available for planning, environmental, design, or right-of-way phases. Eligible projects of SLPP must be publicly owned facilities. Some eligible projects are improvements to the state highway system, including, but not limited to, all of the following:

- Major rehabilitation of an existing segment that extends the useful life of the segment by at least 15 years
- New construction to increase capacity of a highway segment, improves mobility/reduces congestion on segment
- Safety or operational improvements on a highway segment that are intended to reduce accidents and fatalities or improve traffic flow on that segment

Due to the challenging project programming timeline, ICTC staff will be outreaching to all local agencies regarding the available funding and eligibility criteria. ICTC staff will be working closely with the local agencies to meet the August 15, 2012, project nomination submittal deadline to CTC.

Ms. Mendoza stated that ICTC is seeking nominations for projects which can start construction no later than October 31, 2013. Nominations must be received by ICTC no later than 4:00 p.m. on July 19, 2012.

**VII. ACTION CALENDAR**

**A. ICTC and the City of Imperial Agreement for Human Resource Services, FY 2012-13**

The Imperial County Transportation Commission staff is requesting approval for an agreement with the City of Imperial for Human Resource Staff Support. The City of Imperial will provide professional Human Resource services as needed to assist ICTC in the ongoing development and operation of the agency for the not to exceed fee of $15,000.00. Funding for these services has been identified in the ICTC OWP and Budget, FY 2012-13.

It was requested that ICTC Management Committee forward this item to the ICTC Commission for review and approval after public comment, if any.

1. Authorized the Chairman to sign the agreement for Human Resource Services with the City of Imperial for the not to exceed fee of $15,000.00, effective July 1, 2012 through June 30, 2013.

A motion was made by Meyerhoff, seconded by Best, **Motion carried unanimously.**

**B. State Transportation Improvement Program (STIP) Transportation Enhancement (TE) Call for Projects for FY 2013-14 to FY 2015-16**

Ms. Mendoza stated that ICTC staff was notified of State Transportation Improvement Program’s (STIP) Transportation Enhancement (TE) funding and revenue estimates provided by the California Transportation Commission (CTC). Approximately $2.5 million may be available for our region over a three year period.

Therefore, ICTC staff recommends that a competitive call for projects be conducted for member agencies under the local program guidelines approved by ICTC. The attachment summarizes the revenue estimates, the eligibility criteria under the STIP-TE program, the proposed schedule, the selection criteria and a draft application.
ICTC staff held a funding workshop on June 14, 2012 to review and provide input to the program guidelines and subsequently with the ICTC Technical Advisory Committee on June 28, 2012. The TAC’s recommendation is to proceed with a Call for Projects, using the local program guidelines that list the open and closing dates of August 1, 2012 through September 4, 2012. The scoring committee shall include one representative from each local agency, the TE Coordinator from Caltrans District 11, ICTC staff member, Caltrans non-motorized group staff person and a SCAG representative.

It was requested that ICTC Management Committee forward this item to the ICTC Commission for review and approval after public comment, if any.

1. Directed staff to open a competitive call for projects for member agencies for estimated STIP-TE funds, effective August 1, 2012 through September 4, 2012
2. Directed staff to convene an evaluation committee to score and rank the projects
3. Directed staff to return with a list of recommended projects for approval by the Commission

A motion was made by Bayon Moore, seconded by Best to approve as amended, **Motion carried** unanimously.

C. ICTC Personnel Policies and Procedures Manual, DRAFT

Mr. Baza stated that as a public agency, we are required to have a Personnel Policies and Procedures Manual. After having researched policies from several organizations, ICTC with the assistance of the Human Resource Manager are in the process of developing a document that would be consistent with the rules and regulations of the State of California.

There was concern over the limited time the Committee had to review the document. However, Mr. Baza stated that ICTC has to meet management and liability insurance requirements, and approval of the manual is imperative. ICTC Management Committee recommended approval with the understanding that comments made at the Commission meeting may prevent adoption of the ICTC Personnel Policies and Procedures Manual this month. It was expressed that this is a living document and amending it in the future will probably be likely.

It was requested that ICTC Management Committee forward this item to the ICTC Commission for review and approval after public comment, if any.


A motion was made by Duran, seconded by Bayon Moore, **Motion carried** unanimously.

**VIII. NEXT MEETING DATE AND PLACE**

The next meeting of the Management Committee will be held tentatively on **August 8, 2012** at the City of Imperial, Imperial CA.

**IX. ADJOURNMENT**

A. Meeting adjourned at 11:55 a.m.
I. CALL TO ORDER AND ROLL CALL

Chair Sanders called the Commission meeting to order at 6:14 p.m. Roll call was taken.

II. EMERGENCY ITEMS

A. There were none.

III. PUBLIC COMMENTS

A. It should be noted that Action Item 7D “ICTC Personnel Policies and Procedures Manual, DRAFT” was discussed right after the Consent Calendar was approved, per Chair Sanders request.

IV. APPROVAL OF CONSENT CALENDAR

A motion was made by Terrazas and seconded by Bradshaw to approve the consent calendar; Motion carried unanimously.

A. Approved ICTC Board Minutes for June 27, 2012

B. Received and filed:
   1. ICTC Management Committee Draft Minutes for July 11, 2012
   2. ICTC TAC Draft Minutes – June 28, 2012
C. Legal Services Agreement – County of Imperial – Imperial County Transportation Commission (ICTC) FY 2012-13

1. Authorized the Chairman to sign the agreement for the continuation of legal services between the County of Imperial and the Imperial County Transportation Commission for an annual cost not to exceed $10,000, effective July 1, 2012 through June 30, 2013.

2. Directed staff to forward the agreement to the County of Imperial.

D. Amendment to the Med-Express Operating Agreement, ARC – Imperial Valley FY 2012-13

1. Authorized the Chairman to sign an amendment document to the operating agreement with ARC-Imperial Valley for the continued operation of the Med-Express for the period effective July 1, 2012 through June 30, 2013, with an annual not to exceed operating subsidy ($161,737.00) with 3% marketing funding ($6,065.00), maintenance escalator ($7,500.00) and fuel escalator.

E. ICTC Disadvantaged Business Enterprise (DBE) Goal for FY 12-13 for Federal Transit Administration (FTA) Funds

1. Approved the proposed FY 12-13 DBE goal of 1.4%, for distribution for public comment.

2. Directed staff to return with this item for review and adoption of the DBE goal after the 45 day public review process has been completed.

V. REPORTS

A. ICTC Executive Director

- Mr. Baza reported on the status of the EPA sanctions. He said that the EPA, APCD and State Parks and Recreations Department have settled and have come into an agreement that all agencies will be signing this week. August 9th is when the sanctions will take effect, however only 3 projects will be impacted. A stay of the sanctions should be achieved by the end of the year, in which those sanctions imposed on the 3 projects will be lifted. Caltrans submitted a letter to FHWA.

- The $105 billion federal transportation bill (MAP 21) passed on June 29, 2012 through September 30, 2014. The funding is split 79.8% for highways and 20.2% for transit (vs current 81.2%/18.8%). Congress also approved a short term extension allowing the President to sign MAP 21 this week without the gas tax expiring on June 30th. The final conference report is $4 billion less than the Senate approved bill (SB 1813) but more than the House bill (HR 7) recommended but was not approved by their members. There is no change to programs for the remainder of FY 12 (through September 30th). Program changes take effect in FY 13 and the funding is at current level. There is a 1.4% increase for FY 14. The highway trust fund is not adequate to pay for the $105 b bill. The bill includes funding from pension referorum, a transfer of the Underground Storage Tank Trust Fund. Therefore, there is not a long-term fix for the Highway Trust Fund imbalance but gives Congress until September 30, 2016 to resolve. Staff has prepared two draft bill summaries: funding comparison and policy comparison of the 599 page conference report. Key changes from current law include:
  - Environmental streamlining provisions added to expedite project delivery including a dispute resolution process where fines are allowed if permits are delayed, reduces limitations on legal claims from 180 days to 150 days,
additional categorical exemptions, and early right of way acquisition authority (see page 7 of summary table for detail). The House passed "Keystone House pipeline amendment" was not included.

- Improved contracting efficiency was added where state DOTs can award a two-phase contract prior to completion of NEPA environmental approval for preconstruction and construction manager services.
- Incentives for Innovative Project Delivery where 100% federal funding allowed in up to 10% of the funding in the National Highway Performance Program, Surface Transportation Program and Metropolitan Planning Program that speed construction and project delivery where the Secretary of DOT approves in advance.
- Consolidation of programs where two thirds of the highway programs were consolidated.
- Substantially increased TIFIA from $122m/year to $750m/year. Increased financing tools with loan funding in TIFIA (promoted by Metro America Fast Forward) to $1.75 B (page 3 of table). Federal share increases from 39% to 49%.
- Added new freight policy provisions for developing national freight and state freight plans. Includes increasing federal share to 95% of projects on interstate system and 90% for other projects (see page 5-7 of table). Did not include $2 billion funding for new freight program included in Senate bill.
- Increased MPO Funding by $6 m from $114.3 m to $120.75 m and added new requirement for MPO to conduct performance based development of plans and monitoring of transportation projects (page 4 of table). MPO's threshold was retained for 50,000 populations or greater. The amendment to allow the Governor to add projects to the TIP without local approval was not included in the bill.
- New Start rail funding was reduced to $1.907 b a year from general funds but the process was streamlined.
- Bus and Bus Facilities Formula allocation was modified to include population and service factors.
- Rail Modernization Program was renamed to the 'State of Good Repair'. The allocation was funded at $2.1b and modified to eliminate tiers and earmarks and based upon formula of age of system, revenue vehicles miles and directional route miles.
- Retained Projects of National and Regional Significance funding at $500 m for FY 13 and FY 14.
- CMAO funding is left intact and does not sub allocate funds to construction retrofit equipment as originally proposed in Senate bill.
- Active Transportation programs affected. Transportation enhancement funding programs are cut by approximately 20% and combined into a new Transportation Alternatives program. Half of the funds are sub allocated to local areas. The State's half of the funds can be flexed to other types of highway projects not included in the Transportation Alternatives program. The Bill allows states to opt out of Recreational trails if they so choose.
- There is misinformation in the media about what Congress did re HSR in HR 4348 (MAP 21). HR 4348 or MAP 21 passed Congress on a strong bipartisan vote. The House provision prohibiting funds from going toward HSR was dropped in conference and thus is not part of the HR 4348 law. In a separate action, the FY 13 Transportation Appropriations bill in the House was also passed last week along with an amendment by Rep. Denham that prohibits funds in the bill from being used by California or the Authority for HSR. There are no funds in the bill dedicated to CA HSR, so this is largely a symbolic vote. No CA House Dem voted for the amendment. The conference committee on the Transportation Appropriations bill is not expected to occur until November or December. Even though it is likely to be part of a larger omnibus package, not as
a stand-alone bill, this amendment does not rescind current prior appropriated
HSR approved California funding.
- The approved transportation funding bill includes the majority of the policy provisions
supported by SCAG and County Commissions. In the interim, staff will work with
SCAG and fellow transportation stakeholders in the region to provide input and
information to the Secretary of Transportation as the Department promulgates the
regulations that will implement the HR 4348 legislation. The approved bill is 599 pages.

- Mr. Baza met with the Mobility 21 group earlier in the day and announced that their
annual summit will be held on September 8, 2012 in Anaheim, CA.

B. Southern California Association of Governments (SCAG)

- Mr. Oliva thanked Mr. Baza for the detailed update on the Transportation Bill.
- The 2013 FTIP was adopted at the SCAG Regional Council Meeting in July. A public
hearing was held on July 19, 2012 from 10:00 a.m. to 12:00 p.m., with no comments
received; and another public hearing will be held on July 26, 2012 from 3:00 p.m. to 5:00
p.m. The 2013 FTIP cover Fiscal Years 2012-13 to 2017-18. A copy of the Executive
summary was given to all planning directors.
- Mr. Oliva recently attended a grant writing workshop at the SCAG offices. The
information he learned and tools he received will serve as a resource to all planning
directors.
- The Energy Summit is being held on October 4-5th, 2012 in Palm Springs.
- SCAG is dark in August.

C. California Department of Transportation

- Ms. Berman stated that her team toured the Brawley Bypass project and a target date of
mid-October for a ribbon cutting is their goal. She will have a more definite date at the
Commission meeting in September.
- FHWA has made changes to the DBE program. They are reverting back to the previous
program. For more information contact Ross Cather or Erwin Gojuangco.

D. Commission Member Report

- Ms. Nava-Froelich said that the City of Calipatria’s 4th of July Fireworks show was very
successful. She also stated that she joined a newly formed the Public Benefits Advisory
Committee. This committee will be discussing rural development among other items of
importance. Ms. Nava –Froelich also expressed the need for funds to assist Calipatria
with the recent flooding they experienced due to the storms. Mr. Baza suggested that the
City Manager Rom Medina contact him to discuss funding opportunities, if any. Ms.
Nava-Froelich stated that a meeting would be held at the Bill Young cafeteria the
following day at 6 p.m. Mr. Menvielle stated that IID is working actively with the City of
Calipatria.
- Mr. Terrazas had expressed some concerns in regards to the safety of a road on Hwy 86
in Seeley, CA. He had asked Caltrans to look into any opportunities in making it safer.
Mr. Terrazas reported that the concerns of the Heber Community were addressed and that
a plan is in place. He thanked Caltrans for their support.

At this time Chair Sanders moved to the action calendar.

VI. CLOSED SESSION – PERSONNEL MATTER

A. Pursuant to Government Code §54957
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: ICTC Executive Director.
1. A Motion to Adjourn to Closed Session was made by Bradshaw and seconded by Hodge, Motion Carried.
2. Reconvened Open Session
3. Chair Sanders reported that the performance evaluation resulted in a 5% salary adjustment for Mr. Baza with the appropriate action stated below on the action calendar 7A.

VII. ACTION CALENDAR

A. Annual Merit Salary Adjustment for the Executive Director per contract dated May 10, 2010

The Commission concurred that a salary adjustment be given to Mr. Baza of 5%, as stated in his employment contract and that it be effective immediately and retroactive to July 1, 2012.

A motion was made by Nava and seconded by Gran, Motion carried unanimously.

B. ICTC and the City of Imperial Agreement for Human Resource Services, FY 2012-13

The Imperial County Transportation Commission staff is requesting approval for an agreement with the City of Imperial for Human Resource Staff Support. The City of Imperial will provide professional Human Resource services as needed to assist ICTC in the ongoing development and operation of the agency for the not to exceed fee of $15,000.00. Funding for these services has been identified in the ICTC OWP and Budget, FY 2012-13.

The ICTC Management Committee met on July 11, 2012 and forwarded this item to the Commission for review and approval, after public comment if any:

1. Authorized the Chairman to sign the agreement for Human Resource Services with the City of Imperial for the not to exceed fee of $15,000.00, effective July 1, 2012 through June 30, 2013.

A motion was made by Kelley and seconded by Menvielle, Motion carried unanimously.

C. State Transportation Improvement Program (STIP) Transportation Enhancement (TE) Call for Projects for FY 2013-14 to FY 2015-16

Ms. Mendoza stated that ICTC staff was notified of State Transportation Improvement Program’s (STIP) Transportation Enhancement (TE) funding and revenue estimates provided by the California Transportation Commission (CTC). Approximately $2.5 million may be available for our region over a three year period.

Therefore, ICTC staff recommends that a competitive call for projects be conducted for member agencies under the local program guidelines approved by ICTC. A summary of the revenue estimates, the eligibility criteria under the STIP-TE program, the proposed schedule, the selection criteria and a draft application was reviewed.

ICTC staff held a funding workshop on June 14, 2012 to review and provide input to the program guidelines and subsequently with the ICTC Technical Advisory Committee on June 28, 2012. The TAC’s recommendation is to proceed with a Call for Projects, using the local program guidelines provided that list the open and closing dates of August 1, 2012 through September 4, 2012.
A minor change was requested to include that a SCAG Representative be included as a part of the evaluation committee.

The ICTC Management Committee forwarded this item to the Commission for review and approval after public comment, if any:

1. Directed staff to open a competitive call for projects for member agencies for estimated STIP-TE funds, effective August 1, 2012 through September 4, 2012
2. Directed staff to convene an evaluation committee to score and rank the projects
3. Directed staff to return with a list of recommended projects for approval by the Commission

A motion was made by Gran and seconded by Bradshaw, **Motion carried unanimously**.

D. ICTC Personnel Policies and Procedures Manual, DRAFT

As a public agency, we are required to have a Personnel Policies and Procedures Manual. After having researched policies from several organizations, ICTC with the assistance of the Human Resource Manager are in the process of developing a document that would be consistent with the rules and regulations of the State of California.

The purpose of this manual is to provide guidelines for the administration of all matters affecting the status and activities of ICTC employees. The policies and procedures are also intended to comply with all applicable State and Federal laws. Should any provision of this manual conflict with any State or Federal law, such law shall control. The manual is considered a living document. Thus, the manual will be reviewed periodically and adjustments will be made based on actual experience, needs and economic consideration.

Mr. Baza and Ms. Gaddis were available to answer all questions. Mr. Cordova had many concerns with the document. There was much discussion regarding PTO, such as restrictions on it regarding retirement and cash out processes; merit increases; layoffs; appealing disciplinary matters between all parties. Mr. Baza expressed the need to approve the manual as is today (for purposes of obtaining general liability insurance), however will bring it forth to the Commission in September with suggested amendments and/or clarifications.

The ICTC Management Committee met on July 11, 2012 and forwarded this item to the Commission for review and approval, after public comment if any:

   (With a provision to bring the document for potential revisions in September)

A motion was made by Kelly and seconded by Nava, **Motion carried unanimously**.

E. State-Local Partnership Program (SLPP) Project Nomination List for FY 2012-2013

ICTC staff was notified of State-Local Partnership Program (SLPP) funding availability provided by the California Transportation Commission (CTC) in late June of this year. The SLPP is funded using State Proposition 1B funds, authorized by California voters through the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Approximately $4.873 million is available for our region during fiscal year 2012/2013. The goal of the program is to support Self-Help Counties by providing a formula share of state funds with a local match requirement of one to one matching using local sales tax funds (Measure D – Imperial). The challenge is that we have only a limited time to nominate
ICTC MEETING MINUTES                                   JULY 25, 2012

projects and to submit to the CTC by August 15, 2012. All nominated projects must be
allocated/approved by June 2013 and construction award by December 2013.

Program funding is only available for the construction phase of projects. SLPP funds are
not available for planning, environmental, design, or right-of-way phases. Considering
the needs of our region, most agencies have expressed interest in proceeding with road
improvement projects. The projects vary from road rehabilitation to pedestrian safety
improvements.

In an effort to meet the challenging timeline, ICTC staff did an accelerated outreach to all
local agencies regarding the available funding and eligibility criteria. ICTC staff has been
working closely with the local agencies to meet the August 15, 2012, nomination deadline to
the CTC. On July 16, 2012, a meeting was held with all the local agency representatives to
review each agency’s project nomination and discuss the funding distribution. A
preliminary project listing from all the agencies in attendance was compiled at the July 16th
meeting.

The LTA allocation formula was used for distribution of SLPP funds to all local
agencies. The formula is based on a total population (80%) and maintained street and
road mileage (20%). The population figures used for the calculation are from the
Department of Finance 2012 figures.

The recommended nominations list was provided. The list details each agency’s proposed
project(s). Each project lists the apportionment amount of SLPP funding and the committed
local match.

ICTC staff forwarded this item to the ICTC Commission for review and approval after
public comment, if any.

1. Approved the Project Nomination List for Fiscal Year 2012/2013 SLPP, for a total
   of $4,873 million.
2. Directed staff to submit a Formal Nomination List to the CTC by or before August

A motion was made by Bradshaw and seconded by Terrazas, Motion carried
unanimously.

VIII. NEXT MEETING DATE AND PLACE

The next meeting of the Imperial County Transportation Commission will be held on August 22, 2012 at
6:00 p.m., at the County of Imperial Board Chambers, at 940 W. Main Street, El Centro, CA.

IX. ADJOURNMENT

Meeting adjourned at 8:00 p.m.
IV. CONSENT CALENDAR

C. STIP/RTIP CONSULTANT AGREEMENT, COH AND ASSOCIATES FY 2012-13 TO 2013-14
July 31, 2012

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave, Suite 1
El Centro, CA  92243

SUBJECT:  STIP/RTIP Consultant Agreement, COH and Associates
FY 2012-13 to 13-14

Dear Members of the Committee:

Since 2006, the ICTC has had specific consultant assistance to maintain, evaluate and participate in the programmatic functions of the regional State Transportation Improvement Program (STIP) and Regional Transportation Improvement Program (RTIP) for the Imperial region.

These activities include the development and submittal of project related documentation to the California Transportation Commission (CTC). In addition there is the need for attendance at CTC or CALTRANS sponsored meetings, participation in teleconferences and the development of specific technical documentation for regional transportation projects and assistance with “calls for projects” for specific State and or federal funding.

An agreement for services with COH and Associates is executed to insure that ICTC staff had up to date information and assistance in the development of these programs. The consultant also attended various meetings and has provided staff training and recommendations in these subject areas.

The negotiations for another contract has concluded and a scope of work has been developed that will cover the next two years.  ICTC staff is recommending that the ICTC maintain this valuable relationship by executing this contract.

Funding for this project is in the ICTC adopted 2012-13 Budget approved on June 27, 2012. The STIP allocation of Planning and Program Management (PPM) funding offsets the costs of this project.

CITIES OF BRAWLEY, CALExico, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL
It is requested that the ICTC Management Committee forward this item to the ICTC Commission for their review and approval.

1. Authorize the Chairman to sign the STIP/RTIP Consultant Agreement with the firm of COH and Associates for the not to exceed fee of $40,000.00 effective July 1, 2012 through June 30, 2014.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

Attachment
Proposed Work Plan: FYs12-14
Transportation Consultant Services
Table of Contents
A. WORKPLAN ................................................. 2
B. SCHEDULE .................................................. 3
C. COST PROPOSAL ........................................... 3
A. WORK PLAN

COH & Associates, Inc. is very pleased to submit this proposed work plan to the Imperial County Transportation Commission (ICTC) to provide transportation consultant services in FYs 12/13 and 13/14.

Carlos O. Hernandez, President of COH & Associates, Inc., would be the project lead for all tasks described in this proposal. Mr. Hernandez would not be removed or replaced during the contract period without prior written concurrence of ICTC. Subcontractors will not be utilized without prior written concurrence of ICTC.

The proposed Work Plan is presented below in four tasks:

**TASK 1: Implementation of the 2012 STIP**

Assist with implementation and administration of the 2012 ICTC State Transportation Improvement Program (STIP) including the Transportation Enhancement (TE) program. Work activities include “call for projects” assistance, and general programming assistance including amending projects and allocating funds.

**TASK 2: Program Development Support – Federal and State Programs**

Provide program development support on State and Federal programs as needed, including staff training.

**TASK 3: Project Planning Support- Federal and State Programs**

Provide project-planning support on State and Federal programs as needed, including staff training.
**TASK 4: Development of the 2014 STIP**

Assist with development of the ICTC 2014 State Transportation Improvement Program (STIP) including the Transportation Enhancement (TE) program. Work activities include meeting with Caltrans and development of 2014 STIP program documents including development of staff reports for ICTC committee and Board review and approval, attending meetings as directed by ICTC, development of the 2014 STIP submittal package to the CTC and the STIP Performance Evaluation.

**B. SCHEDULE**

Project Start: July 1, 2012; Project End: June 30, 2014 (2 Years)

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<td>Total</td>
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**C. COST PROPOSAL**

$150.00 per hour (fully-loaded hourly rate)

270 Hours X $150.00/hour = $40,500.00, say $40,000 over two years.
Proposed Work Plan: FYs12-14
Transportation Consultant Services
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270 Hours X $150.00/hour = $40,500.00, say $40,000 over two years.
AGREEMENT FOR SERVICES

THIS AGREEMENT FOR SERVICES ("Agreement") made and entered into this day of __________, 2012, is by and between the IMPERIAL COUNTY TRANSPORTATION COMMISSION ("ICTC"), a political subdivision of the State of California, and C.O.H. & ASSOCIATES, INC., a California corporation ("CONSULTANT").

WITNESSETH

WHEREAS, ICTC desires to retain a qualified individual, firm or business entity to provide professionals to assist ICTC in meeting the goals, deadlines and outcomes required of the State and Federal Metropolitan Transportation Planning process; and

WHEREAS, ICTC desires to engage CONSULTANT to provide services by reason of its qualifications and experience for performing such services, and CONSULTANT has offered to provide the required services on the terms and in the manner set forth herein; and

WHEREAS, ICTC is authorized to enter into this Agreement pursuant to Public Utilities Code Section 132820.

NOW, THEREFORE, in consideration of their mutual covenants, ICTC and CONSULTANT have and hereby agree to the following:

1. PARTIES TO AGREEMENT

This Agreement is by and between ICTC and CONSULTANT. ICTC and CONSULTANT are individually referred to as "Party" and collectively as "Parties."

2. CONTRACT COORDINATION

2.1. The Executive Director shall be the representative of ICTC for all purposes under this Agreement. The Executive Officer, or a designated representative, is hereby designated as the Contract Manager for ICTC and shall supervise the progress and execution of this Agreement.

2.2. CONSULTANT shall assign a single Contract Manager to have overall responsibility for the progress and execution of this Agreement. Carlos Ortiz Hernandez is hereby designated as the Contract Manager for CONSULTANT.
Should circumstances or conditions subsequent to the execution of this Agreement require a substitute Contract Manager for any reason, the Contract Manager designated shall be subject to the prior written acceptance and approval of ICTC’s Contract Manager.

3. **DESCRIPTION OF WORK**

CONSULTANT shall provide all materials and labor to complete the Project as set forth in Exhibit “A”.

4. **WORK TO BE PERFORMED BY CONSULTANT**

4.1. CONSULTANT shall comply with all terms, conditions and requirements of this Agreement.

4.2. CONSULTANT shall perform such other tasks as necessary and proper for the full performance of the obligations assumed by CONSULTANT hereunder.

4.3. CONSULTANT shall:

4.3.1. Procure all permits and licenses, pay all charges and fees, and give all notices that may be necessary and incidental to the due and lawful prosecution of the services to be performed by CONSULTANT under this Agreement;

4.3.2. Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders and decrees which may affect those engaged or employed under this Agreement, any materials used in CONSULTANT’s performance under this Agreement or the conduct of services under this Agreement;

4.3.3. At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders and decrees mentioned above; and

4.3.4. Immediately report to ICTC’s Contract Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders and decrees mentioned above in relation to any plans, drawings, specifications or provisions of this Agreement.
4.4. Any videotape, reports, information, data or other material given to, or prepared or assembled by, CONSULTANT under this Agreement shall be the property of ICTC and shall not be made available to any individual or organization by CONSULTANT without the prior written approval of ICTC’s Contract Manager.

5. REPRESENTATIONS BY CONSULTANT.

5.1. CONSULTANT understands and agrees that ICTC has limited knowledge with respect to the Project. CONSULTANT has represented itself to be expert in these fields and understands that ICTC is relying upon such representation.

5.2. CONSULTANT represents and warrants that it is a lawful entity possessing all required licenses and authorities to do business in the State of California and perform all aspects of this Agreement.

5.3. CONSULTANT represents and warrants that any employee, contractor and/or agent who will be performing any of the duties and obligations of CONSULTANT herein possess all required licenses and authorities, as well as the experience and training, to perform such tasks.

5.4. CONSULTANT represents and warrants that the allegations contained in Exhibit “A” are true and correct.

5.5. CONSULTANT understands that ICTC considers the representations made herein to be material and would not enter into this Agreement with CONSULTANT if such representations were not made.

6. COMPENSATION

The total compensation payable under this Agreement for services for a two year period shall not exceed forty thousand dollars ($40,000.00).

7. PAYMENT

CONSULTANT will bill ICTC on a time and material basis halfway through the Project and upon completion of the Project. ICTC shall pay the CONTRACTOR for completed and approved services upon presentation of its itemized billing. Notwithstanding the foregoing, ICTC shall retain 10% of the total compensation until the work to be performed has been completed in
accordance with this Agreement, as determined by ICTC, and payment in full of all subcontractors of CONTRACTOR.

8. **METHOD OF PAYMENT**

CONSULTANT shall at any time prior to the fifteenth (15\textsuperscript{th}) day of any month, submit to ICTC’s Contract Manager a written claim for compensation for services performed. The claim shall be in a format approved by ICTC. No payment shall be made by ICTC prior to the claims being approved in writing by ICTC’s Contract Manager or a designee. CONSULTANT may expect to receive payment within a reasonable time thereafter and in any event in the normal course of business within thirty (30) days after the claim is submitted.

9. **TIME FOR COMPLETION OF THE WORK**

The Parties agree that time is of the essence in completion of the Project. Time extensions may be allowed for delays caused by ICTC or other governmental agencies or factors not directly brought about by the negligence or lack of due care on the part of CONSULTANT.

10. **SUSPENSION OF AGREEMENT**

ICTC’s Contract Manager shall have the authority to suspend this Agreement, wholly or in part, for such period as deemed necessary due to unfavorable conditions or to the failure on the part of CONSULTANT to perform any provision of this Agreement. CONSULTANT will be paid the compensation due and payable to the date of suspension.

11. **SUSPENSION AND/OR TERMINATION**

11.1. ICTC retains the right to terminate this Agreement for any reason by notifying CONSULTANT in writing seven (7) days prior to termination and by paying the compensation due and payable to the date of termination; provided, however, if this Agreement is terminated for fault of CONSULTANT, ICTC shall be obligated to compensate CONSULTANT only for that portion of CONSULTANT’s services which are of benefit to ICTC. Said compensation is to be arrived at by mutual agreement between ICTC and CONSULTANT; should the Parties fail to agree on said compensation, an independent arbitrator shall be appointed and the decision of the arbitrator shall be binding upon the Parties.
11.2. Upon such termination, CONSULTANT shall immediately turn over to ICTC any and all copies of videotapes, studies, sketches, drawings, computations and other data, whether or not completed, prepared by CONSULTANT in connection with this Agreement. Such materials shall become the permanent property of ICTC.

12. **INSPECTION**

CONSULTANT shall furnish ICTC with every reasonable opportunity for ICTC to ascertain that the services of CONSULTANT are being performed in accordance with the requirements and intentions of this Agreement. All work done and materials furnished, if any, shall be subject to ICTC’s Contract Manager’s inspection and approval. The inspection of such work shall not relieve CONSULTANT of any of its obligations to fulfill its agreement as prescribed.

13. **OWNERSHIP OF MATERIALS**

All original drawings, videotapes and other materials prepared by or in possession of CONSULTANT pursuant to this Agreement shall become the permanent property of ICTC and shall be delivered to ICTC upon demand.

14. **INTEREST OF CONSULTANT**

14.1. CONSULTANT covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder.

14.2. CONSULTANT covenants that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed.

14.3. CONSULTANT certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of ICTC.

15. **INDEMNIFICATION**

15.1. CONSULTANT agrees to the fullest extent permitted by law to indemnify, defend, protect and hold ICTC and their respective representatives, officers, directors, designees, employees, agents, successors and assigns harmless from any and all claims, expenses, liabilities, causes of action, demands, losses, penalties, attorneys...
fees and costs, in law or equity, of every kind and nature whatsoever arising out of or in connection with CONSULTANT’S negligent acts and omissions or willful misconduct under this Agreement ("Claims"), whether or not arising from the passive negligence of ICTC, but does not include Claims that are finally determined to be the result of the sole negligence or willful misconduct of ICTC.

15.2. CONSULTANT agrees to defend with counsel acceptable to ICTC, indemnify and hold ICTC harmless from all Claims, including but not limited to:

15.2.1. Personal injury, including but not limited to bodily injury, emotional injury, sickness or disease or death to persons including but not limited to ICTC’s respective representatives, officers, directors, designees, employees, agents, successors and assigns, subcontractors and other third parties and/or damage to property of anyone (including loss of use thereof) arising out of CONSULTANT’s negligent performance of, or willful misconduct surrounding, any of the terms contained in this Agreement, or anyone directly or indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

15.2.2. Liability arising from injuries to CONSULTANT and/or any of CONSULTANT’s employees or agents arising out of CONSULTANT’s negligent performance of, or willful misconduct surrounding, any of the terms contained in this Agreement, or anyone directly or indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

15.2.3. Penalties imposed upon account of the violation of any law, order, citation, rule, regulation, standard, ordinance or statute caused by the negligent action or inaction, or willful misconduct of CONSULTANT or anyone directly or indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

15.2.4. Infringement of any patent rights which may be brought against ICTC arising out of CONSULTANT’s work;
15.2.5. Any violation or infraction by CONSULTANT of any law, order, citation, rule, regulation, standard, ordinance or statute in any way relating to the occupational health or safety of employees; and

15.2.6. Any breach by CONSULTANT of the terms, requirements or covenants of this Agreement.

15.3. The indemnification provisions of Paragraphs 15.2.1 through 15.2.6 above shall extend to Claims occurring after this Agreement is terminated as well as while it is in force.

16. INDEPENDENT CONTRACTOR

This Agreement shall not render CONSULTANT an employee, partner, or joint venturer with ICTC for any purpose. The CONSULTANT is and will remain an independent contractor in its relationship to ICTC. ICTC shall not be responsible for withholding taxes with respect to the CONSULTANT's compensation hereunder. The CONSULTANT shall have no claim against the ICTC for vacation pay, sick leave, retirement benefits, social security, workers' compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

17. INSURANCE

17.1. CONSULTANT hereby agrees at its own cost and expense to procure and maintain during the entire term of this Agreement, and any extended term thereof, Workers' Compensation, employer's liability, errors and omissions, commercial or comprehensive general liability (bodily injury and property damage) and automobile liability insurance (bodily injury and property damage) in a sum acceptable to ICTC and adequate to cover potential liabilities arising in connection with the performance of this Agreement and in any event not less than the minimum limit set forth as follows:

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<thead>
<tr>
<th>Insurance</th>
<th>Minimum Limit</th>
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<tbody>
<tr>
<td>Workers' Compensation, Coverage A</td>
<td>Statutory</td>
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<tr>
<td>Employers Liability, Coverage B</td>
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</tr>
<tr>
<td>Errors &amp; Omissions Coverage</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>
17.2. **Special Insurance Requirements.** All insurance required under paragraph 17 shall:

17.2.1. Be procured from an insurer authorized to do business in California.

17.2.2. Be primary coverage as respects ICTC and any insurance or self-insurance maintained by ICTC shall be in excess of CONSULTANT’s insurance coverage and shall not contribute to it.

17.2.3. Name ICTC as additional insureds on all policies, except Workers’ Compensation and Employers Liability, and provide that ICTC may recover for any covered loss suffered by ICTC by reason of CONSULTANT’s negligence.

17.2.4. State that it is primary insurance and regards ICTC as additional insureds and contains a cross-liability or severability of interest clause.

17.2.5. Not be canceled, non-renewed or reduced in scope of coverage until after thirty (30) days written notice has been given to ICTC. However, CONSULTANT may not terminate such coverage until it provides ICTC with proof that equal or better insurance has been secured and is in place. Cancellation or change without the prior written consent of ICTC shall, at the option of ICTC, be grounds for termination of this Agreement.

17.3. **Additional Insurance Requirements.**

17.3.1. Complete copies of certificates of insurance for all required coverages including additional insured endorsements and 30-day notice of cancellation clause endorsements shall be attached hereto as Exhibit B and incorporated herein; and

17.3.2. ICTC is to be notified immediately of all relevant insurance claims. ICTC is also to be notified if any aggregate insurance limit is exceeded.
17.3.3. The comprehensive or commercial general liability shall contain a provision of endorsements stating that such insurance:

A. Includes contractual liability;

B. Does not contain any exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the “XCU Hazards;”

C. Does not contain a “pro rata” provision which looks to limit the insurer’s liability to the total proportion that its policy limits bear to the total coverage available to the insured; and

D. Does not contain an “excess only” clause which requires the exhaustion of other insurance prior to providing coverage.

17.4. Deposit of Insurance Policy. Promptly on issuance, reissuance, or renewal of any insurance policy required by this Agreement, CONSULTANT shall, if requested by ICTC, produce satisfactory evidence that insurance policy premiums have been paid together with a duplicate copy of the policy or a certificate evidencing the policy and executed by the insurance company issuing the policy or its authorized agent.

17.5. Additional Insurance. Nothing in this, or any other provision of this Agreement, shall be construed to preclude CONSULTANT from obtaining and maintaining any additional insurance policies in addition to those required pursuant to this Agreement.

18. ASSIGNMENT

Neither this Agreement nor any duties or obligations hereunder shall be assignable by CONSULTANT without the prior written consent of ICTC. CONSULTANT may employ other specialists to perform services as required with prior approval by ICTC.
19. NON-DISCRIMINATION

During the performance of this Agreement, CONSULTANT shall not unlawfully discriminate against any employee or applicant for employment or employee of ICTC or member of the public because of race, religion, color, national status, age, or sex. CONSULTANT shall ensure that the evaluation and treatment of its employees and applicants for employment and employees and members of the public are free of such discrimination. CONSULTANT shall comply with all provisions of the Fair Employment and Housing Act (Government Code §12900, et seq.). The applicable regulations of the Fair Employment Housing Commission implementing Government Code §12900 set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONSULTANT shall abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONSULTANT shall also abide by the Americans with Disabilities Act and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONSULTANT shall give written notice of its obligations under this clause to labor organizations with which it has a collective bargain or other agreement. CONSULTANT shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

20. NOTICES AND REPORTS

20.1. All notices and reports under this Agreement shall be in writing and may be given by personal delivery or by mailing by certified mail, addressed as follows:

ICTC
Executive Director
ICTC
1405 N. Imperial Ave., Suite 1
El Centro, CA 92243

CONTRACTOR
Attn: Carlos Ortiz Hernandez
315 Meigs Road, Suite A-137
Santa Barbara, CA 93109
20.2. All notices and reports under this Agreement may be given by personal delivery or by mailing by certified mail at such other address as either Party may designate in a notice to the other Party given in such manner.

20.3. Any notice given by mail shall be considered given when deposited in the United States Mail, postage prepaid, addressed as provided herein.

21. ENTIRE AGREEMENT

This Agreement contains the entire agreement between ICTC and CONSULTANT relating to the transactions contemplated hereby and supersedes all prior or contemporaneous agreements, understandings, provisions, negotiations, representations, or statements, either written or oral.

22. MODIFICATION

No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by both Parties.

23. SEVERABILITY

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect.

24. WAIVER

No waiver of any breach or of any of the covenants or conditions of this Agreement shall be construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of the same or any other covenant or condition.

25. CHOICE OF LAW

The laws of the State of California shall govern this Agreement. This Agreement is made and entered into in Imperial County, California. Any action brought by either Party with respect to this Agreement shall be brought in a court of competent jurisdiction within said County.

26. ATTORNEY’S FEES

If either Party herein brings an action to enforce the terms thereof or declare rights hereunder, the prevailing Party in any such action, on trial or appeal, shall be entitled to his reasonable attorney’s fees and actual costs to be paid by the losing Party as fixed by the court.
27. **AUTHORITY**

Each individual executing this Agreement on behalf of CONSULTANT represents and warrants that:

27.1. He/she is duly authorized to execute and deliver this Agreement on behalf of CONSULTANT;

27.2. Such execution and delivery is in accordance with the terms of the Articles of Incorporation or Partnership, any by-laws or Resolutions of CONSULTANT and;

27.3. This Agreement is binding upon CONSULTANT accordance with its terms.

28. **INTERPRETATION AND ENFORCEMENT OF AGREEMENT TERMS**

This Agreement has been reviewed and revised by legal counsel for both ICTC and CONSULTANT, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of the same or any subsequent amendments thereto.

29. **TERM OF AGREEMENT**

The term of this Agreement shall be for July 1, 2012 to June 30, 2014.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the day and year first above written.

**IMPERIAL COUNTY TRANSPORTATION COMMISSION**

C.O.H. & ASSOCIATES, INC.

By: Carlos Ortiz Hernandez

**ATTEST:**

By: MARK BAZA
Executive Director
APPROVED AS TO FORM:

MICHAEL L. ROOD
COUNTY COUNSEL

By:  GEOFFREY P. HOLBROOK
Senior Deputy County Counsel
IV. CONSENT CALENDAR

D. AMENDMENT TO THE WEST SHORES DIAL-A-RIDE OPERATING AGREEMENT, ARC – IMPERIAL VALLEY, FY 2012-13
July 31, 2012

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave. Suite 1
El Centro, CA 92243

SUBJECT: Amendment to the West Shores Dial-A-Ride Operating Agreement, ARC-Imperial Valley, FY 2012-13

Dear Members of the Committee:

The West Shores Dial-A-Ride is the public paratransit service operated by ARC-Imperial Valley within the communities along the West side of the Salton Sea. The County administered and managed the contract since its inception in 1994. However in FY 2011 the County had requested that the ICTC take over the administrative and management responsibilities for this service. This contract is a localized service in that it provides general public Dial-A-Ride service to a distinct population in the northwestern portion of the County.

Observations continue to indicate that the use of the service revolves primarily around access by transit dependent residents to the nutrition program and medical clinic. There is also some use of the connection to Imperial Valley Transit in Westmorland, for those that need to travel into the more urbanized area (i.e. Brawley) for banking and other necessities.

The contract has been modified several times since 2007, due to the service’s difficulty in meeting the minimum farebox ratio requirement of 10% required by the State funding source. Staff and the operator have provided public presentations and marketing within the area in an attempt to increase ridership. The service hours have been reduced to two (2) days per week on Tuesdays and Thursdays.

Effective FY 2012-13, funding for this service is now derived from the Local Transportation Authority (LTA) 2% set aside for transit services, and is included in the FY 2012-13 ICTC OWP and Transit Budget approved on June 27, 2012.

CITIES OF Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, Imperial Irrigation District and County of Imperial

T: Projects\ICTCWS\DAR FY 2012-13 MC

44
Because this service is now funded with local transit revenues from the LTA funds, the farebox ratio requirement can be reduced from 10% to 5%.

Therefore, it is requested the Management Committee forward this item to the ICTC Commission for review and approval:

1. Authorize the Chairman to sign an amendment document to the operating agreement with ARC-Imperial Valley for the continued operation of the **West Shores Dial-A-Ride** for the period effective July 1, 2012 through June 30, 2013, with an annual not to exceed operating subsidy ($66,147.00), a farebox ratio of 5%, with marketing funding of ($1,000.00), maintenance escalator ($3,500.00) and fuel escalator.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

Attachment
MODIFICATION AGREEMENT No. 5

THIS MODIFICATION AGREEMENT, dated this ______________, 2012, is by and between the IMPERIAL COUNTY TRANSPORTATION COMMISSION ("ICTC") as the successor entity to the IMPERIAL VALLEY ASSOCIATION OF GOVERNMENTS ("IVAG"), and ARC – IMPERIAL VALLEY, a California non-profit corporation ("PROVIDER").

WITNESSETH:

WHEREAS, IMPERIAL COUNTY, a political subdivision of the State of California, on behalf of IVAG, and PROVIDER entered into that certain agreement for paratransit services dated March 30, 2007, ("the Agreement") attached hereto as Exhibit "1" and incorporated by this reference; and

WHEREAS, the Agreement was modified on July 7, 2009 ("Modification Agreement"); March 16, 2010 ("Modification Agreement No. 2"); November 9, 2010 (Modification Agreement No. 3") and July 27, 2011 ("Modification Agreement No. 4"); all of which are attached hereto as Exhibits "2", "3", "4" and "5", respectively, and incorporated by this reference; and

WHEREAS, ICTC, as the successor entity to IVAG, on March 24, 2010, adopted a resolution authorizing it to enter into contracts pursuant to Public Utilities Code Section 132800, et seq.

NOW THEREFORE, the parties agree as follows:

1. Paragraph 1.1 is deleted and replaced with a new 1.1 to read as follows:

   "1.1 This Agreement shall commence on September 1, 2006 and shall continue until June 30, 2013 ("the Term")."

2. Paragraph 8.1.9. is added and reads as follows:

   "8.1.9. For the period of July 1, 2012 through June 30, 2013, the cost is identified as Sixty Nine Thousand Six Hundred Twenty-Nine Dollars ($69,629). The fare box is established at five percent (5%); therefore the annual not-to-exceed subsidy shall be Sixty Six Thousand One Hundred Forty Seven Dollars ($66,147)."

3. Paragraph 8.3 is deleted and replaced with a new 8.3 to read as follows:
“8.3. For the Term of this Agreement, COUNTY will pay to PROVIDER an amount for excessive wear and tear and mechanical repairs that exceed the line item budget amount annually. The additional mechanical subsidy will be calculated as follows: the full amount that maintenance and repair costs exceed the vehicle budget line item adjusted downward by any savings in any other budget line item which has not been fully utilized annually. PROVIDER shall submit request for the additional subsidy to COUNTY at the conclusion of the fiscal year in which the costs are incurred. The request shall state the reasons for the increased costs, and shall be accompanied by additional invoices substantiating said increases. This additional amount can be paid based on submitted documentation and will not exceed Two Thousand Five Hundred Dollars ($2,500) for fiscal year 2006-2007 and will not exceed Three Thousand Five Hundred Dollars ($3,500) for fiscal years 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, and 2012-2013.”

4. Paragraph 13.1.1 is deleted and replaced with a new 13.1.1 to read as follows:

“13.1.1. Not later than thirty (30) days after the execution of this Agreement and thirty (30) days prior to the end of the fiscal year thereafter, PROVIDER shall deliver a marketing plan to COUNTY for COUNTY’s final approval. The marketing plan shall indicate all proposed activities with a corresponding budget. For fiscal years 2006-2007 through 2011-2012 inclusive, the corresponding budget shall not exceed three percent (3%) of the total cost of the service for the fiscal year. For fiscal year 2012-2013, the corresponding budget shall not exceed a flat amount of One Thousand Dollars ($1,000.00).”

5. All other terms and conditions are and will remain in full force and effect. There are no other modifications, express or implied except as herein provided.
IN WITNESS WHEREOF, the parties have executed this Modification Agreement No. 5 on the day and year first above written.

IMPERIAL COUNTY:
TRANSPORTATION COMMISSION

By: Cristi Lerma
Secretary to the Commission

ARC - IMPERIAL VALLEY:

By: Art Santos,
Chief Executive Officer

Attest:

Approved as to Form:
COUNTY COUNSEL
Michael L. Rood

By: Geoffrey P. Holbrook
Senior Deputy County Counsel
IV. CONSENT CALENDAR

E. TRANSPORTATION DEVELOPMENT ACT (TDA) AND MISCELLANEOUS FISCAL AUDITS FOR FY 2010-11
July 30, 2012

ICTC Management Committee
1405 N. Imperial Avenue, Suite 1
El Centro, CA 92243

SUBJECT: Transportation Development Act (TDA) and Miscellaneous Fiscal Audits for FY 2010-11

Dear Committee Members

The Commission must conduct independent fiscal audits of its financial activities on an annual basis. Attached, please find the following financial audits and reports for FY 2010-11, performed by the CPA firm, Hutchinson and Bloodgood:

- Transportation Development Act – receipt and allocation of State funding under Article 8a, 8c, 8e and Article 3 under the TDA, for member agencies and transit programs and services (#7076001).
- State Transit Assistance – receipt and allocation of funding under the State Transit Assistance (STA) Program, the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISA) and the California Transit Security Grant Program (CTSGP) grant programs (#7079001)
- Regional Transit Planning and Programs – receipt and allocation of funding by ICTC for programs and services including transit service contracts, grants, project consultants and program staffing (#7416001)
- Regional Planning and Programming – receipt and allocation of funding by ICTC for planning programs and services including long and short range highway, motorized and non-motorized projects, call for projects, project consultants and program staffing (#7417001)
- ICTC Administration – receipt and allocation of funding for administration, programming and planning (#7147 and #7148).
- SB325 report for the State Controller’s Office
It is requested that the ICTC Management Committee forward this item to the ICTC Commission for their review and approval.

1. Receive and file the FY 2010-11 Transportation Development Act and other fiscal audits for the Imperial County Transportation Commission, for FY 2010-11

Sincerely yours,

[Signature]

MARK BAZA
Executive Director

MB/ksw/el

Attachments
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Statements of Revenues, Expenditures and Changes in Fund Net Assets 6
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INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited the accompanying financial statements of the Imperial County Transportation Commission Transit Planning and Programs Management as of June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Transit Planning and Programs Management Fund, and are not intended to present fairly the financial position of the Imperial County Transportation Commission, and the results of its operations and the cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transit Administration Program Fund of the Imperial County Transportation Commission as of June 30, 2011 and 2010, and the results of its operations and the cash flow of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 22, 2012 on our consideration of the Imperial County Transportation Commission Transit Planning and Programs Management’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.
This report is intended solely for the information and use of the management, Commission Board, Imperial County Transportation Commission and the California State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

June 22, 2012
## ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$2,694,305</td>
<td>$1,197,760</td>
</tr>
<tr>
<td>Federal Grant 5311 Receivable</td>
<td>385,536</td>
<td>760,297</td>
</tr>
<tr>
<td>Federal Grant 5307 Receivable</td>
<td>919,646</td>
<td>717,847</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>20,164</td>
<td>--</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>159,660</td>
<td>290</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>4,036</td>
<td>3,874</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>4,183,347</strong></td>
<td><strong>2,680,068</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>4,183,347</strong></td>
<td><strong>2,680,068</strong></td>
</tr>
</tbody>
</table>

## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$1,032,179</td>
<td>$622,925</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>18,568</td>
<td>2,761</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,050,747</strong></td>
<td><strong>625,686</strong></td>
</tr>
<tr>
<td>Reserved for encumbrances</td>
<td>1,242,377</td>
<td>1,109,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,890,223</td>
<td>945,382</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>3,132,600</strong></td>
<td><strong>2,054,382</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>4,183,347</strong></td>
<td><strong>2,680,068</strong></td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors' report.
## Imperial County Transportation Commission
### Transit Planning and Programs Management
#### Statements of Revenues, Expenses and Changes in Fund Net Assets
##### For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State transit revenues</td>
<td>$3,685,258</td>
<td>$4,488,673</td>
</tr>
<tr>
<td>STIP-PPM revenues</td>
<td>100,000</td>
<td>--</td>
</tr>
<tr>
<td>Federal Grant 5307 revenue</td>
<td>1,069,351</td>
<td>732,847</td>
</tr>
<tr>
<td>Federal Grant 5311 revenue</td>
<td>422,556</td>
<td>363,578</td>
</tr>
<tr>
<td>Passenger fares</td>
<td>591,810</td>
<td>640,811</td>
</tr>
<tr>
<td>ICTC reimbursements</td>
<td>864,749</td>
<td>485,800</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>6,733,724</td>
<td>6,711,709</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased transportation services</td>
<td>4,884,115</td>
<td>4,782,347</td>
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<tr>
<td>Professional services</td>
<td>423,967</td>
<td>214,277</td>
</tr>
<tr>
<td>General administration</td>
<td>266,282</td>
<td>218,624</td>
</tr>
<tr>
<td>Capital projects</td>
<td>210,569</td>
<td>1,334,773</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>5,784,933</td>
<td>6,550,021</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>948,791</td>
<td>161,688</td>
</tr>
<tr>
<td><strong>Other revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest revenue</td>
<td>16,591</td>
<td>19,870</td>
</tr>
<tr>
<td>Other Refunds and Reimbursements</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>16,595</td>
<td>19,895</td>
</tr>
<tr>
<td><strong>Change in unrestricted net assets</strong></td>
<td>965,386</td>
<td>181,583</td>
</tr>
<tr>
<td><strong>Unrestricted net assets, July 1</strong></td>
<td>945,382</td>
<td>763,799</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>(20,545)</td>
<td>--</td>
</tr>
<tr>
<td><strong>Adjusted unrestricted net assets, July 1</strong></td>
<td>924,837</td>
<td>763,799</td>
</tr>
<tr>
<td><strong>Unrestricted net assets, June 30</strong></td>
<td>$1,890,223</td>
<td>$945,382</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
IMPERIAL COUNTY TRANSPORTATION COMMISSION
TRANSIT PLANNING AND PROGRAMS MANAGEMENT
STATEMENTS OF CASH FLOW
For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$948,791</td>
<td>$161,688</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>(20,545)</td>
<td>--</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>152,798</td>
<td>(595,402)</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>(159,370)</td>
<td>(290)</td>
</tr>
<tr>
<td>Interest receivables</td>
<td>(162)</td>
<td>2,226</td>
</tr>
<tr>
<td>(Decrease) increase in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>409,254</td>
<td>(164,847)</td>
</tr>
<tr>
<td>Encumbered debt</td>
<td>133,377</td>
<td>248,056</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>15,807</td>
<td>(3,458)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$1,479,950</td>
<td>(352,027)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |          |          |
| Interest income           | 16,591   | 19,870   |

Net cash provided by investing activities | 16,591 | 19,870 |

| **CASH FLOWS FROM OTHER ACTIVITIES** |          |          |
| Other Refunds and Reimbursements | 4         | 25       |

Net cash provided by other activities | 4       | 25       |

Net increase (decrease) in cash and cash equivalents | $1,496,545 | (332,132) |

Cash and cash equivalents at beginning of year | $1,197,760 | 1,529,892 |

Cash and cash equivalents at end of year | $2,694,305 | $1,197,760 |

See accompanying notes and independent auditors' report
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The Imperial County Transportation Commission Transit Planning and Programs Management was established pursuant to the Federal Transportation Administration "FTA" Sections 5307 and 5311. The funds received are programmed to be utilized for the Imperial Valley Transit, the El Centro circulator shuttle transit system, the transfer terminal and the fixed route transit system.

The Imperial County Auditor-Controller’s office acts as a trustee for the funds received and disbursed. The FTA Section 5307 funds are not accessed until a scope of work is approved. The FTA Section 5311 funds are based on estimates for each fiscal year that are not available until October of each year.

Basis of Accounting

The FTA is accounted for in an enterprise fund using the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Cash Equivalents

For purposes of the statement of cash flows, the Imperial County Transportation Commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds’ financial positions and operations.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for only the Imperial County Transportation Commission Transit Planning and Programs Management.

Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County’s financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller’s office in El Centro, CA.

Investments are stated at fair value in accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

See independent auditors’ report
Note 4. **ENCUMBERED DEBT**

Encumbered debt consists of purchased services for the contract period not yet paid. The amount of encumbered debt for the fiscal years ending June 30, 2011 and 2010 is $1,242,377 and $1,109,000 respectively.

Note 5. **FEDERAL TRANSIT FORMULA GRANTS**

The following consists of the Activity of the U.S. Department of Transportation Federal Transit Grant (Urbanized Area Formula Program - Federal Grant 5307)

<table>
<thead>
<tr>
<th>Program number CA-90-Y469-00</th>
<th>50% Federal Reimbursement Operations</th>
<th>80% Federal Reimbursement Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 06/07</td>
<td>Construction</td>
<td>$2,948,114</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital</td>
<td>$2,948,114</td>
<td></td>
</tr>
<tr>
<td>Requested 6/30/11</td>
<td>$</td>
<td>149,705</td>
<td></td>
</tr>
<tr>
<td>Per grant</td>
<td>$</td>
<td>2,948,114</td>
<td></td>
</tr>
<tr>
<td>Available Grant Balance at 6/30/11</td>
<td>$</td>
<td>2,798,409</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program number CA-96-X064-00</th>
<th>50% Federal Reimbursement Operations</th>
<th>100% Federal Reimbursement Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 09/10</td>
<td>Construction</td>
<td>$1,221,911</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital</td>
<td>$1,221,911</td>
<td></td>
</tr>
<tr>
<td>Requested 6/30/11</td>
<td>$</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Per grant</td>
<td>$</td>
<td>1,221,911</td>
<td></td>
</tr>
<tr>
<td>Available Grant Balance at 6/30/11</td>
<td>$</td>
<td>1,221,911</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program number CA-90-Y872-00</th>
<th>50% Federal Reimbursement Operations</th>
<th>80% Federal Reimbursement Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 10/11</td>
<td>Operations</td>
<td>$919,646</td>
<td></td>
</tr>
<tr>
<td>Requested 6/30/11</td>
<td>$919,646</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Per grant</td>
<td>$919,646</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Available Grant Balance at 6/30/11</td>
<td>$</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>

See independent auditors’ report
Note 5.  FEDERAL TRANSIT FORMULA GRANTS (Continue’d)

The following consists of the Activity of the U.S. Department of Transportation Federal Transit Grant (Rural Area Formula Program - Federal Grant 5311)

<table>
<thead>
<tr>
<th>Program number 649835 ARRA</th>
<th>50% Federal Reimbursement Operations</th>
<th>100% Federal Reimbursement Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 09/10 Requested</td>
<td>Operations</td>
<td>$ 620,899</td>
<td>$ 620,899</td>
</tr>
<tr>
<td>6/30/11</td>
<td>--</td>
<td>59,687</td>
<td>59,687</td>
</tr>
<tr>
<td>Per grant</td>
<td>--</td>
<td>620,899</td>
<td>620,899</td>
</tr>
<tr>
<td>Available Grant Balance at 6/30/11</td>
<td>--</td>
<td>$ 561,212</td>
<td>$ 561,212</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program number 641131</th>
<th>50% Federal Reimbursement Operations</th>
<th>80% Federal Reimbursement Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 10/11 Requested</td>
<td>Operations</td>
<td>$ 362,869</td>
<td>$ 362,869</td>
</tr>
<tr>
<td>6/30/11</td>
<td>362,869</td>
<td>--</td>
<td>362,869</td>
</tr>
<tr>
<td>Per grant</td>
<td>362,869</td>
<td>--</td>
<td>362,869</td>
</tr>
<tr>
<td>Available Grant Balance at 6/30/11</td>
<td>--</td>
<td>$ --</td>
<td>$ --</td>
</tr>
</tbody>
</table>

Note 6.  STIP-PLANNING, PROGRAMMING & MONITORING PROGRAM

The California State Budget Act of 2010 appropriates State Highway funds under local assistance for the State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program (PPM). PPM is defined as the project planning, programming and monitoring activities related to development of the Regional Transportation Improvement Program and the STIP required by Government Code Section 14527 and for the monitoring of project implementation for approved projects, referred as PPM projects. The California Transportation Commission (CTC) is tasked to allocate these funds in accordance with the amounts approved in the STIP in accordance with section 14527 (h) of the California Government code.

During the fiscal year ended June 30, 2011, the Imperial County Transportation Commission applied for and received proceeds of $100,000 from the State of California STIP-PPM Program based on an agreement entered into on November 4, 2010. These funds are to be used for category C expenditures which include the Regional transit planning activities including program development & monitoring, and updates to the Short Range Transit Plan.

See independent auditors’ report
Note 6. **STIP-PLANNING, PROGRAMMING & MONITORING PROGRAM (Continued)**

As of June 30, 2011, the remaining balance of the total $100,000 in STIP-PPM proceeds is $71,325, with a total of $28,675 of Category C related expenditures for the year. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

Note 7. **PRIOR PERIOD ADJUSTMENTS**

In the prior fiscal year an amount of $20,545 was claimed as reimbursements for administrative expenses related to the PTMISEA funds. However, during fiscal year 2010-11 these reimbursements for administrative expenses were disallowed and were properly returned back to the PTMISEA reserve funds. A prior period adjustment was performed. The effect of this adjustment was a decrease in fund balance for the prior fiscal year.

Note 8. **RECLASSIFICATIONS**

Certain amounts in the 2010 financial statements have been reclassified to conform with the 2011 financial statement presentation. Such reclassifications had no effect on the reported net assets.

Note 9. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.
To the Commission Board Members
County of Imperial, California

We have audited the financial statements of the Imperial County Transportation Commission Transit Planning and Programs Management, as of June 30, 2011, and for the year then ended and have issued our report thereon dated June 22, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Imperial County Transportation Commission’s internal control over financial reporting as a basis for designing our auditing procedures 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 Imperial County Transportation Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Imperial County Transportation Commission Transit Planning and Programs Management's 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
This report is intended solely for the information and use of the management, Commission Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

June 22, 2012
SUPPLEMENTARY INFORMATION
## Schedule I - Purchased Transportation Services

<table>
<thead>
<tr>
<th>Service Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countywide Transit System</td>
<td>$2,590,266</td>
<td>$2,445,331</td>
</tr>
<tr>
<td>IVT - Blue/Green Line</td>
<td>531,984</td>
<td>510,121</td>
</tr>
<tr>
<td>ADA Paratransit</td>
<td>836,022</td>
<td>761,356</td>
</tr>
<tr>
<td>Med Express</td>
<td>141,847</td>
<td>119,757</td>
</tr>
<tr>
<td>West Shores - Dial-a-Ride</td>
<td>63,369</td>
<td>87,738</td>
</tr>
<tr>
<td>Transportation Encumbrance &amp; Fare Adjustments</td>
<td>720,627</td>
<td>858,044</td>
</tr>
</tbody>
</table>

Purchased Transportation Services - Total: $4,884,115 $4,782,347

## Schedule II - Professional Services

<table>
<thead>
<tr>
<th>Service Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional &amp; Special Service - Project Consultants</td>
<td>$341,356</td>
<td>$89,324</td>
</tr>
<tr>
<td>Prof &amp; Spec Svs Data Pro</td>
<td>6,755</td>
<td>4,004</td>
</tr>
<tr>
<td>Prof &amp; Spec Svs Other (Accounting and Engineering Support Services)</td>
<td>--</td>
<td>2,579</td>
</tr>
<tr>
<td>Prof &amp; Spec Serv-Audit (External)</td>
<td>26,920</td>
<td>77,235</td>
</tr>
<tr>
<td>Prof &amp; Spec Serv-Audit (Internal)</td>
<td>--</td>
<td>9,220</td>
</tr>
<tr>
<td>Overhead reimbursement</td>
<td>46,556</td>
<td>--</td>
</tr>
<tr>
<td>Professional Services Encumbrance Adjustments</td>
<td>2,380</td>
<td>31,915</td>
</tr>
</tbody>
</table>

Professional Services - Total: $423,967 $214,277

## Schedule III - General Administration

### General Administration - Salaries & Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Salaries</td>
<td>$143,204</td>
<td>$138,750</td>
</tr>
<tr>
<td>Extra Help</td>
<td>3,585</td>
<td>--</td>
</tr>
<tr>
<td>Social Security - Medicare</td>
<td>2,100</td>
<td>1,985</td>
</tr>
<tr>
<td>County Conr Retirement</td>
<td>17,553</td>
<td>16,682</td>
</tr>
<tr>
<td>Ins-Workers Comp</td>
<td>2,325</td>
<td>2,040</td>
</tr>
<tr>
<td>Ins-Unemployment</td>
<td>1,028</td>
<td>777</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>22,114</td>
<td>22,380</td>
</tr>
<tr>
<td>Retirement-Pension Bond</td>
<td>8,699</td>
<td>9,155</td>
</tr>
<tr>
<td>Retirement - Health Plan</td>
<td>8,062</td>
<td>7,163</td>
</tr>
</tbody>
</table>

General Administration - Salaries & Benefits Total: $208,670 $198,932

See independent auditors’ report
## Schedule III - General Administration (con't)

### General Administration - Other

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications - Phone Charge</td>
<td>1,409</td>
<td>232</td>
</tr>
<tr>
<td>Communications - Services</td>
<td>419</td>
<td>237</td>
</tr>
<tr>
<td>Insurance Liability</td>
<td>21,701</td>
<td>819</td>
</tr>
<tr>
<td>Memberships</td>
<td>--</td>
<td>375</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>3,650</td>
<td>5,090</td>
</tr>
<tr>
<td>Cal Card Charges</td>
<td>900</td>
<td>1,093</td>
</tr>
<tr>
<td>Redemption of Benefits</td>
<td>2,476</td>
<td>2,614</td>
</tr>
<tr>
<td>Rents &amp; Leases</td>
<td>1,059</td>
<td>1,605</td>
</tr>
<tr>
<td>Travel-In Cnty Car</td>
<td>1,493</td>
<td>1,669</td>
</tr>
<tr>
<td>Travel Out of Cnty Misc</td>
<td>6,576</td>
<td>6,375</td>
</tr>
<tr>
<td>Special Dept Expense</td>
<td>1,703</td>
<td>675</td>
</tr>
<tr>
<td>Equipment</td>
<td>14,045</td>
<td>--</td>
</tr>
<tr>
<td>General Administration Encumbrance Adjustments</td>
<td>2,181</td>
<td>(1,092)</td>
</tr>
</tbody>
</table>

### General Administration - Other Total

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57,612</td>
<td>19,692</td>
</tr>
</tbody>
</table>

General Administration - Grand Total

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$266,282</td>
<td>$218,624</td>
</tr>
</tbody>
</table>

## Schedule IV - Capital Project Expenditures

### State Prop 1B - PTMISEA

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>--</td>
<td>$1,270,120</td>
</tr>
</tbody>
</table>

### El Centro-IVC Transfer Terminal

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>150,882</td>
<td>64,653</td>
</tr>
</tbody>
</table>

### Brawley Transfer Terminal

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59,687</td>
<td>--</td>
</tr>
</tbody>
</table>

### Capital Project Expenditures - Total

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$210,569</td>
<td>$1,334,773</td>
</tr>
</tbody>
</table>

## Schedule V - State Transit Revenue

### State Transit Revenue - TDA/LTF

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,682,908</td>
<td>$3,195,658</td>
</tr>
</tbody>
</table>

### State Transit Revenue - PTMISEA

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>--</td>
<td>1,159,677</td>
</tr>
</tbody>
</table>

### State Transit Revenue - CTGSP

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,350</td>
<td>133,338</td>
</tr>
</tbody>
</table>

### State Transit Revenue - Total

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,685,258</td>
<td>$4,488,673</td>
</tr>
</tbody>
</table>

See independent auditors' report
IMPERIAL COUNTY TRANSPORTATION COMMISSION
FINANCIAL REPORT OF THE
TRANSPORTATION DEVELOPMENT ACT FUND (TDA)

June 30, 2011 and 2010
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDEPENDENT AUDITORS' REPORT</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>FINANCIAL STATEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Balance Sheets</td>
<td>4</td>
</tr>
<tr>
<td>Statements of Revenues, Expenditures and Changes in Fund Balance</td>
<td>5</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>6 - 7</td>
</tr>
<tr>
<td><strong>SUPPLEMENTARY INFORMATION</strong></td>
<td></td>
</tr>
<tr>
<td>Schedule of Allocations and Disbursements</td>
<td>8 - 9</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited the accompanying financial statements of the Transportation Development Act Fund of the Imperial County Transportation Commission as of June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Transportation Development Act Fund (TDA) and are not intended to present fairly the financial position of the Imperial County Transportation Commission and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Development Act Fund (TDA) of the Imperial County Transportation Commission as of June 30, 2011 and 2010, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of allocations and disbursements listed as supplementary information in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Hutchinson and Bloodgood LLP

June 22, 2012
## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$2,428,077</td>
<td>$1,881,717</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>$5,860</td>
<td>$8,778</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$2,433,937</strong></td>
<td><strong>$1,890,495</strong></td>
</tr>
</tbody>
</table>

## LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities Due to Other Funds</td>
<td>$--</td>
<td>$662,022</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$--</strong></td>
<td><strong>$662,022</strong></td>
</tr>
<tr>
<td>Fund Balance Fund Balance - Unreserved</td>
<td>2,295,820</td>
<td>197,766</td>
</tr>
<tr>
<td>Fund Balance - Reserved</td>
<td>138,117</td>
<td>1,030,707</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>2,433,937</strong></td>
<td><strong>1,228,473</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balance</strong></td>
<td><strong>$2,433,937</strong></td>
<td><strong>$1,890,495</strong></td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation Development Act fund</td>
<td>$5,296,686</td>
<td>$4,445,036</td>
</tr>
<tr>
<td>Interest Pooled Money</td>
<td>21,233</td>
<td>39,257</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$5,317,919</td>
<td>4,484,293</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Brawley</td>
<td>200,458</td>
<td>227,329</td>
</tr>
<tr>
<td>City of Calexico</td>
<td>234,142</td>
<td>377,058</td>
</tr>
<tr>
<td>City of Calipatria</td>
<td>12,721</td>
<td>--</td>
</tr>
<tr>
<td>City of El Centro</td>
<td>200,557</td>
<td>240,449</td>
</tr>
<tr>
<td>City of Holtville</td>
<td>213,254</td>
<td>--</td>
</tr>
<tr>
<td>City of Imperial</td>
<td>--</td>
<td>126,824</td>
</tr>
<tr>
<td>City of Westmorland</td>
<td>105,183</td>
<td>--</td>
</tr>
<tr>
<td>County of Imperial</td>
<td>24,450</td>
<td>3,535,984</td>
</tr>
<tr>
<td>ICTC</td>
<td>2,746,715</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,737,480</td>
<td>4,507,644</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>1,580,439</td>
<td>(23,351)</td>
</tr>
<tr>
<td><strong>Transfers out</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration - IVAG 7147</td>
<td>253,475</td>
<td>317,800</td>
</tr>
<tr>
<td>Plans and program - IVAG 7148</td>
<td>121,500</td>
<td>168,000</td>
</tr>
<tr>
<td><strong>Total transfers out</strong></td>
<td>374,975</td>
<td>485,800</td>
</tr>
<tr>
<td><strong>Change in fund balance</strong></td>
<td>1,205,464</td>
<td>(509,151)</td>
</tr>
<tr>
<td><strong>Fund balance beginning, July 1</strong></td>
<td>1,228,473</td>
<td>1,737,624</td>
</tr>
<tr>
<td><strong>Fund balance ending, June 30</strong></td>
<td>$2,433,937</td>
<td>$1,228,473</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entities**

The operations of the Transportation Development Act fund of the Imperial County Transportation Commission are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The County's Auditor-Controller’s office acts as a trustee for the funds received and disbursed. The revenues of the fund are derived from ¼ cent of the local general sales tax collected statewide. The State Board of Equalization returns the ¼ cent to each county according to the amount of the tax collected.

The County's Auditor-Controller, based upon allocation instructions received from the Imperial County Transportation Commission (ICTC), makes disbursements from the TDA fund to the County of Imperial and the cities, located within the County, which are eligible for TDA funds. The allocation instructions apportion the revenues received by the TDA fund among the incorporated and unincorporated areas of the County, based on population.

**Basis of Accounting**

The TDA funds are accounted for in a trust fund using the modified accrual basis of accounting, whereby revenues are recognized when they become measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

**Comparative Data**

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds' financial positions and operations.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for only the Transportation Development Act fund of the Imperial County Transportation Commission.

Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the TDA fund, based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County’s financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller’s office in El Centro, CA.

Investments are stated at fair value in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
Note 4. FUND BALANCE

The TDA fund distributes funds according to the annual regional ICTC Overall Work Plan & Budget and in accordance with the annual disbursements schedule adopted each year by ICTC. Any monies allocated and reserved in the local transportation fund and not authorized for payment within three years after the date of allocation shall cease to be allocated or reserved and shall become and be treated as an unallocated apportionment retained in the fund in accordance with Section 6655.1. Also, allocations for benches and shades made in accordance with PUC Code Section 99400(e) do not carryover, and lapse if not claimed in the year allocated.

Out of the total fund balance for fiscal year 2010-11 the amount of $138,117 represents the reserve of the apportioned but unallocated TDA funds as of June 30, 2011. The reserved funds are for claims that have been submitted by member entities that have not completed the requirements for disbursement.

Note 5. BUDGETED EXPENDITURES

The TDA distributes funds in accordance with the annual disbursements schedule and according to the annual regional ICTC Overall Work Plan & Budget adopted each year by ICTC. Any variance is due to cities not expending their current year's budgeted appropriations or expending prior year's appropriations in the current year.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.

See independent auditors’ report
## SCHEDULE OF ALLOCATIONS AND DISBURSEMENTS

For the Fiscal Year Ended June 30, 2011

### ALLOCATIONS

<table>
<thead>
<tr>
<th></th>
<th>PUC Section</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City of Brawley</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>$ 17,832</td>
<td>$ 17,832</td>
<td>$ --</td>
</tr>
<tr>
<td>Streets and Roads</td>
<td>99400(a)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transit</td>
<td>99400(c)</td>
<td>178,630</td>
<td>178,630</td>
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</tr>
<tr>
<td>Benches and Shades</td>
<td>99400(e)</td>
<td>3,996</td>
<td>3,996</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>200,458</td>
<td>200,458</td>
<td>--</td>
</tr>
<tr>
<td><strong>City of Calexico</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>21,413</td>
<td>21,413</td>
<td>--</td>
</tr>
<tr>
<td>Streets and Roads</td>
<td>99400(a)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transit</td>
<td>99400(c)</td>
<td>295,906</td>
<td>206,906</td>
<td>89,000</td>
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<tr>
<td>Benches and Shades</td>
<td>99400(e)</td>
<td>5,823</td>
<td>5,823</td>
<td>--</td>
</tr>
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<td><strong>Total</strong></td>
<td></td>
<td>323,142</td>
<td>234,142</td>
<td>89,000</td>
</tr>
<tr>
<td><strong>City of Calipatria</strong></td>
<td></td>
<td></td>
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<td>Bicycles</td>
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<td>11,127</td>
<td>12,143</td>
<td>(1,016)</td>
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<td>--</td>
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</tr>
<tr>
<td>Transit</td>
<td>99400(c)</td>
<td>--</td>
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<tr>
<td>Benches and Shades</td>
<td>99400(e)</td>
<td>575</td>
<td>578</td>
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<td><strong>Total</strong></td>
<td></td>
<td>11,702</td>
<td>12,721</td>
<td>(1,019)</td>
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<tr>
<td><strong>City of El Centro</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>22,700</td>
<td>22,700</td>
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<tr>
<td>Streets and Roads</td>
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<td>Transit</td>
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<td>Benches and Shades</td>
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<td>11,480</td>
<td>--</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>200,557</td>
<td>200,557</td>
<td>--</td>
</tr>
<tr>
<td><strong>City of Holtville</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>11,859</td>
<td>27,754</td>
<td>(15,895)</td>
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<td>Streets and Roads</td>
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<td>185,500</td>
<td>(185,500)</td>
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<tr>
<td>Transit</td>
<td>99400(c)</td>
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<td>--</td>
</tr>
<tr>
<td>Benches and Shades</td>
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<td>949</td>
<td>--</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>12,808</td>
<td>213,254</td>
<td>(200,446)</td>
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<tr>
<td><strong>City of Imperial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>13,810</td>
<td>--</td>
<td>13,810</td>
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<tr>
<td>Streets and Roads</td>
<td>99400(a)</td>
<td>--</td>
<td>--</td>
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</tr>
<tr>
<td>Transit</td>
<td>99400(c)</td>
<td>86,812</td>
<td>--</td>
<td>86,812</td>
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<tr>
<td>Benches and Shades</td>
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<td>--</td>
<td>1,944</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>102,566</td>
<td>--</td>
<td>102,566</td>
</tr>
</tbody>
</table>

See independent auditors’ report

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## IMPERIAL COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION DEVELOPMENT ACT FUND (TDA)

### SCHEDULE OF ALLOCATIONS AND DISBURSEMENTS
For the Fiscal Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>ALLOCATIONS</th>
<th>PUC Section</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
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<tbody>
<tr>
<td><strong>City of Westmorland</strong></td>
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<td></td>
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<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>10,690</td>
<td>34,239</td>
<td>(23,549)</td>
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<tr>
<td>Streets and Roads</td>
<td>99400(a)</td>
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<td>70,944</td>
<td>(70,944)</td>
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<tr>
<td>Transit</td>
<td>99400(c)</td>
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<td>--</td>
</tr>
<tr>
<td>Benches and Shades</td>
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<tr>
<td>Total</td>
<td></td>
<td>11,042</td>
<td>105,183</td>
<td>(94,141)</td>
</tr>
<tr>
<td><strong>County of Imperial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>19,569</td>
<td>19,569</td>
<td>--</td>
</tr>
<tr>
<td>Streets and Roads</td>
<td>99400(a)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transit</td>
<td>99400(c)</td>
<td>2,746,719</td>
<td>2,746,715</td>
<td>4</td>
</tr>
<tr>
<td>Benches and Shades</td>
<td>99400(e)</td>
<td>4,881</td>
<td>4,881</td>
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<tr>
<td>Total</td>
<td></td>
<td>2,771,169</td>
<td>2,771,165</td>
<td>4</td>
</tr>
<tr>
<td><strong>IC-Auditor Controller</strong></td>
<td>92233-1</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Imperial Valley Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Governments</td>
<td>92233.1</td>
<td>374,975</td>
<td>374,975</td>
<td>--</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td>$ 4,008,419</td>
<td>$ 4,112,455</td>
<td>$(104,036)</td>
</tr>
</tbody>
</table>

See independent auditors’ report
IMPERIAL COUNTY TRANSPORTATION COMMISSION
FINANCIAL REPORT OF THE
STATE TRANSIT ASSISTANCE FUND

June 30, 2011 and 2010
## CONTENTS

### INDEPENDENT AUDITORS’ REPORT

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### COMBINED FINANCIAL STATEMENTS

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<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Balance Sheets</td>
<td>5</td>
</tr>
<tr>
<td>Combined Statements of Revenues, Expenditures and Changes in Fund Balances</td>
<td>6</td>
</tr>
<tr>
<td>Notes to the Combined Financial Statements</td>
<td>7 - 9</td>
</tr>
</tbody>
</table>

### REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE TRANSPORTATION COMMISSION

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### SUPPLEMENTARY INFORMATION

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule I - Balance Sheets - STA</td>
<td>13</td>
</tr>
<tr>
<td>Schedule II - Statements of Revenues, Expenditures and Changes in Fund Balances - STA</td>
<td>14</td>
</tr>
<tr>
<td>Schedule III - Balance Sheets - PTMISEA</td>
<td>15</td>
</tr>
<tr>
<td>Schedule IV - Statements of Revenues, Expenditures and Changes in Fund Balances - PTMISEA</td>
<td>16</td>
</tr>
<tr>
<td>Schedule V - Balance Sheets - CTSGP</td>
<td>17</td>
</tr>
<tr>
<td>Schedule VI - Statements of Revenues, Expenditures and Changes in Fund Balances - CTSGP</td>
<td>18</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS' REPORT

To the Commission Board Members
County of Imperial, California

We have audited the accompanying financial statements of the State Transit Assistance Fund, of the Imperial County Transportation Commission as of June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Guidelines on Auditing for Conformance, published by the Imperial Valley Association of Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the State Transit Assistance Fund, and are not intended to present fairly the financial position of the Imperial County Transportation Commission and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Transit Assistance Fund of the Imperial County Transportation Commission as of June 30, 2011 and 2010, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated June 22, 2012 on our consideration of the State Transit Assistance Fund's compliance over financial reporting based on an audit performed in accordance with statutes, rules and regulations of the California Development Act and the allocation instructions and resolutions of the Transportation Commission. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.
This report is intended solely for the information and use of the management, Commission Board, Imperial County Transportation Commission and the California State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

June 22, 2012
## IMPERIAL COUNTY TRANSPORTATION COMMISSION
### STATE TRANSIT ASSISTANCE FUND
#### COMBINED BALANCE SHEETS
June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,986,412</td>
<td>$2,400,909</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>4,539</td>
<td>2,135</td>
</tr>
<tr>
<td>Due From Agency/Trust Fund</td>
<td>--</td>
<td>354,673</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$1,990,951</td>
<td>$2,757,717</td>
</tr>
<tr>
<td><strong>FUND BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund equity</td>
<td>$1,990,951</td>
<td>$2,757,717</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$1,990,951</td>
<td>$2,757,717</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Aid - Other</td>
<td>$ --</td>
<td>$ 936,194</td>
</tr>
<tr>
<td>PTMISEA Funds</td>
<td>--</td>
<td>750,957</td>
</tr>
<tr>
<td>CTSGP Funds</td>
<td>133,338</td>
<td>266,676</td>
</tr>
<tr>
<td>Interest - STA</td>
<td>9,492</td>
<td>3,222</td>
</tr>
<tr>
<td>Interest - PTMISEA</td>
<td>7,577</td>
<td>16,016</td>
</tr>
<tr>
<td>Interest - CTSGP</td>
<td>826</td>
<td>988</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>151,233</td>
<td>1,974,053</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
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<tr>
<td>Paratransit Service</td>
<td>936,194</td>
<td>--</td>
</tr>
<tr>
<td>IVC Bus Transfer Terminal - PTMISEA</td>
<td>--</td>
<td>1,159,677</td>
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<tr>
<td>IVC Bus Transfer Terminal - CTSGP</td>
<td>2,350</td>
<td>133,338</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>938,544</td>
<td>1,293,015</td>
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<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>(787,311)</td>
<td>681,038</td>
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<tr>
<td><strong>Fund balance, beginning</strong></td>
<td>2,757,717</td>
<td>2,076,679</td>
</tr>
<tr>
<td><strong>Prior period adjustment</strong></td>
<td>20,545</td>
<td>--</td>
</tr>
<tr>
<td><strong>Fund balance, Adjusted</strong></td>
<td>2,778,262</td>
<td>2,076,679</td>
</tr>
<tr>
<td><strong>Fund balance, ending</strong></td>
<td>$ 1,990,951</td>
<td>$ 2,757,717</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The State Transit Assistance Fund of the County of Imperial, California, an agency fund was created pursuant to SB 620 to supplement existing funding sources for public transit services. The Imperial County Transportation Commission (ICTC) administers the STAF.

The revenues of the fund are derived from a portion of the sales tax on gasoline, and are subject to appropriation by the legislature. Disbursements from the fund are made by the Imperial County Auditor-Controller based upon allocation instructions received from ICTC.

Basis of Accounting

The accounting policies of the State Transit Assistance Fund of the County of Imperial conform to generally accepted accounting principles as applicable to governments.

The State Transit Assistance Fund of the County of Imperial, California, is accounted for in a agency fund using the modified accrual basis of accounting, whereby revenues are recognized when they become measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Combination Policy

The accompanying combined balance sheets and combined statements of revenues, expenses and changes in fund net assets referred to as "State Transit Assistance Fund," include the account balances of:

- STA
- PTMISEA
- CTSGP

Interfund balances and transactions are eliminated in the combination. There were no interfund balances per fiscal years 2011 and 2010.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the fund's financial positions and operations.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for the State Transit Assistance Fund of the County of Imperial.

See independent auditors’ report
Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County of Imperial to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County of Imperial’s financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller’s office in El Centro, California.

Investments are stated at fair value in accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Note 4. PTMISEA

In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement.

Each year the State of California solicits grant requests for projects meeting the necessary criteria and then finances the programs through the sale of bonds.

During the fiscal year ended June 30, 2008, the County of Imperial applied for and received proceeds of $1,337,071 from the State’s PTMISEA account for Phase I of the design and construction of the bus transfer terminal at the Imperial Valley College.

During the fiscal year ended June 30, 2009, the County of Imperial applied for $750,957 from the State’s PTMISEA account for Phase II of the design and construction of the bus transfer terminal at the Imperial Valley College. The proceeds were received in FY 2009-10.

As of June 30, 2011, the remaining balance of the proceeds is $978,792 which includes; the remainder of the Phase I proceeds in an amount of $220,258, proceeds from Phase II of $750,957 and interest earned in the amount of $7,577. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

See independent auditors’ report
Note 5.  CTSGP

In November 2006, California Voters passed a bond measure (Proposition 1B) enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $1 billion was set aside by the State as instructed by statute as the Transit System Safety, Security and Disaster Response Account.

Sixty percent of this set aside ($600 million) is available to agencies and transit operators eligible to receive State Transit Assistance (STA) funds through the California Transit Security Grant Program (CTSGP). These funds are to be used for capital expenditures to provide increased protection against security or safety threats or to increase the capacity of transit operators to develop disaster response transportation systems.

During FY 07-08 and FY 08-09, the County of Imperial successfully applied for CTSGP grants of $133,338 each year for the procurement and installation of security infrastructure at the bus transfer terminals at Imperial Valley College. Delivery of these funds was delayed pending bond sales by the state, but during the fiscal year ended June 30, 2010, the STA fund of the County of Imperial received proceeds of $266,676 from the State’s CTSGP account. As of June 30, 2011, the remaining balance of the initial proceeds is $266,140 which includes interest earned in the amount of $826 and excludes qualifying expenditures incurred in the amount of $2,350. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

Note 6.  PRIOR PERIOD ADJUSTMENTS

In the prior fiscal year an amount of $20,545 was claimed as administrative expenses related to the PTMISEA funds. However, during fiscal year 2010-11 these administrative expenses were disallowed and were properly returned back to the PTMISEA reserve funds. A prior period adjustment was performed. The effect of this adjustment was an increase in fund balance for the prior fiscal year.

Note 7.  SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.
REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE TRANSPORTATION COMMISSION

We have audited the financial statements of the State Transit Assistance Fund, of the Imperial County Transportation Commission as of and for the year ended June 30, 2011 and have issued our report therein dated June 22, 2012. We conducted our audit 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.

As part of obtaining reasonable assurance about whether the State Transit Assistance Fund of the Imperial County Transportation Commission's 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 the State Transit Assistance Fund of the Imperial County Transportation Commission were made in accordance with allocation instructions and resolutions of the Imperial County Transportation Commission and in conformance with the California Transportation Development Act. In connection with our audit, nothing came to our attention that caused us to believe the State Transit Assistance Fund, of the Imperial County Transportation Commission failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act and the allocation instructions and resolutions of the Imperial County Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

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.

In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. This Bond Act set aside funds for two categories of transportation improvement programs:

1. The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) to fund capital projects that relate to infrastructure improvement

2. The California Transit Security Grant Program-California Transit Assistance Fund (CTSGP) for transit system safety, security and disaster response capital projects

Each year the State of California solicits grant requests for projects meeting the necessary criteria and then finances the programs through the sale of bonds.
During the fiscal year ended June 30, 2008, the State Transit Assistance Fund of the County of Imperial applied and received proceeds of $1,333,071 from the State's PTMISEA account for the design and construction of the bus transfer terminal at IVC. As of June 30, 2011, the PTMISEA funds received, interest earned and expended were verified in the course of our audits as follows:

**PTMISEA Funds Current Year Activity:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$971,215</td>
</tr>
<tr>
<td>Additional Funds Received this Year</td>
<td>--</td>
</tr>
<tr>
<td>Interest earned</td>
<td>7,577</td>
</tr>
<tr>
<td></td>
<td>978,792</td>
</tr>
</tbody>
</table>

**Expenditures Incurred this Year:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVC Bus Transfer Terminal</td>
<td>--</td>
</tr>
</tbody>
</table>

Unexpended proceeds as of June 30, 2011 $978,792

During FY 07-08 and FY 08-09, the County of Imperial successfully applied for CTSGP grants of $133,338 each year for the procurement and installation of security infrastructure at the bus transfer terminals at Imperial Valley College. Delivery of these funds was delayed pending bond sales by the state, but during the fiscal year ended June 30, 2010, the STA fund of the County of Imperial received proceeds of $266,676 from the State’s CTSGP account. As of June 30, 2011, CTSGP funds received, interest earned and funds expended were verified in the course of our audits as follows:

**CTSGP Funds Current Year Activity:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$134,326</td>
</tr>
<tr>
<td>Additional Funds Received this Year</td>
<td>133,338</td>
</tr>
<tr>
<td>Interest earned</td>
<td>826</td>
</tr>
<tr>
<td></td>
<td>268,490</td>
</tr>
</tbody>
</table>

**Expenditures Incurred this Year:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVC Bus Transfer Terminal</td>
<td>2,350</td>
</tr>
</tbody>
</table>

Unexpended proceeds as of June 30, 2011 $266,140

This report is intended solely for the information and use of the State Transit Assistance Fund, of the Imperial County Transportation Commission's management, the California Department of Transportation, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

June 22, 2012
### Schedule I - Balance Sheets - STA

**ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments- STA</td>
<td>$743,582</td>
<td>$1,317,899</td>
</tr>
<tr>
<td>Accounts Receivable - Interest on STA</td>
<td>2,437</td>
<td>149</td>
</tr>
<tr>
<td>Due From Agency/Trust Fund</td>
<td>--</td>
<td>354,673</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$746,019</td>
<td>$1,672,721</td>
</tr>
</tbody>
</table>

**FUND BALANCE**

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Balance - Unreserved- STA</strong></td>
<td>$746,019</td>
<td>$1,672,721</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td>$746,019</td>
<td>$1,672,721</td>
</tr>
</tbody>
</table>

See independent auditors' report
Schedule II - Statements of Revenues, Expenditures and Changes in Fund Balances - STA

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Aid - Other</td>
<td>$ --</td>
<td>$ 936,194</td>
</tr>
<tr>
<td>Interest - STA</td>
<td>9,492</td>
<td>3,222</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>9,492</strong></td>
<td><strong>939,416</strong></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paratransit Service</td>
<td>936,194</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>936,194</strong></td>
<td>--</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td><strong>(926,702)</strong></td>
<td><strong>939,416</strong></td>
</tr>
<tr>
<td><strong>Fund balance, beginning</strong></td>
<td><strong>1,672,721</strong></td>
<td><strong>733,305</strong></td>
</tr>
<tr>
<td><strong>Fund balance, ending</strong></td>
<td><strong>$ 746,019</strong></td>
<td><strong>$ 1,672,721</strong></td>
</tr>
</tbody>
</table>

See independent auditors' report
## IMPERIAL COUNTY TRANSPORTATION COMMISSION

### SCHEDULES OF SUPPLEMENTARY INFORMATION

**June 30, 2011 and 2010**

**Schedule III - Balance Sheets - PTMISEA**

#### ASSETS

**Current Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments - PTMISEA</td>
<td>$ 976,943</td>
<td>$ 949,075</td>
</tr>
<tr>
<td>Accounts Receivable - Interest on PTMISEA</td>
<td>1,849</td>
<td>1,595</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$ 978,792</strong></td>
<td><strong>$ 950,670</strong></td>
</tr>
</tbody>
</table>

#### FUND BALANCE

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance - Restricted PTMISEA</td>
<td>$ 978,792</td>
<td>$ 950,670</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>$ 978,792</strong></td>
<td><strong>$ 950,670</strong></td>
</tr>
</tbody>
</table>

See independent auditors’ report
## Schedule IV - Statements of Revenues, Expenditures and Changes in Fund Balances - PTMISEA

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PTMISEA Funds</td>
<td>$</td>
<td>$ 750,957</td>
</tr>
<tr>
<td>Interest - PTMISEA</td>
<td>7,577</td>
<td>16,016</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>7,577</td>
<td>766,973</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IVC Bus Transfer Terminal - PTMISEA</td>
<td>--</td>
<td>1,159,677</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>--</td>
<td>1,159,677</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>7,577</td>
<td>(392,704)</td>
</tr>
<tr>
<td><strong>Fund balance, beginning</strong></td>
<td>950,670</td>
<td>1,343,374</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>20,545</td>
<td>--</td>
</tr>
<tr>
<td><strong>Adjusted fund balance</strong></td>
<td>971,215</td>
<td>1,343,374</td>
</tr>
<tr>
<td><strong>Fund balance, ending</strong></td>
<td>$ 978,792</td>
<td>$ 950,670</td>
</tr>
</tbody>
</table>

See independent auditors' report
Schedule V - Balance Sheets - CTSGP

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments - CTSGP</td>
<td>$265,887</td>
<td>$133,935</td>
</tr>
<tr>
<td>Accounts Receivable - Interest on CTSGP</td>
<td>253</td>
<td>391</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$266,140</td>
<td>$134,326</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCE</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance - Restricted CTSGP</td>
<td>$266,140</td>
<td>$134,326</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td>$266,140</td>
<td>$134,326</td>
</tr>
</tbody>
</table>
### Schedule VI - Statements of Revenues, Expenditures and Changes in Fund Balances - CTSGP

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTSGP Funds</td>
<td>$133,338</td>
<td>$266,676</td>
</tr>
<tr>
<td>Interest - CTSGP</td>
<td>826</td>
<td>988</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$134,164</td>
<td>$267,664</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IVC Bus Transfer Terminal - CTSGP</td>
<td>2,350</td>
<td>133,338</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,350</td>
<td>133,338</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>131,814</td>
<td>134,326</td>
</tr>
<tr>
<td>Fund balance, beginning</td>
<td>134,326</td>
<td>--</td>
</tr>
<tr>
<td>Fund balance, ending</td>
<td>$266,140</td>
<td>$134,326</td>
</tr>
</tbody>
</table>

See independent auditors’ report
IMPERIAL COUNTY TRANSPORTATION COMMISSION
FINANCIAL REPORT OF THE
ADMINISTRATION, PLANS & PROGRAMS FUNDS

June 30, 2011 and 2010
## CONTENTS

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<th>Page</th>
</tr>
</thead>
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</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Balance Sheets</td>
<td>4</td>
</tr>
<tr>
<td>Statements of Revenues and Expenditures</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Changes in Fund Balance</td>
<td>6</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>7 - 8</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited the accompanying financial statements of the Imperial County Transportation Commission Administration, Plans and Programs Funds as of June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Guidelines on Auditing for Conformance, published by the Imperial County Transportation Commission. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Imperial County Transportation Commission Administration, Plans and Programs Funds, and are not intended to present fairly the financial position of the Imperial County Transportation Commission and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Imperial County Transportation Commission Administration, Plans and Programs Funds as of June 30, 2011 and 2010, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

June 22, 2012
## BALANCE SHEETS
June 30, 2011 and 2010

### ASSETS

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments - Administration 7147</td>
<td>$33,377</td>
<td>$158,378</td>
</tr>
<tr>
<td>Cash and Investments - Plans and programs 7148</td>
<td>126,740</td>
<td>138,192</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$160,117</strong></td>
<td><strong>$296,570</strong></td>
</tr>
</tbody>
</table>

### FUND BALANCE

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance - Unreserved</td>
<td>160,117</td>
<td>296,570</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>$160,117</strong></td>
<td><strong>$296,570</strong></td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
## IMPERIAL COUNTY TRANSPORTATION COMMISSION ADMINISTRATION, PLANS AND PROGRAMS FUNDS

### STATEMENTS OF REVENUES AND EXPENDITURES
For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in - Administration 7147</td>
<td>$253,475</td>
<td>$317,800</td>
</tr>
<tr>
<td>Transfers in - Plans and programs 7148</td>
<td>121,500</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>374,975</strong></td>
<td><strong>497,800</strong></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration 7147</td>
<td>378,476</td>
<td>317,800</td>
</tr>
<tr>
<td>Plans and programs 7148</td>
<td>132,952</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>511,428</strong></td>
<td><strong>497,800</strong></td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>$(136,453)</td>
<td>$--</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors' report
IMPERIAL COUNTY TRANSPORTATION COMMISSION ADMINISTRATION,  
PLANS AND PROGRAMS FUNDS  

STATEMENTS OF CHANGES IN FUND BALANCE  
For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance, beginning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration 7147</td>
<td>$158,378</td>
<td>$158,378</td>
</tr>
<tr>
<td>Plans and programs 7148</td>
<td>138,192</td>
<td>138,192</td>
</tr>
<tr>
<td>Total Fund balance, beginning</td>
<td>296,570</td>
<td>296,570</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration 7147</td>
<td>(125,001)</td>
<td>--</td>
</tr>
<tr>
<td>Plans and programs 7148</td>
<td>(11,452)</td>
<td>--</td>
</tr>
<tr>
<td>Total Excess of revenues over (under) expenses</td>
<td>(136,453)</td>
<td>--</td>
</tr>
<tr>
<td>Fund balance, ending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration 7147</td>
<td>33,377</td>
<td>158,378</td>
</tr>
<tr>
<td>Plans and programs 7148</td>
<td>126,740</td>
<td>138,192</td>
</tr>
<tr>
<td>Total Fund Balance, ending</td>
<td>$160,117</td>
<td>$296,570</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The Imperial County Transportation Commission Administration, Plans and Programs Funds of the County of Imperial, California, an Agency Fund was created pursuant to SB 620 to supplement existing funding sources for public transit services.

The County's Auditor-Controller’s office acts as a trustee for the funds received and disbursed. The revenues of the fund are derived from ¼ cent of the local general sales tax collected statewide. The State Board of Equalization returns the ¼ cent to each county according to the amount of the tax collected.

The County's Auditor-Controller, based upon allocation instructions received from the Imperial County Transportation Commission "the ICTC", makes disbursements from the TDA fund to the County of Imperial and the cities, located within the County, which are eligible for TDA funds. The allocation instructions apportion the revenues received by the TDA fund among the incorporated and unincorporated areas of the County, based on population.

Basis of Accounting

The accounting policies of the Imperial County Transportation Commission Administration, Plans and Programs Funds conform to generally accepted accounting principles as applicable to governments.

The Imperial County Transportation Commission Administration, Plans and Programs Funds are accounted for in a trust fund of the County of Imperial using the modified accrual basis of accounting, whereby revenues are recognized when they become measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for only the Imperial County Transportation Commission, Plans and Programs Funds.

Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County of Imperial to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Imperial County Transportation Commission Administration, Plans and Programs Funds, based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County’s financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller’s office in El Centro, California.

Investments are stated at fair value in accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

See independent auditors’ report
Note 4. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.
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**INDEPENDENT AUDITORS’ REPORT**  
3

**FINANCIAL STATEMENTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Sheet</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Revenues, Expenditures and Changes in Fund Balance</td>
<td>5</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>6 - 7</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited the accompanying financial statements of the Regional Planning and Programs Fund of the Imperial County Transportation Commission as of June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Regional Planning and Programs and are not intended to present fairly the financial position of the Imperial County Transportation Commission and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Regional Planning and Programs of the Imperial County Transportation Commission as of June 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

June 22, 2012

Hutchinson and Bloodgood LLP
### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
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</tr>
<tr>
<td>Interest receivable</td>
<td>276</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$206,610</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$436</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>143,999</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>144,435</strong></td>
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<tr>
<td>Fund Balance</td>
<td></td>
</tr>
<tr>
<td>Fund Balance</td>
<td>62,175</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>62,175</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balance</strong></td>
<td><strong>$206,610</strong></td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
### Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2011

#### 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>$224,962</td>
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<tr>
<td>Interest revenue</td>
<td>296</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>225,258</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>STIP-PPM Category A</td>
<td>80,352</td>
</tr>
<tr>
<td>STIP-PPM Category B</td>
<td>62,856</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>19,875</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>163,083</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>62,175</td>
</tr>
<tr>
<td><strong>Change in fund balance</strong></td>
<td>62,175</td>
</tr>
<tr>
<td>Fund balance beginning, July 1</td>
<td>--</td>
</tr>
<tr>
<td><strong>Fund balance ending, June 30</strong></td>
<td>$62,175</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The operations of the Regional Planning and Programs fund of the Imperial County Transportation Commission are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The County's Auditor-Controller's office acts as a trustee for the funds received and disbursed. The revenues of the fund are derived from ¼ cent of the local general sales tax collected statewide. The State Board of Equalization returns the ¼ cent to each county according to the amount of the tax collected.

The County's Auditor-Controller, based upon allocation instructions received from the Imperial County Transportation Commission (ICTC), makes disbursements from the Regional Planning and Programs fund to the County of Imperial and the cities, located within the County, which are eligible for Regional Planning and Programs funds. The allocation instructions apportion the revenues received by the Regional Planning and Programs fund among the incorporated and unincorporated areas of the County, based on population.

Basis of Accounting

The Regional Planning and Programs funds are accounted for in a trust fund using the modified accrual basis of accounting, whereby revenues are recognized when they become measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for only the Regional Planning and Programs fund of the Imperial County Transportation Commission.

Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Regional Planning and Programs fund, based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County’s financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller’s office in El Centro, CA.

Investments are stated at fair value in accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

See independent auditors’ report
Note 4. FUND CREATION

This fund was created during the current fiscal year. Hence, the activity contained in these financial statements only reflect the activity related to the fiscal year ending in June 30, 2011.

Note 5. STIP-PLANNING, PROGRAMMING & MONITORING PROGRAM

The California State Budget Act of 2010 appropriates State Highway funds under local assistance for the State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program (PPM). PPM is defined as the project planning, programming and monitoring activities related to development of the Regional Transportation Improvement Program and the STIP required by Government Code Section 14527 and for the monitoring of project implementation for approved projects, referred as PPM projects. The California Transportation Commission (CTC) is tasked to allocate these funds in accordance with the amounts approved in the STIP in accordance with section 14527 (h) of the California Government code.

During the fiscal year ended June 30, 2011, the Imperial County Transportation Commission applied for and received proceeds of $200,000 from the State of California STIP-PPM Program based on an agreement entered into on November 4, 2010.

These funds are to be used for the following expenditure categories:

- **Category A**: Regional transportation planning activities including development of the Regional Transportation Plan Update.

- **Category B**: Program development and monitoring including the preparation of the ICTC Improvement Program and the State Transportation Improvement Program, monitoring the implementation of projects including project delivery and compliance with federal and state law, and California Transportation Commission Guidelines.

As of June 30, 2011, the remaining balance of the total $200,000 in STIP-PPM proceeds is $56,792 which includes; the remainder of the Category A proceeds in the amount of $19,648, and remainder of Category B proceeds in the amount of $37,144. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.
IMPERIAL COUNTY TRANSPORTATION COMMISSION
FINANCIAL REPORT OF THE
SB 325 FUND

June 30, 2011 and 2010
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INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial

We have audited the accompanying financial statements of the Imperial County Transportation Commission SB 325 Funds for Article 3, Article 8(a), Article 8(c), and Article 8(e), a single fund of the Imperial County Transportation Commission as of June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Guidelines on Auditing for Conformance, originally published by the Imperial Valley Association of Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the SB 325 Funds for Article 3, Article 8(a), Article 8(c), and Article 8(e), and are not intended to present fairly the financial position of the Imperial County Transportation Commission, and the results of its operations and the cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SB 325 Funds for Article 3, Article 8(a), Article 8(c), and Article 8(e) of the Imperial County Transportation Commission as of June 30, 2011 and 2010, and the results of its operations and the cash flow of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our examination, we also performed, to the extent applicable, the seventeen tasks in Guidelines on Auditing Conformance originally published by the Imperial Valley Association of Governments. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Guidelines on Auditing for Conformance.

This report is intended solely for the information and use of the management, Commission Board, Imperial County Transportation Commission and the California State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

June 22, 2012
**IMPERIAL COUNTY TRANSPORTATION COMMISSION**  
**SB 325 FUND**  

**BALANCE SHEETS**  
**ARTICLE 3**  
**PERTAINING TO SECTION 99234 OF THE PUBLIC UTILITIES CODE**  
June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and investments</strong></td>
<td>$1,739</td>
<td>$1,739</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,739</td>
<td>$1,739</td>
</tr>
<tr>
<td><strong>LIABILITIES AND FUND BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>-- (--)</td>
<td>-- (--)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-- (--)</td>
<td>-- (--)</td>
</tr>
<tr>
<td>Fund balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance - reserved</td>
<td>1,739</td>
<td>1,739</td>
</tr>
<tr>
<td>Total fund balance</td>
<td>1,739</td>
<td>1,739</td>
</tr>
<tr>
<td>Total liabilities and fund balance</td>
<td>$1,739</td>
<td>$1,739</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report
## Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Article 3 Pertaining to Section 99234 of the Public Utilities Code

For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
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<th>2010</th>
<th>Variance-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Favorable</td>
<td>Unfavorable</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental:</td>
<td></td>
<td></td>
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<tr>
<td>SB 325 Article 3</td>
<td>$ 19,569</td>
<td>$ 19,569</td>
<td>$ --</td>
<td>--</td>
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<tr>
<td>Total revenues</td>
<td>19,569</td>
<td>19,569</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>19,569</td>
<td>19,569</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>19,569</td>
<td>19,569</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Fund balance, July 1</td>
<td>--</td>
<td>1,739</td>
<td>1,739</td>
<td>--</td>
</tr>
<tr>
<td>Fund balance, June 30</td>
<td>$ --</td>
<td>$ 1,739</td>
<td>$ 1,739</td>
<td>$ --</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors' report
# IMPERIAL COUNTY TRANSPORTATION COMMISSION
## SB 325 FUND
### BALANCE SHEETS
#### ARTICLE 8(a)
##### PERTAINING TO SECTION 99400(a) OF THE PUBLIC UTILITIES CODE
June 30, 2011 and 2010

<table>
<thead>
<tr>
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<tr>
<td><strong>Total assets</strong></td>
<td>$ --</td>
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</tr>
<tr>
<td><strong>LIABILITIES AND FUND BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Fund balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance - reserved</td>
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<td>$ --</td>
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<td>Total fund balance</td>
<td>$ --</td>
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</tr>
<tr>
<td>Total liabilities and fund balance</td>
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See accompanying notes and independent auditors' report

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STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ARTICLE 8(a) 
PERTAINING TO SECTION 99400(a) OF THE PUBLIC UTILITIES CODE 
For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance- Favorable (Unfavorable)</th>
<th>2010 Budget</th>
<th>2010 Actual</th>
<th>Variance-Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SB 325 Article 8(a)</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>274,702 (274,702)</td>
</tr>
<tr>
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<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>274,702 (274,702)</td>
</tr>
<tr>
<td>Excess (deficiency)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of revenues over</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(under) expenditures</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(274,702) (274,702)</td>
</tr>
<tr>
<td>Fund balance, July 1</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>274,702 274,702</td>
</tr>
<tr>
<td>Fund balance, June 30</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
<td>$- -$</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors' report
## ASSETS

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ --</td>
<td>$ --</td>
</tr>
</tbody>
</table>

## LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Fund balance</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Fund balance - reserved</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Total fund balance</td>
<td>$ --</td>
<td>$ --</td>
</tr>
<tr>
<td>Total liabilities and fund balance</td>
<td>$ --</td>
<td>$ --</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors' report
## IMPERIAL COUNTY TRANSPORTATION COMMISSION
### SB 325 FUND

### STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ARTICLE 8(c)

**PERTAINING TO SECTION 99400(c) OF THE PUBLIC UTILITIES CODE**

For the Years Ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance-</th>
<th>2010</th>
<th>Variance-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Favorable</td>
<td>Budget</td>
</tr>
<tr>
<td></td>
<td>$ 2,060,520</td>
<td>$ 2,060,520</td>
<td>$ - -</td>
<td>$ 3,144,828</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 2,060,520</td>
<td>$ 2,060,520</td>
<td>$ - -</td>
<td>$ 3,144,828</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance-</th>
<th>2010</th>
<th>Variance-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Favorable</td>
<td>Budget</td>
</tr>
<tr>
<td>Operations</td>
<td>$ 2,060,520</td>
<td>$ 2,060,520</td>
<td>$ - -</td>
<td>$ 3,144,828</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 2,060,520</td>
<td>$ 2,060,520</td>
<td>$ - -</td>
<td>$ 3,144,828</td>
</tr>
</tbody>
</table>

### Excess of revenues over expenditures

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance-</th>
<th>2010</th>
<th>Variance-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Favorable</td>
<td>Budget</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

### Fund balance, July 1

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance-</th>
<th>2010</th>
<th>Variance-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Favorable</td>
<td>Budget</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

### Fund balance, June 30

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance-</th>
<th>2010</th>
<th>Variance-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ - -</td>
<td>$ - -</td>
<td>$ - -</td>
<td>$ - -</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report

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## IMPERIAL COUNTY TRANSPORTATION COMMISSION
### SB 325 FUND

### BALANCE SHEETS
#### ARTICLE 8(e)
##### PERTAINING TO SECTION 99400(e) OF THE PUBLIC UTILITIES CODE

June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 206</td>
<td>$ 206</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 206</td>
<td>$ 206</td>
</tr>
</tbody>
</table>

|                      |       |       |
| **LIABILITIES AND FUND BALANCE** |       |       |
| Liabilities          |       |       |
| Due to other funds   | $- -  | $- -  |
| **Total liabilities**| $- -  | $- -  |
| Fund balance         |       |       |
| Fund balance - reserved | 206  | 206  |
| **Total fund balance** | 206  | 206  |
| **Total liabilities and fund balance** | $ 206 | $ 206 |

See accompanying notes and independent auditors’ report
<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance-Favorable (Unfavorable)</th>
<th>2010</th>
<th>Variance-Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SB 325 Article 8(e)</td>
<td>$4,881</td>
<td>$4,881</td>
<td>$4,882</td>
<td>$4,882</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$4,881</td>
<td>$4,881</td>
<td>$4,882</td>
<td>$4,882</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>$4,881</td>
<td>$4,881</td>
<td>$4,882</td>
<td>$9,764</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$4,881</td>
<td>$4,881</td>
<td>$4,882</td>
<td>$9,764</td>
</tr>
<tr>
<td>Excess of revenues over</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(4,882)</td>
</tr>
<tr>
<td>expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance, July 1</td>
<td>--</td>
<td>206</td>
<td>--</td>
<td>5,088</td>
</tr>
<tr>
<td>Fund balance, June 30</td>
<td>$--</td>
<td>$206</td>
<td>$206</td>
<td>$206</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditors’ report.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities
The operations of the SB 325 Fund of the Imperial County Transportation Commission, "the ICTC," are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The Streets and Roads, Article 8(a), and Fixed Facilities, Article 8(e), Fund of the SB 325, and the Pedestrian and Bicycle Fund, Article 3 of the SB 325 Fund, account for the Imperial County Transportation Commission's share of these Transportation Development Act allocations, which are legally restricted for specific purposes.

Article 8(c) of the SB 325 Fund is provided by the Imperial County Transportation Commission through five contracts with outside vendors. Two contracts are held with First Transit, Inc. to provide Imperial Valley Transit Service. The Imperial County Transportation Commission also holds three contracts with the ARC-Imperial Valley. Med-Express provides non-emergency transportation to medical facilities in San Diego, AIM Transit provides paratransit service exclusively for disabled persons, and Westshores Dial-a-Ride a community based paratransit service.

Basis of Accounting
The Streets and Roads, Article 8(a), and Fixed Facilities, Article 8(e), and the Pedestrian and Bicycle Fund, Article 3, are accounted for in special revenue funds using the modified accrual basis of accounting, whereby revenues are recognized when they become measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

The Public Service Transit Fund, Article 8(c), is accounted for in an enterprise fund using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Comparative Data
Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds' financial positions and operations.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for only the Streets and Roads and Fixed Facilities Fund, Pedestrian and Bicycle Fund and Public Service Transit Fund of the Imperial County Transportation Commission.

See independent auditors' report
Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the SB 325 Fund, based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County’s financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller’s office in El Centro, CA.

Investments are stated at fair value in accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Note 4. TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

In accordance with Section 99234 and 99400(a) and (e) of the Public Utilities Code, funds received pursuant to these sections may only be used for pedestrians and bicycle, streets and roads and fixed facilities. The Imperial County Transportation Commission has complied with the guidelines in respect to the use of funds.

The Imperial County Transportation Commission is subject to provisions pursuant to Section 6634 and 6637 of the California Administrative Code (CAC) and Sections 99268.3, 99268.5 of the Public Utilities Code.

Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant’s capital and operating costs less the required fare, local support and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

Reserves in the Article 8(a), 8(e) and 3 funds are maintained for future eligible projects but not to exceed three years. The reserves for Article 8(a) as of June 30, 2011 and 2010, are $0 and $0, respectively. The reserves for Article 8(e) as of June 30, 2011 and 2010, are $206 and $206, respectively. The reserves for Article 3 as of June 30, 2011 and 2010, are $1,739 and $1,739, respectively.

Section 6637

Pursuant to Section 6637, the claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records adopted by the State Controller. The Imperial County Transportation Commission did maintain its accounts and records in accordance with the Uniform System of Accounts and Records.

See independent auditors’ report
Note 4. TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS (continued)

Section 99268.3, 99268.4 and 99268.5

The Imperial County Transportation Commission's fare box recovery ratio was approximately 18.04% and 17.45% for the fiscal years ending June 30, 2011 and 2010, respectively. The blended fare box recovery minimum ratio requirement is 14.5%, as stated in the letter of approval from the State of California Department of Transportation. For this year this fare box recovery ratio requirement was met.

Note 5. FUND BALANCE

The fund balance represents undesignated fund balances, restricted for use in the TDA programs for which these funds have been authorized.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.
VI. INFORMATIONAL ITEM

A. STATE-LOCAL PARTNERSHIP PROGRAM (SLPP) UPDATE – NOMINATION LIST FY 2012-2013
August 3, 2012

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave Suite 1
El Centro, CA 92243

SUBJECT: State-Local Partnership Program (SLPP) Funding Update

Dear Committee Members:

ICTC staff was notified of State-Local Partnership Program (SLPP) funding availability provided by the California Transportation Commission (CTC) in late June of this year. The SLPP is funded using State Proposition 1B funds, authorized by California voters through the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Approximately $4.873 million is available for our region during fiscal year 2012/2013. The goal of the program is to support Self-Help Counties by providing a formula share of state funds with a local match requirement of one to one match using local sales tax funds (Measure D – Imperial). The challenge is that we had limited time to nominate projects and to submit to the CTC by August 15, 2012. All nominated projects must be allocated/approved by June 2013 and construction award by December 2013.

In an effort to meet the challenging timeline, ICTC staff did an accelerated outreach to all local agencies regarding the available funding and eligibility criteria. ICTC staff has worked closely with the local agency staff to meet the August 15, 2012, nomination deadline to the CTC. On July 16, 2012, a meeting was held with all the local agency representatives to review each agency’s project nomination and discuss the funding distribution. A preliminary project listing from all the agencies in attendance was compiled at the July 16th meeting.

The LTA allocation formula was used for distribution of SLPP funds to all local agencies. The formula is based on a total population (80%) and maintained street and road mileage (20%). The population figures used for the calculation are from the Department of Finance 2012 figures.

Attached for your reference is the recommended nominations list that was presented and approved by the Commission on July 25, 2012. The list details for each agency’s proposed project(s). Each project lists the apportionment amount of SLPP funding and the committed local match.

This is an information item and no action is being requested.

Sincerely,

MARK BAZA
Executive Director

Attachment

CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL

T:\Projects\ICTC\SLPP_2012_Funding_Update_MC_8-01-12
### ICTC State-Local Partnership Program (SLPP) Commission Approved NOMINATION LIST - 7/25/12

<table>
<thead>
<tr>
<th>Priority</th>
<th>Project Description</th>
<th>2012-13 SLPP</th>
<th>LTA/Measure D</th>
<th>TOTAL Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Apportionment</td>
<td>Local Match</td>
<td>Total Project</td>
</tr>
<tr>
<td>1</td>
<td>Eastern Ave. from Malan St. to Jones St.</td>
<td>$624,540</td>
<td>$624,540</td>
<td>$1,249,080</td>
</tr>
<tr>
<td>1</td>
<td>Various Streets</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2</td>
<td>5th St. from Heber Ave. to Imperial Ave.</td>
<td>$515,237</td>
<td>$515,237</td>
<td>$1,030,474</td>
</tr>
<tr>
<td>1</td>
<td>Lake Ave. from Elder St. to Bowles Rd.</td>
<td>$132,967</td>
<td>$137,782</td>
<td>$270,749</td>
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<tr>
<td>1</td>
<td>Various Streets</td>
<td>$1,036,525</td>
<td>$1,036,525</td>
<td>$2,073,050</td>
</tr>
<tr>
<td>1</td>
<td>Grape Ave. from 4th St. to 5th St. (Phase II)</td>
<td>$160,641</td>
<td>$161,338</td>
<td>$321,979</td>
</tr>
<tr>
<td>1</td>
<td>N Street from Barioni Blvd. to 5th St.</td>
<td>$384,106</td>
<td>$384,106</td>
<td>$768,212</td>
</tr>
<tr>
<td>1</td>
<td>Dogwood Rd. from Willoughby Rd to McCabe Rd.</td>
<td>$900,816</td>
<td>$900,816</td>
<td>$1,801,632</td>
</tr>
<tr>
<td>2</td>
<td>Willoughby Rd. from Dogwood Rd. to Clark Rd.</td>
<td>$650,000</td>
<td>$650,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>1</td>
<td>6th St. from N. Center St. to F St. &amp; G St. from 7th St. to 6th St.</td>
<td>$68,168</td>
<td>$68,168</td>
<td>$136,336</td>
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**Proposed Available**

<table>
<thead>
<tr>
<th>Proposed</th>
<th>Available</th>
<th>Over/Under programmed</th>
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</thead>
<tbody>
<tr>
<td>$4,873,000</td>
<td>$4,878,512</td>
<td>$9,751,512</td>
</tr>
</tbody>
</table>

**Over/Under programmed**

<table>
<thead>
<tr>
<th>Over/Under programmed</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
</tr>
</tbody>
</table>
VI. INFORMATIONAL ITEM

B. POTENTIAL FOR PUBLIC TRANSIT ROUTES – YUMA AZ, WINTERHAVEN AND EL CENTRO, CA
August 3, 2012

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave Suite 1
El Centro, CA 92243

SUBJECT: Potential for Public Transit Routes -- Yuma AZ, Winterhaven and El Centro, CA

Dear Committee Members:

ICTC staff entered into discussions, at the request of staff of the Quechan Tribe and the Yuma County Intergovernmental Public Transit Authority (YCIPTA), regarding the potential for public transit routes between Yuma AZ, Winterhaven, and El Centro, CA. Discussions have ensued regarding routing, scheduling, funding, access to bus stop locations and the continuation of travel on Imperial Valley Transit (IVT) for access to social service and commercial activities.

Staff of the three agencies are developing a business plan which will contain recommendations for routes, schedules, funding and other resources, and a memorandum of understanding (MOU). Ultimately the project will require the boards of the three agencies to approve and give direction on implementation for services.

As a summary of the project, the Quechan tribe has received a federal grant for transit operations. The Quechan tribe has contacted the YCIPTA agency and ICTC as to the potential for contracted transit services. There is a unique potential for travel by and between Yuma, Winterhaven and El Centro. YCIPTA has developed a route proposal utilizing drivers and vehicles though its contractor, First Transit Inc.

ICTC has reviewed and provided comments and recommendations on the service plan, including but not limited to route and schedule design, vehicle emission requirements in California, identified opportunities for connections through Imperial Valley Transit (IVT) to other facilities and services in Imperial Valley, and performance standards.

CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL
The business plan proposes a new trip on an existing afternoon IVT route between Holtville and El Centro, and discontinuance of the once a week, remote zone route to Winterhaven. The new YCRIPTA route originating in Yuma AZ through the Winterhaven area will offer travel opportunities that would also connect in El Centro to IVT intercity and intracity routes. Lastly it may become possible to travel from Imperial Valley communities to Winterhaven and Yuma Az.

This item is presented for informational purposes.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

MB/ksw/cl
VII. ACTION CALENDAR

A. AGREEMENT FOR PROFESSIONAL FINANCIAL REPORTING SERVICES OF THE REGIONAL TRANSIT OPERATORS - FY 2011-12 TO FY 2014-15
August 3, 2012

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave. Suite 1
El Centro, Ca. 92243

SUBJECT: Agreement for Professional Auditing Services for FY 2011-12 through FY 2015-16

Dear Committee Members:

The professional services agreement for audit service recently concluded. As a result, ICTC staff completed a competitive bid process for the solicitation of independent financial audit services. A request for proposal was circulated for a five year period in order to maximize pricing reductions and reduce the level of effort for ICTC staff. The audit agreement is for work associated with the FY 2011-12 through FY 2015-16.

There is audit work in addition to the level of effort from the previous years, associated with this project now that ICTC is an independent agency. There has been a reorganization of the accounts used for bookkeeping purposes maintained at the County, and a new commercial bank account opened for salary and benefits payments. In addition, there are several reports that were previously completed by the County of Imperial Auditors Controller’s office on behalf of the ICTC, that now are included in this audit. These reports include:

- the State Controller’s Office Annual Report of Financial Transactions of Transit Operators
- the Annual Report of Financial Transactions of Regional Transportation Planning Agencies
- the Government Compensation Report

There were two proposals received for the work. An evaluation committee reviewed and scored the proposals. The scoring process utilized standard categories including but not limited to; relevant experience, references, and cost. The firm of Hutchinson and Bloodgood was identified as the most responsive for the project.

Funding for this project is in the ICTC adopted 2012-13 Budget and specifically in the ICTC Overall Work Program and Budget/Transit Finance Plan; through the Transportation Development ACT (TDA) Fund, approved on June 27, 2012.

CITIES OF BRAWLEY, CALExico, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL
ICTC Management Committee
Imperial County Transportation Commission

August 3, 2012

ICTC staff requests that ICTC Management Committee forward this item to the ICTC Commission for review and approval after the receipt of public comment:

1. Authorize the Chairman to sign the agreement for financial audit services effective July 1, 2012, for the audit period FY 2011-12 through FY 2015-16, with the firm of Hutchinson and Bloodgood for the not to exceed fees as listed:

   a. For the audit period July 1, 2011 through June 30, 2012, the annual fee set at $62,973.
   b. For the audit period July 1, 2012 through June 30, 2013, the annual fee set at $58,482.
   c. For the audit period July 1, 2013 through June 30, 2014, the annual fee set at $60,327.
   d. For the audit period July 1, 2014 through June 30, 2015, the annual fee set at $62,127.
   e. For the audit period July 1, 2015 through June 30, 2016, the annual fee set at $64,017.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

MB/ksw/cl
ACCOUNTANCY AGREEMENT

THIS AGREEMENT is made and entered into this _____________, 2012 by and between the IMPERIAL COUNTY TRANSPORTATION COMMISSION, a political subdivision of the State of California ("ICTC") and Hutchinson and Bloodgood, LLP, a limited liability partnership ("AUDITOR").

RECITALS

A. AUDITOR is a limited liability partnership, and a duly licensed certified public accounting firm in good standing under the laws of the State of California and is in the business of supplying independent accounting services and assistance to clients.

B. AUDITOR will audit the following individual fund financial statements of ICTC:

- Transportation Development Act (TDA) Administration, Fund 7076
- State Transit Assistance Fund (STA) Administration, Fund 7079
- ICTC Transit Administration, Fund 7147 and ICTC Transit Plans and Programs, Fund 7148
- ICTC Transit Administration Program, Fund 7416
- ICTC Planning Administration Program Fund 7417
- SB 325 (Article 8c) funds, Fund 7416
- Annual Report of Financial Transaction of Transit Operators
- Annual Report of Financial Transaction of Regional Transportation Planning Agencies
- Government Compensation Report

The objective of the audits is an opinion as to whether the individual fund financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

C. ICTC wishes to employ AUDITOR to perform Audits and the AUDITOR is willing to accept such engagement for fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015, and June 30, 2016.
D. ICTC wishes to employ AUDITOR to perform Reporting and the AUDITOR is willing to accept such engagement for the development and the completion of the reports required by the California State Controller’s Office entitled “Annual Report of Financial Transaction of Transit Operators”, the “Annual Report of Financial Transaction of Regional Transportation Planning Agencies”, and the “Government Compensation Report”.

NOW THEREFORE, ICTC hereby engages and AUDITOR hereby accepts such engagement upon the terms and conditions set forth herein.

1. **TERM.**

This Agreement shall become effective on the date first written above and shall continue in effect until the services provided for herein have been performed, but no later than December 31, 2016, unless sooner terminated as provided herein.

2. **SERVICES TO BE PERFORMED BY AUDITOR.**

2.1. AUDITOR will conduct the Audits, for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016, as detailed in the “Imperial County Transportation Commission Request for Proposals For Fiscal and Compliance Audit Services” attached as Exhibit “A” and “Audit Proposal to the Imperial County Transportation Commission Request for Proposals For Fiscal and Compliance Audit Services” attached as Exhibit “B”, both of which are incorporated by this reference.

2.2 The audits will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in Government Auditing Standards, issued by the Controller General of the United States for applicable audits, and will include tests of the accounting records and other procedures considered necessary to express an opinion.

2.3 AUDITOR will also provide a report on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards for
applicable audits. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If funds are subject to an audit requirement that is not encompassed in the terms of this AGREEMENT, AUDITOR will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

2.4 AUDITOR will conduct the Reports, for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016, as detailed in Exhibits “A” and “B”.

2.5 If requested by the ICTC, or CalTrans, or the Federal Transit Administration, AUDITOR will appear before the requesting body and explain any audit report or opinion.

3. RETENTION AND AVAILABILITY OF WORK PAPERS.

All supporting papers and work papers prepared by AUDITOR in connection with the Audit shall be retained for a minimum of four (4) fiscal years following the close of the Audit for the fiscal year and shall be available for inspection and examination during AUDITOR’S normal business hours upon request from COUNTY or representatives of COUNTY, the State Controller and/or IVAG.

4. TIME FOR COMPLETION.

4.1 All audits shall be submitted by December 31st of the year following the fiscal year that ended the previous June 30th. Upon completion of the Audit, AUDITOR will furnish three (3) copies of the audits to ICTC and an electronic version in PDF format.

4.2 All reports shall be submitted by September 30th of the year following the fiscal year that ended the previous June 30th. Upon completion of the reports, AUDITOR will
furnish three (3) copies of the report to ICTC and an electronic version in PDF format.

5. COMPENSATION OF AUDITOR.

5.1 In consideration for the services to be performed by AUDITOR, ICTC agrees to pay AUDITOR at the hourly rates indicated on the Fee Schedule as described in Exhibit “C”, attached and incorporated by this reference as though fully set forth herein.

5.2 ICTC agrees to compensate AUDITOR for all services provided under this contract, for both audits and reports, in an amount not to exceed two hundred nine thousand seven hundred forty-five dollars ($209,745.00), including all out-of-pocket expenses. The total amount that cannot be exceeded in each fiscal year, including all out-of-pocket expenses, is:

<table>
<thead>
<tr>
<th>Fiscal Year in which work is performed</th>
<th>Fiscal Year audited and reported</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2012-2013</td>
<td>Fiscal Year 2011-2012</td>
<td>$62,973.000</td>
</tr>
<tr>
<td>Fiscal Year 2013-2014</td>
<td>Fiscal Year 2012-2013</td>
<td>$58,482.00</td>
</tr>
<tr>
<td>Fiscal Year 2014-2015</td>
<td>Fiscal Year 2013-2014</td>
<td>$60,327.00</td>
</tr>
<tr>
<td>Fiscal Year 2015-2016</td>
<td>Fiscal Year 2014-2015</td>
<td>$62,172.00</td>
</tr>
<tr>
<td>Fiscal Year 2016-2017</td>
<td>Fiscal Year 2015-2016</td>
<td>$64,017.00</td>
</tr>
</tbody>
</table>

5.3 Except as provided under Paragraphs 5.1 and 5.2, ICTC shall not be responsible to pay CONSULTANT any other compensation, out-of-pocket expenses, fees or other remuneration.

5.4 Said payment shall not be due and payable until such time as AUDITOR has provided ICTC with a monthly service statement which shall itemize all out-of-pocket expenses and work performed for each said period. Said statements must meet with the approval of ICTC and be received by ICTC with annotations so as to clearly identify the work by fund or project name, from other audit services performed for ICTC.
5.5 Invoices, clearly indicating the period for which the bill is made, shall be submitted to:

ICTC
ATTN: Executive Director
1405 N. Imperial Ave., Suite 1
El Centro, CA 92243

5.6 AUDITOR acknowledges ICTC is under no obligation to compensate AUDITOR for services rendered or expenses accrued under this AGREEMENT not authorized by ICTC.

5.7 If ICTC requires work in addition to that defined in the “Services to be Performed By Auditor,” Paragraph 2, AUDITOR shall provide a cost estimate and written description of the additional work needed to perform such services. Compensation and the time for completing such additional services must be negotiated and approved in writing by ICTC prior to the commencement of any such services.

6. **INDEMNIFICATION.**

As between ICTC and AUDITOR, AUDITOR is deemed to assume responsibility and liability for, and AUDITOR shall indemnify and hold harmless and defend ICTC and any and all of its officers, agents, servants or employees against any and all claims, loss damage, charge or expense, including attorneys’ fees, whether direct or indirect, to which ICTC or such officers, agents, servants or employees may be put or subject, by reason of any damage, loss or injury or any kind or nature whatever to person or property caused by or resulting from or in connection with any negligent act or action, or any neglect, omission or failure to act when under a duty to act on the part or AUDITOR, or any to its or their performance hereunder. In addition to any other remedy authorized by law, so much of the money due AUDITOR under this AGREEMENT as shall be considered necessary by ICTC may be retained until disposition has been made of any claims for damages.

7. **INSURANCE.**

7.1. AUDITOR hereby agrees at its sole cost and expense to obtain and maintain in full force during the entire term of this AGREEMENT and any extended term thereof the following types of insurance:
7.1.1. Professional Liability coverage in a minimum amount of one million dollars ($1,000,000);

7.1.2. Commercial General Liability insurance, naming ICTC as an additional insured of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate;

7.1.3. Automobile Liability coverage in a minimum amount of one million dollars ($1,000,000), combined single limit, including non-owned and hired vehicles; and

7.1.4. To the extent required by law, Workers’ Compensation coverage in full compliance with California law for all employees of AUDITOR, and Employer’s Liability in the minimum amount of one million dollars ($1,000,000).

7.1.5. If legally required, AUDITOR shall maintain, at its sole expense, unemployment, disability, and any other required insurance reasonable to compensate for injuries or damages related to the activities of this Agreement.

7.2. Special Insurance Requirements. All insurance required under paragraph 7.1 shall:

7.2.1. Be procured from an insurer authorized to do business in California.

7.2.2. Not be canceled, non-renewed or reduced in scope of coverage until after thirty (30) days written notice has been given to ICTC. However, AUDITOR may not terminate such coverage until it provides ICTC with proof that equal or better insurance has been secured and is in place. Cancellation or change without the prior written consent of ICTC shall, at the option of ICT, be grounds for termination of this Agreement.

7.3. Additional Insurance Requirements.

7.3.1. ICTC is to be notified immediately of all insurance claims related to this Agreement. ICTC is also to be notified if any aggregate insurance limit is exceeded.

7.3.2. Deposit of Insurance Policy. Promptly on issuance, re-issuance, or renewal of
any insurance policy required by this Agreement, AUDITOR shall, if
requested by ICTC, cause to be given to ICTC satisfactory evidence that
insurance policy premiums have been paid together with a duplicate copy of
the policy or a certificate evidencing the policy and executed by the insurance
company issuing the policy or its authorized agent.

7.3.3. AUDITOR agrees to provide ICTC with the following insurance documents on
or before the effective date of this Agreement:

(1) Complete copies of certificates of insurance for all required coverages
    including and 30 days Notice of Cancellation Clause endorsements.

(2) The documents enumerated in Paragraph 7.1 shall be sent to the
    following:

    ICTC
    ATTN: Executive Director
    1405 N. Imperial Ave., Suite 1
    El Centro, CA. 92243

7.3.4. Nothing in this, or any other provision of this Agreement, shall be construed to
preclude AUDITOR from obtaining and maintaining any additional insurance
policies in addition to those required pursuant to this Agreement.

8. TERMINATION.

8.1. **Termination by Either Party.** This AGREEMENT may be terminated, without
cause, by either party upon thirty (30) days prior written notice to the other party.

8.2. **Compensation in Early Termination.** In the event that this AGREEMENT is
terminated prior to the completion of the term of contract as specified herein,
AUDITOR shall be entitled to the compensation earned prior to the date of
termination as provided for in this Agreement, computed pro rata up to and including
that date. The compensation earned and unpaid at the time of termination shall be
paid without abatement or reduction immediately upon termination of this Agreement.
AUDITOR shall be entitled to no further compensation as of the date of termination.

9. **INDEPENDENT CONTRACTOR.**
9.1. AUDITOR shall be responsible to ICTC only for the requirements and results specified by this Agreement. AUDITOR shall not be subject to ICTC’S control with respect to the physical actions or activities of AUDITOR or of AUDITOR’S employees or agents in connection with the operation of the business or AUDITOR’S fulfillment of the requirements of the Agreement, except as specifically provided in this Agreement.

9.2. AUDITOR is, and at all times during the term of this Agreement shall represent and conduct itself as, an independent contractor and not as an agent or employee of ICTC. AUDITOR shall not have the authority, express or implied, to bind or obligate ICTC in any way.

10. ASSIGNMENT.

Neither this Agreement nor any duties or obligations hereunder shall be assignable by AUDITOR without the prior, written, consent of ICTC.

11. NON-DISCRIMINATION.

11.1. During the performance of this Agreement, AUDITOR and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment or member of the public because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age or gender. AUDITOR shall insure that the evaluation and treatment of their employees and applicants for employment and members of the public are free of such discrimination. AUDITOR shall comply with the provisions of the Fair Employment and Housing Act (California Government Code §12900 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §12900, set forth in Chapter 5 of Division 4 of Title 1 of the California Administrative Code, are incorporated into this Agreement by reference and made a part thereof as if set forth in full. AUDITOR shall also abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. AUDITOR shall give written notice of its obligations under this clause to
labor organizations with which it has a collective bargain or other agreement.

11.2. AUDITOR shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

12. NOTICES.

All notices under this Agreement shall be in writing and may be given by personal delivery or by sending through the U.S. Post Office, certified mail, return receipt requested, addressed to ICTC, ATTN: Executive Director, 1405 N. Imperial Ave., Suite 1, El Centro, CA 92243 and to AUDITOR at P.O. Box 518, El Centro, CA 92243 or at such other address as either party may designate in a notice to the other party given in such manner. Any notice sent by mail shall be considered given when received.

13. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between ICTC and AUDITOR relating to the transactions contemplated hereby and supersedes all prior or contemporaneous agreements, understanding, provisions, negotiations, representations or statements, either written or verbal.

14. MODIFICATION.

No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

15. PARTIAL INVALIDITY.

If any of the provisions in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue to be in full force and effect.

16. GENDER AND INTERPRETATION OF TERMS AND PROVISIONS.

As used in this Agreement and whenever required by the context thereof, each number, both singular and plural, shall include all numbers, and each gender shall include both genders. AUDITOR as used in this Agreement or in any other document referred to in or made a part of this Agreement shall likewise include both singular and plural, a corporation, a partnership, individual, firm or person acting in any fiduciary capacity as executor, administrator, trustee or in any other representative capacity or any other entity. All covenants herein contained on the part of AUDITOR shall be joint and several if more than one person, firm or entity executes this Agreement.
17. **WAIVER.**

   No waiver of any breach or of any of the covenants or conditions of this Agreement shall be construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of the same or any other covenant or condition.

18. **CHOICE OF LAW.**

   The laws of the State of California shall govern this Agreement. This Agreement is made and entered into in Imperial County, California. To the extent permitted by law, any action brought by either party with respect to this Agreement shall be brought in a court of competent jurisdiction within said County.

19. **ATTORNEYS' FEES.**

   If either party herein brings an action to enforce the terms thereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

20. **AUTHORITY.**

   Each of the individuals executing this Agreement on behalf of AUDITOR and ICTC represent and warrant that:

   **20.1** He or she is duly authorized to execute and deliver this Agreement on behalf of AUDITOR or ICTC as applicable;

   **20.2** Such execution and delivery on behalf of AUDITOR is in accordance with the terms of the Articles of Incorporation or Partnership, any By-Laws or Resolutions of AUDITOR; and

21. **COUNTERPARTS.**

   This Agreement may be executed in counterparts.

22. **REVIEW OF AGREEMENT TERMS.**

   This Agreement has been reviewed and revised by legal counsel for both ICTC and AUDITOR, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of the same or any subsequent amendments thereto.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written and shall be effective as of said date.

COMMISSION:

IMPERIAL COUNTY TRANSPORTATION

By: _____________________________
    Chairperson

ATTEST:

By: CRISTILERMA
    Secretary to the Commission

AUDITOR:

By: _____________________________

APPROVED AS TO FORM:

MICHAEL L. ROOD
    COUNTY COUNSEL

By: _____________________________
    GEOFFREY P. HOLBROOK
    Senior Deputy County Counsel
ACCOUNTANCY AGREEMENT

This Agreement is made and entered into this _____________, 2012 by and between the IMPERIAL COUNTY TRANSPORTATION COMMISSION, a political subdivision of the State of California ("ICTC") and Hutchinson and Bloodgood, LLP, a limited liability partnership ("AUDITOR").

RECATIALS

A. AUDITOR is a limited liability partnership, and a duly licensed certified public accounting firm in good standing under the laws of the State of California and is in the business of supplying independent accounting services and assistance to clients.

B. AUDITOR will audit the following individual fund financial statements of ICTC:
   - Transportation Development Act (TDA) Administration, Fund 7076
   - State Transit Assistance Fund (STA) Administration, Fund 7079
   - ICTC Transit Administration, Fund 7147 and ICTC Transit Plans and Programs, Fund 7148
   - ICTC Transit Administration Program, Fund 7416
   - ICTC Planning Administration Program Fund 7417
   - SB 325 (Article 8c ) funds, Fund 7416
   - Annual Report of Financial Transaction of Transit Operators
   - Annual Report of Financial Transaction of Regional Transportation Planning Agencies
   - Government Compensation Report

The objective of the audits is an opinion as to whether the individual fund financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

C. ICTC wishes to employ AUDITOR to perform Audits and the AUDITOR is willing to accept such engagement for fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015, and June 30, 2016.

1
D. ICTC wishes to employ AUDITOR to perform Reporting and the AUDITOR is willing to accept such engagement for the development and the completion of the reports required by the California State Controller’s Office entitled “Annual Report of Financial Transaction of Transit Operators”, the “Annual Report of Financial Transaction of Regional Transportation Planning Agencies”, and the “Government Compensation Report”.

NOW THEREFORE, ICTC hereby engages and AUDITOR hereby accepts such engagement upon the terms and conditions set forth herein.

1. **TERM.**

   This Agreement shall become effective on the date first written above and shall continue in effect until the services provided for herein have been performed, but no later than December 31, 2016, unless sooner terminated as provided herein.

2. **SERVICES TO BE PERFORMED BY AUDITOR.**

   2.1 AUDITOR will conduct the Audits, for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016, as detailed in the “Imperial County Transportation Commission Request for Proposals For Fiscal and Compliance Audit Services” attached as **Exhibit “A”** and “Audit Proposal to the Imperial County Transportation Commission Request for Proposals For Fiscal and Compliance Audit Services” attached as **Exhibit “B”**, both of which are incorporated by this reference.

   2.2 The audits will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States for applicable audits, and will include tests of the accounting records and other procedures considered necessary to express an opinion.

   2.3 AUDITOR will also provide a report on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards for
applicable audits. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If funds are subject to an audit requirement that is not encompassed in the terms of this AGREEMENT, AUDITOR will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

2.4 AUDITOR will conduct the Reports, for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016, as detailed in Exhibits “A” and “B”.

2.5 If requested by the ICTC, or CalTrans, or the Federal Transit Administration, AUDITOR will appear before the requesting body and explain any audit report or opinion.

3. RETENTION AND AVAILABILITY OF WORK PAPERS.

All supporting papers and work papers prepared by AUDITOR in connection with the Audit shall be retained for a minimum of four (4) fiscal years following the close of the Audit for the fiscal year and shall be available for inspection and examination during AUDITOR’S normal business hours upon request from COUNTY or representatives of COUNTY, the State Controller and/or IVAG.

4. TIME FOR COMPLETION.

4.1 All audits shall be submitted by December 31st of the year following the fiscal year that ended the previous June 30th. Upon completion of the Audit, AUDITOR will furnish three (3) copies of the audits to ICTC and an electronic version in PDF format.

4.2 All reports shall be submitted by September 30th of the year following the fiscal year that ended the previous June 30th. Upon completion of the reports, AUDITOR will
furnish three (3) copies of the report to ICTC and an electronic version in PDF format.

5. **COMPENSATION OF AUDITOR.**

5.1 In consideration for the services to be performed by AUDITOR, ICTC agrees to pay AUDITOR at the hourly rates indicated on the Fee Schedule as described in Exhibit “C”, attached and incorporated by this reference as though fully set forth herein.

5.2 ICTC agrees to compensate AUDITOR for all services provided under this contract, for both audits and reports, in an amount not to exceed two hundred nine thousand seven hundred forty-five dollars ($209,745.00), including all out-of-pocket expenses. The total amount that cannot be exceeded in each fiscal year, including all out-of-pocket expenses, is:

<table>
<thead>
<tr>
<th>Fiscal Year in which work is performed</th>
<th>Fiscal Year audited and reported</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2012-2013</td>
<td>Fiscal Year 2011-2012</td>
<td>$62,973.00</td>
</tr>
<tr>
<td>Fiscal Year 2013-2014</td>
<td>Fiscal Year 2012-2013</td>
<td>$58,482.00</td>
</tr>
<tr>
<td>Fiscal Year 2014-2015</td>
<td>Fiscal Year 2013-2014</td>
<td>$60,327.00</td>
</tr>
<tr>
<td>Fiscal Year 2015-2016</td>
<td>Fiscal Year 2014-2015</td>
<td>$62,172.00</td>
</tr>
<tr>
<td>Fiscal Year 2016-2017</td>
<td>Fiscal Year 2015-2016</td>
<td>$64,017.00</td>
</tr>
</tbody>
</table>

5.3 Except as provided under Paragraphs 5.1 and 5.2, ICTC shall not be responsible to pay CONSULTANT any other compensation, out-of-pocket expenses, fees or other remuneration.

5.4 Said payment shall not be due and payable until such time as AUDITOR has provided ICTC with a monthly service statement which shall itemize all out-of-pocket expenses and work performed for each said period. Said statements must meet with the approval of ICTC and be received by ICTC with annotations so as to clearly identify the work by fund or project name, from other audit services performed for ICTC.

///

///
5.5 Invoices, clearly indicating the period for which the bill is made, shall be submitted to:

ICTC
ATTN: Executive Director
1405 N. Imperial Ave., Suite 1
El Centro, CA 92243

5.6 AUDITOR acknowledges ICTC is under no obligation to compensate AUDITOR for services rendered or expenses accrued under this AGREEMENT not authorized by ICTC.

5.7 If ICTC requires work in addition to that defined in the “Services to be Performed By Auditor,” Paragraph 2, AUDITOR shall provide a cost estimate and written description of the additional work needed to perform such services. Compensation and the time for completing such additional services must be negotiated and approved in writing by ICTC prior to the commencement of any such services.

6. INDEMNIFICATION.

As between ICTC and AUDITOR, AUDITOR is deemed to assume responsibility and liability for, and AUDITOR shall indemnify and hold harmless and defend ICTC and any and all of its officers, agents, servants or employees against any and all claims, loss damage, charge or expense, including attorneys’ fees, whether direct or indirect, to which ICTC or such officers, agents, servants or employees may be put or subject, by reason of any damage, loss or injury or any kind or nature whatever to person or property caused by or resulting from or in connection with any negligent act or action, or any neglect, omission or failure to act when under a duty to act on the part or AUDITOR, or any to its or their performance hereunder. In addition to any other remedy authorized by law, so much of the money due AUDITOR under this AGREEMENT as shall be considered necessary by ICTC may be retained until disposition has been made of any claims for damages.

7. INSURANCE.

7.1 AUDITOR hereby agrees at its sole cost and expense to obtain and maintain in full force during the entire term of this AGREEMENT and any extended term thereof the following types of insurance:
7.1.1. Professional Liability coverage in a minimum amount of one million dollars ($1,000,000);

7.1.2. Commercial General Liability insurance, naming ICTC as an additional insured of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate;

7.1.3. Automobile Liability coverage in a minimum amount of one million dollars ($1,000,000), combined single limit, including non-owned and hired vehicles; and

7.1.4. To the extent required by law, Workers’ Compensation coverage in full compliance with California law for all employees of AUDITOR, and Employer’s Liability in the minimum amount of one million dollars ($1,000,000).

7.1.5. If legally required, AUDITOR shall maintain, at its sole expense, unemployment, disability, and any other required insurance reasonable to compensate for injuries or damages related to the activities of this Agreement.

7.2. Special Insurance Requirements. All insurance required under paragraph 7.1 shall:

7.2.1. Be procured from an insurer authorized to do business in California.

7.2.2. Not be canceled, non-renewed or reduced in scope of coverage until after thirty (30) days written notice has been given to ICTC. However, AUDITOR may not terminate such coverage until it provides ICTC with proof that equal or better insurance has been secured and is in place. Cancellation or change without the prior written consent of ICTC shall, at the option of ICT, be grounds for termination of this Agreement.

7.3. Additional Insurance Requirements.

7.3.1. ICTC is to be notified immediately of all insurance claims related to this Agreement. ICTC is also to be notified if any aggregate insurance limit is exceeded.

7.3.2. Deposit of Insurance Policy. Promptly on issuance, re-issuance, or renewal of
any insurance policy required by this Agreement, AUDITOR shall, if
requested by ICTC, cause to be given to ICTC satisfactory evidence that
insurance policy premiums have been paid together with a duplicate copy of
the policy or a certificate evidencing the policy and executed by the insurance
company issuing the policy or its authorized agent.

7.3.3. AUDITOR agrees to provide ICTC with the following insurance documents on
or before the effective date of this Agreement:

(1) Complete copies of certificates of insurance for all required coverages
including and 30 days Notice of Cancellation Clause endorsements.

(2) The documents enumerated in Paragraph 7.1 shall be sent to the
following:

ICTC
ATTN: Executive Director
1405 N. Imperial Ave., Suite 1
El Centro, CA. 92243

7.3.4. Nothing in this, or any other provision of this Agreement, shall be construed to
preclude AUDITOR from obtaining and maintaining any additional insurance
policies in addition to those required pursuant to this Agreement.

8. TERMINATION.

8.1. Termination by Either Party. This AGREEMENT may be terminated, without
cause, by either party upon thirty (30) days prior written notice to the other party.

8.2. Compensation in Early Termination. In the event that this AGREEMENT is
terminated prior to the completion of the term of contract as specified herein,
AUDITOR shall be entitled to the compensation earned prior to the date of
termination as provided for in this Agreement, computed pro rata up to and including
that date. The compensation earned and unpaid at the time of termination shall be
paid without abatement or reduction immediately upon termination of this Agreement.
AUDITOR shall be entitled to no further compensation as of the date of termination.

9. INDEPENDENT CONTRACTOR.
9.1. AUDITOR shall be responsible to ICTC only for the requirements and results specified by this Agreement. AUDITOR shall not be subject to ICTC’S control with respect to the physical actions or activities of AUDITOR or of AUDITOR’S employees or agents in connection with the operation of the business or AUDITOR’S fulfillment of the requirements of the Agreement, except as specifically provided in this Agreement.

9.2. AUDITOR is, and at all times during the term of this Agreement shall represent and conduct itself as, an independent contractor and not as an agent or employee of ICTC. AUDITOR shall not have the authority, express or implied, to bind or obligate ICTC in any way.

10. ASSIGNMENT.

Neither this Agreement nor any duties or obligations hereunder shall be assignable by AUDITOR without the prior, written, consent of ICTC.

11. NON-DISCRIMINATION.

11.1. During the performance of this Agreement, AUDITOR and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment or member of the public because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age or gender. AUDITOR shall insure that the evaluation and treatment of their employees and applicants for employment and members of the public are free of such discrimination. AUDITOR shall comply with the provisions of the Fair Employment and Housing Act (California Government Code §12900 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §12900, set forth in Chapter 5 of Division 4 of Title 1 of the California Administrative Code, are incorporated into this Agreement by reference and made a part thereof as if set forth in full. AUDITOR shall also abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. AUDITOR shall give written notice of its obligations under this clause to
labor organizations with which it has a collective bargain or other agreement.

11.2. AUDITOR shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

12. NOTICES.
All notices under this Agreement shall be in writing and may be given by personal delivery or by sending through the U.S. Post Office, certified mail, return receipt requested, addressed to ICTC, ATTN: Executive Director, 1405 N. Imperial Ave., Suite 1, El Centro, CA 92243 and to AUDITOR at P.O. Box 518, El Centro, CA 92243 or at such other address as either party may designate in a notice to the other party given in such manner. Any notice sent by mail shall be considered given when received.

13. ENTIRE AGREEMENT.
This Agreement contains the entire agreement between ICTC and AUDITOR relating to the transactions contemplated hereby and supersedes all prior or contemporaneous agreements, understanding, provisions, negotiations, representations or statements, either written or verbal.

14. MODIFICATION.
No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

15. PARTIAL INVALIDITY.
If any of the provisions in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue to be in full force and effect.

16. GENDER AND INTERPRETATION OF TERMS AND PROVISIONS.
As used in this Agreement and whenever required by the context thereof, each number, both singular and plural, shall include all numbers, and each gender shall include both genders. AUDITOR as used in this Agreement or in any other document referred to in or made a part of this Agreement shall likewise include both singular and plural, a corporation, a partnership, individual, firm or person acting in any fiduciary capacity as executor, administrator, trustee or in any other representative capacity or any other entity. All covenants herein contained on the part of AUDITOR shall be joint and several if more than one person, firm or entity executes this Agreement.
17. **WAIVER.**

No waiver of any breach or of any of the covenants or conditions of this Agreement shall be construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of the same or any other covenant or condition.

18. **CHOICE OF LAW.**

The laws of the State of California shall govern this Agreement. This Agreement is made and entered into in Imperial County, California. To the extent permitted by law, any action brought by either party with respect to this Agreement shall be brought in a court of competent jurisdiction within said County.

19. **ATTORNEYS' FEES.**

If either party herein brings an action to enforce the terms thereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

20. **AUTHORITY.**

Each of the individuals executing this Agreement on behalf of AUDITOR and ICTC represent and warrant that:

20.1 He or she is duly authorized to execute and deliver this Agreement on behalf of AUDITOR or ICTC as applicable;

20.2 Such execution and delivery on behalf of AUDITOR is in accordance with the terms of the Articles of Incorporation or Partnership, any By-Laws or Resolutions of AUDITOR; and

21. **COUNTERPARTS.**

This Agreement may be executed in counterparts.

22. **REVIEW OF AGREEMENT TERMS.**

This Agreement has been reviewed and revised by legal counsel for both ICTC and AUDITOR, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of the same or any subsequent amendments thereto.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written and shall be effective as of said date.

COMMISSION:

IMPERIAL COUNTY TRANSPORTATION

By: __________________________
Chairperson

ATTEST:

By: CRISTI LERMA
Secretary to the Commission

AUDITOR:

By: __________________________

APPROVED AS TO FORM:

MICHAEL L. ROOD
COUNTY COUNSEL

By: GEOFFREY P. HOLBROOK
Senior Deputy County Counsel
VII. ACTION CALENDAR

B. AGREEMENT FOR PROFESSIONAL AUDITING SERVICES FOR FY 2011-12 TO FY 2015-16
August 3, 2012

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave. Suite 1
El Centro, Ca. 92243


Dear Committee Members:

The Commission should conduct fiscal reviews of its transit operators on an annual basis as a prudent management practice. The recent agreement for this service recently concluded. As a result, ICTC staff completed a competitive bid process for the solicitation of continuing independent financial review and reporting services on the regional public transit service contracts. A request for proposal was circulated for a five year period in order to maximize pricing reductions and reduce the level of effort for ICTC staff. The reporting agreement is based on work associated with FY 2010-11 through FY 2014-15.

This is work associated with a review of financial records including but not limited to: invoices and billing, records management and financial controls. A key component of this project is the monitoring of the cash handling, management and oversight conducted by each transit operator in the collection of fare revenue on a daily basis.

There were two proposals received for the work. An evaluation committee reviewed and scored the proposals. The scoring process utilized standard categories including but not limited to: relevant experience, references, and cost. The firm of Hutchinson and Bloodgood was identified as the most responsive for the project.

Funding for this project is in the ICTC adopted 2012-13 Budget and specifically in the ICTC Overall Work Program and Budget/Transit Finance Plan: through the Transportation Development ACT (TDA) Fund, approved on June 27, 2012.

CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL

T: Projects\ICTCM and B transit 11-15 MC
ICTC Management Committee
Imperial County Transportation Commission

August 3, 2012

ICTC staff requests that ICTC Management Committee forward this item to the ICTC Commission for review and approval after the receipt of public comment:

1. Authorize the Chairman to sign the agreement for financial audit services effective July 1, 2012, for the audit period FY 2010-11 through FY 2014-15, with the firm of Hutchinson and Bloodgood for the not to exceed fees as listed:

   a. For the audit period July 1, 2010 through June 30, 2011, the annual fee set at $39,051.
   b. For the audit period July 1, 2011 through June 30, 2012, the annual fee set at $40,338.
   c. For the audit period July 1, 2012 through June 30, 2013, the annual fee set at $43,245.
   d. For the audit period July 1, 2013 through June 30, 2014, the annual fee set at $42,912.
   e. For the audit period July 1, 2014 through June 30, 2015, the annual fee set at $44,199.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

MB/ksw/cl
ACCOUNTANCY AGREEMENT

THIS AGREEMENT is made and entered into this ________________ , 2012 by and between the IMPERIAL COUNTY TRANSPORTATION COMMISSION ("ICTC") and Hutchison and Bloodgood, LLP ("CPA").

REQUITALS

A. CPA is a California Limited Liability Partnership, and a duly licensed certified public accounting firm in good standing under the laws of the State of California and is in the business of supplying independent accounting services and assistance to clients.

B. ICTC requires auditing services relating to the performance of various private for profit transit operators or non profit transit operators qualified to do business in California and under contract with the ICTC for specific public transit services.

C. CPA will examine the fiscal reports and financial records of all lines of the public contracted fixed route transit service in regards to:
   - Imperial Valley Transit Service; and
   - Imperial Valley Transit Circulators;

D. CPA will examine the following fiscal reports and financial records of the public contracted demand response transit service in regards to:
   - Med-Express Service; and
   - (ADA) Aim Transit Service; and
   - West Shore Dial A Ride Service.
   - IVT - Access Service.

E. The objective of the examination is an opinion as to whether the fiscal reports and financial records, and the cash handling procedures of contracted private transit operators are presented in all material respects in conformity with the contractual provisions as set forth by the ICTC.

F. ICTC wishes to employ CPA to perform examinations and the CPA is willing to accept such engagement for the following five fiscal years (FY): FY 2010-2011; FY 2011-2012; FY 2012-2013; FY 2013-2014; FY 2014-2015.
NOW THEREFORE, ICTC hereby engages and CPA hereby accepts such engagement upon the terms and conditions set forth herein.

1. **TERM.**

This Agreement shall become effective on the date first written above and shall continue in effect until the services provided for herein have been performed, but no later than March 31, 2016, unless sooner terminated as provided herein.

2. **SERVICES TO BE PERFORMED BY CPA.**

2.1. CPA will conduct the following examinations

2.1.1. As to the Imperial Valley Transit Service and the IVT - Circulators for all lines of fixed route transit service for the fiscal years ending:

- June 30, 2011;
- June 30, 2012;
- June 30, 2013;
- June 30, 2014;
- June 30, 2015;

CPA will perform the services as described in the attached “The Imperial County Transportation Commission Request For Proposals For Fiscal Compliance Reporting Services For Transit Operators” attached as Exhibit “A” and “Audit Proposal To The Imperial County Transportation Commission For Fiscal Compliance Reporting Services For Transit Operators” attached as Exhibit “B”, both of which are incorporated by this reference as though fully set forth herein.

2.1.2. As to the demand response services; Med-Express, IVT Access, Aim Transit Service, and West Shore Dial A Ride for the fiscal years ending:

- June 30, 2011;
- June 30, 2012;
- June 30, 2013;
- June 30, 2014; and
-June 30, 2015.

CPA will perform the services as described in the attached Exhibits “A” and “B”.

2.2. The examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include test of records and other procedures that are considered necessary to enable the CPA to express an opinion as to whether the fiscal reports and financial records of the transit operators are presented, in all material respects, in conformity with the contractual provisions as set forth by the ICTC.

2.3. If requested by ICTC Board or the U.S. Transit Administration, CPA will appear before the requesting body and explain any audit report or opinion.

3. RETENTION AND AVAILABILITY OF WORK PAPERS.

All supporting papers and work papers prepared by CPA in connection with the examination shall be retained for a minimum of four (4) fiscal years following the close of the examination for the fiscal year and shall be available for inspection and examination during CPA’S normal business hours upon request from ICTC or the State Controller.

4. TIME FOR COMPLETION.

CPA shall annually submit reports within the following time frame:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010-2011</td>
<td>Nov. 2, 2012</td>
</tr>
<tr>
<td>FY 2011-2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>FY 2012-2013</td>
<td>March 31, 2014</td>
</tr>
<tr>
<td>FY 2013-2014</td>
<td>March 31, 2015</td>
</tr>
</tbody>
</table>

Upon completion of the annual examination, CPA will furnish six (6) copies of the audit report to ICTC.
5. **COMPENSATION OF CPA.**

5.1. In consideration for the services to be performed by CPA, ICTC agrees to pay CPA as follows:

<table>
<thead>
<tr>
<th>Fiscal Year in which work is performed</th>
<th>Fiscal Year audited and reported</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2012-2013</td>
<td>Fiscal Year 2010-2011</td>
<td>$39,051.00</td>
</tr>
<tr>
<td>Fiscal Year 2012-2013</td>
<td>Fiscal Year 2011-2012</td>
<td>$40,338.00</td>
</tr>
<tr>
<td>Fiscal Year 2013-2014</td>
<td>Fiscal Year 2012-2013</td>
<td>$43,245.00</td>
</tr>
<tr>
<td>Fiscal Year 2014-2015</td>
<td>Fiscal Year 2013-2014</td>
<td>$42,912.00</td>
</tr>
<tr>
<td>Fiscal Year 2015-2016</td>
<td>Fiscal Year 2014-2015</td>
<td>$44,199.00</td>
</tr>
</tbody>
</table>

5.2. Except as provided under Paragraph 5.1, ICTC shall not be responsible to pay CPA any other compensation, out-of-pocket expenses, fees or other remuneration.

5.3. Said payment shall not be due and payable until such time as CPA has provided ICTC with a monthly service statement which shall itemize all out-of-pocket expenses and work performed for each said period. Said statements must meet with the approval of ICTC and be received by ICTC with annotations so as to clearly identify the work by fund or project name, from other audit services performed for ICTC.

5.4. Invoices, clearly indicating the period for which the bill is made, shall be submitted to:

Attn: Executive Director  
Imperial County Transportation Commission  
1405 N. Imperial Ave., Suite 1  
El Centro, CA 92243

5.5. CPA acknowledges ICTC is under no obligation to compensate CPA for services rendered or expenses accrued under this AGREEMENT not authorized by ICTC.

5.6. If ICTC requires work in addition to that defined in the “Services to be Performed By CPA,” Paragraph 2, CPA shall provide a cost estimate and written description of the additional work needed to perform such services. Compensation and the time for
completing such additional services must be negotiated and approved in writing by ICTC prior to the commencement of any such services.

5.7. This Agreement is valid and enforceable only if sufficient funds are made available for the purposes of this Agreement. If sufficient funds are not available for this Agreement, it shall be invalid and of no further force and effect. In that event, ICTC shall have no liability to pay any funds to CPA and CPA shall not be obligated to perform any provisions of this Agreement. CPA will be due the share of compensation earned and reimbursement of expenses incurred as represented by the proportion of services rendered and expenses charged, if any, at the time of termination once a final billing is approved by ICTC.

6. INDEMNIFICATION.

As between ICTC and CPA, CPA is deemed to assume responsibility and liability for, and CPA shall indemnify and hold harmless and defend ICTC and any and all of its officers, agents, servants or employees against any and all claims, loss damage, charge or expense, including attorneys’ fees, whether direct or indirect, to which ICTC or such officers, agents, servants or employees may be put or subject, by reason of any damage, loss or injury or any kind or nature whatever to person or property caused by or resulting from or in connection with any negligent act or action, or any neglect, omission or failure to act when under a duty to act on the part or CPA, or any to its or their performance hereunder. In addition to any other remedy authorized by law, so much of the money due CPA under this Agreement as shall be considered necessary by ICTC may be retained until disposition has been made of any claims for damages.

7. INSURANCE.

7.1. CPA hereby agrees at its sole cost and expense to obtain and maintain in full force during the entire term of this AGREEMENT and any extended term thereof the following types of insurance:

7.1.1. Professional Liability coverage in a minimum amount of one million dollars ($1,000,000);
7.1.2. Commercial General Liability insurance, naming ICTC as an additional insured of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate;

7.1.3. Automobile Liability coverage in a minimum amount of one million dollars ($1,000,000), combined single limit, including non-owned and hired vehicles; and

7.1.4. To the extent required by law, Workers’ Compensation coverage in full compliance with California law for all employees of CPA, and Employer’s Liability in the minimum amount of one million dollars ($1,000,000).

7.1.5. If legally required, CPA shall maintain, at its sole expense, unemployment, disability, and any other required insurance reasonable to compensate for injuries or damages related to the activities of this Agreement.

7.2. Special Insurance Requirements. All insurance required under paragraph 7.1 shall:

7.2.1. Be procured from an insurer authorized to do business in California.

7.2.2. Name ICTC as an additional insured on all coverages except Professional Liability and Workers’ Compensation.

7.2.3. Not be canceled, non-renewed or reduced in scope of coverage until after thirty (30) days written notice has been given to ICTC. However, CPA may not terminate such coverage until it provides ICTC with proof that equal or better insurance has been secured and is in place. Cancellation or change without the prior written consent of ICTC shall, at the option of ICTC, be grounds for termination of this Agreement.

7.3. Additional Insurance Requirements.

7.3.1. ICTC is to be notified immediately of all insurance claims related to this Agreement. ICTC is also to be notified if any aggregate insurance limit is exceeded.

7.3.2. Deposit of Insurance Policy. Promptly on issuance, re-issuance, or renewal of any insurance policy required by this Agreement, CPA shall, if requested by
ICTC, cause to be given to ICTC satisfactory evidence that insurance policy
premiums have been paid together with a duplicate copy of the policy or a
certificate evidencing the policy and executed by the insurance company
issuing the policy or its authorized agent.

7.3.3. CPA agrees to provide ICTC with the following insurance documents on or
before the effective date of this Agreement:

(1) Complete copies of certificates of insurance for all required coverages
including and 30 days Notice of Cancellation Clause endorsements.

(2) The documents enumerated in Paragraph 7.1 shall be sent to the
following:
Attn: Executive Director
Imperial County Transportation Commission
1405 N. Imperial Ave., Suite 1
El Centro, CA 92243

7.3.4. Nothing in this, or any other provision of this Agreement, shall be construed to
preclude CPA from obtaining and maintaining any additional insurance
policies in addition to those required pursuant to this Agreement.

8. TERMINATION.

8.1. Termination by Either Party. This Agreement may be terminated, without cause, by
either party upon thirty (30) days prior written notice to the other party.

8.2. Compensation in Early Termination. Subject to Paragraph 5.7, in the event that this
Agreement is terminated prior to the completion of the term of contract as specified
herein, CPA shall be entitled to the compensation earned prior to the date of
termination as provided for in this Agreement, computed pro rata up to and including
that date. The compensation earned and unpaid at the time of termination shall be
paid without abatement or reduction immediately upon termination of this Agreement.

9. INDEPENDENT CONTRACTOR.

9.1. CPA shall be responsible to ICTC only for the requirements and results specified by
this Agreement. CPA shall not be subject to ICTC’s control with respect to the
physical actions or activities of CPA or of CPA’S employees or agents in connection
with the operation of the business or CPA’S fulfillment of the requirements of the
Agreement, except as specifically provided in this Agreement.

9.2. CPA is, and at all times during the term of this Agreement shall represent and conduct
itself as, an independent contractor and not as an agent or employee of ICTC. CPA
shall not have the authority, express or implied, to bind or obligate ICTC in any way.

10. ASSIGNMENT.

Neither this Agreement nor any duties or obligations hereunder shall be assignable by CPA
without the prior, written, consent of ICTC.

11. NON-Discrimination.

11.1. During the performance of this Agreement, CPA and its subcontractors shall not
unlawfully discriminate against any employee or applicant for employment or member
of the public because of race, religion, color, national origin, ancestry, physical or
mental disability, medical condition, marital status, age or gender. CPA shall insure
that the evaluation and treatment of their employees and applicants for employment
and members of the public are free of such discrimination. CPA shall comply with the
provisions of the Fair Employment and Housing Act (California Government Code
§12900 et seq.). The applicable regulations of the Fair Employment and Housing
Commission implementing Government Code §12900, set forth in Chapter 5 of
Division 4 of Title 1 of the California Administrative Code, are incorporated into this
Agreement by reference and made a part thereof as if set forth in full. CPA shall also
abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all
administrative rules and regulations issued pursuant to said Act. CPA shall give
written notice of its obligations under this clause to labor organizations with which it
has a collective bargain or other agreement.

11.2. CPA shall include the non-discrimination and compliance provision of this paragraph
in all subcontracts to perform work under this Agreement.

12. NOTICES.
All notices under this Agreement shall be in writing and may be given by personal delivery or by sending through the U.S. Post Office, certified mail, return receipt requested, addressed to ICTC at 1405 N. Imperial Ave., Suite 1, El Centro, CA 92243 and to CPA at P.O. Box 518, El Centro, CA 92243 or at such other address as either party may designate in a notice to the other party given in such manner. Any notice sent by mail shall be considered given when received.

13. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between ICTC and CPA relating to the transactions contemplated hereby and supersedes all prior or contemporaneous agreements, understanding, provisions, negotiations, representations or statements, either written or verbal.

14. MODIFICATION.

No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

15. PARTIAL INVALIDITY.

If any of the provisions in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue to be in full force and effect.

16. WAIVER.

No waiver of any breach or of any of the covenants or conditions of this Agreement shall be construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of the same or any other covenant or condition.

17. CHOICE OF LAW.

The laws of the State of California shall govern this Agreement. This Agreement is made and entered into in Imperial County, California. To the extent permitted by law, any action brought by either party with respect to this Agreement shall be brought in a court of competent jurisdiction within said County.

18. ATTORNEYS’ FEES.

If either party herein brings an action to enforce the terms thereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorneys’ fees to be paid by the losing party as fixed by the court.
19. **AUTHORITY.**

Each of the individuals executing this Agreement on behalf of CPA and ICTC represent and warrant that:

19.1. He or she is duly authorized to execute and deliver this Agreement on behalf of CPA or ICTC as applicable;

19.2. Such execution and delivery on behalf of CPA is in accordance with the terms of the Articles of Incorporation or Partnership, any By-Laws or Resolutions of CPA; and

20. **COUNTERPARTS.**

This Agreement may be executed in counterparts.

21. **REVIEW OF AGREEMENT TERMS.**

This Agreement has been reviewed and revised by legal counsel for both ICTC and CPA, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of the same or any subsequent amendments thereto.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be executed the day and year first above written and shall be effective as of said date.

**IMPERIAL COUNTY TRANSPORTATION COMMISSION:**

By: __________________________

Chairperson

**ATTEST:**

By: __________________________

Cristi Lerma
Secretary to the Commission

**CERTIFIED PUBLIC ACCOUNTANT:**

By: __________________________

**APPROVED AS TO FORM:**

MICHAEL L. ROOD
COUNTY COUNSEL

By: __________________________
Geoffrey P. Holbrook
Senior Deputy County Counsel