I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS

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

III. 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.

IV. APPROVAL OF CONSENT CALENDAR

A. Approval of Management Committee Draft Minutes: December 12, 2012 Page 4

B. Receive and File:
   1. ICTC Board Draft Minutes: December 12, 2012
   2. ICTC SSTAC Draft Minutes: January 2, 2013


   It is requested that the ICTC Management Committee forward this item to the Commission for their review and approval after public comment, if any:
1. Receive and file the Specific Transit Operator Fiscal Reports FY 2010-11; AIM Transit, Medi-Express and West Shores Dial-A-Ride for the Imperial County Transportation Commission for FY 2010-11.

D. Specific Transit Operator Fiscal Reports FY 2010-11 – Imperial Valley Transit

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

1. Receive and file the Specific Transit Operator Fiscal Reports FY 2010-11; Imperial Valley Transit 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. ACTION CALENDAR

A. Rotation of Chair and Vice Chair Positions

It is requested that the Management Committee take any appropriate action in the consideration of the rotation and assignment of the two positions.

VII. INFORMATION / DISCUSSION CALENDAR

A. Overview of the Public/Private Partnership (P3) Proposal to Accelerate Expansion and Improvements at the Calexico East and West Land Ports of Entry

VIII. NEXT MEETING DATE AND PLACE

The next meeting of the Management Committee will be held on Wednesday, February 13, 2013 at 10:30 a.m., at the City of Calexico, Calexico, CA

IX. ADJOURNMENT

A. Motion to Adjourn
A. APPROVAL OF MANAGEMENT COMMITTEE
   DRAFT MINUTES: DECEMBER 12, 2012

B. RECEIVE AND FILE:
   1. ICTC BOARD DRAFT MINUTES:
      DECEMBER 12, 2012
   2. ICTC SSTAC DRAFT MINUTES:
      JANUARY 2, 2013
IMPERIAL COUNTY TRANSPORTATION COMMISSION
MANAGEMENT COMMITTEE

DRAFT MINUTES OF DECEMBER 12, 2012
10:30 a.m.

VOTING MEMBERS PRESENT:

City of Brawley  Rosanna Bayon Moore
City of Calexico  Nick Servin for Oscar Rodriquez
City of Calipatria Rom Medina
City of El Centro Ruben Duran
City of Holtville Alex Meyerhoff
City of Imperial Marlene Best
County of Imperial Bill Brunet

(Non-voting) ICTC Mark Baza

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

OTHERS PRESENT:  Bill Figge, Ross Cather, Sam Amen; Caltrans, Tomas Oliva; Alan Thompson; SCAG, Alejandro Davila; IVPress, Laura Fischer; Heber Public Utility District

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, December 12, 2012 together with staff reports and related documents attached thereto and incorporated therein by reference.

I.  CALL TO ORDER AND ROLL CALL

Chairman Medina called the Committee meeting to order at 10:45 a.m. Roll call was taken. Introductions were made.

II.  EMERGENCY ITEMS

A.  There were none.

III.  PUBLIC COMMENTS

A.  There were none.

IV.  CONSENT ITEMS

A motion was made by Best seconded by Duran to approve consent items 4A through 4B. Motion carried unanimously.

A.  Approved ICTC Management Committee Minutes for November 7, 2012.
B.  Received and filed:
   1.  ICTC Board Draft minutes for November 14, 2012
   2.  ICTC SSTAC Draft Minutes for December 5, 2012

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

A. ICTC Executive Director

Mr. Baza had the following announcements and/or updates:
- The City of El Centro with ICTC will be having it groundbreaking for the Transfer Transit Terminal on January 8, 2013 at 10:30 a.m. at the site on 7th and State Streets. This project has been conceptualized since 2001 and construction is projected to be completed by December 2013.
- Last month the Commission took action to support the SR-86 Relinquishment bill. Assembly member Ben Hueso will be sponsoring the bill and should be posted with in a day or so. There was a strong consensus in the region to go forward with this.
- The Paratransit RFP will tentatively go out to bid in January 2013.
- An RFP will be posted by SCAG for the Calexico ITC feasibility study. The Transit Center would service all transit services in Calexico. A part of the study will include a proposed location.
- EPA Sanctions update: The schedule remains the same with a stay of the sanctions in the January/February 2013 timeframe. CARB approved the modification and is currently on the EPA federal register and 30 day comment period. Mr. Baza stated that RFA’s should be prepared by a March timeframe so that agencies are not pushing the May deadline to Caltrans.
- A State Senate Hearing was held in Calexico and co-hosted by Assembly members Ben Hueso and Manuel Perez. Border infrastructure and economic development was discussed. Mr. Baza served as a panel member. Ms. Laurie Berman was present to discuss the potential for public/private partnerships. Mr. Baza stated that he wants to move forward with this potential for the Port of Entry (POE) Projects. He said that two roadway projects (Cesar Chavez and SR-98 and Ollie and Cesar Chavez) are moving forward that will impact the POE.
- Mr. Baza stated that he has had two meetings with Mexicali municipalities. They have established a working group to pursue ongoing opportunities in the border area. One of the topics at the last meeting was expanding pedestrian access at the East POE.
- The Imperial Valley Procurement Fair was held at the Barbara Worth Country Club on November 15, 2012. It was co-hosted by IVDEC, ICTC and Caltrans.

B. Southern California Association of Governments (SCAG)

Mr. Oliva has the following announcements and/or updates:
- A SCAG study presented at the Border Infrastructure Hearing regarding the economic downfall due to border wait times is available in digital format for those who are interested.
- The Economic Summit was held in Los Angeles on December 6, 2012. The 2013 Legislative Priorities were discussed among other topics. For more information you may contact Mr. Oliva.
- The SR-86 relinquishment bill will be on legislative committee in January 2013.
- The SCAG General Assembly is scheduled for May 2-3, 2013 in Palm Desert at the JW Marriot.

C. California Department of Transportation – District 11

Mr. Amen had the following updates:
- Mr. Amen provided a hand out sent by Local Assistance staff.
- Closure of a section of Hwy 111 in Calipatria was successful. There was only one complaint that was resolved immediately.
- The Dogwood project is still on schedule. Caltrans is working closely with El Centro city staff on this project.
- The SR-98 project (railroad section) is still in design and should be completed by June 2013. Mr. Baza stated that the project includes lane expansion and sidewalks.
- The Interstate 8 and Imperial Avenue project is programmed in the STIP in FY 2015.

D. Committee Member Reports

- Ms. Best stated that a request was made by County Fire Chief Tony Rohoutas to remind ICTC that the TAC should make an appointment to IVECA. Mr. Baza said staff will follow up with this request.

VI. ACTION CALENDAR

A. Yuma Area Service Connection Memorandum of Understanding (MOU) – YCIPTA – Quechan – ICTC

As a summary of the project, the Quechan tribe received a federal grant for transit operations. The Quechan tribe contacted the YCIPTA agency and ICTC regarding the potential for contracted transit services for travel by and between Yuma, Winterhaven and El Centro Ca. YCIPTA has developed a route proposal utilizing drivers and vehicles though its contractor, First Transit Inc. for its bus services, known as the Yuma County Area Transit (YCAT).

This demonstration route (YCAT-Turquoise #10) is proposed for a one year period from January 1, 2013 to December 31, 2013 and would be evaluated by YCIPTA, ICTC and Quechan Indian Tribe in September of 2013. The evaluation would determine its performance and provide recommendations to the respective governing Boards. This proposed route would replace the extension portion of Imperial Valley Transit (IVT) Route 3, between Holtville and Winterhaven, CA on Wednesdays. IVT Route 3 will continue to operate daily between Holtville to El Centro.

ICTC staff reviewed and provided comments and recommendations on the business 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, operational funding and performance standards.

The final business plan proposes twice daily roundtrips, three days a week minimum on a YCAT bus. It also recommends the discontinuance of the once a week, remote zone IVT trip from Holtville to Winterhaven operated on Wednesdays. The new YCAT route will offer travel opportunities that would then connect in El Centro to IVT inter city and intra city routes at 14th and State Streets. The price would be established at a $5.00 one way fare.

IVT has provided remote zone service to and from the Winterhaven area for many years via an extension of the Holtville to El Centro route, on Wednesdays. The ridership is steady at approximately 4 passengers per trip. Passengers typically access social and medical services available in the El Centro area. By leveraging the funds and resources from the Quechan Tribe and the YCIPTA agency, the new route would expand service to Eastern Imperial Valley residents from one to three days a week. In addition the IVT bus on the trip that currently travels to Winterhaven can return instead from Holtville to El Centro. This provides an additional trip for Holtville on Wednesdays.

ICTC has been requested to provide the annual incremental funding used for the Winterhaven portion of the IVT trip to the YCIPTA agency as a subsidy for this new
service. This amount equals approximately $10,501.92 per year. ICTC would also receive performance data from YCIPTA in order to monitor the effectiveness and efficiency of the service.

Public meetings were held in the Quechan Tribal area as well as in Yuma to solicit public comment on this service change.

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

1. Authorized the Chairperson to sign the Memorandum of Understanding (MOU) between the Yuma County Intergovernmental Public Transportation Authority, The Imperial County Transportation Commission and the Quechan Indian Tribe for the implementation and operation of a regional connector bus service (Turquoise Route #10) between Yuma AZ, Winterhaven and El Centro, California, which would implement the new YCIPTA Turquoise route effective January 3, 2013 and provide a financial not to exceed subsidy to YCIPTA in an amount of $10,501.92.

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

B. Brawley Bus Transfer Terminal Construction Bids (November 2012)
In July 2009, the Imperial Valley Association of Governments Regional Council, as the predecessor to the ICTC, approved the submittal of a grant application under the American Reinvestment and Recovery Act or ARRA I for the Brawley Bus Transfer Terminal project. This involved the use of approximately $620,899 under the Federal Transit Administration (FTA) funding for the 5311 program for rural communities. The intention was to utilize the funding to purchase right of way, and, develop designs for a bus transfer terminal for use by the Imperial Valley Transit bus system. However this grant would not provide sufficient funding for construction.

In March 2010, ICTC submitted and received approval on several other grant applications for solar lighting, and construction, and approved a Memorandum of Understanding (MOU) for execution. The City developed the project schedule and agreed to perform the necessary work either in house or through the services of a contractor. The right of way acquisition, design and environmental phases have since been completed. Expenses to date equal approximately $340K.

In November 2012, the City of Brawley completed the competitive bid process for construction services. However the bids received have exceeded the available funding by approximately $231,687.50. The City is requesting additional funding to complete the project (see attachment). The remaining project cost is approximately $1.3 million, for a total potential project cost of approximately $1.6 million.

ICTC has received Transportation Development Act (TDA/LTF) funding to date in excess of the amount budgeted for FY 2012-13 for all of the various transit programs and services. Therefore with Commission approval, the City of Brawley could file an Article 8e application for this additional amount and deliver this project.

The project is regionally significant and there is the availability of additional TDA funding. In addition failure to receive this funding could jeopardize the completion of the project, as two grant sources of funding must be expended by early 2013 or they will be lost to the region. Therefore, ICTC staff are recommending the distribution of additional TDA funds to the City to ensure the completion of the project.
ICTC staff requested that ICTC Management Committee forward this item to the ICTC Commission, for review and approval after the receipt of public comment:

1. Authorized the City of Brawley to file a single TDA/LTF Article 8e application with ICTC for the amount of $231,687.50 for use on the Brawley Bus Transfer Terminal.

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

C. Unmet Transit Needs Public Hearing - for Fiscal Year 2013-2014

Section 99401.5 of the Public Utilities Code states that: "The Transportation Planning Agency (TPA) shall hold at least one public hearing pursuant to 99238.5, for the purpose of soliciting comments on the Unmet Transit Needs that may exist within the jurisdiction."

Unmet Transit Needs that are determined to be “Reasonable to Meet” by ICTC may be established by providing services directly, by contracting for new services, or the expansion of existing services.

In the past, these hearings have been held in the January - March time frame at the Board of Supervisors Chambers in the County Administration Center. ICTC is required to select the Hearing Panel from the elected official members of the Commission. It has been customary to appoint five members with two alternates. Typically, two members from the County are selected, with three City representatives. The alternates are also from the Cities.

The Panel meets twice, once for the actual hearing and then reconvenes approximately one month later to review testimony and adopt the “Findings” or actions to be implemented in the subsequent fiscal year. The date of the second meeting is determined by the panel members during the preliminary meeting. ICTC staff issue the public notices and coordinates administrative arrangements, which includes bilingual translation.

Last year the panel members were:

Mike Kelley    Supervisor, District #3
Jack Terrazas  Supervisor, District #2
George Nava    Councilmember, City of Brawley
Bill Hodge     Councilmember, City of Calexico
Mark Gran      Councilmember, City of Imperial
David Bradshaw Councilmember, City of Holtville

A Thursday afternoon or evening is recommended, as there are no regularly scheduled council meetings and the public is generally able to attend.

The comments and/or recommendations from SSTAC were:
- Lack of capacity of IVT Access
- Expansion of Saturday services on IVT
- Recommending reduction of headways from 75 minutes to 35 minutes
- Limited Sunday service
- Improved scheduling information
It was requested that ICTC Management Committee forward this item to the ICTC Commission for review and approval:

1. Appoint the Unmet Transit Needs Hearing Panel: two members from the County, three City representatives with two City alternates.
2. Select a hearing date of January 24, 2013 or January 31, 2013.
3. Select the time of the meeting.

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

D. Federal Transportation Improvement Program (FTIP) FY 2012-13 to FY 2015-16 Amendment #13-03

The Federal Highway Administration (FHWA) recently approved the new 2013 Federal Transportation Improvement Program (FTIP) submitted by the Southern California Association of Governments (SCAG).

This FTIP Amendment #13-03 will distribute funds from FY 2012-13 to FY 2015-16 to projects for the following agencies: the City of Calipatria’s “North International Avenue Sidewalk Improvement” project that will include Congestion Mitigation Air Quality (CMAQ) program funds; and the Imperial County Transportation Commission’s (ICTC) transit projects for the County Wide Transit System-Operating and Capital Assistance (Brawley Gold Line Circulator, the Americans with Disabilities Act (ADA) Paratransit Service Operating Assistance, the Med-Express Shuttle Operational Assistance and West Shores Dial-A-Ride). Projects are listed as part of the 2013 FTIP and are submitted to SCAG by the ICTC on a periodic basis in the form of amendments to the adopted FTIP.

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

1. Adopted the recommended 2013 FTIP AMENDMENT #13-03
2. Authorized staff to submit the documentation to SCAG for inclusion into the 2013 FTIP

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

**VII. DISCUSSION CALENDAR**

A. Draft Imperial County Long Range Transportation Plan Update

Mr. Baza with Mr. Alan Thompson’s assistance described the need for ICTC to update its Long Range Transportation Plan. The update comes from a requirement from FHWA which requires a Congestion Management Element for Imperial County to be incorporated into SCAG’s Congestion Management Plan (CMP). Due to the Imperial Valley’s growing urban areas and traffic congestion in the border region, non-attainment air quality status for Ozone, and the County’s total “on road” sources of emission a CM element will now be required.

The LRTP highlights were: that they updated the Imperial County 2007 Transportation Plan; the existing transportation infrastructure included goods movement, a transit program, land
use, and Transportation Demand Management (TMD) (bikes/pedals) and Transportation System Management (TSM) (intelligent transportation) strategies; they had minor updates to the 2007 Plan list of projects; and were consistent with current Plans and Capital Programs such as SCAG 2012 Regional Transportation Plan (RTP), Federal Transportation Improvement Program (FTIP), and State Transportation Improvement Plan (STIP).

LRTP’s next steps will be for the draft document to be available for review and comment, have the written comments by Friday, January 25, 2013, and have an approval presented in February 2013.

Ms. Fischer asked if there were any plans to improve Heber Road through the city due to poor road conditions and safety issues. Mr. Baza stated that when a full update is done it can be added to the LRTP then. In the interim, staff can work with Caltrans to make improvements. A complete update to Imperial County’s LRTP is scheduled for FY 2013-14.

VIII. NEXT MEETING DATE AND PLACE

The next meeting of the Management Committee will be held tentatively on January 9, 2013 at the City of Brawley, Brawley, CA.

IX. ADJOURNMENT

A. Meeting adjourned at 11:57 a.m.
The following action minutes are listed as they were acted upon by the Imperial County Transportation Commission and as listed on the agenda for the meeting held Wednesday December 12, 2012 together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

Chair Sanders called the Commission meeting to order at 6:00 p.m. Roll call was taken.

II. EMERGENCY ITEMS

A. There were none.

III. PUBLIC COMMENTS

A. There were none.

IV. APPROVAL OF CONSENT CALENDAR

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

A. Approved ICTC Board Minutes for November 14, 2012

B. Received and filed:
   1. ICTC SSTAC Draft Minutes for December 5, 2012

V. REPORTS

A. ICTC Executive Director
Mr. Baza had the following announcements:
- The City of El Centro with ICTC will be having its groundbreaking for the Transfer Transit Terminal on January 8, 2013 at 10:30 a.m. at the site on 7th and State Streets. This project has been conceptualized since 2001 and construction is projected to be completed by December 2013.
- Last month the Commission took action to support the SR-86 Relinquishment bill. Assembly member Ben Hueso will be sponsoring the bill and should be posted with in a day or so. There was a strong consensus in the region to go forward with this.
- An RFP will be posted by SCAG for the Calexico ITC feasibility study. The Transit Center would service all transit services in Calexico. A part of the study will include a proposed location.
- EPA Sanctions update: The schedule remains the same with a stay of the sanctions in the January/ February 2013 timeframe. CARB approved the modification and is currently on the EPA federal register and 30 day comment period. Mr. Baza stated that RFA’s should be prepared by a March timeframe so that agencies are not pushing the May deadline to Caltrans.
- A State Senate Hearing was held in Calexico and co-hosted by Assembly members Ben Hueso and Manuel Perez. Border infrastructure and economic development was discussed. Mr. Baza served as a panel member. Ms. Laurie Berman was present to discuss the potential for public/private partnerships. Mr. Baza stated that he wants to move forward with this potential for the Port of Entry (POE) Projects. He said that two roadway projects (Cesar Chavez and SR-98 and Ollie and Cesar Chavez) are moving forward that will impact the POE.
- Mr. Baza stated that he has had two meetings with Mexicali municipalities. They have established a working group to pursue ongoing opportunities in the border area. One of the topics at the last meeting was expanding pedestrian access at the East POE.
- The Imperial Valley Procurement Fair was held at the Barbara Worth Country Club on November 15, 2012. It was co-hosted by IVDEC, ICTC and Caltrans.

B. Southern California Association of Governments (SCAG)

Mr. Oliva had the following announcements:
- A SCAG study presented at the Border Infrastructure Hearing regarding the economic downfall due to border wait times is available in digital format for those who are interested. A joint resolution will be provided by Assembly members Ben Hueso and Manuel Perez supporting improvements to the border infrastructure.
- The Economic Summit was held in Los Angeles on December 6, 2012. The 2013 Legislative Priorities were discussed among other topics. A handout was provided by Mr. Oliva. For more information you may contact Mr. Oliva.
- The SR-86 relinquishment bill will be on legislative committee in January 2013.
- The SCAG General Assembly is scheduled for May 2-3, 2013 in Palm Desert at the JW Marriot.

C. California Department of Transportation (Caltrans)

Mr. Figge had the following announcements:
- A key point to make on border discussions and funding possibilities is that when staff goes to Washington D.C. we speak as a region. Studies such as the impacts of borders due to delays are also important.
- The bridge improvements that required a road closure on North Hwy 111 in December has been finished and the road is open.

D. Commission Member Report
- The City of Imperial will be having the Christmas Light Parade on December 14, 2012 with Christmas in a Small Town the following morning.
- Ben Soloman is the new Mayor of El Centro.
- Mike Goodsell is the new Mayor of Holtville.
- The reorg for the County of Imperial will be on January 7, 2013.

VI. ACTION CALENDAR

A. Yuma Area Service Connection Memorandum of Understanding (MOU) – YCIP TA – Quechan – ICTC

As a summary of the project, the Quechan tribe received a federal grant for transit operations. The Quechan tribe contacted the YCIP TA agency and ICTC regarding the potential for contracted transit services for travel by and between Yuma, Winterhaven and El Centro Ca. YCIP TA has developed a route proposal utilizing drivers and vehicles though its contractor, First Transit Inc. for its bus services, known as the Yuma County Area Transit (YCAT).

This demonstration route (YCAT-Turquoise #10) is proposed for a one year period from January 1, 2013 to December 31, 2013 and would be evaluated by YCIP TA, ICTC and Quechan Indian Tribe in September of 2013. The evaluation would determine its performance and provide recommendations to the respective governing Boards. This proposed route would replace the extension portion of Imperial Valley Transit (IVT) Route 3, between Holtville and Winterhaven, CA on Wednesdays. IVT Route 3 will continue to operate daily between Holtville to El Centro.

ICTC staff reviewed and provided comments and recommendations on the business 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, operational funding and performance standards.

The final business plan proposes twice daily roundtrips, three days a week minimum on a YCAT bus. It also recommends the discontinuance of the once a week, remote zone IVT trip from Holtville to Winterhaven operated on Wednesdays. The new YCAT route will offer travel opportunities that would then connect in El Centro to IVT intercity and intra city routes at 14th and State Streets. The price would be established at a $5.00 one way fare.

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ICTC has been requested to provide the annual incremental funding used for the Winterhaven portion of the IVT trip to the YCIP TA agency as a subsidy for this new service. This amount equals approximately $10,501.92 per year. ICTC would also receive performance data from YCIP TA in order to monitor the effectiveness and efficiency of the service.
Public meetings were held in the Quechan Tribal area as well as in Yuma to solicit public comment on this service change. John Andoh from YCIPTA and Allyson Collins from Quechan Tribe were both present and briefly commented on the partnership.

The ICTC Management Committee met prior to the Commission meeting on December 12, 2012. It was anticipated that they will review and forward this item to the Commission for your review and approval, after public comment if any:

1. Authorized the Chairperson to sign the Memorandum of Understanding (MOU) between the Yuma County Intergovernmental Public Transportation Authority, The Imperial County Transportation Commission and the Quechan Indian Tribe for the implementation and operation of a regional connector bus service (Turquoise Route #10) between Yuma AZ, Winterhaven and El Centro, California, which would implement the new YCIPTA Turquoise route effective January 3, 2013 and provide a financial not to exceed subsidy to YCIPTA in an amount of $10,501.92.

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

B. Brawley Bus Transfer Terminal Construction Bids (November 2012)

In July 2009, the Imperial Valley Association of Governments Regional Council, as the predecessor to the ICTC, approved the submittal of a grant application under the American Reinvestment and Recovery Act or ARRA I for the Brawley Bus Transfer Terminal project. This involved the use of approximately $620,899 under the Federal Transit Administration (FTA) funding for the 5311 program for rural communities. The intention was to utilize the funding to purchase right of way, and, develop designs for a bus transfer terminal for use by the Imperial Valley Transit bus system. However this grant would not provide sufficient funding for construction.

In March 2010, ICTC submitted and received approval on several other grant applications for solar lighting, and construction, and approved a Memorandum of Understanding (MOU) for execution. The City developed the project schedule and agreed to perform the necessary work either in house or through the services of a contractor. The right of way acquisition, design and environmental phases have since been completed. Expenses to date equal approximately $340K.

In November 2012, the City of Brawley completed the competitive bid process for construction services. However the bids received have exceeded the available funding by approximately $231,687.50. The City is requesting additional funding to complete the project (see attachment). The remaining project cost is approximately $1.3 million, for a total potential project cost of approximately $1.6 million.

ICTC has received Transportation Development Act (TDA/LTF) funding to date in excess of the amount budgeted for FY 2012-13 for all of the various transit programs and services. Therefore with Commission approval, the City of Brawley could file an Article 8e application for this additional amount and deliver this project.

The project is regionally significant and there is the availability of additional TDA funding. In addition failure to receive this funding could jeopardize the completion of the project, as two grant sources of funding must be expended by early 2013 or they will be
lost to the region. Therefore, ICTC staff are recommending the distribution of additional TDA funds to the City to ensure the completion of the project.

Ms. Yazmin Arellano, Brawley Public Works Director, was present to support the request and answer any questions.

The ICTC Management Committee met prior to the Commission meeting on December 12, 2012. It was anticipated that they will review and forward this item to the Commission for your review and approval, after public comment if any:

1. Authorized the City of Brawley to file a single TDA/LTF Article 8e application with ICTC for the amount of $231,687.50 for use on the Brawley Transfer Terminal.

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

C. Imperial Valley Transit (IVT) Specific Operational Analysis (SOA) – Circulator Bus Design Project – FY 2012-13

ICTC staff recently completed a competitive bid process to acquire a consultant firm for the completion of the project noted above. This project is funded by a federal Sec 5304 planning grant received by the Southern California Association of Governments (SCAG), whom submitted the grant at our request in FY 2009-10 for a maximum amount of $112,500.

The IVT- SOA is a planning effort involving the design of circulator bus routes similar to the IVT – Blue and Green lines in El Centro. However these routes would be developed for the Cities of Brawley, Imperial and Calexico.

The project entails a review of existing services and communities, with the level of service provided and the potential for new services and revenues available. The consultant team will spend time reviewing circulation and development plans, trip generators and performance data. The consultant team will conduct a bilingual survey, conduct bilingual public workshops in each City, and interact with City staff to develop recommendations.

After the route designs are developed, individual presentations will be provided by ICTC staff and the consultant team to each City for comment and approval. Ultimately, the designs and City approvals will be presented to the Commission for further decisions on implementation. Actual implementation dates are dependent upon identifying operational funding.

Operational funding has been tentatively identified for the Brawley circulator expected to be called the IVT Gold Line. Therefore priority in the study process has been directed to the IVT Gold Line. An anticipated start date for the IVT Gold Line could be as early as July/August 2013.

A proposal evaluation committee met on October 16th. The committee was comprised of ICTC, SCAG and staff from the cities of Brawley, Imperial and Calexico whom scored and ranked the proposals. The firms with the top three scoring proposals were then called back for oral interviews conducted on October 30 2012.
The final ranking of the consultant teams listed below was based on technical qualifications, prior experience, methodology, staff qualifications, attainment of DBE goal of 1.4%, bilingual capabilities and cost.

The ranking is listed as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>RANKING</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM</td>
<td>1</td>
<td>$109,767</td>
</tr>
<tr>
<td>Parson and Brinkerhoff</td>
<td>2</td>
<td>$112,789</td>
</tr>
<tr>
<td>Transit Management Design (TMD)</td>
<td>3</td>
<td>$112,216</td>
</tr>
</tbody>
</table>

The grant is for $100,000 and the local match amount of ($12,500) for this project was identified and previously approved in the ICTC FY 2012-13 OWP and budget (7416001-525010).

The ICTC Management Committee met prior to the Commission meeting on December 12, 2012. It was anticipated that they will review and forward this item to the Commission for your review and approval, after public comment if any:

1. Approved the award of the Consultant Agreement for the FY 2012-13 Imperial Valley Transit (IVT) Specific Operational Analysis (SOA) – Circulator Bus Design Project FY 2012-13 to AECOM for the fee of $109,767.
2. Authorized the Chairperson to sign the consultant agreement.

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


Section 99401.5 of the Public Utilities Code states that: "The Transportation Planning Agency (TPA) shall hold at least one public hearing pursuant to 99238.5, for the purpose of soliciting comments on the Unmet Transit Needs that may exist within the jurisdiction."

Unmet Transit Needs that are determined to be “Reasonable to Meet” by ICTC may be established by providing services directly, by contracting for new services, or the expansion of existing services.

In the past, these hearings have been held in the January - March time frame at the Board of Supervisors Chambers in the County Administration Center. ICTC is required to select the Hearing Panel from the elected official members of the Commission. It has been customary to appoint five members with two alternates. Typically, two members from the County are selected, with three City representatives. The alternates are also from the Cities.

The Panel meets twice, once for the actual hearing and then reconvenes approximately one month later to review testimony and adopt the “Findings” or actions to be implemented in the subsequent fiscal year. The date of the second meeting is determined by the panel members during the preliminary meeting. ICTC staff issue the public notices and coordinates administrative arrangements, which includes bilingual translation.

Last year the panel members were:

Mike Kelley Supervisor, District #3
A Thursday afternoon or evening is recommended, as there are no regularly scheduled council meetings and the public is generally able to attend.

The comments and/or recommendations from SSTAC were:
- Lack of capacity of IVT Access
- Expansion of Saturday services on IVT
- Recommending reduction of headways from 75 minutes to 35 minutes
- Limited Sunday service
- Improved scheduling information

The ICTC Management Committee met prior to the Commission meeting on December 12, 2012. It was anticipated that they will review and forward this item to the Commission for your review and approval, after public comment if any:

1. Appointed the Unmet Transit Needs Hearing Panel: two members from the County, Bill Hodge (Calexico), George Nava (Brawley), Mike Goodsell (Holtville) and Sedalia Sanders (El Centro) as an alternate.
2. Selected a hearing date of January 24, 2013.
3. Selected the time of the meeting to be at 3:00 p.m.

Meeting will be held at the IID William Condit Auditorium located on 1285 Broadway in El Centro.

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

E. Federal Transportation Improvement Program (FTIP) FY 2012-13 to FY 2015-16 – Amendment #13-03

The Federal Highway Administration (FHWA) recently approved the new 2013 Federal Transportation Improvement Program (FTIP) submitted by the Southern California Association of Governments (SCAG).

This FTIP Amendment #13-03 will distribute funds from FY 2012-13 to FY 2015-16 to projects for the following agencies: the City of Calipatria’s “North International Avenue Sidewalk Improvement” project that will include Congestion Mitigation Air Quality (CMAQ) program funds; and the Imperial County Transportation Commission’s (ICTC) transit projects for the County Wide Transit System-Operating and Capital Assistance (Brawley Gold Line Circulator, the Americans with Disabilities Act (ADA) Paratransit Service Operating Assistance, the Med-Express Shuttle Operational Assistance and West Shores Dial-A-Ride). Projects are listed as part of the 2013 FTIP and are submitted to SCAG by the ICTC on a periodic basis in the form of amendments to the adopted FTIP.

The ICTC Management Committee met prior to the Commission meeting on December 12, 2012. It was anticipated that they will review and forward this item to the Commission for your review and approval, after public comment if any:
1. Adopted the recommended 2013 FTIP Amendment #13-03
2. Authorized staff to submit the documentation to SCAG for inclusion into the 2013 FTIP

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

**VII. DISCUSSION CALENDAR**

**A. Draft Imperial County Long Range Transportation Plan Update**

Mr. Baza with Mr. Alan Thompson’s assistance described the need for ICTC to update its Long Range Transportation Plan. The update comes from a requirement from FHWA which requires a Congestion Management Element for Imperial County to be incorporated into SCAG’s Congestion Management Plan (CMP). Due to the Imperial Valley’s growing urban areas and traffic congestion in the border region, non-attainment air quality status for Ozone, and the County’s total “on road” sources of emission a CM element will now be required.

The LRTP highlights were: that they updated the Imperial County 2007 Transportation Plan; the existing transportation infrastructure included goods movement, a transit program, land use, and Transportation Demand Management (TMD) (bikes/pedals) and Transportation System Management (TSM) (intelligent transportation) strategies; they had minor updates to the 2007 Plan list of projects; and were consistent with current Plans and Capital Programs such as SCAG 2012 Regional Transportation Plan (RTP), Federal Transportation Improvement Program (FTIP), and State Transportation Improvement Plan (STIP).

LRTP’s next steps will be for the draft document to be available for review and comment, have the written comments by Friday, January 25, 2013, and have an approval presented in February 2013.

**VIII. NEXT MEETING DATE AND PLACE**

The next meeting of the Imperial County Transportation Commission will be held on **January 23, 2013 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 7:40 p.m.
1. Chair Martinez called the meeting to order at 10:02 am. A quorum was present. Introductions were made.

2. Minutes adopted for December 5, 2012 (McNeer/Leon) **Motion Carried.**

3. FY 2013-14 UTN Letter to the Hearing Panel

   Ms. Williams stated that the drafted letter to the FY 2013-14 UTN Hearing Panel was available for review. She requested the group review the letter and decide if it reflects what was discussed at the prior meeting. There were no objections to the letter as presented and a motion was made *(Ramirez/Hack)*, **Motion Carried.** Ms. Leticia Vizcarra volunteered to be the spokesperson for SSTAC and read the letter at the UTN Hearing scheduled for January 24, 2013 at 3:00 p.m. at the IID Bill Condit Auditorium located at 1285 Broadway in El Centro.

4. CTSA Reports

   Ms. Williams and Mr. Salgado had the following updates:
- Mr. Salgado stated that the ADA IVT Access No Show and late Cancellation Policy is in effect starting January 2, 2013. The policy has been available to the public for 30 days and an effort has been made to make the public aware of the policy. Mr. Salgado stated that a subcommittee to discuss and produce a similar policy for the Med Express will be formed soon.

- Mr. Salgado is looking to make presentations to the Local Coordination Committee and the Veterans Service agency to inform them of ICTC’s transit services, and, offer assistance if needed.

- The last day of the IVT Route 3 Winterhaven segment was Wednesday, January 2, 2013. The YCAT Turquoise Route #10 will begin servicing the Eastern Imperial County on Monday, January 7, 2013. The Turquoise Route will provide service from the Yuma/Winterhaven area to El Centro 3 days a week, twice per day.

- The groundbreaking for the El Centro Transit Transfer Terminal is scheduled for January 8, 2013 at 10:30 a.m. at 7th and State Streets. Invitations were distributed.

- The FY 2013-14 Unmet Needs Transit public hearing is scheduled for January 24, 2013 at 3 p.m. and will be held at the IID, at the William Condit Auditorium located at 1285 Broadway in El Centro. The legal notices and public service announcements have been developed. The bilingual interpreters are committed. Pink UTN Flyers in both English and Spanish were available to all agencies. An email will also be sent to all STSAC members with the flyer. The Hearing Panel was selected at the last Commission meeting and all agencies are encouraged to assist in getting the word out to all clientele and transit riders.

5. Operator Reports

- Ms. Pacheco stated that the Brawley Dial-A-Ride continues to have challenges providing service to their numerous wheelchair passengers. They also have been experiencing issues with No shows and late cancellations and may need to update their policy. Ms. Williams suggested they contact the City for assistance.

- Mr. McKeehan stated there have been no changes to the Calexico Dial-A-Ride.

- Mr. Meza stated that El Centro Dial-A-Ride continues to be very busy with nothing else to report. Imperial Dial-A-Ride is doing well with nothing else to report.

- Mr. Meza stated that changes to the payment policy are being made to the Med Express. Clients will have to pay beforehand to secure a reservation. Ms. Soto stated that there was confusion regarding these changes. Ms. Williams asked Mr. Meza to stay after the meeting to talk with herself and Ms. Soto for clarification.

- Mr. McKeehan stated that an IVT and IVT Access “Happy Holidays” free ride was held on December 20, 2012 all day. He also stated that IVT Access received 2 new buses for a total of 8 IVT Access buses in operation. A new General Manager, Charles Brockwell, was recently hired and will begin on January 15, 2013. Also, Cesar Sanchez is the Operations Manager for IVT.

- Mr. Chatel stated that the No Show Policy was implemented today for IVT Access and in the first 4 hours there were already 10 no-shows. All 10 people were contacted by IVT Access staff and advised of the policy. Mr. Salgado stated that throughout December the public was made aware with notices on the buses and contacts with social service agencies and all the feedback had been
generally positive.

6. General Discussion

- Ms. McNeer complimented the El Centro Dial-A-Ride. On one occasion she witnessed the driver wait until the client, who had mobility issues, enter the medical facility. Ms. McNeer stated that she was pleased with the driver’s courtesy.

- Mr. Hack inquired if the Green Line was still stopping by the new social security office. Mr. Chatel responded that the bus stop is still there and there have not been any recent issues with construction traffic.

7. Adjournment

- Unless there is something of significance to discuss in February, the next meeting of the SSTAC will be on March 6, 2013.

- Meeting adjourned at 10:35 p.m.
IV. APPROVAL OF CONSENT CALENDAR

C. SPECIFIC TRANSIT OPERATOR
   FISCAL REPORTS FY 2010-11
   AIM TRANSIT, MED EXPRESS, WEST SHORES DIAL-A-RIDE
January 3, 2013

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

SUBJECT: Specific Transit Operator Fiscal Reports FY 2010-11 for AIM Transit, Med Express, West Shores Dial-A-Ride

Dear Committee Members:

The Commission must conduct fiscal reviews of its transit operators on an annual basis. The three services are performed under a contract with ARC-Imperial Valley.

Attached, please find the following financial reports performed by the CPA firm, Hutchinson and Bloodgood:

- AIM Transit – paratransit service for the disabled
- Med Express – non emergency transportation to San Diego area medical facilities
- West Shores Dial-A-Ride – demand response transit service in the West Shores communities

It is requested that the 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 Specific Transit Operator Fiscal Reports FY 2010-11; AIM Transit, Med Express and West Shores Dial-A-Ride for the Imperial County Transportation Commission for FY 2010-11.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

MB/ksw/cl

Attachments
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<th>Page</th>
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<td>5</td>
</tr>
<tr>
<td>SUPPLEMENTAL INFORMATION</td>
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<td>Exhibit B - Internal Controls over Cash Handling</td>
<td>7</td>
</tr>
</tbody>
</table>
INDEPENDENT ACCOUNTANTS' REPORT

Imperial County Transportation Commission
1405 N. Imperial Avenue Suite 1
El Centro, California

We have performed the procedures enumerated below, which were agreed to by the Imperial County Transportation Commission's Management, solely to assist the specified party in evaluating the specific ARC-Imperial Valley AIM items for the year ended June 30, 2011 identified by the service contract. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reviewed the transit service contract, including contract modifications, between the Imperial County Transportation Commission and ARC-Imperial Valley for the provisions of specific transit services to be provided.

2. We reviewed documents provided by the Imperial County Transportation Commission and ARC-Imperial Valley to verify that expenditure and fare amounts reported to the Imperial County Transportation Commission Administration for the specific transit services were presented fairly and accurately. We found that ARC-Imperial Valley is in compliance with the contract terms and reporting properly as agreed per contract(s). See Exhibit A as a reference for this review.

3. We reviewed on a test basis fuel expenditures reported for all specific transit services provided and noted if these expenditures were in accordance to the fuel related terms included in the service contract. We found that ARC-Imperial Valley is in compliance with the contract terms and these expenditures are within budget and reported accordingly.

4. We reviewed ARC-Imperial Valley's internal controls over cash handling procedures and tested their fare collection process and related activities. We found that the internal controls set by ARC-Imperial Valley are adequate based on established guidelines. See Exhibit B as reference for this review.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.
This report is intended solely for the information and use of the management, the Imperial County Transportation Commission, the County of Imperial Board of Supervisors and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

December 14, 2012
IMPERIAL COUNTY TRANSPORTATION COMMISSION
AND
ARC – IMPERIAL VALLEY
AIM TRANSIT SERVICE CONTRACT
FOR THE YEAR ENDED JUNE 30, 2011

ACCOUNTANTS’ COMMENTS

PURPOSE

The purpose of this engagement pertaining to the service contract with ARC – Imperial Valley AIM was to enable us to form an opinion of the accountability of ARC – Imperial Valley in regard to its compliance with certain contract requirements during the period July 1, 2010 through June 30, 2011.

FARE REVENUES

The contract states that the fare box ratio of fare revenue divided by operating costs shall be maintained at or above ten percent (10%). The actual fare revenue received was slightly below ten percent (9.90%); ($92,000 fare revenue divided by $929,174 operating costs).

ICTC SUBSIDY

The contract states that the subsidy shall not exceed the amount of $834,966 for the fiscal year ending June 30, 2011, which includes an additional subsidy in the amount of $26,934 for marketing costs. The maximum payments shall not exceed $67,336 per month of the service year.

According to the contract, the Imperial County Transportation Commission (ICTC) will provide an additional amount, not to exceed $15,000 per year, for excessive wear and tear and mechanical repairs that exceed the line item budget amount. For this fiscal year a total of $15,000 was accessed. The ICTC has also established an amount of up to $5,000 to be accessed to offset increased fuel costs. For this fiscal year a total of $4,418 was accessed.

The total subsidy provided by the ICTC for this fiscal year was of $836,022.

EXPENDITURES

The budgeted expenditures for July 1, 2010 through June 30, 2011, were $924,747. The actual expenditures for this period were $954,820. This resulted in an unfavorable variance of $30,073 (See Exhibit A). The following expenditures exceed the budgeted amount:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Budget</th>
<th>Actual</th>
<th>(Over)/Under Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$414,210</td>
<td>$442,272</td>
<td>$(28,062)</td>
</tr>
<tr>
<td>Supplies</td>
<td>3,350</td>
<td>5,321</td>
<td>(1,971)</td>
</tr>
<tr>
<td>Office Expense</td>
<td>3,820</td>
<td>5,851</td>
<td>(2,031)</td>
</tr>
<tr>
<td>Vehicle Repair/Maintenance</td>
<td>103,697</td>
<td>127,257</td>
<td>(23,560)</td>
</tr>
<tr>
<td>Vehicle Fuel</td>
<td>139,402</td>
<td>143,820</td>
<td>(4,418)</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>-</td>
<td>1,193</td>
<td>(1,193)</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>172</td>
<td>320</td>
<td>(148)</td>
</tr>
<tr>
<td>Building Interest</td>
<td>2,253</td>
<td>2,334</td>
<td>(81)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>43,633</td>
<td>47,769</td>
<td>(4,136)</td>
</tr>
<tr>
<td>Administration</td>
<td>47,333</td>
<td>62,872</td>
<td>(15,539)</td>
</tr>
</tbody>
</table>

However, as long as total expenditures are within the total budget per service contract, there is no language that specifically disallows costs that are over the line item budgeted amount.
## IMPERIAL COUNTY TRANSPORTATION COMMISSION

AND

ARC - IMPERIAL VALLEY

AIM TRANSIT SERVICE CONTRACT

COMPARATIVE STATEMENT OF BUDGET TO ACTUAL EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2011

### EXHIBIT A

<table>
<thead>
<tr>
<th>EXPENSE TITLE</th>
<th>BUDGET</th>
<th>ACTUAL EXPENDITURES</th>
<th>(OVER) UNDER BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$414,210</td>
<td>$442,272</td>
<td>$(28,062)</td>
</tr>
<tr>
<td>Supplies</td>
<td>3,350</td>
<td>5,321</td>
<td>(1,971)</td>
</tr>
<tr>
<td>Office Expense</td>
<td>3,820</td>
<td>5,851</td>
<td>(2,031)</td>
</tr>
<tr>
<td>Safety/Training</td>
<td>3,419</td>
<td>2,292</td>
<td>1,127</td>
</tr>
<tr>
<td>Laundry/Uniforms</td>
<td>9,358</td>
<td>7,143</td>
<td>2,215</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,350</td>
<td>255</td>
<td>1,095</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,687</td>
<td>2,470</td>
<td>217</td>
</tr>
<tr>
<td>Vehicle Repair/Maintenance</td>
<td>103,697</td>
<td>127,257</td>
<td>(23,560)</td>
</tr>
<tr>
<td>Vehicle Fuel</td>
<td>139,402</td>
<td>143,820</td>
<td>(4,418)</td>
</tr>
<tr>
<td>Other Repair/Maintenance</td>
<td>3,891</td>
<td>3,882</td>
<td>9</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>37,052</td>
<td>33,701</td>
<td>3,351</td>
</tr>
<tr>
<td>Tax &amp; License Fees</td>
<td>1,609</td>
<td>810</td>
<td>799</td>
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<tr>
<td>Unemployment Insurance</td>
<td>-</td>
<td>1,193</td>
<td>(1,193)</td>
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<tr>
<td>Worker's Comp. Insurance</td>
<td>22,291</td>
<td>19,199</td>
<td>3,092</td>
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<tr>
<td>Liability Insurance</td>
<td>34,806</td>
<td>20,413</td>
<td>14,393</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>172</td>
<td>320</td>
<td>(148)</td>
</tr>
<tr>
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<td>2,253</td>
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<td>(4,136)</td>
</tr>
<tr>
<td>Administration</td>
<td>47,333</td>
<td>62,872</td>
<td>(15,539)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>23,480</td>
<td>17,074</td>
<td>6,406</td>
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<tr>
<td>Marketing</td>
<td>26,934</td>
<td>8,572</td>
<td>18,362</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$924,747</td>
<td>954,820</td>
<td>$(30,073)</td>
</tr>
<tr>
<td>Fares Collected</td>
<td></td>
<td>92,000</td>
<td></td>
</tr>
<tr>
<td><strong>Net Expenditures Eligible for Subsidy</strong></td>
<td></td>
<td>$862,820</td>
<td></td>
</tr>
<tr>
<td><strong>Amount Paid Per Contract</strong></td>
<td></td>
<td>$836,022</td>
<td></td>
</tr>
</tbody>
</table>
OBJECTIVE

Review established internal control procedures over cash handling and perform a walkthrough observation of the fare collection cycle and related processes.

PROCEDURES

Reviewed ARC-Imperial Valley's established guidelines over cash handling. Interviewed management and staff associated with the fare collection cycle. Observed cash count of total fares for a day of activity and confirmed amount collected with amount counted and amount reported.

OBSERVATIONS

During the performance of this walkthrough it was noticed that staff associated with the fare collection cycle were in compliance with established procedures. Dual custody procedures were noted throughout all levels of the fare collection cycle.

No cash or percentage variances were noted during our observation of the fare collection process.

CONCLUSION

We found that the internal controls procedures over cash handling set by ARC-Imperial Valley are adequate based on established guidelines and that actual fares received are properly reported to the ICTC.
IMPERIAL COUNTY TRANSPORTATION COMMISSION
AND
ARC - IMPERIAL VALLEY
MED-EXPRESS TRANSIT SERVICE REPORT
FOR THE YEAR ENDED JUNE 30, 2011
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INDEPENDENT ACCOUNTANTS’ REPORT

Imperial County Transportation Commission
1405 N. Imperial Avenue Suite 1
El Centro, California

We have performed the procedures enumerated below, which were agreed to by the Imperial County Transportation Commission’s Management, solely to assist the specified party in evaluating the specific ARC-IV Med-Express items for the year ended June 30, 2011 identified by the service contract. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reviewed the transit service contract, including contract modifications, between the Imperial County Transportation Commission and ARC-Imperial Valley for the provisions of specific transit services to be provided.

2. We reviewed documents provided by the Imperial County Transportation Commission and ARC-Imperial Valley to verify that expenditure and fare amounts reported to the Imperial County Transportation Commission Administration for the specific transit services were presented fairly and accurately. We found that ARC-Imperial Valley is in compliance with the contract terms and reporting properly as agreed per contract(s). See Exhibits A as a reference for this review.

3. We reviewed on a test basis fuel expenditures reported for all specific transit services provided and noted if these expenditures were in accordance to the fuel related terms included in the service contract. We found that ARC-Imperial Valley is in compliance with the contract terms and these expenditures are within budget and reported accordingly.

4. We reviewed ARC-Imperial Valley’s internal controls over cash handling procedures and tested their fare collection process and related activities. We found that the internal controls set by ARC-Imperial Valley are adequate based on established guidelines. See Exhibit B as a reference for this review.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.
This report is intended solely for the information and use of the management, the Imperial County Transportation Commission, the County of Imperial Board of Supervisors and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

December 14, 2012
ACCOUNTANTS' COMMENTS

PURPOSE

The purpose of this engagement pertaining to the service contract with ARC – Imperial Valley Med Express was to enable us to form an opinion of the accountability of ARC – Imperial Valley in regard to its compliance with certain contract requirements during the period July 1, 2010 through June 30, 2011.

FARE REVENUES

The contract states that the fare box ratio of fare revenue divided by operating costs shall be maintained at or above twenty percent (20%). The actual fare revenue was slightly below eighteen percent (17.85%); ($30,019 fare revenue divided by $168,202 operating costs). During the course of this engagement it was noted that fares did increase by eight percent, however, expenditures increased by twenty percent in comparison to prior year's activity.

ICTC SUBSIDY

The contract states that the subsidy shall not exceed the amount of $144,143 for the fiscal year ending June 30, 2011, which includes an additional subsidy in the amount of $8,420 for marketing costs. The maximum payments shall not exceed $11,310 per month of the service year. According to the contract, the Imperial County Transportation Commission (ICTC) will pay an additional amount, not to exceed $7,500 per year, for excessive wear and tear and mechanical repairs that exceed the line item budget amount. The ICTC will also pay an additional amount, if needed, at the end of the fiscal year to offset increased fuel costs of no more than $5,000. The total subsidy paid by the ICTC for July 1, 2010 through June 30, 2011, was $141,847.

EXPENDITURES

The budgeted expenditures for July 1, 2010 through June 30, 2011, were $176,827. The actual expenditures for this period were $177,703. This is an unfavorable variance of $876 (See Exhibit A). The following expenditures exceed the budgeted amount:

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<thead>
<tr>
<th>Expenditure</th>
<th>Budget</th>
<th>Actual</th>
<th>(Over)/Under Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 67,086</td>
<td>$ 72,260</td>
<td>$ (5,174)</td>
</tr>
<tr>
<td>Supplies</td>
<td>686</td>
<td>872</td>
<td>(186)</td>
</tr>
<tr>
<td>Office Expense</td>
<td>608</td>
<td>777</td>
<td>(169)</td>
</tr>
<tr>
<td>Laundry/Uniforms</td>
<td>1,346</td>
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<td>(113)</td>
</tr>
<tr>
<td>Utilities</td>
<td>487</td>
<td>500</td>
<td>(13)</td>
</tr>
<tr>
<td>Vehicle Fuel</td>
<td>29,175</td>
<td>31,015</td>
<td>(1,840)</td>
</tr>
<tr>
<td>Other Repair/Maintenance</td>
<td>595</td>
<td>947</td>
<td>(352)</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>-</td>
<td>233</td>
<td>(233)</td>
</tr>
<tr>
<td>Building Interest</td>
<td>443</td>
<td>478</td>
<td>(35)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>8,946</td>
<td>9,747</td>
<td>(801)</td>
</tr>
<tr>
<td>Administration</td>
<td>9,195</td>
<td>12,101</td>
<td>(2,906)</td>
</tr>
</tbody>
</table>

However, as long as total expenditures are within the total budget per service contract, there is no language that specifically disallows costs that are over the line item budgeted amount.
**IMPERIAL COUNTY TRANSPORTATION COMMISSION**  
**AND**  
**ARC – IMPERIAL VALLEY**  
**MED-EXPRESS TRANSIT SERVICE CONTRACT**  
**COMPARATIVE STATEMENT OF BUDGET TO ACTUAL EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**EXHIBIT A**

<table>
<thead>
<tr>
<th>EXPENSE TITLE</th>
<th>BUDGET</th>
<th>ACTUAL EXPENDITURES</th>
<th>(OVER) UNDER BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$67,086</td>
<td>$72,260</td>
<td>$(5,174)</td>
</tr>
<tr>
<td>Supplies</td>
<td>$686</td>
<td>$872</td>
<td>$(186)</td>
</tr>
<tr>
<td>Office Expense</td>
<td>$608</td>
<td>$777</td>
<td>$(169)</td>
</tr>
<tr>
<td>Safety/Training</td>
<td>$701</td>
<td>$320</td>
<td>381</td>
</tr>
<tr>
<td>Laundry/Uniforms</td>
<td>$1,346</td>
<td>$1,459</td>
<td>$(113)</td>
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<tr>
<td>Telephone</td>
<td>$277</td>
<td>$52</td>
<td>225</td>
</tr>
<tr>
<td>Utilities</td>
<td>$487</td>
<td>$500</td>
<td>$(13)</td>
</tr>
<tr>
<td>Vehicle Repair/Maintenance</td>
<td>$25,756</td>
<td>$24,735</td>
<td>1,021</td>
</tr>
<tr>
<td>Vehicle Fuel</td>
<td>$29,175</td>
<td>$31,015</td>
<td>$(1,840)</td>
</tr>
<tr>
<td>Other Repair/Maintenance</td>
<td>$595</td>
<td>$947</td>
<td>$(352)</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>$5,736</td>
<td>$5,602</td>
<td>134</td>
</tr>
<tr>
<td>Tax &amp; License Fees</td>
<td>$433</td>
<td>$256</td>
<td>177</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>$</td>
<td>$233</td>
<td>$(233)</td>
</tr>
<tr>
<td>Worker's Comp. Insurance</td>
<td>$4,696</td>
<td>$2,320</td>
<td>2,376</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>$7,215</td>
<td>$4,528</td>
<td>2,687</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>$38</td>
<td>$</td>
<td>38</td>
</tr>
<tr>
<td>Building Interest</td>
<td>$443</td>
<td>$478</td>
<td>$(35)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$8,946</td>
<td>$9,747</td>
<td>$(801)</td>
</tr>
<tr>
<td>Administration</td>
<td>$9,195</td>
<td>$12,101</td>
<td>$(2,906)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$4,988</td>
<td>$4,269</td>
<td>719</td>
</tr>
<tr>
<td>Marketing</td>
<td>$8,420</td>
<td>$5,232</td>
<td>3,188</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$176,827</strong></td>
<td><strong>177,703</strong></td>
<td><strong>$(876)</strong></td>
</tr>
<tr>
<td>Fares Collected</td>
<td></td>
<td></td>
<td>30,019</td>
</tr>
<tr>
<td>Net Expenditures Eligible for Subsidy</td>
<td></td>
<td>$147,684</td>
<td></td>
</tr>
<tr>
<td>Amount Paid Per Contract</td>
<td></td>
<td></td>
<td>$141,847</td>
</tr>
</tbody>
</table>
OBJECTIVE

Review established internal control procedures over cash handling and perform a walkthrough observation of the fare collection cycle and related processes.

PROCEDURES

Reviewed ARC-Imperial Valley’s established guidelines over cash handling, interviewed management and staff associated with the fare collection cycle. Observed cash count of total fares for a day of activity and confirmed amount collected with amount counted and amount reported.

OBSERVATIONS

During the performance of this walkthrough it was noticed that staff associated with the fare collection cycle were in compliance with established procedures. Dual custody procedures were noted throughout all levels of the fare collection cycle.

No cash or percentage variances were noted during our observation of the fare collection process.

CONCLUSION

We found that the internal controls procedures over cash handling set by ARC-Imperial Valley are adequate based on established guidelines and that actual fares received are properly reported to the ICTC.
IMPERIAL COUNTY TRANSPORTATION COMMISSION
AND
ARC – IMPERIAL VALLEY
WEST SHORES DIAL-A-RIDE TRANSIT SERVICE REPORT
FOR THE YEAR ENDED JUNE 30, 2011
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT ACCOUNTANTS' REPORT</td>
<td>3 - 4</td>
</tr>
<tr>
<td>ACCOUNTANTS' COMMENTS</td>
<td>5</td>
</tr>
<tr>
<td>SUPPLEMENTAL INFORMATION</td>
<td></td>
</tr>
<tr>
<td>Exhibit A - Budget to Actual Expenditure Comparison</td>
<td>6</td>
</tr>
<tr>
<td>Exhibit B - Internal Controls over Cash Handling</td>
<td>7</td>
</tr>
</tbody>
</table>
INDEPENDENT ACCOUNTANTS’ REPORT

Imperial County Transportation Commission
1405 N. Imperial Avenue Suite 1
El Centro, California

We have performed the procedures enumerated below, which were agreed to by the Imperial County Transportation Commission’s Management, solely to assist the specified party in evaluating the specific ARC-IV West Shores Dial-A-Ride items for the year ended June 30, 2011 identified by the service contract. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reviewed the transit service contract, including contract modifications, between the Imperial County Transportation Commission and ARC-Imperial Valley for the provisions of specific transit services to be provided.

2. We reviewed documents provided by the Imperial County Transportation Commission and ARC-Imperial Valley to verify that expenditure and fare amounts reported to the Imperial County Transportation Commission Administration for the specific transit services were presented fairly and accurately. We found that ARC-Imperial Valley is in compliance with the contract terms and reporting properly as agreed per contract(s). See Exhibit A as a reference for this review.

3. We reviewed on a test basis fuel expenditures reported for all specific transit services provided and noted if these expenditures were in accordance to the fuel related terms included in the service contract. We found that ARC-Imperial Valley is in compliance with the contract terms and these expenditures are within budget and reported accordingly.

4. We reviewed ARC-Imperial Valley’s internal controls over cash handling procedures and tested their fare collection process and related activities. We found that the internal controls set by ARC-Imperial Valley are adequate based on established guidelines. See Exhibit B as reference for this review.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.
This report is intended solely for the information and use of the management, the Imperial County Transportation Commission, the County of Imperial Board of Supervisors and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

December 14, 2012
ACCOUNTANTS' COMMENTS

PURPOSE

The purpose of this engagement pertaining to the service contract with ARC – Imperial Valley West Shores Dial-a-Ride was to enable us to form an opinion of the accountability of ARC – Imperial Valley in regard to its compliance with certain contract requirements during the period July 1, 2010 through June 30, 2011.

FARE REVENUES

The contract states that the fare box ratio of fare revenue divided by operating costs shall be maintained at or above ten percent (10%). The actual fare revenue received was slightly over five percent (5.41%); ($3,392 fare revenue divided by $62,715 operating costs). This has been a low utilization service and has not attained the recommended fare ratio as noted in previous engagements.

ICTC SUBSIDY

The contract states that the subsidy shall not exceed the amount of $87,745 for the fiscal year ending June 30, 2011, which includes an additional subsidy in the amount of $4,618 for marketing costs. The maximum payments shall not exceed $6,927 per month of the service year. According to the contract, the Imperial County Transportation Commission (ICTC) will pay an additional amount, not to exceed $3,500 per year, for excessive wear and tear and mechanical repairs that exceed the line item budget amount. The ICTC will also pay an additional amount, if needed, at the end of the fiscal year to offset increased fuel costs of no more than $5,000. The total subsidy paid by the ICTC for July 1, 2010 through June 30, 2011, was $63,370.

EXPENDITURES

The budgeted expenditures for July 1, 2010 through June 30, 2011, were $70,874. The actual expenditures for this period were $66,762. This is a favorable variance of $4,112 (See Exhibit A). The following expenditures exceed the budgeted amount:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Budget</th>
<th>Actual</th>
<th>(Over)/Under Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$28,110</td>
<td>$28,528</td>
<td>$(418)</td>
</tr>
<tr>
<td>Supplies</td>
<td>337</td>
<td>349</td>
<td>(12)</td>
</tr>
<tr>
<td>Laundry/Uniforms</td>
<td>583</td>
<td>585</td>
<td>(2)</td>
</tr>
<tr>
<td>Utilities</td>
<td>201</td>
<td>202</td>
<td>(1)</td>
</tr>
<tr>
<td>Vehicle Fuel</td>
<td>10,989</td>
<td>11,350</td>
<td>(361)</td>
</tr>
<tr>
<td>Other Repair/Maintenance</td>
<td>332</td>
<td>689</td>
<td>(357)</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>2,179</td>
<td>2,266</td>
<td>(87)</td>
</tr>
<tr>
<td>Building Interest</td>
<td>173</td>
<td>191</td>
<td>(18)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>3,307</td>
<td>3,923</td>
<td>(616)</td>
</tr>
<tr>
<td>Administration</td>
<td>3,849</td>
<td>4,813</td>
<td>(964)</td>
</tr>
</tbody>
</table>

However, as long as total expenditures are within the total budget per service contract, there is no language that specifically disallows costs that are over the line item budgeted amount.
## IMPERIAL COUNTY TRANSPORTATION COMMISSION

AND

ARC - IMPERIAL VALLEY

WEST SHORES DIAL-A-RIDE TRANSIT SERVICE CONTRACT

COMPARATIVE STATEMENT OF BUDGET TO ACTUAL EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2011

### EXHIBIT A

<table>
<thead>
<tr>
<th>EXPENSE TITLE</th>
<th>BUDGET</th>
<th>ACTUAL EXPENDITURES</th>
<th>(OVER) UNDER BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 28,110</td>
<td>$ 28,528</td>
<td>$ (418)</td>
</tr>
<tr>
<td>Supplies</td>
<td>337</td>
<td>349</td>
<td>(12)</td>
</tr>
<tr>
<td>Office Expense</td>
<td>331</td>
<td>302</td>
<td>29</td>
</tr>
<tr>
<td>Safety/Training</td>
<td>152</td>
<td>68</td>
<td>84</td>
</tr>
<tr>
<td>Laundry/Uniforms</td>
<td>583</td>
<td>585</td>
<td>(2)</td>
</tr>
<tr>
<td>Telephone</td>
<td>956</td>
<td>747</td>
<td>209</td>
</tr>
<tr>
<td>Utilities</td>
<td>201</td>
<td>202</td>
<td>(1)</td>
</tr>
<tr>
<td>Vehicle Repair/Maintenance</td>
<td>5,639</td>
<td>4,822</td>
<td>817</td>
</tr>
<tr>
<td>Vehicle Fuel</td>
<td>10,989</td>
<td>11,350</td>
<td>(361)</td>
</tr>
<tr>
<td>Other Repair/Maintenance</td>
<td>332</td>
<td>689</td>
<td>(357)</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>2,179</td>
<td>2,266</td>
<td>(87)</td>
</tr>
<tr>
<td>Tax &amp; License Fees</td>
<td>300</td>
<td>167</td>
<td>133</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>893</td>
<td>93</td>
<td>800</td>
</tr>
<tr>
<td>Worker's Comp. Insurance</td>
<td>1,405</td>
<td>902</td>
<td>503</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>2,827</td>
<td>2,718</td>
<td>109</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Building Interest</td>
<td>173</td>
<td>191</td>
<td>(18)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>3,307</td>
<td>3,923</td>
<td>(616)</td>
</tr>
<tr>
<td>Administration</td>
<td>3,849</td>
<td>4,813</td>
<td>(964)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,693</td>
<td>3,672</td>
<td>21</td>
</tr>
<tr>
<td>Marketing</td>
<td>4,618</td>
<td>375</td>
<td>4,243</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 70,874</td>
<td>66,762</td>
<td>$ 4,112</td>
</tr>
<tr>
<td>Fares Collected</td>
<td></td>
<td></td>
<td>3,392</td>
</tr>
<tr>
<td><strong>Net Expenditures Eligible for Subsidy</strong></td>
<td>$ 63,370</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amount Paid Per Contract</strong></td>
<td></td>
<td></td>
<td>$ 63,370</td>
</tr>
</tbody>
</table>
OBJECTIVE

Review established internal control procedures over cash handling and perform a walkthrough observation of the fare collection cycle and related processes.

PROCEDURES

Reviewed ARC-Imperial Valley's established guidelines over cash handling. Interviewed management and staff associated with the fare collection cycle. Observed cash count of total fares for a day of activity and confirmed amount collected with amount counted and amount reported.

OBSERVATIONS

During the performance of this walkthrough it was noticed that staff associated with the fare collection cycle were in compliance with established procedures. Dual custody procedures were noted throughout all levels of the fare collection cycle.

No cash or percentage variances were noted during our observation of the fare collection process.

CONCLUSION

We found that the internal controls procedures over cash handling set by ARC-Imperial Valley are adequate based on established guidelines and that actual fares received are properly reported to the ICTC.
IV. APPROVAL OF CONSENT CALENDAR

D. SPECIFIC TRANSIT OPERATOR FISCAL REPORTS FY 2010-11
IMPERIAL VALLEY TRANSIT
January 3, 2013

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

SUBJECT: Specific Transit Operator Fiscal Reports FY 2010-11 for Imperial Valley Transit

Dear Committee Members:

The Commission must conduct fiscal reviews of its transit operators on an annual basis. This service is performed under a contract with FIRST TRANSIT, Inc.

Attached, please find the financial report performed by the CPA firm, Hutchinson and Bloodgood:

It is requested that the 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 Specific Transit Operator Fiscal Reports; IMPERIAL VALLEY TRANSIT for the Imperial County Transportation Commission for FY 2010-11

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

MB/ksw/cl

Attachments

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

T:\projects\ictc\fiscal report ivt\services fy 2010-11 imc
IMPERIAL COUNTY TRANSPORTATION COMMISSION
AND
FIRST TRANSIT, INC.
IMPERIAL VALLEY TRANSIT SERVICE PROGRAM
FOR YEAR ENDED JUNE 30, 2011
## TABLE OF CONTENTS

<table>
<thead>
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<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>3</td>
</tr>
<tr>
<td>ACCOUNTANTS' NOTES</td>
<td>5</td>
</tr>
<tr>
<td>SUPPLEMENTAL INFORMATION</td>
<td></td>
</tr>
<tr>
<td>Exhibit A – Internal Controls over Cash Handling Procedures</td>
<td>6</td>
</tr>
<tr>
<td>Exhibit B – Statement of Fixed Rate, Farebox Revenue and Net Subsidy – El Centro Shuttle – Blue Line</td>
<td>7</td>
</tr>
<tr>
<td>Exhibit C – Statement of Fixed Rate, Farebox Revenue and Net Subsidy – El Centro Shuttle – Green Line</td>
<td>8</td>
</tr>
<tr>
<td>Exhibit D – Statement of Fixed Rate, Farebox Revenue and Net Subsidy – El Centro Shuttle – Combined</td>
<td>9</td>
</tr>
<tr>
<td>Exhibit E – Statement of Fixed Rate, Farebox Revenue and Net Subsidy – Imperial Valley Transit</td>
<td>10</td>
</tr>
<tr>
<td>Exhibit F – Statement of Fixed Rate, Farebox Revenue and Net Subsidy – All Services Combined</td>
<td>11</td>
</tr>
</tbody>
</table>
INDEPENDENT ACCOUNTANTS’ REPORT

Imperial County Transportation Commission
1405 N. Imperial Avenue Suite 1
El Centro, California

We have performed the procedures enumerated below, which were agreed to by the Imperial County Transportation Commission’s Management, solely to assist the specified party in evaluating the specific First Transit, Inc. transit services contract items for the year ended June 30, 2011. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reviewed the transit service contract, including contract modifications, between the Imperial County Transportation Commission and First Transit, Inc. for the provisions of specific transit services to be provided.

2. We reviewed documents provided by the Imperial County Transportation Commission and First Transit, Inc. to verify that expenditure and fare amounts reported to the Imperial County Transportation Commission Administration for the specific transit services were presented fairly and accurately. We found that First Transit, Inc. is in compliance with the contract terms and reporting properly as agreed per contract(s). See Exhibits B through F as references for this review.

3. We reviewed on a test basis fuel expenditures reported for all specific transit services provided and noted if these expenditures were in accordance to the fuel related terms included in the service contract. We found that First Transit, Inc. is in compliance with the contract terms and these expenditures are within budget and reported accordingly.

4. We reviewed First Transit’s internal controls over cash handling procedures and tested their fare collection process and related activities. We found that the internal controls set by First Transit, Inc. are adequate based on established guidelines. See Exhibit A as reference for this review.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.
This report is intended solely for the information and use of the management, the Imperial County Transportation Commission, the County of Imperial Board of Supervisors and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

December 14, 2012
ACCOUNTANTS’ NOTES

PURPOSE

The purpose of this engagement pertaining to the service contract between the Imperial County Transportation Commission (ICTC) and First Transit, Inc. was to provide an independent assessment of compliance with certain contract requirements during the period July 1, 2010 through June 30, 2011 and to assess the adequacy of First Transit Inc.’s internal controls over cash handling and reporting procedures.

FARE REVENUES

The service contract for each of the services provided by First Transit, Inc. states that the farebox ratio of fare revenue divided by operating costs shall be maintained at or above fourteen and a half percent (14.5%).

For the El Centro Shuttle (Blue and Green Line) the actual farebox recovery ratio was of four percent (4.0%); ($21,037 fare revenue divided by $521,904 operating costs). See Exhibit D.

For the Imperial Valley Transit service line the actual farebox recovery ratio was of over eighteen percent (18.3%); ($527,776 fare revenue divided by $2,880,227 operating costs). See Exhibit E.

The letter from the California Department of Transportation dated March 4, 2010 states that the suggested blended farebox recovery ratio calculation for the transit services above was approved and the blended farebox recovery ratio was set at fourteen and a half percent (14.5%).

For fiscal year ended June 30, 2011 the actual blended farebox ratio for all transit services combined was of over sixteen percent (16.1%); ($548,813 fare revenue divided by $3,402,131 operating costs). See Exhibit F.

ICTC SUBSIDY

The amended contract, dated December 8, 2010, states that the compensation for the Imperial Valley Transit Line for the period of July 1, 2010 through June 30, 2011 is identified as $2,885,852 less the farebox of 14.5% for a net subsidy not to exceed $2,467,403, with a marketing budget of $86,575. Actual costs for the year reported to ICTC were $2,352,451 in operational expense, $201,161 in additional fuel expenses, and $36,653 in marketing expenses for a combined total of $2,590,265. See Exhibit E.

For the El Centro Shuttle service line, which includes the Blue and Green Lines, the compensation is identified as $523,069 less the farebox of 14.5% for a net subsidy not to exceed $447,224, with a marketing budget of $11,787. Actual costs for the year reported to ICTC were $447,224 in operational expense, $15,425 in additional fuel expenses, and $15,692 in marketing expenses for a combined total of $478,341. See Exhibit D.
OBJECTIVE

Review established internal control procedures over cash handling and perform a walkthrough observation of the fare collection cycle and related processes.

PROCEDURES

Reviewed First Transit, Inc. established guidelines over cash handling. Interviewed management and staff associated with the fare collection cycle. Observed cash count of total fares contained in farebox and confirmed amount collected with amount counted and amount reported.

OBSERVATIONS

During the performance of this review it was noted that transit operator’s report logs do not contain a column on which they could keep track of any overages or shortages in fares received. It was noted that it is common for passengers not to have the correct change and overpay but transit operators have no way of keeping track of this on their report logs. It is recommended to modify these reports with a section for any fare overages or shortages noted by transit operator. This would have an impact on reducing variances noted in the Farebox Accounting Report prepared by First Transit, Inc. It is noted that actual fares and not projected fares are those fares reported to the ICTC as fares received.

It was noted that empty fareboxes are placed inside the transit vehicle under dual custody. Also, at the end of the day, each full farebox is removed, also under dual custody, and locked inside a vault. Counting of total fares is performed by two different individuals in a locked room. Cash fares are placed in a bag for deposit and are kept in a safe.

CONCLUSION

We found that the internal controls set by First Transit, Inc. are adequate based on established guidelines and that actual fares received are properly reported to the ICTC.
### IMPERIAL COUNTY TRANSPORTATION COMMISSION
AND
FIRST TRANSIT, INC.
IMPERIAL VALLEY TRANSIT SERVICE PROGRAM
STATEMENT OF FIXED RATE, FAREBOX REVENUE AND NET SUBSIDY
JULY 1, 2010 THROUGH JUNE 30, 2011

**El Centro Shuttle - Blue Line Service**

<table>
<thead>
<tr>
<th>Date</th>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
<th>Fuel Escalator</th>
<th>Marketing</th>
<th>Net Cost and Total Paid to First Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, 2010</td>
<td>$ 21,620</td>
<td>$ 1,801</td>
<td>$ 19,819</td>
<td>$ 506</td>
<td>$ 228</td>
<td>$ 20,553</td>
</tr>
<tr>
<td>August, 2010</td>
<td>22,388</td>
<td>1,351</td>
<td>21,037</td>
<td>488</td>
<td>398</td>
<td>21,923</td>
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<tr>
<td>September, 2010</td>
<td>21,618</td>
<td>1,064</td>
<td>20,554</td>
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<td>-</td>
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<tr>
<td>October, 2010</td>
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<td>1,290</td>
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<td>23,159</td>
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<td>22,546</td>
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<td>927</td>
<td>19,922</td>
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<tr>
<td>February, 2011</td>
<td>20,078</td>
<td>774</td>
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<td>574</td>
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<td>19,878</td>
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<td>620</td>
<td>20,990</td>
<td>963</td>
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<tr>
<td>May, 2011</td>
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<td>June, 2011</td>
<td>22,388</td>
<td>2,868</td>
<td>-</td>
<td>1,033</td>
<td>-</td>
<td>1,033</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 260,965</strong></td>
<td><strong>$ 15,368</strong></td>
<td><strong>$ 223,612</strong></td>
<td><strong>$ 7,878</strong></td>
<td><strong>$ 7,846</strong></td>
<td><strong>$ 239,336</strong></td>
</tr>
</tbody>
</table>

**Contract Specifications**
Paragraph 8.1.11
For Base Cost and Base Subsidy
$261,535 $37,923 $223,612

**Over (Under) Contract Requirements**
$ (570) $(22,555) $ 0

**Farebox Ratio Actual**
5.9%

**Farebox Ratio Contract**
14.5%
### IMPERIAL COUNTY TRANSPORTATION COMMISSION
AND
FIRST TRANSIT, INC.
IMPERIAL VALLEY TRANSIT SERVICE PROGRAM
STATEMENT OF FIXED RATE, FAREBOX REVENUE AND NET SUBSIDY
JULY 1, 2010 THROUGH JUNE 30, 2011

#### El Centro Shuttle-Green Line Service

<table>
<thead>
<tr>
<th>Date</th>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
<th>Fuel Escalator</th>
<th>Marketing</th>
<th>Total Paid to First Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, 2010</td>
<td>$21,618</td>
<td>$388</td>
<td>$21,230</td>
<td>$534</td>
<td>$228</td>
<td>$21,992</td>
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<tr>
<td>August, 2010</td>
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<td>$909</td>
<td>$21,479</td>
<td>$498</td>
<td>$240</td>
<td>$22,217</td>
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<td>$341</td>
<td>$21,273</td>
<td>$421</td>
<td>-</td>
<td>$21,694</td>
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<td>October, 2010</td>
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<td>$386</td>
<td>$21,229</td>
<td>$411</td>
<td>$228</td>
<td>$21,868</td>
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<tr>
<td>November, 2010</td>
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<td>$372</td>
<td>$20,477</td>
<td>$389</td>
<td>$662</td>
<td>$21,528</td>
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<tr>
<td>December, 2010</td>
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<td>$426</td>
<td>$22,736</td>
<td>$461</td>
<td>$1,050</td>
<td>$24,247</td>
</tr>
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<td>$20,844</td>
<td>$492</td>
<td>$20,352</td>
<td>$480</td>
<td>$1,271</td>
<td>$22,103</td>
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<td>$425</td>
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<td>-</td>
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<td>$22,612</td>
<td>$938</td>
<td>$2,832</td>
<td>$26,382</td>
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<td>$485</td>
<td>$21,133</td>
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<td>-</td>
<td>$22,077</td>
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<td>$475</td>
<td>$11,438</td>
<td>$1,003</td>
<td>$1,335</td>
<td>$13,776</td>
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<td>$423</td>
<td>-</td>
<td>$965</td>
<td>-</td>
<td>$965</td>
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<td><strong>$5,669</strong></td>
<td><strong>$223,612</strong></td>
<td><strong>$7,547</strong></td>
<td><strong>$7,846</strong></td>
<td><strong>$239,005</strong></td>
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**Contract Specifications**
Paragraph 8.1.11
For Base Cost and Base Subsidy

<table>
<thead>
<tr>
<th></th>
<th><strong>$261,535</strong></th>
<th><strong>$37,923</strong></th>
<th><strong>$223,612</strong></th>
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</table>

**Over (Under) Contract Requirements**

<table>
<thead>
<tr>
<th></th>
<th><strong>$ (596)</strong></th>
<th><strong>$(32,254)</strong></th>
<th><strong>$ 0</strong></th>
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</table>

**Farebox Ratio Actual**
2.2%

**Farebox Ratio Contract**
14.5%
## IMPERIAL COUNTY TRANSPORTATION COMMISSION AND FIRST TRANSIT, INC.
### IMPERIAL VALLEY TRANSIT SERVICE PROGRAM
### STATEMENT OF FIXED RATE, FAREBOX REVENUE AND NET SUBSIDY
### JULY 1, 2010 THROUGH JUNE 30, 2011

### El Centro Shuttle (Blue and Green Line) Services

<table>
<thead>
<tr>
<th>Date</th>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
<th>Fuel Escalator</th>
<th>Marketing</th>
<th>Net Cost and Total Paid to First Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, 2010</td>
<td>$43,238</td>
<td>$2,189</td>
<td>$41,049</td>
<td>$1,040</td>
<td>$456</td>
<td>$42,545</td>
</tr>
<tr>
<td>August, 2010</td>
<td>44,776</td>
<td>2,260</td>
<td>42,516</td>
<td>986</td>
<td>638</td>
<td>44,140</td>
</tr>
<tr>
<td>September, 2010</td>
<td>43,232</td>
<td>1,405</td>
<td>41,827</td>
<td>852</td>
<td>-</td>
<td>42,679</td>
</tr>
<tr>
<td>October, 2010</td>
<td>43,233</td>
<td>1,835</td>
<td>41,398</td>
<td>832</td>
<td>513</td>
<td>42,743</td>
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<tr>
<td>November, 2010</td>
<td>41,699</td>
<td>1,662</td>
<td>40,037</td>
<td>807</td>
<td>1,324</td>
<td>42,168</td>
</tr>
<tr>
<td>December, 2010</td>
<td>46,321</td>
<td>1,039</td>
<td>45,282</td>
<td>967</td>
<td>2,332</td>
<td>48,581</td>
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<td>41,693</td>
<td>1,419</td>
<td>40,274</td>
<td>985</td>
<td>2,542</td>
<td>43,801</td>
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<td>40,156</td>
<td>1,199</td>
<td>38,957</td>
<td>1,077</td>
<td>-</td>
<td>40,034</td>
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<td>March, 2011</td>
<td>46,318</td>
<td>2,488</td>
<td>43,830</td>
<td>1,928</td>
<td>5,780</td>
<td>51,538</td>
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<td>43,228</td>
<td>1,105</td>
<td>42,123</td>
<td>1,907</td>
<td>-</td>
<td>44,030</td>
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<td>May, 2011</td>
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<td>29,931</td>
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<td>34,084</td>
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<td>3,291</td>
<td>-</td>
<td>1,998</td>
<td>-</td>
<td>1,998</td>
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<tr>
<td>Total</td>
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<td>$21,037</td>
<td>$447,224</td>
<td>$15,425</td>
<td>$15,692</td>
<td>$478,341</td>
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### Contract Specifications
Paragraph 8.1.11
For Base Cost and Base Subsidy

<table>
<thead>
<tr>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>$523,069</td>
<td>$75,845</td>
<td>$447,224</td>
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</tbody>
</table>

### Over (Under) Contract Requirements

<table>
<thead>
<tr>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,165</td>
<td>$(54,808)</td>
<td>$0</td>
</tr>
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</table>

### Farebox Ratio Actual
4.0%

### Farebox Ratio Contract
14.5%
## Imperial County Transportation Commission
### and
### First Transit, Inc.
### Imperial Valley Transit Service Program
### Statement of Fixed Rate, Farebox Revenue and Net Subsidy
### July 1, 2010 Through June 30, 2011

---

**Imperial Valley Transit - Countywide Service Line**

<table>
<thead>
<tr>
<th>Date</th>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
<th>Fuel Escalator</th>
<th>Marketing</th>
<th>Net Cost and Total Paid to First Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, 2010</td>
<td>$241,285</td>
<td>$36,507</td>
<td>$204,778</td>
<td>$12,516</td>
<td>$1,322</td>
<td>$217,294</td>
</tr>
<tr>
<td>August, 2010</td>
<td>237,426</td>
<td>39,667</td>
<td>197,759</td>
<td>12,557</td>
<td>1,322</td>
<td>211,638</td>
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<tr>
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<td>243,344</td>
<td>43,773</td>
<td>199,571</td>
<td>13,368</td>
<td>-</td>
<td>212,939</td>
</tr>
<tr>
<td>October, 2010</td>
<td>245,910</td>
<td>45,742</td>
<td>200,168</td>
<td>15,584</td>
<td>1,443</td>
<td>217,195</td>
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<tr>
<td>November, 2010</td>
<td>235,641</td>
<td>44,845</td>
<td>190,796</td>
<td>13,588</td>
<td>650</td>
<td>205,034</td>
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<tr>
<td>December, 2010</td>
<td>241,075</td>
<td>39,099</td>
<td>201,976</td>
<td>8,690</td>
<td>6,894</td>
<td>217,560</td>
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<td>January, 2011</td>
<td>222,268</td>
<td>35,483</td>
<td>186,785</td>
<td>14,117</td>
<td>7,520</td>
<td>208,422</td>
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<tr>
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<td>225,891</td>
<td>39,724</td>
<td>186,167</td>
<td>14,594</td>
<td>4,552</td>
<td>205,313</td>
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<td>March, 2011</td>
<td>257,328</td>
<td>76,110</td>
<td>181,218</td>
<td>25,229</td>
<td>9,234</td>
<td>215,681</td>
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<tr>
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<td>243,782</td>
<td>44,289</td>
<td>199,493</td>
<td>26,248</td>
<td>5,038</td>
<td>230,779</td>
</tr>
<tr>
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<td>45,053</td>
<td>200,928</td>
<td>22,246</td>
<td>-</td>
<td>223,174</td>
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<td>June, 2011</td>
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<td>37,484</td>
<td>202,812</td>
<td>22,424</td>
<td>-</td>
<td>225,236</td>
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**Total** $2,880,227 | $527,776 | $2,352,451 | $201,161 | $36,653 | $2,590,265

---

**Contract Specifications**

**Paragraph 8.1.6**

For Base Cost and Base Subsidy

|               | $2,885,852 | $418,449 | $2,467,403 |

**Over (Under) Contract Requirements**

|               | $ (5,625)  | $109,327 | $ (114,952) |

**Farebox Ratio Actual**

18.3%

**Farebox Ratio Contract**

14.5%
**IMPERIAL COUNTY TRANSPORTATION COMMISSION AND**
**FIRST TRANSIT, INC.**
**IMPERIAL VALLEY TRANSIT SERVICE PROGRAM**
**STATEMENT OF FIXED RATE, FAREBOX REVENUE AND NET SUBSIDY**
**JULY 1, 2010 THROUGH JUNE 30, 2011**

All First Transit Services Combined

<table>
<thead>
<tr>
<th>Date</th>
<th>Base Cost</th>
<th>Farebox</th>
<th>Net Subsidy</th>
<th>Fuel Escalator</th>
<th>Marketing</th>
<th>Net Cost and Total Paid to First Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, 2010</td>
<td>$284,523</td>
<td>$38,696</td>
<td>$245,827</td>
<td>$13,556</td>
<td>$456</td>
<td>$259,839</td>
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<tr>
<td>August, 2010</td>
<td>282,202</td>
<td>41,927</td>
<td>240,275</td>
<td>13,543</td>
<td>1,960</td>
<td>255,778</td>
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<tr>
<td>September, 2010</td>
<td>286,576</td>
<td>45,178</td>
<td>241,398</td>
<td>14,220</td>
<td>-</td>
<td>255,618</td>
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<tr>
<td>October, 2010</td>
<td>289,143</td>
<td>47,577</td>
<td>241,566</td>
<td>16,416</td>
<td>1,956</td>
<td>259,938</td>
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<tr>
<td>November, 2010</td>
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<td>46,507</td>
<td>230,833</td>
<td>14,395</td>
<td>1,974</td>
<td>247,202</td>
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<td>40,138</td>
<td>247,258</td>
<td>9,657</td>
<td>9,226</td>
<td>266,141</td>
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<td>36,902</td>
<td>227,059</td>
<td>15,102</td>
<td>10,062</td>
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<td>February, 2011</td>
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<td>40,923</td>
<td>225,124</td>
<td>15,671</td>
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<td>78,598</td>
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<td>27,157</td>
<td>15,014</td>
<td>267,219</td>
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<td>April, 2011</td>
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<td>45,394</td>
<td>241,616</td>
<td>28,155</td>
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<td>46,198</td>
<td>230,859</td>
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<td>227,234</td>
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<td><strong>Total</strong></td>
<td><strong>$3,402,131</strong></td>
<td><strong>$548,813</strong></td>
<td><strong>$2,799,675</strong></td>
<td><strong>$216,586</strong></td>
<td><strong>$52,345</strong></td>
<td><strong>$3,068,606</strong></td>
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</tbody>
</table>

Contract Specifications
Paragraphs 8.1.6 and 8.1.11 For Base Cost
and Base Subsidy

|            | $3,408,921 | $494,294 | $2,914,627 |

Over (Under) Contract Requirements

|            | $(6,790)   | $54,519  | $(114,952) |

**Farebox Ratio Actual**
16.1%

**Farebox Ratio Contract**
14.5%
VI. ACTION CALENDAR

A. ROTATION OF CHAIR AND VICE CHAIR POSITIONS
January 4, 2013

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

SUBJECT: Rotation of Chair and Vice-Chair Positions

Dear Committee Members:

The ICTC Management Committee has historically rotated the chairperson’s position from amongst its member agencies. In addition there has been a Vice chairperson. Both of these positions serve for a period of approximately one year.

It is requested that the Management Committee take any appropriate action in the consideration of the rotation and assignment of the two positions.

Sincerely yours,

MARK BAZA
Executive Director

BY: [Signature]

Kathi Williams
Senior Transit Planner

Attachment

KW/cl
# IVAG / ICTC CHAIR AND VICE CHAIRS (Management Committee)

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Chair</th>
<th>Vice Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>County</td>
<td>Imperial ?</td>
</tr>
<tr>
<td>2012</td>
<td>Calipatria</td>
<td>County</td>
</tr>
<tr>
<td>2011</td>
<td>Calipatria</td>
<td>County</td>
</tr>
<tr>
<td>2010</td>
<td>Calexico</td>
<td>Calipatria</td>
</tr>
<tr>
<td>2009</td>
<td>Brawley</td>
<td>Calexico</td>
</tr>
<tr>
<td>2008</td>
<td>Holtville</td>
<td>Brawley</td>
</tr>
<tr>
<td>2007</td>
<td>County</td>
<td>Holtville</td>
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<tr>
<td>2006</td>
<td>El Centro</td>
<td>Calexico</td>
</tr>
<tr>
<td>2005</td>
<td>Calexico</td>
<td>Imperial</td>
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## Frequency of Positions

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<thead>
<tr>
<th>Location</th>
<th>CHAIR</th>
<th>VICE CHAIR</th>
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<tbody>
<tr>
<td>Brawley</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Calipatria</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Calexico</td>
<td>2</td>
<td>2</td>
</tr>
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<td>El Centro</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Holtville</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Imperial</td>
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<td>1</td>
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<tr>
<td>Westmorland</td>
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A. OVERVIEW OF THE PUBLIC /PRIVATE PARTNERSHIP (P3) PROPOSAL TO ACCELERATE EXPANSION AND IMPROVEMENTS AT THE CALEXICO EAST AND WEST LAND PORTS OF ENTRY
LAND PORT OF ENTRY EXPANSION EFFORTS

PRESENTATION ON THE PUBLIC / PRIVATE PARTNERSHIP EFFORTS TO FACILITATE EXPANSION OF BOTH LAND PORTS OF ENTRY

JANUARY 9, 2013

KINSSELL, NEWCOMB
DE DIOS, INC.
INVESTMENT BANKING
LPOE Expansion Efforts and Challenges

Assessing the need for expansion and renovation to the existing Land Port of Entry’s we have found the main challenges with the current LPOE situation:

1. **ECONOMIC CHALLENGES** – The LPOE’s have a tremendous strain on the local economics without the economic benefit of supporting revenues. A recent CalTrans study indicated a $1.2 Billion Annual Economic Loss due to congestion and wait times.

2. **TIME DELAYS** – Planning and expansion efforts have been in motion with GSA since 2007, and due to Federal budget constraints, time estimates for Federal funding and implementation are unknown extending 5 to 15+ years forward.

3. **LPOE FACILITY DEFICIENCIES** - The existing facilities contain several deficiencies:
   
   A. **National Security Threat** – Antiquated facilities are inadequate for maintaining public safety and security;

   B. **Environmental / Social Hazards** – High emissions from idle cars creates poor air quality conditions; Unsafe conditions for over 40,000 pedestrians from high temperatures exceeding 100 degrees, generally over a two hour wait time.

   C. **Bi-National Coordination** – Unlike many cross-border infrastructure projects, the Mexican infrastructure is much completed for the LPOE expansions.
**Solutions**

- **Public / Private Partnership (PPP)** – Common to many Federal Agency projects but never used for Land Ports of Entry;
- **Feasibility** – Potential for new revenue sources to offer to GSA and DHS for more timely delivery of the LPOE’s;
- **Momentum** – Despite regulatory hurdles, legislative efforts indicate strong willingness to accept new procurement methods, including PPP’s.

**LPOE PPP Structure Support**

Increasing Support from Federal Agencies, GSA, CBP, and DHS.

Support includes Resolutions from State Assembly, State Senate, SANDAG, City of Calexico and County of Imperial and facilitating legislation proposed in Congress.
CONSIDERATION – JOINT POWERS AUTHORITY STRUCTURE

The primary use of the Joint Powers Authority will be to streamline *regional* efforts and decision making in the financing, construction and operation of certain portions of the Downtown and East Port LPOE’s.

Downtown Calexico LPOE Jurisdiction:  *City of Calexico*
East Land Port of Entry Jurisdiction:  *County of Imperial*
Regional Transportation:  *ICTC – Imperial County Transportation Commission*

The formation of a Joint Powers Authority may allow all regional jurisdictions the ability to participate in the regional benefits from LPOE improvements in all aspects of the Authority’s efforts.

PUBLIC PRIVATE PARTNERSHIP

*County Approved MOU with Private Sector Entity* – No liability for participating entities.
KINSELL, NEWCOMB & DE DIOS
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Mr. Victor Carrillo
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Email: carrillo.victor.manuel@gmail.com
Problems and Opportunities

Downtown Calexico Port of Entry has been in planning stages since approximately 2007. GSA and CBP have completed environmental studies and design. Its estimated cost for rehabilitation and expansion is $330 million. Given the fiscal situation of the U.S. federal government, funding and construction have been delayed with little hope of implementation for several years. The challenge is compounded as Mexico’s expansion is under construction and scheduled for completion in 2015.

Calexico East Port of Entry constructed approximately 15 years ago, has a less critical need for rehabilitation, but offers opportunity for expansion and increased economic activity. The opportunities include increased capacity for automobiles and commercial vehicles, plus expanded hours of operation.

Local Implementation Proposal will include use of a private/public partnership consisting of truly private resources (finance, construction and management), joint venturing with a combination of local governments, the County of Imperial, Imperial County Transportation Commission and the City of Calexico, to propose implementing the development of these new assets and operations for GSA and CBP.

Challenges and Solutions

Challenge
GSA and OMB are subject to certain limits and regulations, generally, described in a document entitled Circular A-11. This document interprets federally sponsored projects to be more efficiently delivered with traditional procurement methods. However, without the necessary funding, the projects have stalled.

Solution
Through the use of a public/private partnership, local financial resources may change the dynamics of cost responsibility from entirely federal to a combination of local, private and federal funds, and provide for the immediate development of the improvements and expanded operations.
Challenge

Given other State and local needs, there is difficulty creating local revenues or other resources to provide local support. The enterprise used in many areas along the Southwestern United States and Mexico Border is a user fee operation. Initially, these enterprises seem unpopular because of years of operations experienced without this need.

Solution

This proposal will suggest user fees at the Calexico East Port only for increased capacity, leaving existing capacity free, and making use of user fee lanes optional. Such user fees will be dedicated to pay a portion of new infrastructure and expanded operating hours. No user fees will be proposed at the Calexico Downtown Port.

Challenge

There are questions regarding implementation of a user fee process – although special State legislation was approved and is currently being implemented at San Diego County’s Otay Mesa East crossing and previous State legislation dealing with State Route 7 may allow for user fees, the logistics of federal, State or local property need to be managed. Any user fees will necessarily need to be sufficient to win favor and acceptance from federal agencies and the resultant lower financial obligation resulting to them.

Solution

With State authorization confirmed and coordinated with the federal agencies, there is the opportunity to create a system with local rules and regulations, yet meet the economic realities of sufficiency for the federal agencies.

Feasibility and Policy

Preliminary Feasibility analysis shows the economic impact for commercial operations, primarily cross-border trucking, to be very favorable for manufacturers and other commercial operators.

Furthermore, other local areas which have implemented user fees with “value pricing” have been embraced by other segments of border crossers, given time. The existence of the “cottage industry” existing today at these two Ports indicates a level of voluntary willingness to pay for the convenience of a less time-consuming crossing.

Again, under this proposal the ability to cross without a user fee will not change for existing capacity.
Policy makers in Washington, Sacramento and in other local regions of the United States seem to be embracing this methodology. Proposed legislation in both the House of Representatives and the Senate have been introduced to provide flexibility to enter private/public partnerships for the development of land ports of entry, if, accompanied by user fees. Sacramento has provided such mechanics for Otay Mesa East. All along the U.S./Mexico Border, local governments have provided for the user fee concept.

Proposal Specifics and Timing

The local joint venture entity will compose a proposal to GSA and CBP to:

1) finance and construct improvements at the Calexico Downtown Port, without user fees;

2) finance, construct and manage user fee operation at Calexico East Port thereby lessening necessary federal lease payments; and

3) the proposal will be structured to work within current Circular A-11 regulations, but adaptable to advantage the proposal to use new legislation, if and when, enacted.
MEMORANDUM OF UNDERSTANDING REGARDING NEGOTIATION OF LAND PORT OF ENTRY PROJECT

This Memorandum of Understanding Regarding Negotiation of Land Port of Entry Project (“MOU”), effective as of December ____, 2012, is entered into by and between the County of Imperial, a political subdivision of the State of California (“County”) and California Power Corporation, an active California Corporation (“Developer Consultant”), referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, it is the stated intent of the United States Government’s General Services Administration (“CGSA”) to rehabilitate and expand the infrastructure of the Land Port of Entry located in the downtown area of the City of Calexico and the Land Port of Entry located in the unincorporated area of Imperial County east of the City of Calexico. Expanded hours of operation at the East LPOE may also be included in the project; and

WHEREAS, plans and specifications for the Downtown LPOE are nearing completion by GSA; plans and specifications for the East LPOE are in early development stages; expanded hours of operation is a goal to be explored by Parties; and

WHEREAS, the GSA has stated that it does not have sufficient funds available for the initiation and completion of any of these projects; and

WHEREAS, Initiation and completion of the Project is vital to the economic and social welfare of the greater community of Imperial County; and

WHEREAS, at its own expense and initiative, Developer Consultant has explored alternative funding sources and alternative methods of completing project; and

WHEREAS, the County has indicated an interest in exploring, pursuing and negotiating a method of completing the project including exploring alternative means of financing and the Project with Developer Consultant, as well as operating any complimentary assets following Project completion; and

WHEREAS, one of the potential avenues to fund this project is through a public-private partnership as set forth in California Government code sections 5956 et seq.

THEREFORE, the Parties agree as follows:

1. Term: This MOU shall become effective as of the Effective Date and shall terminate on December 31, 2013. Either Party may terminate this agreement by providing the other Party with thirty days, written notice.

2. Project: The “Project” is pursuing a method of completion of the rehabilitation and expansion of the infrastructure of the Land Port of Entry located in the downtown area of the City of Calexico and the Land Port of Entry located in the unincorporated area of Imperial County east of the City of Calexico, including possible expansion of hours and including possible funding sources such as through a public-private partnership as set forth in California Government code sections 5956 et seq.

3. County’s Obligations: To the extent permissible by law, County agrees to negotiate exclusively with Developer Consultant in good faith to pursue methods of completing the
Project, including funding sources such as through a public-private partnership as set forth in California Government code sections 5956 et. seq.

4. **Developer Consultant’s Obligations**: Developer Consultant shall make good faith efforts to pursue the goals of this MOU and will develop the Project plan and pursue completing Project.

5. **No Project Approval.** This MOU does not approve or commit any Party to any specific plan for completion of project or for financing. This MOU is not a project subject to California Environmental Quality Act as it in no way commits the County to take any action. In no case would actions taken as a result of this MOU have any impact on the environment. In no event shall the County's General Fund, any of the County general or special funds, or any of the funds currently controlled by County or in its accounts be obligated as or claimed as a source of funding for the Project.

6. **Costs.** Developer Consultant shall bear all costs.

7. **General Terms.**
   a. The Parties acknowledge and agree that neither Party is obligated to undertake development or any financing by entering into this MOU. County has the right to, at its sole and absolute discretion to take any action at the conclusion of negotiations. This MOU does not obligate the County to any action nor does this MOU limit County’s discretion in any way. This MOU does not limit County police power or legislative power.
   b. County shall not be liable, in any respect, to Developer Consultant or any of the consultants that may be hired by Developer Consultant to prepare the Project plan, and such consultants shall not be considered a third party beneficiary of this Agreement in regards to concurrence or County’s rejection of the Project.
   c. This MOU does not create a joint venture, partnership, or any other legal relationship of association among the Parties. Each Party is an independent legal entity and is not acting as an agent of the other Party in any respect.
   d. This MOU shall not be assigned without written permission.
   e. Nothing contained herein is intended, nor shall this MOU be construed, as an agreement to benefit any third party.

8. **Indemnification.** Developer Consultant shall indemnify, defend, protect, and hold County and County officers, employees, agents, and contractors harmless from all liabilities, claims, demands, damages, and costs (including attorneys’ fees and litigation costs through final appeal) that arise out of are in any way related to, caused by, or based upon any act undertaken by the Parties in furtherance of this MOU.
9. **Notices.** All notices shall be in writing, shall be given personally or through U.S. mail addressed as follows:

**COUNTY**
Office of the County Executive Officer
County Administration Center
940 West Main Street
El Centro, CA 92243

**DEVELOPER CONSULTANT**
J. Jeffery Kinsell
California Power Corporation
2776 Gateway Road
Carlsbad, CA 92009

**COUNTY OF IMPERIAL**

By: ________________________
Michael W. Kelley, Chairman
Board of Supervisors

**DEVELOPER CONSULTANT**

By: _________________________

ATTEST:

By:________________________
Sylvia Bermudez, Clerk of the
Board of Supervisors of the
County of Imperial

**APPROVED AS TO FORM**

By:________________________
Michael L. Rood
County Counsel