



**1503 N. IMPERIAL AVENUE, SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
FAX: (760) 592-4410**

TRANSPORTATION COMMISSION AGENDA

**LARGE CONFERENCE ROOM
1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243**

**WEDNESDAY, March 27, 2024
6:00 PM**

CHAIR: LUIS PLANCARTE

VICE CHAIR: ROBERT AMPARANO

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the Commission's website: www.imperialctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2 and the Federal Transit Administration Title VI, please contact the Secretary to the Commission at (760) 592-4494 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

To Join Zoom Meeting click on the following link:

<https://us06web.zoom.us/j/85168686579?pwd=g6NUOjalGmnMr3avOVj2qyXCOW2Rzc.1>

To Join by phone dial (669) 444-9171

Meeting ID: 851 6868 6579

Passcode: 288600

I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS

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

III. PUBLIC COMMENTS

This is an opportunity for members of the public to address the Commission on any subject matter within the Commission's jurisdiction, but not an item on the agenda. Any action taken because of public comment shall be limited to direction to staff. Each speaker should contact the Secretary to the Commission at (760) 592-4494 or by email to cristilerna@imperialctc.org. When addressing the Commission, state your name for the record prior to providing your comments. Please address the Commission as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the Commission; groups or topics will be given a maximum of fifteen (15) minutes. Public comments will be limited to a maximum of 30 minutes. If additional time is required for public comments, they will be heard at the end of the meeting. Please remember to follow the Public Comment Code of Conduct: No profanity or obscenity, yelling or screaming, no slander or defamatory statements, no personal threats, or attacks, no hateful or demeaning language based on hate of a person's race, religion, sexual orientation, ethnicity, gender, or disability, respect all people that are present or watching, obey the direction of the Chair and Secretary to the Commission.

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

IV. PUBLIC HEARING

- A. Public Hearing for elimination of the Free Fares Program and reimplementation of existing fares for Imperial Valley Transit (IVT), IVT Access, IVT MedTrans and IVT Ride – FY24-25 Page 5

RECOMMENDED ACTION:

- 1. Conduct the public hearing for the consideration of elimination of the Free Fares Program and the reimplementation of existing fares for IVT, IVT Access, IVT Ride and IVT MedTrans at 6:00 PM on March 27, 2024.
 - a. Open public hearing and receive testimony
 - b. Close public hearing
- 2. Provide staff with direction as to the elimination of the Free Fares Program and re-implementation of existing fares effective July 1, 2024.

V. CONSENT CALENDAR

- A. ICTC Commission Minutes: February 28, 2024 Page 9-24
- B. Receive and file:
 - 1. ICTC Management Committee Minutes: February 14, 2024
 - 2. ICTC TAC Minutes: February 22, 2024
 - 3. ICTC SSTAC Minutes: February 07, 2024
- C. 2023 Call for Projects – Carbon Reduction Program (CRP) FFY 2023/24 to FFY 2025/26 Resolution Adoption Supporting Imperial County Region Electric Vehicle (EV) Charging Station Feasibility Study Page 26

ICTC staff forwards this item to the Commission for their review and approval after public comment, if any:

- 1. Authorize the Chairman to sign the resolution certifying that ICTC will be supporting project delivery schedules and timely use of funds of the Carbon Reduction Program funding for transportation projects.
- D. Transit Operator Reports Specific Transit Operator Fiscal Reports FY 2022-23 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans Page 30

The ICTC Management Committee met on March 13, 2024, and forwards the following recommendations to the Commission for their review and approval after public comment, if any:

- 1. Receive and file the Specific Transit Operator Fiscal Reports FY 2022-23; Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans

VI. ACTION CALENDAR

- A. Imperial County Transportation Commission Fiscal Audit for FY 2022-23 Page 78
 The ICTC Management Committee met on March 13, 2024, and forwards the following recommendations to the Commission for their review and approval after public comment, if any:
 - 1. Receive and file the fiscal audit for the Imperial County Transportation Commission, for FY 2022-23.
 - 2. Direct staff to transmit the fiscal audit to the State Controller’s Office.

- B. Calexico East Port of Entry Bridge Widening Project – Contract Change Order No 10 Page 169

The ICTC Management Committee met on March 13, 2024, and forwards the following recommendations to the Commission for their review and approval after public comment, if any:

1. Approve Change Order No. 10 to Hazard Construction Company for the Calexico East Port of Entry Bridge Widening Project in the amount of \$34,521.82 modifying the total contract value to \$20,900,448.33.
2. Authorize the Executive Director to sign Change Order No. 10.

VII. REPORTS (Up to 5 minutes per staff report)

- A. ICTC Executive Director
 - Executive Director Report on page 173
- B. Southern California Association of Governments
 - See attached report on page 180
- C. California Department of Transportation – District 11
 - See attached report on page 186
- D. Commission / Committee Member Reports (if any)

VIII. MEETING DATE AND PLACE

- A. The next meeting of the **Imperial County Transportation Commission** will be held on **Wednesday, April 24, 2024, at 6:00 p.m.**, at the ICTC Offices located at 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243 and remotely via Zoom Meeting.

IX. ADJOURNMENT

IV. PUBLIC HEARING IN PUBLIC HEARING

- A. Free Fares Program – Public Hearing for Re-Implementation of Existing Fares
 - 1. Open public hearing and receive testimony
 - 2. Close public hearing

RECOMMENDED ACTION: Direction to proceed with re-implementation of existing fares beginning on July 1, 2024.



1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243
PHONE: (760) 592-4494
FAX: (760) 592-4410

March 22, 2024

Luis Plancarte, Chairman
Imperial County Transportation Commission
1503 N. Imperial Ave Suite 104
El Centro, CA 92243

SUBJECT: Public Hearing for elimination of the Free Fares Program and reimplementation of existing fares for Imperial Valley Transit (IVT), IVT Access, IVT MedTrans and IVT Ride – FY 2024-25

Dear Commission Members:

In March 2020, the entire Country experienced the devastating effects of the COVID 19 Pandemic. The entire County experienced a complete shutdown of services with limited services remaining available. Due to the pandemic, ICTC was required to significantly reduce all transit services. The reduction of transit services also resulted in losses in ridership and fare revenue.

As the County began to re-open general services, ICTC began to expand its services to previous levels. To further facilitate increasing service and ridership levels, ICTC implemented a Free Fares Program for all services in August 2020. ICTC was able to secure multiple grants to implement the program. In total, ICTC was able to secure 4 grants with a total value of \$1,565,742. ICTC has been able to provide free fares from August 2020 to our current date under the Free Fares Program. ICTC has continued to experience increased ridership and is currently averaging approximately \$70,000 in fare revenue a month. Unfortunately, the grant dollars available for the program are nearing completion which requires that ICTC eliminate the program and reimplement existing fares for all services. ICTC anticipates having enough grant dollars available to continue the program until June 30, 2024.

Due to the extended period associated with the Free Fares Program, ICTC is required to hold a public hearing to allow the public to provide comments and to inform the public of its intention to reimplement its existing fare structure across all services beginning on July 1, 2024. ICTC will provide notice to the public via social media, website notifications, flyers on all vehicles and verbal notifications via ICTC offices and the operations dispatch center. Staff does anticipate possible minor impacts to ridership as a result of the elimination of the Free Fares Program.

Staff are requesting that the Commission take the following actions, if any:

1. Conduct the public hearing for the consideration of elimination of the Free Fares Program and the reimplementation of existing fares for IVT, IVT Access, IVT Ride and IVT MedTrans at 6:00 PM on March 27, 2024.

2. Provide staff with direction as to the elimination of the Free Fares Program and re-implementation of existing fares effective July 1, 2024.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Aguirre", with a stylized flourish at the end.

David Aguirre
Executive Director

Attachment:
Existing Fare Structure

IVT ACCESS Fares

Zones, One Way	Fares
Local	\$ 2.00
Regional	\$ 2.50

IVT RIDE Fares

Cities	Fares	
	Local	Regional
Brawley	\$ 1.50	N/A
Calexico	\$ 1.00	N/A
El Centro	\$ 1.25	\$ 1.75
Heber	\$ 1.50	\$ 1.75
Imperial	\$ 0.75	\$ 1.75
Westshores	\$ 2.00	\$ 2.50

Local refers to service within the city, regional refers to service outside the local area and only pertains to Heber, Imperial and Westshores.

IVT MEDTRANS Fares

Category	Round trip	One-way
Category A	\$ 22.50	\$ 11.25
Category B	\$ 45.00	\$ 22.50
Attendant	\$ 10.50	\$ 5.25

IMPERIAL VALLEY TRANSIT

Zones, One Way	Fares
Local	\$ 1.00
Regional	\$ 1.25
Direct	\$ 2.50
Fast Trip	\$ 2.25
IVC Express (students)	\$ 1.25
IVC Express (non-students)	\$ 1.75

Seniors 60 years of age and older and persons with disabilities are priced at half fare.

V. CONSENT CALENDAR

V. CONSENT CALENDAR

- A. ICTC Commission Minutes: February 28, 2024
- B. Receive and file:
 - 1. ICTC Management Committee Minutes: February 14, 2024
 - 2. ICTC TAC Minutes: February 22, 2024
 - 3. ICTC SSTAC Minutes: February 07, 2024

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
MINUTES FOR February 28, 2024
6:00 p.m.**

VOTING MEMBERS PRESENT:

City of Brawley	Absent
City of Calipatria	Maria Nava-Froelich
City of Calexico	Raul Ureña
City of El Centro	Martha Cardenas-Singh
City of Imperial	Robert Amparano
City of Holtville	Mike Goodsell
City of Westmorland	Ana Beltran
County of Imperial	Luis Plancarte
County of Imperial	John Hawk
Imperial Irrigation District	Absent

STAFF PRESENT: David Aguirre, Cristi Lerma, Michelle Bastidas, Angela Delgadillo
OTHERS PRESENT: Eric Havens: Counsel; Everett Townsend: Caltrans, David Salgado: SCAG, Jacob Swim: Micheal Baker Internation, Francis Roque, Roger Martinez: Auditors
PUBLIC: None

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, February 28, 2024, together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

[Chair Plancarte](#) called the Commission meeting to order at 6:44 p.m. Roll call was taken, and a quorum was present.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

There were none.

IV. CONSENT CALENDAR

- A. ICTC Commission Minutes: January 24, 2024
- B. Received and filed:
 - 1. ICTC Management Committee Minutes: January 10, 2024
 - 2. ICTC TAC Minutes: January 25, 2024
 - 3. ICTC SSTAC Minutes: January 03, 2024

A motion was made by [Amparano](#) and seconded by [Nava-Froelich](#) to approve the consent calendar as presented, roll call:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes

City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Hawk	Yes
City of Westmorland	Yes
Imperial Irrigation District	Absent

Motion Carried.

V. ACTION CALENDAR

A. Imperial County 2023 Long Range Transportation Plan

The ICTC Management Committee met on February 14, 2024, and forwarded the following recommendations to the Commission for their review and approval after public comment, if any:

- A brief presentation was given by Jacob Swim from Micheal Baker about the final report of the 2023 Long Range Transportation Plan.

1. Approved the 2023 Long Range Transportation Plan Final Report Dated January 2024.

A motion was made by [Cardenas-Singh](#) and seconded by [Ureña](#) to approve the Action A as presented, roll call:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Hawk	Yes
City of Westmorland	Yes
Imperial Irrigation District	Absent

Motion Carried.

B. Imperial County Transportation Commission (ICTC) resolution for Federal Fiscal Year (FFY) 2024/2025 – 2029/2030 Federal Transportation Improvement Program

The ICTC Management Committee met on February 14, 2024, and forwarded the following recommendations to the Commission for their review and approval after public comment, if any:

1. Authorized the Chairman to sign the resolution that certifies funding has been identified for the projects in the FFY 2024/2025 - 2029/2030 FTIP and affirms our commitment to implement all projects in the program.

A motion was made by [Goodsell](#) and seconded by [Amparano](#) to approve the Action B as presented, roll call:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes

City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Hawk	Yes
City of Westmorland	Yes
Imperial Irrigation District	Absent

Motion Carried.

- C. 2023 Call for Projects – Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality (CMAQ), and Surface Transportation Block Grant (STBG) Programming Project List – FFY 2023/24 to FFY 2025/26

The ICTC Management Committee met on February 14, 2024, and forwarded the following recommendations to the Commission for their review and approval after public comment, if any:

1. Approved the 2023 Call for Projects- Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality (CMAQ), and Surface Transportation Block Grant Program (STBG) Programming Project List for FFY2023/24 to FFY2025/26
2. Directed staff to program projects in the next available Federal Transportation Improvement Program Formal Amendment upon receipt of approval.

A motion was made by [Nava-Froelich](#) and seconded by [Amparano](#) to approve the Action C as presented, roll call:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Hawk	Yes
City of Westmorland	Yes
Imperial Irrigation District	Absent

Motion Carried.

- D. First Amendment to the Employment Agreement for the Position of Executive Director

Following ICTC Counsel review, staff forwarded this item to the Commission for their review and approval after public comment, if any:

1. Approved the Executive Director Agreement, Amendment #1
2. Authorized the Chairman to sign the Agreement

A motion was made by [Nava-Froelich](#) and seconded by [Beltran](#) to approve the Action D as presented, roll call:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes

City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Hawk	Yes
City of Westmorland	Yes
Imperial Irrigation District	Absent

Motion Carried.

VI. REPORTS

A. ICTC Executive Director

- Imperial Valley Transit and Associated Services Operations and Maintenance Request for Proposals: ICTC’s existing agreement with its current operator (Transdev) is concluding. As required by federal law, ICTC has issued a Request for Proposals (RFP) to qualified transit operations and maintenance operators. The RFP was issued on February 16th, 2024. ICTC’s goal is to complete the procurement process and award a contract to a qualified firm by the end of the fiscal year. The proposed new agreement will be for a 5-year fixed period with two additional single-year options. More information to come.
- Calexico East Port of Entry Bridge Widening Project: Stage 2 is now completed. Stage 3 is scheduled to be completed at the end of this month. The overall project is estimated to be completed in May 2024.
- Imperial Mexicali Binational Alliance (IMBA): At the strategic planning meeting, the committee developed the schedule for the year. The following dates are tentatively scheduled for IMBA in 2024. March 14th – Imperial County, May 9th – Mexicali, July 11th – Imperial County, September 12th – Mexicali, and November 14th (Strategic Planning and IMBA meetings) – Imperial County.
- Calexico Intermodal Transportation Center (ITC): The project construction management RFP has been released and is available for bidding by qualified engineering firms.
- Transit Comprehensive Operational Analysis – Staff was able to secure grant funding to complete a Transit Comprehensive Operational Analysis (COA). ICTC intends to evaluate all ICTC operated services in addition to incorporating an assessment of the feasibility of intercity passenger rail. Staff are currently working on the development of the Request for Proposals (RFP) and it is anticipated that the RFP will be released in the coming months.
- Forrester Road Project Study Report (PSR): The updated PSR was recently received, and staff will be reviewing the updated document.
- All other updates are on the Executive Director report on page 89 of the agenda.

B. Southern California Association of Governments (SCAG)

- 2024 SCAG Scholarship Program Call for Projects: Applications for the scholarship are now open. The program offers a \$4,000 scholarship for up to 9 high school or community college students from the SCAG region interested in pursuing planning or public service-related careers. Applications are due electronically on March 22. More information is available is available on the SCAG website.
- Proposed State Budget would cut funding for Regional Early Action Planning Grant Program: The February Regional Council meeting agenda included an informational item on Governor Gavin Newsom’s proposed state budget, which proposes a reduction of \$300 million for the Regional Early Action Planning program of 2021 (REAP 2.0). SCAG is working to assess the specific impacts of the proposed cuts and will partner with key stakeholders to use the state budget approval process to advocate for the protection of critical housing programs funded by REAP 2.0.

- SCAG 2024 SAVE THE DATE! 2024 REGIONAL CONFERENCE & GENERAL ASSEMBLY: SCAG will host the 59th annual Regional Conference & General Assembly on May 2-3, 2024, at the JW Marriott Desert Springs Resort & Spa in Palm Desert.
 - SCAG 2024 General Assembly Delegate and Alternate Selection: SCAG sends an email to all cities asking for respective councils to take action to appoint a specific General Assembly Delegate and an Alternate. Elected Officials and City Managers are comped on registrations.
 - All other updates are on the SCAG report on page 96 of the agenda.
- C. California Department of Transportation (Caltrans)- District 11
- SR-98 Widening Project: The construction of Stage 2 is now substantially complete. Stage 3 is underway with completion estimated in January 2024. Completion of Stage 4 is estimated for Spring 2024.
 - I-8, SR-78 Bridge Rehab at Various Locations: These bridge repairs will install a long-term automated traffic control signal at both locations for reversible 1-way traffic throughout the duration of construction.
 - I-8 Roadside Safety Improvements: The expected completion date is late summer 2024.
 - Clean California Projects: The Brawley bus shelter (SR86) is in progress. The gateway project is complete along with three (3) of the median island improvements.
 - SR-111 Roadside Improvements: The construction start date is February 2024.
 - Many maintenance and traffic operations occur daily.
 - All other updates are on the Caltrans report on page 99 of the agenda.
- D. Commission Member Reports
- Updates were provided by various commissioners.
- VII. The next meeting will be on March 27, 2024, at 6:00 p.m. at the ICTC Offices, 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243, and via Zoom Meeting for the public.
- VIII. **ADJOURNMENT**
- A. Meeting Adjourned at 8:14 p.m.

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
MANAGEMENT COMMITTEE
MINUTES OF February 14, 2024
10:30 a.m.**

VOTING MEMBERS PRESENT:

City of Brawley	Tyler Salcido
City of Calexico	Esperanza Colio-Warren
City of Calipatria	Laura Gutierrez
City of El Centro	Abraham Campos
City of Holtville	Nick Wells
City of Imperial	Dennis Morita
County of Imperial	Miguel Figueroa
County of Imperial	Absent
Imperial Irrigation District	Manuel Ortiz
City of Westmorland	Laura Fischer
ICTC	David Aguirre

STAFF PRESENT: Cristi Lerma, Michelle Bastidas, Katie Luna, Angela Delgadillo

OTHERS PRESENT: Alejandro Lopez, Bryan Ott, Nick Ventrilla, Hanh-Dung Khuu, Michaela Howard: Caltrans, David Salgado: SCAG, Jacob Swim: Michael Baker, Francis Roque, Roger Martinez: Auditors

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, February 14, 2024, together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

Chair Morita called the meeting to order at 10:33 a.m., roll call was taken, and a quorum was present.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

There were none.

IV. CONSENT ITEMS

- A. Approval of Management Committee Draft Minutes: November 08, 2023
January 10, 2024
- B. Received and Filed:
 - 1. ICTC Commission Minutes: November 08, 2023
January 24, 2024
 - 2. ICTC TAC Minutes: October 26, 2023
December 14, 2023
 - 3. ICTC SSTAC Minutes: November 01, 2023
January 03, 2024

A motion was made by [Colio-Warren](#) seconded by [Gutierrez](#) to approve the consent calendar as presented; Roll call was taken:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Figueroa	Absent
County of Imperial Terrazas-Baxter	Absent
City of Westmorland	Yes
Imperial Irrigation District	Yes

Motion carried.

V. ACTION CALENDAR

A. Imperial County 2023 Long Range Transportation Plan

1. Approved the 2023 Long Range Transportation Plan Final Report Dated January 2024.
 - A brief presentation was given by Jacob Swim from Micheal Baker about the final report of the 2023 Long Range Transportation Plan.

A motion was made by [Colio-Warren](#) seconded by [Campos](#) to approve Action A. Roll call was taken:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Figueroa	Yes
County of Imperial Terrazas-Baxter	Absent
City of Westmorland	Yes
Imperial Irrigation District	Yes

Motion carried.

B. Imperial County Transportation Commission (ICTC) resolution for Federal Fiscal Year (FFY) 2024/2025 – 2029/2030 Federal Transportation Improvement Program

1. Authorized the Chairman to sign the resolution that certifies funding has been identified for the projects in the FFY 2024/2025 - 2029/2030 FTIP and affirms our commitment to implement all projects in the program.

A motion was made by [Salcido](#) seconded by [Gutierrez](#) to approve Action B. Roll call was taken:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Figueroa	Yes
County of Imperial Terrazas-Baxter	Absent
City of Westmorland	Yes
Imperial Irrigation District	Yes

Motion carried.

C. Imperial County Local Transportation Authority (LTA) Audit, Fiscal Year 2022/2023

1. Received, Approved, and Filed the FY 2022-23 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calexico, El Centro, Holtville, Imperial, Westmorland, the County of Imperial, and the ICLTA.
 - A brief presentation was given by the auditors explaining the findings of the Imperial County LTA Audit.

A motion was made by [Salcido](#) seconded by [Wells](#) to approve Action C. Roll call was taken:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Figueroa	Yes
County of Imperial Terrazas-Baxter	Absent
City of Westmorland	Yes
Imperial Irrigation District	Yes

Motion carried.

D. 2023 Call for Projects – Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality (CMAQ), and Surface Transportation Block Grant (STBG) Programming Project List – FFY 2023/24 to FFY 2025/26

1. Approved the 2023 Call for Projects- Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality (CMAQ), and Surface Transportation Block Grant Program (STBG) Programming Project List for FFY2023/24 to FFY2025/26
2. Directed staff to program projects in the next available Federal Transportation Improvement Program Formal Amendment upon receipt of approval.

A motion was made by [Gutierrez](#) seconded by [Wells](#) to approve Action C. Roll call was taken:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Figueroa	Yes
County of Imperial Terrazas-Baxter	Absent
City of Westmorland	Yes
Imperial Irrigation District	Yes

Motion carried.

VI. INFORMATION CALENDAR

A. Imperial Valley Procurement and Resource Fair – Exhibiting Opportunity
Presented by Michaela Howard, Caltrans

- Caltrans District 11, in partnership with the Imperial Valley’s Small Business Development Center (SBDC) and the City of El Centro, is hosting a Procurement and Resource Fair.
- The event will take place on Thursday, March 21st, from 2 pm to 5 pm. This event will be located at MLK Pavilion in El Centro (770 Park Ave, El Centro, CA 92243).
- For any questions, please contact please reach out to the D11 Small Business Team (SB, DVBE, and DBE Programs) at d11.smallbusiness@dot.ca.gov.

VII. REPORTS

A. ICTC Executive Director

- Mr. Aguirre had the following updates:
 - Calexico East Port of Entry Bridge Widening Project: The overall project is estimated to be completed in May 2024.
 - Imperial Valley Transit (IVT) FREE FARES PROGRAM: ICTC was able to secure a second grant to provide free fares for all services except the Calexico on Demand service. There will be a public hearing held to reinstate the fares.
 - Calexico Intermodal Transportation Center (ITC): It is anticipated that the project will start construction in July 2024.
 - Transit Comprehensive Operational Analysis: Staff are currently working on the development of the Request for Proposals (RFP) and it is anticipated that the RFP will be released in the coming months.
 - Forrester Road Project Study Report (PSR): The updated PSR is anticipated to be received by early 2024.
 - State Route 86 (Northbound) Border Patrol Checkpoint: Border Patrol, Caltrans, and ICTC are having weekly meetings toward completing design plans and obtaining Caltrans Permits and Environmental Clearance. The improvement plans have been prepared in final draft form and have been submitted to Caltrans for review.
-

- All ICTC Executive Directors updates can be found on page 106.
- B. Southern California Association of Governments (SCAG)
- Mr. Salgado had the following updates:
 - 2024 SCAG Scholarship Program Call for Applications: Applications for the 2024 SCAG Scholarship Program are now open. The program offers a \$4,000 scholarship for up to 9 high school or community college students from the SCAG region interested in pursuing planning or public service-related careers. Applications are due electronically on March 22. More information is available on the SCAG website.
 - SCAG 2024 SAVE THE DATE! 2024 REGIONAL CONFERENCE & GENERAL ASSEMBLY: SCAG will host the 59th annual Regional Conference & General Assembly on May 2-3, 2024, at the JW Marriott Desert Springs Resort & Spa in Palm Desert.
 - SCAG 2024 General Assembly Delegate and Alternate Selection: SCAG sends an email to all cities asking for respective councils to take action to appoint a specific General Assembly Delegate and an Alternate. Elected Officials and City Managers are comped on registrations.
 - SCAG updates can be found on page 113.
- C. Caltrans Department of Transportation – District 11
- Mr. Lopez Rangel had the following updates:
 - SR-98 Widening Project: Completion of Stage 4 is estimated for Spring 2024.
 - I-8, SR-78 Bridge Rehab at Various Locations: Work has begun at the I-8 location over the All-American Canal, bridge deck work is complete with painting in progress on both the EB and WB structures.
 - I-8 Roadside Safety Improvements: This project is implementing various safety improvements at various locations on I-8 between Silsbee Rd and Aderholt Rd. The scope includes slope paving, gore paving, and rumble strip installations. Construction activities are underway and estimated completion is spring 2024.
 - Clean California Projects: The Brawley bus shelter (SR86) is in progress. Additionally, median island improvements in El Centro (SR86) and a gateway beautification project at SR-7/Nina Lee Rd just north of the Calexico Port of Entry are also included as part of this effort. The gateway project is complete along with three (3) of the median island improvements.
 - SR-111 Roadside Improvements: The construction start date is February 2024.
 - SR-186 All-American Canal Bridge: The Anticipated funding fiscal year for construction is 2027/28.
 - SR-86/Customs & Border Protection (CBP) Checkpoint Expansion: A series of permits will be required for existing traffic control at the checkpoint, for the inspection operations and equipment within the facility, and a temporary checkpoint while the project is in construction.
 - Project Study Report: Forrester Road Improvements: The document is anticipated to be completed by early spring of 2024.
 - Feasibility Studies: District 11 Truck Parking and Medium/Heavy Duty ZEV Charging Station Site Assessment: study completion is estimated for summer 2024.

- Calxico East Land Port of Entry Joint Operations Systems: The study completion is estimated for summer 2024.
- March 15, 2024 – Deadline for California Transportation Commission (CTC) Requests: Friday, March 15, 2024, is the final deadline (for that May 16-17, 2024, CTC meeting).
- Unique Entity Identifier (UEI) Renewals Due: The City of Westmorland must renew UEI registration and can check [SAM.gov](https://sam.gov) for instructions. To confirm a UEI, click this UEI [SmartSheet](#) link, and enter information in the yellow columns Expiring soon: Holtville (March 15, 2024) and El Centro (March 22, 2024)
- 2025 Active Transportation Program ([Cycle 7](#)):
- USDOT Discretionary Grants [Dashboard](#); Closing Date: February 28, 2024
- November 21, 2024 – Environmental and Climate Justice Community Change Grants Due
- Tuesday, February 27, 2024 – (8:30-11:30) “Local Assistance Day” – Quarterly Webinar A [registration](#) link with further details is available here –
- All Caltrans updates can be found on page 116.

VIII. The next meeting is scheduled for **March 13, 2024, at 10:30 a.m.** at the ICTC Office and via Zoom Meeting for non-voting members and the public.

IX. ADJOURNMENT

The meeting was adjourned at 11:41 a.m.



1503 N. IMPERIAL AVE., SUITE 104
 EL CENTRO, CA 92243-2875
 PHONE: (760) 592-4494
 FAX: (760) 592-4410

**TECHNICAL ADVISORY COMMITTEE
 MINUTES**

January 25, 2024

Present:

Ana Gutierrez	City of Brawley
Erika Garcia	City of Calipatria
Guillermo Sillas	City of Calexico
Felix De Leon	City of El Centro
Jesus Villegas	City of Imperial
Adriana Anguis	City of Holtville
Ramiro Barajas	City of Westmorland
Veronica Atondo	County of Imperial
Manuel Ortiz	IID

Others:

David Aguirre	ICTC
Katie Luna	ICTC
Marlene Flores	ICTC
Angela Delgadillo	ICTC
Juan Manuel Cabrera	City of Brawley
Andrea Montano	City of El Centro
Liz Zarate	City of El Centro
Abraham Campos	City of El Centro
Fernando L. Williams	City of Imperial
Robert Ureña	County of Imperial
Alejandro Lopez Rangel	Caltrans
Bryan Ott	Caltrans
Nick Ventrilla	Caltrans
Mike Hack	Consumer
Patricia Ramirez	The Holt Group

1. The meeting was called to order at 10:01 a.m. A quorum was present, and introductions were made. There were no public comments made.
2. A *motion* was made to adopt the minutes for January 25, 2024 ([Adriana/Gutierrez](#)) **Motion Carried.**
3. **ICTC Updates / Announcements**
 (Presented by ICTC Staff)
 - a. **Transit Planning Updates**

- **Imperial Valley Transit (IVT) Free Fares Program:** ICTC was able to secure a second grant to provide free fares for all services except the Calexico on Demand service. There will be a public hearing held to reinstate the fares.
- **Bus Stop Improvement Project:** ICTC has just released the Request for Proposals for design services for the project. It is anticipated that the project will be completed within FY 23-24/FY 24-25.

b. Transportation Planning Updates

CMAQ/STBG & CRP Call for Projects:

- On January 26th the call for projects closed. ICTC received various projects. This item will be taken to the ICTC Commission on February 28th.
- For any questions, please contact Katie Luna at katieluna@imperialctc.org or Marlene Flores at marleneflores@imperialctc.org

Long Range Transportation Plan Final Report

- The final report is now available at <https://ictc-lrtp2023.org/final-lrtp-1>
- **FFY 22/23 & FFY 23/24 Federal & State Funded Project Obligation List:**
 - Each jurisdiction gave its update.

4. Caltrans Updates / Announcements:

(Presented by: Alejandro Lopez, Caltrans)

- The Inactive project lists were updated January 30, 2024. Action is required by the County of Imperial, as well as these four cities: Brawley, Calexico, Holtville, and Imperial.
- Federal Fiscal Year (FFY) 23/24 Requests for Authorization: Any agency missing this deadline must immediately contact the Caltrans Imperial Area Engineer, Alejandro Lopez-Rangel, to further coordinate any pending RFA submittal: 858-229-1721.
- March 15, 2024 – Deadline for California Transportation Commission (CTC) Requests: Friday, March 15, 2024, is the final deadline (for that May 16-17, 2024, CTC meeting).
- Projects with Lapsing Project End Dates (PED) – Project phases must be completed or approved for time extensions during the specified and agreed-upon timeframe to avoid de-obligation of funds. On February 1, 2024 the list of active Project End Dates (PED) was updated.
- 2025 Active Transportation Program (Cycle 7): Further details are available at this link – <https://catc.ca.gov/programs/active-transportation-program>
- Unique Entity Identifier (UEI) Renewals Due: The City of Westmorland must renew UEI registration and can check SAM.gov for instructions. To confirm a UEI, click this UEI SmartSheet link below, and enter information in the yellow columns.
- <https://app.smartsheet.com/b/publish?EOBCT=339b738857f44033b2e7d9a95742c38> Expiring soon: Holtville (March 15, 2024) and El Centro (March 22, 2024)
- USDOT Discretionary Grants Dashboard: Closing Date: February 28, 2024 – Apply Here <https://www.transportation.gov/grants/dashboard>
- November 21, 2024 – Environmental and Climate Justice Community Change Grants Due: Applications are now open, which the EPA is accepting on a rolling basis. Final deadline to apply is November 21, 2024.
- Cooperative Training Assistance Program (CTAP) – New Learning Opportunities! (“live” & virtual): Schedule is available here – <https://ca-ctap.org/?pid=1609>
- Tuesday, February 27, 2024 – (8:30-11:30) “Local Assistance Day” – Quarterly Webinar

5. SCAG Updates / Announcements:

(Presented by: David Salgado, SCAG)

- 2024 SCAG Scholarship Program Call for Applications: Applications for the 2024 SCAG Scholarship Program are now open. The program offers a \$4,000 scholarship for up to 9 high school or community college students from the SCAG region interested in pursuing planning

or public service-related careers. Applications are due electronically on March 22. More information is available on the SCAG website.

- SCAG 2024 SAVE THE DATE! 2024 REGIONAL CONFERENCE & GENERAL ASSEMBLY: SCAG will host the 59th annual Regional Conference & General Assembly on May 2-3, 2024, at the JW Marriott Desert Springs Resort & Spa in Palm Desert.
- SCAG 2024 General Assembly Delegate and Alternate Selection: SCAG sends an email to all cities asking for respective councils to take action to appoint a specific General Assembly Delegate and an Alternate. Elected Officials and City Managers are comped on registrations.

6. Cities and County Planning / Public Works Updates:

- Each jurisdiction gave its update.

7. General Discussion / New Business

No new business was discussed.

Next TAC meeting will be on March 28, 2024 at 10:00 a.m., via Zoom for the public and in person at the ICTC offices.

Meeting adjourned at 10:28 a.m.



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SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

MINUTES February 07, 2024

Present

Voting Attendees:

Mike Hack	Consumer
Raul Cordova	WTC
Karina Leon	Access to Independence
Cristina Leal	ARC- Imperial Valley
David Aguirre	CTSA-ICTC
Gustavo Gomez	CTSA-ICTC

Non-Voting Attendees:

Camilo Garcia	Imperial County Workforce Department
Mayra Ibarra	Imperial County Health Department
Alyssa Platero	ICPH-EMS Agency
Helio Sanchez	IVT
Cesar Sanchez	IVT
Jose Guillen	IVT MedTrans
Karla Pacheco	IVT Access
Karla Aguilar	IVT Ride
Esperanza Avila	ICTC
Katie Luna	ICTC

1. Mr. Hack called the meeting to order at 10:00 a.m. **A quorum was not present.**
2. Introductions were made.
 - Hybrid meeting.
3. Minutes were adopted for January 03, 2024, **Motion not Carried.**
4. CTSA Reports:
Mr. Gomez had the following updates:
 - Not too many events in January.The Following events are expected in February:
 - Senior Research Fair at Deanza Hotel in Calexico.
 - Assist transportation event in Holtville.

- Registered for the Niland Childrens Fair.
- IVC Transitions Fair.
- Working with IVC for a presentation in regard to how to sign up and use the service.
- UTN Surveys are available for comments on future changes.
- IVT Ride/Access are continuing to help Alegria with transportation.
- Planning to attend more outreach events and educate.
- Free fares are being provided by Area Agency on Aging.
- Continuing to assist in sign-ups for IVT Ride and Access via phone and In-person.
- Staff are available for any questions or concerns regarding any of the services.
- Staff is also available to provide brochures and information to any agency that requests it,

Mr. Aguirre had the following updates:

Updates on Capital Projects:

- Design RFP is officially out.
- In the final phases of developing procurement documents for the Calexico Transit Center.
- Expected to break ground by June/July 2024
- Free Fairs program is still ongoing. Anticipated to end in April 2024.

5. Transit Operator FY 2023-24 Reports:

Imperial Valley Transit.

- Mr. Sanchez presented the 2nd Quarter report for the service.
- Continuing outreach about services
- Free Faires are still ongoing.

IVT Access

- Ms. Pacheco presented 2nd quarter report for the service.
- Working with Alegria patients.

IVT Ride

- Mr. C. Sanchez presented the 2nd quarter report for all IVT Ride services.
- Attending more outreach.
- AAA covering ride charges.

IVT MedTrans

- Mr. Guillen presented a 2nd quarter report for the service.
- Services is busier than normal.
- Free fairs until further notice

6. General Discussion

- None

7. Adjournment

- The meeting adjourned at 10:21 a.m. **(Hack) Motion Carried**
- The next meeting will be held on Wednesday, March 06, 2024, at the Imperial County Transportation Commission Office, 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243.

V. CONSENT CALENDAR

V. CONSENT CALENDAR

- C. 2023 Call for Projects – Carbon Reduction Program (CRP) FFY 2023/24 to FFY 2025/26 Resolution Adoption Supporting Imperial County Region Electric Vehicle (EV) Charging Station Feasibility Study
 - 1. Authorize the Chairman to sign the resolution certifying that ICTC will be supporting project delivery schedules and timely use of funds of the Carbon Reduction Program funding for transportation projects.



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 EL CENTRO, CA 92243-2875
 PHONE: (760) 592-4494
 FAX: (760) 592-4410

March 20, 2024

Luis Plancarte, Chairman
 Imperial County Transportation Commission
 1503 N. Imperial Ave., Suite 104
 El Centro, CA 92243

SUBJECT: 2023 Call for Projects – Carbon Reduction Program (CRP) FFY 2023/24 to FFY 2025/26
 Resolution Adoption Supporting Imperial County Region Electric Vehicle (EV) Charging
 Station Feasibility Study

Dear Commission Members:

In the summer of 2023, augmentation of federal transportation funding was made available by the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (IIJA). As a result, an augmentation of funding to the Carbon Reduction Program (CRP), CMAQ, and STBG funding was made available for FFY2023/24 to FFY2025/56. The SCAG region is responsible for programming the additional funds in the FTIP. The available funding amounts are \$88M of CRP, \$57M of CMAQ, and \$130M of STBG. It is important to note that these funding amounts are a result of augmentation funding and not reflective of anticipated future estimates. In addition, CRP funding is guaranteed up to FFY 2025/26 and it is unclear if this funding program will remain available in future funding cycles.

As a result, ICTC staff conducted an expedited call for projects which ended on January 26, 2024. In all, twelve (12) projects were received totaling \$3,887,000. ICTC received projects from the cities of Imperial, El Centro, Brawley, and ICTC.

To summarize the proposed project funding, please refer to **Table A**

Table A						
Joint CRP, CMAQ, STBG Proposed Project Funding						
			Imperial County Project Funding	Approximate Project Funding Amounts per FFY		
Federal Fiscal Year (FFY)	Fiscal Year	Year	FFY 2023/24 to FFY2025/26	FFY2023/24	FFY2024/25	FFY2025/26
CRP (in thousands)			\$1,083	\$311	\$461	\$311
CMAQ (in thousands)			\$388	\$132	\$112	\$144
STBG (in thousands)			\$2,416	\$519	\$1,117	\$780
Total (in thousands)			\$3,887	\$986	\$986	\$986

ICTC has submitted one project application for the Carbon Reduction Program (CRP) to conduct an Imperial County Region Electric Vehicle (EV) Charging Station Feasibility Study. This study is in alignment with the overall goals of the Imperial County Regional Climate Action Plan and the Regional Long-Range Transportation Plan.

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

The Electric Vehicle (EV) Charging Station Feasibility Study in the Imperial County Region aims to assess the practicality and viability of establishing EV charging infrastructure across the county. The Imperial County region, encompassing cities like Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, and the county itself, lacks comprehensive EV charging infrastructure.

The project's background lies in the growing importance of sustainable transportation and the shift towards electric vehicles. The study will identify suitable locations for charging stations, considering factors such as population density, traffic patterns, and accessibility.

All federal funds, including CRP, must meet a minimum 11.47% matching requirement in non-federal funds. To meet this requirement ICTC will use local funds in the respective amount from the state-funded Transportation Development Act (TDA).

The project is expected to begin in the fall of 2024 and be completed within one year.

ICTC staff forwards this item to the Commission for their review and approval after public comment, if any:

1. Authorize the Chairman to sign the resolution certifying that ICTC will be supporting project delivery schedules and timely use of funds of the Carbon Reduction Program funding for transportation projects.

Sincerely,



DAVID AGUIRRE
Executive Director

DA/kl

Attachment

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

RESOLUTION No.

A RESOLUTION OF THE IMPERIAL COUNTY TRANSPORTATION COMMISSION (ICTC) SUPPORTING PROJECT DELIVERY SCHEDULES AND TIMELY USE OF FUNDS CARBON REDUCTION PROGRAM FUNDING FOR TRANSPORTATION PROJECTS

WHEREAS, ICTC is eligible to apply for and receive Federal and State transportation funds including (STBG, CMAQ, CRP) funds; and

WHEREAS, AB 1012 requires that state and federal funds be expended in a timely manner; and

WHEREAS, the ICTC desires to ensure that its projects are delivered in a timely manner to avoid losing funds for non-delivery; and

WHEREAS, it is understood by the ICTC that failure for not meeting project milestone dates for any phase of a project may jeopardize federal or state funding to the Region; and

NOW THEREFORE BE IT RESOLVED, that the ICTC hereby agrees to ensure that all project milestone schedules for all project phases will be met or exceeded, and:

- a. The opportunity for public comment was provided at a public meeting;
- b. Local funds in the amount of 11.47% from the state-funded Transportation Development Act (TDA), will be used to leverage the federal funds for the project;
- c. Project(s) is consistent with the Imperial County Regional Climate Action Plan and the Regional Long-Range Transportation Plan planning process;

BE IT FURTHER RESOLVED, that failure to meet project milestone schedules may be deemed as sufficient cause for the Imperial County Transportation Commission Policy Board to terminate funding and reprogram the funds as deemed necessary.

PASSED AND ADOPTED at a regular meeting of the Imperial County Transportation

Commission held on ____, 2024.

BY: _____
Chairperson

ATTEST BY:

Cristi Lerma
Secretary to the Commission

V. CONSENT CALENDAR

V. CONSENT CALENDAR

- D. Transit Operator Reports Specific Transit Operator Fiscal Reports FY 2022-23 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans
 - 1. Receive and file the Specific Transit Operator Fiscal Reports FY 2022-23; Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans



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PHONE: (760) 592-4494
FAX: (760) 592-4410

March 20, 2024

Luis Plancarte, Chairman
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Specific Transit Operator Fiscal Reports FY 2022-23 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans

Dear Commission Members:

The Commission conducts fiscal reviews of its transit operators on an annual basis. For FY 2022-23 they were performed by the CPA firm, Eide Bailly, on the four transit services under contract with FIRST TRANSIT, Inc. Attached, please find the FY 2022-23 fiscal reports for: Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans.

The review focuses on observations and sampling of administrative and operational areas that have a direct impact on service cost including; a review of services hours operated versus budgeted, cash handling of fare revenues, controls over spare parts usage and inventories, invoicing etc.

The FY 2022-23 reviews did not note any areas of improvement. There have been several improvements completed to administrative and operations areas in previous years which resulted in no areas of improvement being noted for FY 2022-23.

The ICTC Management Committee met on March 13, 2024, and 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 2022-23; IMPERIAL VALLEY TRANSIT, IVT ACCESS, IVT RIDE and IVT MedTrans

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Aguirre', is written over a light blue horizontal line.

DAVID AGUIRRE
Executive Director

DA/mb

Attachment

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

Independent Accountant’s Report

Imperial County Transportation Commission
El Centro, California

We have performed the procedures enumerated below to assist the Imperial County Transportation Commission (ICTC) in monitoring the fiscal accountability and reporting of Transdev, Inc. (Transit Operator), and its records relating to the Imperial Valley Transit Line, Green Line, Blue Line and Gold Line for the period ending June 30, 2023. The Transit Operator’s management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator.

ICTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting ICTC in monitoring the fiscal accountability and reporting of the Transit Operator and we will report on the findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed below.

1) *Observation of service provided*

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator. Perform a recalculation of each service line’s farebox ratio.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Fixed Route Transit Service Agreement (July 2019), and inspected the Imperial Valley Transit (IVT) Rider’s Guide in order to obtain an understanding of the services being provided. The Imperial Valley Transit provides public bus services throughout the Imperial County.

We selected a sample of five (5) fixed routes and observed the following on November 15, 2023:

- Route 1 North: We boarded a Transdev bus leaving the IV Mall at 9:33am (8 minutes late). We rode the bus for a total of five (5) stops noting the driver would stop based on passengers’ needs. The bus arrived at the El Centro 7th Street and State stop at 9:59am (4 minutes late).
- Route 1 South: We boarded a Transdev bus leaving the El Centro 7th Street and State stop at 10:05am (on schedule). We rode the bus for a total of five (5) stops noting the driver would stop based on passengers’ needs. The bus arrived at the IV Mall stop at 10:32am (2 minutes late).

- Route 2 North: We observed the Transdev bus depart from the Imperial Valley College stop at 12:23pm (13 minutes late). We observed the bus operate for a total of four (4) stops. We observed the bus arrive at the Brawley Pioneers Hospital stop at 12:40pm (10 minutes late).
- Route 2 South: We observed the Transdev bus leaving from the Imperial Valley College stop at 12:42pm (2 minutes late). We observed the bus operate for a total of five (5) stops. We observed the bus arrive at the El Centro 7th Street and State stop at 2:09pm (1 minute early).
- Route 4 East: We observed the Transdev Shuttle Bus depart from the Seeley stop at 2:50 pm (on schedule). We observed the bus operate for a total of three (3) stops. We observed the shuttle bus arrive at the El Centro 7th Street and State stop at 3:14 pm (4 minutes late).

In addition, we noted that the Transit Operator did not meet the Farebox Ratio for the IVT Fixed Route, Green line, Blue line, and Gold line as required by the Transdev Fixed Route Transit Service Agreement.

No other exceptions were found as a result of procedures performed.

2) *Cash Handling Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over cash handling during the year ending June 30, 2023. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

Finding: We inquired of the Transit Operator management and inspected the Transit Operator Operations Manual over cash handling. At the request of ICTC, the Transit Operator suspended the collection of fare beginning April 25, 2023. As a result, during our on-site inspection on November 16, 2023, an observation of the cash count could not be performed. However, based on inquiry of the Transit Operator personnel, we noted that the following procedures were still in place during the fiscal year ending June 30, 2023 and they intend to re-implement the same process once fare collection resumes:

The Transit Operator drivers are required to complete the Driver's Daily Log Sheet which tracks the number of riders per route and the estimated cash collections. Through inquiry, we noted that the drivers do not have access to the cash deposited into the cash box within the farebox located on each bus.

Cash boxes are collected and changed on a daily basis upon the vehicle's return to the yard. A key is required to release the cash box from the farebox. A separate key is required to access the contents of the cash box. The key to open the cash boxes are located in the Safety Manager's office. Access to the farebox keys to remove the cash box from the farebox is limited to the dispatchers. We observed that the cash boxes are equipped with a security feature in which the cash box automatically locks when it is removed from the farebox cabinet.

Per inspection of the Cash Handling policies, cash boxes are to be stored in a locked vault until the cash is counted and picked up by an armored service. Through inquiry, we noted that not all cash boxes are stored in the locked vault prior to being counted as there is limited space within the vault, which is an exception to the documented policies. The remaining cash boxes not stored in the vault are stored in the locked cash count room. Access to the vault and cash count room is limited to Transit Operator dispatchers and is under video surveillance.

Per inspection of the Cash Handling policies, cashbox pullers must wear special pocket-less clothing provided by the Transit Operator during the cashbox pulling process. We noted that the bus drivers wear a uniform consistent with their primary driving responsibilities which have pockets. However, the dispatchers performing the cash count each morning wear pocket-less coveralls for the duration of the cash counting process.

We noted that the cash counting process is performed under video surveillance. Two (2) dispatchers participate in the emptying of the cash boxes and the counting of cash. The cash counts are logged on the IVT Vault and Farebox Log Day Sheet, which includes the cash box identification number, bus number, time and date of count, dispatchers present, and the total bill and coin collections. The counted cash is then bagged and labeled with the appropriate deposit information and is picked up for deposit by a third-party armored service.

A spreadsheet summarizing the monthly cash collections is maintained. On a monthly basis, a Senior Financial Analyst at the Transit Operator's corporate office will reconcile the total balance counted and reported by the dispatchers with the balance deposited per the bank statement.

We noted that actual cash collections and the estimated cash collections based on the number of riders over the Driver's Daily Log Sheet is subject to fluctuate as the driver cannot provide change for customers and cannot verify payment once the fare is deposited into the farebox.

No other exceptions were found as a result of procedures performed.

3) Spare Parts and Inventory Control

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on November 16, 2023. We noted the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 must be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the Transit Operator Vice President.

Spare parts and inventory are stored in a locked gated area that is under 24-hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Managers, Mechanics, and the General Manager. The use of spare parts and inventory is tracked using separate work orders for each project.

Each spare part and inventory item is tracked using a part number and located in the maintenance shop using the bin number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation.

We obtained the supporting documentation for the most recent inventory county performed (dated September 23, 2023). We noted a discrepancy in inventory totaling \$847. The variance was below 5% of total inventory value. The inventory count was reviewed and approved by the Transit Operator Maintenance Manager and submitted to the Director of Maintenance (Corporate Office). The transit operator does not maintain evidence of the Director of Maintenance's review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed that there is no documented evidence of this review process. We performed an inventory count during which we haphazardly selected items and were taken to the item's location. We selected ten (10) inventory items and compared it with the count on the inventory report. We located six (6) of the selected items within the storage room. Four (4) of the items selected were located on the shop floor as part of a work order in process. We noted that inventory items remain on inventory reports until the work order is complete.

Based on our observation, inventories that are damaged, or to be returned to suppliers for credit are physically separated from inventories in good condition. Based on our procedures performed, we noted no evidence of pilferage, other losses, or instances of improper usage.

No other exceptions were found as a result of procedures performed.

4) Invoicing Process Control

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample of three invoices to ensure policy was followed.

Finding: We inquired of the Transit Operator management on November 16, 2023 over the invoicing process and noted the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the IVT Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, IVT Vault and Farebox Log Day Sheets, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of October 2022, November 2022 and March 2023 and noted that the invoices agreed to the summarized excel files and supporting marketing invoices without exception. In addition, on a sample basis, we noted that the monthly excel files agreed to supporting source documents. See details of samples tested documented at procedure 6 (Financial Data Analysis).

We observed that all monthly invoices selected were reviewed and approved by the Transit Operator's General Manager.

No exceptions were found as a result of procedures performed.

5) Reporting Process

Inspect the operator’s accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator’s internal controls related to the reporting process.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Fixed Route Transit Service Agreement (July 2019), and noted the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. The Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include Driver’s Daily Log Sheets, Time Sheets, IVT Vault and Farebox Log Day Sheets, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

6) Financial Data Analysis

6.1 Inspect documents provided by ICTC and the Transit Operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.

6.2 Select a sample of three (3) months of expense reports and compare amounts to supporting documentation.

6.3 Select a sample of three (3) months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.

6.4 Select a sample of three (3) daily fare collection reports in each of a sample of three (3) months and compare to supporting documentation.

6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Fixed Route Transit Service Agreement (July 2019) and related amendments, inspected the Transit Operator Rider’s Guide and performed observations and observed the following:

6.1 We inspected the monthly invoices provided by the Transit Operator for the IVT Line, Green Line, Blue Line, and Gold Line services and noted that the invoices provided by the Transit Operator agreed to the invoices received by ICTC.

No exceptions were found as a result of procedures performed.

6.2 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for the IVT Line, Green Line, Blue Line, and Gold Line services. We compared the monthly invoices to the supporting data schedule and marketing invoices.

No exceptions were found as a result of procedures performed.

6.3 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for the IVT Line, Green Line, Blue Line, and Gold Line services. We obtained the monthly invoiced fuel expenditure supporting documentation and compared the respective fuel escalator cover sheet calculations, annual fuel total analysis and fuel expense reports maintained by the Transit Operator. We reviewed supporting documentation for inconsistencies, arithmetic accuracy and compliance with policies and procedures. Through inquiry of management and review of supporting documentation, no evidence of loss or improper fuel usage was identified.

No exceptions were found as a result of procedures performed.

6.4 We noted that ICTC implemented the “Free Fares Program” in April 2023. As such, cash collections only occurred during July 2022 through the beginning of April 2023. We selected our sample within those months and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected a total of nine (9) daily fare collections per service line to inspect the daily fares per the source document “Daily Fare Collections Report”. We noted that for the samples selected, the daily fare collections per the “Farebox Accounting” agreed to the supporting source document, “Daily Fare Collection Reports” without exceptions. See Exhibit B for details.

No exceptions were found as a result of procedures performed.

6.5 The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheets and the Time Sheets. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected the following lines and obtained all related Driver’s Daily Log Sheets and Time Sheets for a selected date and compared them to the data schedule which supports the monthly invoices. We observed the following:

- Line 3W – Date: March 14, 2023
 - No exceptions noted.
- Line 2N – Date: March 14, 2023
 - No exceptions noted.
- Line 2S – Date: March 14, 2023
 - No exceptions noted.
- Line 1N – Date: March 14, 2023
 - Work Run S6 – We noted no actual start time written on the Driver’s Daily Log Sheet; scheduled start time was used as the actual start time on the excel invoice.
- Line 1S – Date: March 14, 2023
 - No exceptions noted.
- Line 4E – Date: March 14, 2023
 - No exceptions noted.
- Blue Line – Date: March 14, 2023
 - No exceptions noted.
- Green Line – Date: March 14, 2023
 - No exceptions noted.
- Gold Line – Date: March 14, 2023
 - No exceptions noted.

Additionally, we obtained the service hours per inspection of the Transit Operator’s Riders Guide and compared the calculated estimate to the revenue hours per the Transit Operator Fixed Route Transit Service Agreement (July 2019) and the revenue hours billed for the IVT Line, Green Line, Blue Line and Gold Line services. See Exhibit C for details.

No other exceptions were found as a result of procedures performed.

7) **Budget Development**

Inspect the operator’s accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

Finding: We inquired of the Transit Operator management and inspected the IVT Line, Green Line, Blue Line, and Gold Line services budget for the fiscal year ending June 30, 2023 and observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies of the Transit Operator and coordinates with ICTC during budget development. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which in total do not exceed the agreed upon subsidy in the Transit Operator Fixed Route Transit Service Agreement (July 2019). The estimates are based on prior year’s data and changes in route schedules. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the Transit Operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ICTC and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Rancho Cucamonga, California
[REPORT DATE]

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

IVT Operating Services								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing & other Expenses	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 313,935	\$ 47,271	\$ 266,664	\$ 165,514	\$ 3,712	\$ 435,890	\$ -	\$ -
August 2022	328,360	39,411	288,949	-	3,774	292,723	-	-
September 2022	322,634	48,759	273,875	-	605	274,480	-	-
October 2022	328,312	42,532	285,780	73,367	269	359,416	-	-
November 2022	308,167	34,030	274,137	11,803	-	285,940	-	-
December 2022	316,795	54,033	262,762	6,556	4,741	274,059	(1,934)	1,934
January 2023	321,224	37,390	283,834	9,222	611	293,667	-	-
February 2023	296,858	40,825	256,033	7,438	-	263,471	-	-
March 2023	340,639	46,460	294,179	7,753	4,608	306,540	-	-
April 2023	294,386	27,563	266,823	4,967	3,863	275,653	(6,179)	6,179
May 2023	295,846	17,073	278,773	3,794	22,448	305,015	(50,518)	50,518
June 2023	321,334	1,230	320,104	4,330	12,421	336,855	(54,229)	54,229
	<u>\$ 3,788,490</u>	<u>\$ 436,577</u>	<u>\$ 3,351,913</u>	<u>\$ 294,744</u>	<u>\$ 57,052</u>	<u>\$ 3,703,709</u>	<u>\$ (112,861)</u>	<u>\$ 112,861</u>
Contract specifications	\$ 4,849,972	\$ 824,495	\$ 4,025,477					
Over (under) contract requirements	<u>\$ (1,061,482)</u>	<u>\$ (387,918)</u>	<u>\$ (673,564)</u>					
Operating Costs (A+D+E)		\$ 4,140,286						
ICTC Marketing*		70,208						
Depreciation*		(607,192)						
Adjusted Operating Costs		<u>\$ 3,603,302</u>						
Farebox Ratio Actual**		15.25%						
Minimum Farebox Ratio Contract		17%						

*Obtained from ICTC Budget to Actual Schedule

**The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2023

Green Line Services								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing & other Expenses	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 16,706	\$ 171	\$ 16,535	\$ -	\$ -	\$ 16,535	\$ -	\$ -
August 2022	18,028	161	17,867	-	-	17,867	-	-
September 2022	17,147	206	16,941	-	-	16,941	-	-
October 2022	17,147	237	16,910	2,139	-	19,048	-	-
November 2022	16,706	189	16,517	325	-	16,842	-	-
December 2022	17,587	228	17,359	120	-	17,479	(27)	27
January 2023	17,147	223	16,924	89	-	17,013	-	-
February 2023	16,265	191	16,074	142	-	16,216	-	-
March 2023	18,028	202	17,826	268	-	18,094	-	-
April 2023	14,944	135	14,809	210	-	15,019	-	-
May 2023	14,062	-	14,062	189	-	14,251	(190)	190
June 2023	17,587	-	17,587	313	-	17,901	(365)	365
Total:	\$ 201,354	\$ 1,943	\$ 199,411	\$ 3,795	\$ -	\$ 203,205	\$ (582)	\$ 582
Contract specifications	\$ 336,529	\$ 13,461	\$ 323,068					
Over (under) contract requirements	\$ (135,175)	\$ (11,518)	\$ (123,657)					
Operating Costs (A+D+E)	\$ 205,148							
Depreciation*	(26,729)							
Adjusted Operating Costs	\$ 178,419							
Farebox Ratio Actual**		1.42%						
Minimum Farebox Ratio Contract		4%						

*Obtained from ICTC Budget to Actual Schedule

**The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

Blue Line Services								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing & other Expenses	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 18,472	\$ 87	\$ 18,385	\$ -	\$ -	\$ 18,385	\$ -	\$ -
August 2022	20,058	278	19,780	-	2,095	21,876	-	-
September 2022	19,000	297	18,703	-	-	18,703	-	-
October 2022	19,000	304	18,696	2,331	-	21,027	-	-
November 2022	18,472	263	18,209	333	-	18,541	-	-
December 2022	19,529	173	19,356	129	-	19,485	(20)	20
January 2023	19,000	446	18,554	101	-	18,656	-	-
February 2023	17,943	317	17,626	160	2,564	20,350	-	-
March 2023	20,058	165	19,893	281	-	20,174	-	-
April 2023	16,356	105	16,251	231	-	16,482	-	-
May 2023	15,298	-	15,298	198	-	15,496	(138)	138
June 2023	19,529	-	19,529	325	-	19,854	(328)	328
Total:	<u>\$ 222,716</u>	<u>\$ 2,435</u>	<u>\$ 220,281</u>	<u>\$ 4,089</u>	<u>\$ 4,660</u>	<u>\$ 229,030</u>	<u>\$ (486)</u>	<u>\$ 486</u>
Contract specifications	<u>\$ 336,529</u>	<u>\$ 13,461</u>	<u>\$ 323,068</u>					
Over (under) contract requirements	<u>\$ (113,813)</u>	<u>\$ (11,026)</u>	<u>\$ (102,787)</u>					
Operating Costs (A+D+E)		\$ 231,465						
Depreciation*		(26,729)						
Adjusted Operating Costs		<u>\$ 204,736</u>						
Farebox Ratio Actual**		1.43%						
Minimum Farebox Ratio Contract		4%						

*Obtained from ICTC Budget to Actual Schedule

**The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

Gold Line Services								
	A	B	C= (A-B)	D	E	F= (C+D+E)	Free Rides -	Free Rides -
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing & other Expenses	Net Cost & Total Paid to Transdev	Reimburse Client	Client Sponsored
July 2022	\$ 21,913	\$ 379	\$ 21,534	\$ -	\$ -	\$ 21,534	\$ -	\$ -
August 2022	23,967	509	23,458	-	-	23,458	-	-
September 2022	22,598	464	22,134	-	-	22,134	-	-
October 2022	22,598	480	22,118	3,666	-	25,784	-	-
November 2022	21,913	464	21,449	563	-	22,012	-	-
December 2022	23,282	465	22,817	192	-	23,009	(29)	29
January 2023	22,598	440	22,158	154	-	22,312	-	-
February 2023	21,228	369	20,859	251	-	21,110	-	-
March 2023	23,967	412	23,555	444	-	23,999	-	-
April 2023	19,174	304	18,870	356	-	19,226	-	-
May 2023	17,805	-	17,805	310	-	18,114	(428)	428
June 2023	23,282	-	23,282	586	-	23,869	(718)	718
Total:	<u>\$ 264,325</u>	<u>\$ 4,286</u>	<u>\$ 260,039</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ 266,561</u>	<u>\$ (1,175)</u>	<u>\$ 1,175</u>
Contract specifications	\$ 350,418	\$ 14,017	\$ 336,401					
Over (under) contract requirements	<u>\$ (86,093)</u>	<u>\$ (9,731)</u>	<u>\$ (76,362)</u>					
Operating Costs (A+D+E)		\$ 270,847						
Depreciation*		(26,729)						
Adjusted Operating Costs		<u>\$ 244,118</u>						
Farebox Ratio Actual		2.24%						
Minimum Farebox Ratio Contract		4%						

*Obtained from ICTC Budget to Actual Schedule

**The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit B

Procedure #6.4- Daily Fare Collections (Unaudited)

Year Ending June 30, 2023

Date	Farebox Accounting - Per Monthly Invoice/Reporting	Daily Fare Collections - Per Daily Fare Collection Report	Variance
October 2022			
IVT			
10	\$ 1,338.25	\$ 1,338.25	\$ -
17	1,513.08	1,513.08	-
24	1,484.30	1,484.30	-
Blue Line			
10	7.00	7.00	-
17	9.50	9.50	-
24	5.00	5.00	-
Green Line			
10	9.10	9.10	-
17	15.45	15.45	-
24	18.40	18.40	-
Gold Line			
10	31.57	31.57	-
17	17.45	17.45	-
24	18.58	18.58	-
November 2022			
IVT			
14	\$ 1,548.50	\$ 1,548.50	\$ -
19	973.47	973.47	-
27	319.11	319.11	-
Blue Line			
14	21.00	21.00	-
18	22.15	22.15	-
28	39.25	39.25	-
Green Line			
14	5.00	5.00	-
18	8.35	8.35	-
28	13.34	13.34	-
Gold Line			
14	3.70	3.70	-
19	3.00	3.00	-
27	8.10	8.10	-
March 2023			
IVT			
4	\$ 864.99	\$ 864.99	\$ -
21	1,222.46	1,222.46	-
30	1,461.35	1,461.35	-
Blue Line			
3	9.11	9.11	-
21	4.91	4.91	-
30	7.00	7.00	-
Green Line			
3	11.00	11.00	-
21	6.00	6.00	-
30	10.00	10.00	-
Gold Line			
3	17.40	17.40	-
21	16.01	16.01	-
30	15.41	15.41	-

Imperial County Transportation Commission

Exhibit C

Procedure #6.5- Annual Revenue Hours Recalculation (Unaudited)
Year Ending June 30, 2023

Gold Line				
<i>Sched. Run Time (hrs)</i>	<i>Sched. Layover Time (hrs)</i>	<i>Estimated Service Hours per Published Rider's Guide (Annualized)</i>	<i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i>	<i>Annual Billed Service Hours</i>
7.78	2	2,465	3,280	2,159

Blue Line				
<i>Sched. Run Time (hrs)</i>	<i>Sched. Layover Time (hrs)</i>	<i>Estimated Service Hours per Published Rider's Guide (Annualized)</i>	<i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i>	<i>Annual Billed Service Hours</i>
5.80	2	1,966	3,150	1,667

Green Line				
<i>Sched. Run Time (hrs)</i>	<i>Sched. Layover Time (hrs)</i>	<i>Estimated Service Hours per Published Rider's Guide (Annualized)</i>	<i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i>	<i>Annual Billed Service Hours</i>
4.78	2	1,709	3,150	1,389

IVT Service Line				
<i>Sched. Run Time (hrs)</i>	<i>Sched. Run Time (hrs)</i>	<i>Estimated Service Hours per Published Rider's Guide (Annualized)</i>	<i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i>	<i>Annual Billed Service Hours</i>
1 South (Weekdays)	15.52	3,911		
1 South (Weekends)	9.75	1,014		
1 North (Weekdays)	27.05	6,817		
1 North (Weekend)	18.33	1,906		
2 South (Weekdays)	17.78	4,481		
2 South (Weekends)	17.15	1,784		
2 North (Weekdays)	15.97	4,024		
2 North (Weekends)	17.83	1,854		
3 East (Weekdays)	5.17	1,303		
3 East (Saturday Only)	2.00	104		
3 West (Weekdays)	4.88	1,230		
3 West (Saturday Only)	2.50	130		
4 West (Weekdays)	3.33	839		
4 West (Saturday Only)	2.37	123		
4 East (Weekdays)	2.00	504		
4 East (Saturday Only)	2.37	123		
21 IVC Express*	9.33	1,748		
22 IVC Express*	4.62	942		
31 Direct (Weekdays)	2.58	651		
31 Direct (Saturday Only)	2.67	139		
32 Direct (Weekdays)	2.58	651		
32 Direct (Saturday Only)	2.67	139		
41 S	0.47	118		
45W	0.33	83		
51S	1.92	96		
51N	2.12	106		
		34,820	34,660	33,178

Total for all Service Lines:				
<i>Sched. Run Time (hrs)</i>	<i>Sched. Layover Time (hrs)</i>	<i>Estimated Service Hours per Published Rider's Guide (Annualized)</i>	<i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i>	<i>Annual Billed Service Hours</i>
211.65	6	40,959	44,240	38,393

*Estimated that the Monday through Friday routes run 204 days per year and the Monday through Thursday routes run 166 days per year.

Independent Accountant's Report

Imperial County Transportation Commission
El Centro, California

We have performed the procedures enumerated below to assist the Imperial County Transportation Commission (ICTC) in monitoring the fiscal accountability and reporting of Transdev, Inc. (Transit Operator), and its records relating to the IVT-Access transit services for the period ending June 30, 2023. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator.

ICTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting ICTC in monitoring the fiscal accountability and reporting of the Transit Operator and we will report on the findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed below.

1) *Observation of service provided*

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator. Perform a recalculation of the service line's farebox ratio.

Finding: We inquired of the Transit Operator management, inspected the ADA Paratransit Service Agreements (July 2019) and inspected the Imperial Valley Transit (IVT) Rider's Guide in order to obtain an understanding of the services being provided. IVT-Access provides curb-to-curb transportation service with wheelchair lifts for mobility disadvantaged persons that have completed a certification and eligibility process. The IVT-Access program operates through an advanced reservation system and covers much of the County of Imperial.

Based on procedures performed as documented at Exhibit A, we noted that the Transit Operator did not meet the Farebox Ratio as required per the Transdev ADA Paratransit Service Agreement.

No other exceptions were found as a result of procedures performed.

2) *Cash Handling Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over cash handling during the year ending June 30, 2023. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Operations Manual over cash handling. At the request of ICTC, the Transit Operator suspended the collection of fare beginning April 25, 2023. As a result, during our on-site inspection on November 16, 2023, an observation of the cash count could not be performed. However, based on inquiry of the Transit Operator personnel, we noted that the following procedures were still in place during the fiscal year ending June 30, 2023, and they intend to re-implement the same process once fare collection resumes:

The Transit Operator drivers are required to complete the Driver's Daily Log Sheet which tracks the number of riders per route and the estimated cash collections. Through inquiry, we noted that drivers do not have access to the cash deposited into the cash box within the farebox located on each bus.

Cash boxes are collected and changed on a daily basis upon the vehicle's return to the yard. A key is required to release the cash box from the farebox. A separate key is required to access the contents of the cash box. The key to open the cash boxes are located in the Safety Manager's office. Access to the farebox keys to remove the cash box from the farebox is limited to the dispatchers. We observed that the cash boxes are equipped with a security feature in which the cash box automatically locks when it is removed from the farebox cabinet.

Per inspection of the Cash Handling policies, cash boxes are to be stored in a locked vault until the cash is counted and picked up by an armored service. Through inquiry, we noted that not all cash boxes are stored in the locked vault prior to being counted as there is limited space in the vault, which is an exception to the documented policies. The remaining cash boxes not stored within the vault are stored in the locked cash count room. Access to the vault and cash count room is limited to Transdev dispatchers and is under video surveillance.

Per inspection of the Cash Handling policies, cashbox pullers must wear special pocket-less clothing provided by the Transit Operator during the cashbox pulling process. We observed that the bus drivers wear a uniform consistent with their primary driving responsibilities which have pockets. However, the dispatchers performing the cash count each morning wear pocket-less coveralls for the duration of the cash counting process.

We noted that the cash counting process is under video surveillance. Two (2) dispatchers participate in the emptying of the cash boxes and the counting of cash. The cash counts are logged on the IVT Access Vault and Farebox Log Day Sheet, which includes the cash box identification number, bus number, time and date of count, dispatchers present, and the total bill and coin collections. The counted cash is then bagged and labeled with the appropriate deposit information and is picked up for deposit by a third-party armored service.

A spreadsheet summarizing the monthly cash collections is maintained. On a monthly basis, a Senior Financial Analyst at the Transit Operator's corporate office will reconcile the total balance counted and reported by the dispatchers with the balance deposited per the bank statement.

We noted that actual cash collections and the estimated cash collections based on the number of riders over the Driver's Daily Log Sheet is subject to fluctuate as the driver cannot provide change for customers and cannot verify payment once the fare is deposited into the farebox.

No other exceptions were found as a result of procedures performed.

3) *Spare Parts and Inventory Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on November 16, 2023. We noted the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 must be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the Transit Operator Vice President.

Spare parts and inventory are stored in a locked gated area that is under 24-hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Managers, Mechanics, and the General Manager. The use of spare parts and inventory is tracked using separate work orders for each project.

Each spare part and inventory item is tracked using a part number and located in the maintenance shop using the bin number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation.

We obtained the supporting documentation for the most recent inventory county performed (dated September 23, 2023). We noted a discrepancy in inventory totaling \$847. The variance was below 5% of total inventory value. The inventory count was reviewed and approved by the Transit Operator Maintenance Manager and submitted to the Director of Maintenance (Corporate Office). The transit operator does not maintain evidence of the Director of Maintenance's review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed that there is no documented evidence of this review process. We performed an inventory count during which we haphazardly selected items and were taken to the item's location. We selected ten (10) inventory items and compared it with the count on the inventory report. We located six (6) of the selected items within the storage room. Four (4) of the items selected were located on the shop floor as part of a work order in process. We noted that inventory items remain on inventory reports until the work order is complete.

Based on our observation, inventories that are damaged, or to be returned to suppliers for credit are physically separated from inventories in good condition. Based on our procedures performed, we noted no evidence of pilferage, other losses, or instances of improper usage.

No other exceptions were found as a result of procedures performed.

4) *Invoicing Process Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample of three (3) invoices to ensure policy was followed.

Finding: We inquired of the Transit Operator management on November 16, 2023 over the invoicing process and noted the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the Access Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, IVT Access Vault and Farebox Log Day Sheets, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of October 2022, November 2022 and March 2023, and noted that the invoices agreed to the summarized excel files and supporting marketing invoices, without exception. In addition, on a sample basis, we noted that the monthly excel files agreed to supporting source documents. See details documented at procedure 6 (Financial Data Analysis).

We noted that all monthly invoices selected were reviewed and approved by the Transit Operator's General Manager.

No exceptions were found as a result of procedures performed.

5) *Reporting Process*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

Finding: We inquired of the Transit Operator management, inspected the ADA Paratransit Service Agreement (July 2019) and noted the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. The Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT-Access Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, IVT Access Vault and Farebox Log Day Sheets, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

6) **Financial Data Analysis**

- 6.1 Inspect documents provided by ICTC and the transit operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2 Select a sample of three (3) months of expense reports and compare amounts to supporting documentation.
- 6.3 Select a sample of three (3) months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4 Select a sample of three (3) daily fare collection reports in each of a sample of three (3) months and compare to supporting documentation.
- 6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

Finding: We inquired of Transit Operator management, inspected the Transit Operator ADA Paratransit Service Agreement (July 2019), inspected the Transit Operator Rider’s Guide, performed observations and observed the following:

- 6.1 We inspected the monthly invoices provided by the Transit Operator for IVT-Access and noted that the invoices provided by the Transit Operator agreed to the invoices received by ICTC.

No exceptions were found as a result of procedures performed.

- 6.2 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for IVT-Access. We compared the monthly invoices to the supporting data schedule and marketing invoices.

No exceptions were found as a result of procedures performed.

- 6.3 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for IVT-Access. We obtained the monthly invoiced fuel expenditure supporting documentation and compared the respective fuel escalator cover sheet calculations, annual fuel total analysis and fuel expense reports maintained by the Transit Operator. We reviewed supporting documentation for inconsistencies, arithmetic accuracy and compliance with policies and procedures. Through inquiry of management and review of supporting documentation, no evidence of loss or improper fuel usage was identified.

No exceptions were found as a result of procedures performed.

- 6.4 We noted that ICTC implemented the “Free Fares Program” in April 2023. As such, cash collections only occurred during July 2022 through the beginning of April 2023. We selected our sample within those months and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected a total of 9 daily fare collections per IVT Fixed Lines to inspect the daily fares per the source document “Daily Fare Collections Report”. We noted that for the samples selected, the daily fare collections per the “Farebox Accounting” agreed to the supporting source document, “Daily Fare Collection Reports” without exceptions. See Exhibit B for details.

No exceptions were found as result of procedures performed.

6.5 The IVT-Access provides curb to curb transportation service with wheelchair lifts for mobility disadvantaged persons that have completed a certification and eligibility process and is not a fixed route with published schedules. The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheets and the Time Sheets. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected the following IVT-Access Routes and obtained all related Driver’s Daily Log Sheets and Time Sheets for a selected date and compared them to the data schedule which supports the monthly invoices. We observed the following:

Route	Date	1st Pick UP	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
301	11/14/2022	7:30	11:00 11:30	9:00 9:10	12:35 12:45	14:57	6.95
303	11/14/2022	5:58	10:00 11:00	8:00 8:10	12:00 12:10	9:10	2.20
307	11/14/2022	14:15	13:00 14:00	11:30 11:40	16:45 16:55	18:32	3.28
308	11/14/2022	9:26	11:00 11:30	10:20 10:30	- -	15:00	5.07
Total							17.50
Invoiced to ICTC							17.50
Difference							-

Route	Date	1st Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
301	3/14/2023	7:00	11:15 11:45	8:30 8:40	13:20 13:30	14:40	7.17
303	3/14/2023	5:57	9:30 10:30	8:00 8:10	11:50 12:00	13:27	6.50
307	3/14/2023	7:15	10:45 11:15	8:40 8:50	17:45 17:55	18:25	10.67
308	3/14/2023	9:27	11:45 12:15	11:30 11:40	12:30 12:40	14:54	4.95
Total							29.28
Invoiced to ICTC							28.27
Difference							(1.01)

We noted a variance of 1.01 hours (66 minutes) on March 14, 2023.

No other exceptions were found as a result of procedures performed.

7) Budget Development

Inspect the operator’s accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

Finding: We inquired of the Transit Operator management and inspected the IVT-Access services budget for the fiscal year ending June 30, 2023 and observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies and coordinates with ICTC during budget development. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which together do not exceed the agreed upon subsidies in the Transit Operator ADA Paratransit Service Agreement (July 2019). The estimates are based on prior year’s data and changes in route schedules. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the Transit Operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ICTC and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Rancho Cucamonga, California

[REPORT DATE]

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

IVT-ACCESS ADA Paratransit Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)	Free Rides -	Free Rides -
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Marketing	Net Cost & Total Paid to Transdev	Reimburse Client	Client Sponsored
July 2022	\$ 89,617	\$ 1,570	\$ 88,047	\$ -	\$ -	\$ 88,047	\$ -	\$ -
August 2022	95,538	2,664	92,874	-	-	92,874	-	-
September 2022	92,786	1,909	90,877	-	-	90,877	-	-
October 2022	97,929	1,807	96,122	14,582	-	110,704	-	-
November 2022	91,108	1,562	89,546	2,086	232	91,865	-	-
December 2022	89,814	1,623	88,191	640	78	88,909	-	-
January 2023	93,184	2,346	90,838	609	-	91,446	-	-
February 2023	91,526	1,638	89,888	926	410	91,223	-	-
March 2023	104,527	2,136	102,391	1,847	-	104,238	-	-
April 2023	96,012	1,210	94,802	1,507	245	96,553	(206)	206
May 2023	98,265	-	98,265	1,539	-	99,804	(2,099)	2,099
June 2023	103,034	204	102,830	2,298	-	105,128	(2,312)	2,312
Total:	\$ 1,143,340	\$ 18,670	\$ 1,124,670	\$ 26,031	\$ 965	\$ 1,151,667	\$ (4,617)	\$ 4,617
Contract specifications	\$ 1,727,960	\$ 172,796	\$ 1,555,164					
Over (under) contract requirements	\$ (584,620)	\$ (154,126)	\$ (430,494)					
Operating Costs (A+D+E)		\$ 1,170,336						
Depreciation*		(64,123)						
Adjusted Operating Costs		\$ 1,106,213						
Farebox Ratio Actual		2.11%						
Minimum Farebox Ratio Contract		10%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit B

Procedure #6.4- Daily Fare Collections (Unaudited)

Year Ending June 30, 2023

Date	Farebox Accounting - Per Monthly Invoice/Reporting	Daily Fare Collections - Per Daily Fare Collection Report	Variance
October 2022			
IVT-Access			
10	\$ 40.45	\$ 40.45	\$ -
17	39.75	39.75	-
23	35.50	35.50	-
November 2022			
IVT-Access			
14	\$ 8.01	\$ 8.01	\$ -
19	32.40	32.40	-
28	24.57	24.57	-
March 2023			
IVT-Access			
4	\$ 14.30	\$ 14.30	\$ -
21	36.50	36.50	-
30	58.30	58.30	-

Independent Accountant's Report

Imperial County Transportation Commission
El Centro, California

We have performed the procedures enumerated below to assist the Imperial County Transportation Commission (ICTC) in monitoring the fiscal accountability and reporting of Transdev, Inc. (Transit Operator), and its records relating to the IVT-Ride transit services for the period ending June 30, 2023. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator.

ICTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting ICTC in monitoring the fiscal accountability and reporting of the Transit Operator and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed below.

1) *Observation of service provided*

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator. Perform a recalculation of each service line's farebox ratio.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Agreement for Paratransit Services, and inspected the IVT-Ride published brochure in order to obtain an understanding of the services being provided. IVT-Ride provides dial-a-ride services for seniors and persons with disabilities. The IVT-Ride program operates upon request and serves the cities of Brawley, Calexico, El Centro, Imperial, West Shores, and Heber.

Based on procedures performed as documented at Exhibit A, we noted that the Transit Operator did not meet the Farebox Ratio for any of the Ride service lines as required by the Transit Operator Agreement for Paratransit Services and its related amendments.

No other exceptions were found as a result of procedures performed.

2) *Cash Handling Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the Transit Operator's internal controls over cash handling during the year ending June 30, 2023. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

Finding: We inquired of the Transit Operator management and inspected the Transit Operator Operations Manual over cash handling. At the request of ICTC, the Transit Operator suspended the collection of fare beginning April 25, 2023. As a result, during our on-site inspection on November 16, 2023, an observation of the cash count could not be performed. However, based on inquiry of the Transit Operator personnel, we noted that the following procedures were still in place during the fiscal year ending June 30, 2023 and they intend to re-implement the same process once fare collection resumes:

The Transit Operator drivers are required to complete the Driver's Daily Log Sheet which tracks the number of riders per route and the estimated cash collections. Through inquiry, we noted that the drivers do not have access to the cash deposited into the cash box within the farebox located on each shuttle.

Cash boxes are collected and changed on a daily basis upon the vehicle's return to the yard. A key is required to release the cash box from the farebox. A separate key is required to access the contents of the cash box. The key to open the cash boxes are located in the Safety Manager's office. Access to the farebox keys to remove the cash box from the farebox is limited to the dispatchers. We observed that the cash boxes are equipped with a security feature in which the cash box automatically locks when it is removed from the farebox cabinet.

Per inspection of the Cash Handling policies, cash boxes are to be stored in a locked vault until the cash is counted and picked up by an armored service. Through inquiry, we noted that not all cash boxes are stored in the locked vault prior to being counted as there is limited space within the vault, which is an exception to the documented policies. The remaining cash boxes not stored in the vault are stored in the locked cash count room. Access to the vault and cash count room is limited to Transit Operator dispatchers and is under video surveillance.

Per inspection of the Cash Handling policies, cashbox pullers must wear special pocket-less clothing provided by the Transit Operator during the cashbox pulling process. We noted that the bus drivers wear a uniform consistent with their primary driving responsibilities which have pockets. However, the dispatchers performing the cash count each morning wear pocket-less coveralls for the duration of the cash counting process.

We noted that the cash counting process is performed under video surveillance. Two (2) dispatchers participate in the emptying of the cash boxes and the counting of cash. The cash counts are logged on the IVT Ride Vault and Farebox Log Day Sheet, which includes the cash box identification number, bus number, time and date of count, dispatchers present, and the total bill and coin collections. The counted cash is then bagged and labeled with the appropriate deposit information and is picked up for deposit by a third-party armored service.

A spreadsheet summarizing the monthly cash collections is maintained. On a monthly basis, a Senior Financial Analyst at the Transit Operator's corporate office will reconcile the total balance counted and reported by the dispatchers with the balance deposited per the bank statement.

We noted that actual cash collections and the estimated cash collections based on the number of riders over the Driver's Daily Log Sheet is subject to fluctuate as the driver cannot provide change for customers and cannot verify payment once the fare is deposited into the farebox.

No other exceptions were found as a result of procedures performed.

3) *Spare Parts and Inventory Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on November 16, 2023. We noted the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 must be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the Transit Operator Vice President.

Spare parts and inventory are stored in a locked gated area that is under 24-hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Managers, Mechanics, and the General Manager. The use of spare parts and inventory is tracked using separate work orders for each project.

Each spare part and inventory item is tracked using a part number and located in the maintenance shop using the bin number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation.

We obtained the supporting documentation for the most recent inventory county performed (dated September 23, 2023). We noted a discrepancy in inventory totaling \$847. The variance was below 5% of total inventory value. The inventory count was reviewed and approved by the Transit Operator Maintenance Manager and submitted to the Director of Maintenance (Corporate Office). The transit operator does not maintain evidence of the Director of Maintenance's review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed that there is no documented evidence of this review process. We performed an inventory count during which we haphazardly selected items and were taken to the item's location. We selected ten (10) inventory items and compared it with the count on the inventory report. We located six (6) of the selected items within the storage room. Four (4) of the items selected were located on the shop floor as part of a work order in process. We noted that inventory items remain on inventory reports until the work order is complete.

Based on our observation, inventories that are damaged, or to be returned to suppliers for credit are physically separated from inventories in good condition. Based on our procedures performed, we noted no evidence of pilferage, other losses, or instances of improper usage.

No other exceptions were found as a result of procedures performed.

4) *Invoicing Process Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample of three (3) invoices to ensure policy was followed.

Finding: We inquired of the Transit Operator management on November 16, 2023 over the invoicing process and noted the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the IVT-Ride Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, IVT Ride Vault and Farebox Log Day Sheets, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of October 2022, November 2022 and March 2023, and noted that the invoices agreed to the summarized excel files and supporting marketing invoices, without exception. In addition, on a sample basis, we noted that the monthly excel files agreed to supporting source documents. See details documented at procedure 6 (Financial Data Analysis).

We noted that all monthly invoices selected were reviewed and approved by the Transit Operator's General Manager.

No exceptions were found as a result of procedures performed.

5) *Reporting Process*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Paratransit Service Agreement, and noted the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. The Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT- Ride Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, IVT Ride Vault and Farebox Log Day Sheets, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

6) Financial Data Analysis

- 6.1 Inspect documents provided by ICTC and the Transit Operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2 Select a sample of three (3) months of expense reports and compare amounts to supporting documentation.
- 6.3 Select a sample of three (3) months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4 Select a sample of three (3) daily fare collection reports in each of a sample of three (3) months and compare to supporting documentation.
- 6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

Finding: We inquired of Transit Operator management, inspected the Transit Operator Paratransit Service Agreement and related amendments and inspected the IVT-Ride published brochure and performed observations and observed the following:

- 6.1 We inspected the monthly invoices provided by the Transit Operator for IVT-Ride Brawley, IVT-Ride Calexico, IVT-Ride Imperial, IVT-Ride West Shores, IVT-Ride El Centro, and IVT-Ride Heber service lines and noted that the invoices provided by the Transit Operator agreed to the invoices received by ICTC.

No exceptions were found as a result of procedures performed.

- 6.2 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for IVT-Ride Brawley, IVT-Ride Calexico, IVT-Ride Imperial, IVT-Ride West Shores, IVT-Ride El Centro, IVT-Ride Heber service lines. We compared the monthly invoices to the supporting monthly Comdata Fuel Reports and annual Fuel Cost Analysis.

No exceptions were found as a result of procedures performed.

- 6.3 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for IVT-Ride Brawley, IVT-Ride Calexico, IVT-Ride Imperial, IVT-Ride West Shores, IVT-Ride El Centro, and IVT-Ride Heber service lines. We obtained the monthly invoiced fuel expenditure supporting documentation and compared the respective fuel escalator cover sheet calculations, annual fuel total analysis and fuel expense reports maintained by the Transit Operator. We reviewed supporting documentation for inconsistencies, arithmetic accuracy and compliance with policies and procedures. Through inquiry of management and review of supporting documentation, no evidence of loss or improper fuel usage was identified.

No exceptions were found as a result of procedures performed.

6.4 We noted that IVT Fixed implemented the “Free Fares Program” in April 2023. As such, cash collections only occurred during July 2022 through the beginning of April 2023. We selected our sample within those months and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected a total of 9 daily fare collections per IVT Fixed Lines to inspect the daily fares per the source document “Daily Fare Collections Report”. We noted that for the samples selected, the daily fare collections per the “Farebox Accounting” agreed to the supporting source document, “Daily Fare Collection Reports” without exceptions. See Exhibit B for details.

No exceptions were found as a result of procedures performed.

6.5 The IVT-Ride provides curb to curb transportation services upon advance reservations and operates upon request by eligible persons. The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheets and the Time Sheets. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected the following IVT-Ride Routes and obtained all related Driver’s Daily Log Sheets and Time Sheets for a selected date and compared them to the data schedule which supports the monthly invoices. We excluded hours for the lunch to estimate the revenue hours that would be reported for the selected day.

We observed the following:

Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Heber	3/14/2023	8:30	10:30 11:30	9:50 10:00	14:30 14:40	12:46	3.27
						Total	3.27
						Invoiced to ICTC	7.00
						Difference	(3.73)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Calexico 1	3/14/2023	7:18	10:30 11:30	8:00 8:10	14:30 14:40	14:27	6.15
Calexico 2	3/14/2023	7:00	9:30 10:30	8:45 8:55	14:40 14:50	16:45	8.75
						Total	14.90
						Invoiced to ICTC	15.50
						Difference	(0.60)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Brawley 1	3/14/2023	7:15	11:00 12:00	0:00 0:00	0:00 0:00	13:00	4.75
						Total	4.75
						Invoiced to ICTC	10.00
						Difference	(5.25)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
El Centro 1	3/14/2023	7:00	10:00 10:30	8:40 8:50	13:40 13:50	14:45	7.25
El Centro 2	3/14/2023	7:05	10:30 11:30	8:20 8:30	13:25 13:35	14:45	6.67
El Centro 3	3/14/2023	8:00	12:30 13:30	11:15 11:25	14:10 14:20	17:15	8.25
						Total	22.17
						Invoiced to ICTC	25.50
						Difference	(3.33)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Imperial	3/14/2023	7:00	10:00 11:00	8:20 8:30	0:00 0:00	14:40	6.67
						Total	6.67
						Invoiced to ICTC	9.50
						Difference	(2.83)

We noted variances on all selected routes. Through inquiry with Transit Operator management, we noted ICTC is invoiced for revenue hours based on predetermined published schedules regardless of actual hours.

No other exceptions were found as a result of procedures performed.

7) Budget Development

Inspect the operator’s accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

Finding: We inquired of the Transit Operator management and inspected the IVT-Ride services budgets for the fiscal year ending June 30, 2023 and observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies and coordinates with ICTC during budget development. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which together do not exceed the agreed upon subsidies in the Transit Operator Paratransit Service Agreements. The estimates are based on prior year’s data and changes in route schedules. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the Transit Operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ICTC and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Rancho Cucamonga, California
[REPORT DATE]

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2023

All IVT-Ride Combined Services								
	A	B	C= (A-B)	D	E	F= (C+D+E)	Free Rides -	Free Rides -
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Reimburse Client	Client Sponsored
July 2022	\$ 120,350	\$ 2,667	\$ 117,684	\$ -	\$ -	\$ 117,684	\$ -	\$ -
August 2022	128,915	3,158	125,757	-	2,325	128,082	-	-
September 2022	121,500	3,041	118,459	-	-	118,459	-	-
October 2022	123,996	3,168	120,828	20,297	-	141,126	-	-
November 2022	119,396	2,767	116,629	2,770	-	119,399	-	-
December 2022	126,027	2,756	123,271	926	-	124,197	-	-
January 2023	122,308	2,848	119,460	741	-	120,202	-	-
February 2023	115,285	2,745	112,540	1,177	-	113,717	-	-
March 2023	128,107	3,141	124,967	1,987	-	126,953	-	-
April 2023	107,992	2,279	105,713	1,763	-	107,476	-	-
May 2023	102,388	1,992	100,397	1,794	-	102,190	(72)	72
June 2023	124,803	3,047	121,756	2,994	-	124,750	(105)	105
Total:	<u>\$ 1,441,067</u>	<u>\$ 33,608</u>	<u>\$ 1,407,459</u>	<u>\$ 34,449</u>	<u>\$ 2,325</u>	<u>\$ 1,444,234</u>	<u>\$ (177)</u>	<u>\$ 177</u>
Combined contract	<u>\$ 3,929,076</u>	<u>\$ 389,877</u>	<u>\$ 3,539,199</u>					
Over (under) contract requirements	<u>\$ (2,488,009)</u>	<u>\$ (356,269)</u>	<u>\$ (2,131,740)</u>					
Operating Costs (A+D+E)		\$ 1,477,842						
Depreciation*		<u>(45,700)</u>						
Adjusted Operating Costs		<u>\$ 1,432,142</u>						
Combined Farebox Ratio Actual**		2.36%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

IVT Ride Brawley Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 18,312	\$ 527	\$ 17,786	\$ -	\$ -	\$ 17,785.50	\$ -	\$ -
August 2022	19,511	552	18,959	-	-	18,959	-	-
September 2022	18,532	549	17,983	-	-	17,983	-	-
October 2022	18,801	555	18,246	2,983	-	21,229	-	-
November 2022	18,043	435	17,608	364	-	17,972	-	-
December 2022	19,291	462	18,829	136	-	18,965	-	-
January 2023	18,532	509	18,024	97	-	18,120	-	-
February 2023	17,553	452	17,102	150	-	17,252	-	-
March 2023	19,511	557	18,955	212	-	19,167	-	-
April 2023	16,085	425	15,661	234	-	15,895	-	-
May 2023	14,837	323	14,515	222	-	14,736	-	-
June 2023	19,021	489	18,532	409	-	18,941	-	-
Total:	<u>\$ 218,029</u>	<u>\$ 5,832</u>	<u>\$ 212,197</u>	<u>\$ 4,807</u>	<u>\$ -</u>	<u>\$ 217,004</u>	<u>\$ -</u>	<u>\$ -</u>
Contract specifications	<u>\$ 300,548</u>	<u>\$ 30,055</u>	<u>\$ 270,493</u>					
Over (under) contract requirements	<u>\$ (82,519)</u>	<u>\$ (24,223)</u>	<u>\$ (58,296)</u>					
Operating Costs (A+D+E)		\$ 222,836						
Depreciation*		(7,312)						
Adjusted Operating Costs		<u>\$ 215,524</u>						
Farebox Ratio Actual**								2.71%
Minimum Farebox Ratio Contract								10%

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2023

IVT Ride Calexico Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)	Free Rides -	Free Rides -
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Reimburse Client	Client Sponsored
July 2022	\$ 31,432	\$ 425	\$ 31,007	\$ -	\$ -	\$ 31,007	\$ -	\$ -
August 2022	32,827	552	32,275	-	-	32,275	-	-
September 2022	31,310	655	30,655	-	-	30,655	-	-
October 2022	32,191	642	31,549	4,822	-	36,371	-	-
November 2022	30,551	609	29,942	668	-	30,610	-	-
December 2022	32,068	654	31,414	215	-	31,629	-	-
January 2023	31,310	651	30,659	174	-	30,833	-	-
February 2023	29,793	605	29,188	277	-	29,465	-	-
March 2023	32,827	656	32,171	500	-	32,671	-	-
April 2023	27,957	437	27,520	394	-	27,914	-	-
May 2023	26,440	388	26,052	374	-	26,426	-	-
June 2023	32,068	637	31,431	662	-	32,093	-	-
Total:	<u>\$ 370,774</u>	<u>\$ 6,911</u>	<u>\$ 363,863</u>	<u>\$ 8,086</u>	<u>\$ -</u>	<u>\$ 371,949</u>	<u>\$ -</u>	<u>\$ -</u>
Contract specifications	<u>\$ 496,408</u>	<u>\$ 49,641</u>	<u>\$ 446,767</u>					
Over (under) contract requirements	<u>\$ (125,634)</u>	<u>\$ (42,730)</u>	<u>\$ (82,904)</u>					
Operating Costs (A+D+E)		\$ 378,860						
Depreciation*		<u>(11,882)</u>						
Adjusted Operating Costs		<u>\$ 366,978</u>						
Farebox Ratio Actual**		1.88%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

IVT Ride Imperial Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)	Free Rides -	Free Rides -
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Reimburse Client	Client Sponsored
July 2022	\$ 13,192	\$ 348	\$ 12,844	\$ -	\$ -	\$ 12,844	\$ -	\$ -
August 2022	14,122	366	13,756	-	-	13,756	-	-
September 2022	12,727	345	12,382	-	-	12,382	-	-
October 2022	13,657	403	13,255	2,535	-	13,255	-	-
November 2022	13,192	364	12,828	353	-	12,828	-	-
December 2022	13,657	268	13,389	95	-	13,389	-	-
January 2023	13,192	324	12,868	86	-	12,868	-	-
February 2023	12,262	294	11,968	136	-	11,968	-	-
March 2023	13,657	312	13,346	223	-	13,346	-	-
April 2023	11,332	249	11,084	190	-	11,084	-	-
May 2023	10,402	226	10,176	210	-	10,176	-	-
June 2023	13,192	350	12,842	353	-	12,842	-	-
Total:	<u>\$ 154,584</u>	<u>\$ 3,847</u>	<u>\$ 150,738</u>	<u>\$ 4,181</u>	<u>\$ -</u>	<u>\$ 150,738</u>	<u>\$ -</u>	<u>\$ -</u>
Contract specifications	<u>1,023,825</u>	<u>\$ 102,383</u>	<u>\$ 921,442</u>					
Over (under) contract requirements	<u>\$ (869,241)</u>	<u>\$ (98,537)</u>	<u>\$ (770,705)</u>					
Operating Costs (A+D+E)		\$ 158,765						
Depreciation*		<u>(4,570)</u>						
Adjusted Operating Costs		<u>\$ 154,195</u>						
Farebox Ratio Actual			2.49%					
Minimum Farebox Ratio Contract			10%					

*Obtained from ICTC Budget to Actual Schedule

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2023

IVT Ride West Shores Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)	Free Rides -	Free Rides -
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Reimburse Client	Client Sponsored
July 2022	\$ 4,776	\$ 80	\$ 4,696	\$ -	\$ -	\$ 4,696	\$ -	\$ -
August 2022	5,192	104	5,088	-	-	5,088	-	-
September 2022	5,192	100	5,092	-	-	5,092	-	-
October 2022	4,776	95	4,681	1,885	-	6,566	-	-
November 2022	4,776	100	4,676	360	-	5,036	-	-
December 2022	5,192	84	5,109	123	-	5,231	-	-
January 2023	5,192	76	5,116	100	-	5,216	-	-
February 2023	4,776	87	4,689	160	-	4,849	-	-
March 2023	5,192	85	5,107	256	-	5,363	-	-
April 2023	3,944	60	3,884	279	-	4,163	-	-
May 2023	3,944	20	3,924	303	-	4,227	(72)	72
June 2023	5,192	32	5,160	405	-	5,565	(105)	105
Total:	\$ 58,144	\$ 922	\$ 57,222	\$ 3,869	\$ -	\$ 61,091	\$ (177)	\$ 177
Contract specifications	\$ 60,645	\$ 3,032	\$ 57,613					
Over (under) contract requirements	\$ (2,501)	\$ (2,110)	\$ (391)					
Operating Costs (A+D+E)		\$ 62,013						
Depreciation*		(1,371)						
Adjusted Operating Costs		\$ 60,642						
Farebox Ratio Actual**		1.81%						
Minimum Farebox Ratio Contract		5%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

IVT Ride El Centro Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 44,773	\$ 1,084	\$ 43,689	\$ -	\$ -	\$ 43,689	\$ -	\$ -
August 2022	48,028	1,301	46,727	-	2,325	49,052	-	-
September 2022	45,532	1,161	44,371	-	-	44,371	-	-
October 2022	46,021	1,204	44,817	6,555	-	51,372	-	-
November 2022	44,284	1,048	43,237	832	-	44,068	-	-
December 2022	47,269	1,100	46,169	292	-	46,461	-	-
January 2023	45,532	1,063	44,470	214	-	44,684	-	-
February 2023	43,036	1,071	41,965	342	-	42,306	-	-
March 2023	48,028	1,255	46,773	647	-	47,420	-	-
April 2023	41,494	915	40,579	557	-	41,136	-	-
May 2023	40,271	864	39,407	601	-	40,009	-	-
June 2023	46,780	1,231	45,549	967	-	46,516	-	-
Total:	<u>\$ 541,048</u>	<u>\$ 13,296</u>	<u>\$ 527,752</u>	<u>\$ 11,007</u>	<u>\$ 2,325</u>	<u>\$ 541,084</u>	<u>\$ -</u>	<u>\$ -</u>
Contract specifications	<u>\$ 1,023,825</u>	<u>\$ 102,383</u>	<u>\$ 921,442</u>					
Over (under) contract requirements	<u>\$ (482,777)</u>	<u>\$ (89,087)</u>	<u>\$ (393,690)</u>					
Operating Costs (A+D+E)	\$ 554,381							
Depreciation*	(17,823)							
Adjusted Operating Costs	<u>\$ 536,558</u>							
Farebox Ratio Actual**		2.48%						
Minimum Farebox Ratio Contract		10%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2023

IVT Ride Heber Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Transdev Marketing	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 7,865	\$ 203	\$ 7,662	\$ -	\$ -	\$ 7,662	\$ -	\$ -
August 2022	9,235	284	8,952	-	-	8,952	-	-
September 2022	8,207	231	7,976	-	-	7,976	-	-
October 2022	8,550	270	8,281	1,518	-	8,281	-	-
November 2022	8,550	212	8,338	193	-	8,338	-	-
December 2022	8,550	189	8,361	65	-	8,361	-	-
January 2023	8,550	226	8,324	70	-	8,324	-	-
February 2023	7,865	236	7,629	112	-	7,629	-	-
March 2023	8,892	277	8,616	149	-	8,616	-	-
April 2023	7,180	194	6,986	109	-	6,986	-	-
May 2023	6,494	172	6,323	84	-	6,323	-	-
June 2023	8,550	308	8,242	198	-	8,242	-	-
Total:	\$ 98,488	\$ 2,800	\$ 95,688	\$ 2,499	\$ -	\$ 95,688	\$ -	\$ -
Contract specifications	\$ 1,023,825	\$ 102,383	\$ 921,442					
Over (under) contract requirements	\$ (925,337)	\$ (99,583)	\$ (825,754)					
Operating Costs (A+D+E)		\$ 100,987						
Depreciation*		(2,742)						
Adjusted Operating Costs		\$ 98,245						
Farebox Ratio Actual**		2.85%						
Minimum Farebox Ratio Contract		10%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit B

Procedure #6.4 - Daily Fare Collections (Unaudited)

Year Ending June 30, 2023

Date	Farebox Accounting - Per Monthly Invoice/Reporting	Daily Fare Collections - Per Daily Fare Collection Report	Variance
October 2022			
West Shores			
4	\$ 17.00	\$ 17.00	\$ -
11	20.00	20.00	-
18	15.02	15.02	-
November 2022			
West Shores			
15	15.00	15.00	-
22	15.00	15.00	-
29	15.00	15.00	-
March 2023			
West Shores			
7	\$ 5.00	\$ 5.00	\$ -
14	25.00	25.00	-
28	25.00	25.00	-

Independent Accountant's Report

Imperial County Transportation Commission
El Centro, California

We have performed the procedures enumerated below to assist the Imperial County Transportation Commission (ICTC) in monitoring the fiscal accountability and reporting of Transdev, Inc. (Transit Operator), and its records relating to the IVT MedTrans transit services for the period ending June 30, 2023. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator.

ICTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting ICTC in monitoring the fiscal accountability and reporting of the Transit Operator and we will report on the findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed below.

1) *Observation of service provided*

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator. Perform a recalculation of the service line's farebox ratio.

Finding: We inquired of the Transit Operator management, inspected the MedTrans Service Agreement (July 2019) and inspected the IVT MedTrans Rider's Guide in order to obtain an understanding of the services being provided. IVT MedTrans is specifically intended to link Imperial Valley and San Diego County for non-emergency transportation to access medical facilities, clinics, and doctor offices.

As part of our inquiries, we identified that there is no formal application or interview process to verify if a passenger is eligible to receive the services being provided.

Per procedures performed as documented at Exhibit A, we noted that the Transit Operator did not meet the Farebox Ratio as required per the Transit Operator Agreement for MedTrans Paratransit Services.

No other exceptions were found as a result of procedures performed.

2) *Cash Handling Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over cash handling during the year ending June 30, 2023. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Operations Manual over cash handling. At the request of ICTC, the Transit Operator suspended the collection of fare beginning April 25, 2023. As a result, during our on-site inspection on November 16, 2023, an observation of the cash count could not be performed. However, based on inquiry of the Transit Operator personnel, we noted that the following procedures were still in place during the fiscal year ending June 30, 2023 and they intend to re-implement the same process once fare collection resumes:

The Transit Operator shuttle operators are required to complete the Driver's Daily Log Sheet which tracks the number of riders per route and fare amount per rider. We noted that passengers must call the IVT MedTrans office to book a reservation and must pay their fare in person prior to their trip. As such, money is not collected by the MedTrans shuttle operators and the IVT MedTrans shuttles are not equipped with fare boxes.

We inquired of the Transit Operator dispatch personnel on November 16, 2023 regarding the cash collection process and noted that the money for the IVT MedTrans fares is received by the Office Clerk within the Safety Manager's Office. The customer is given a receipt and a copy is kept for the Operations Manager to retrieve. We noted that cash is kept in a locked cash box within a locked cabinet in the Safety Manager's office. The Safety Manager's office is under 24-hour video surveillance which is monitored by the Maintenance Manager.

The Operations Manager will retrieve receipts for the IVT MedTrans fare multiple times throughout the workday. We noted that the receipts are cataloged by date of scheduled ride and are kept in the Operations Manager's office. We noted receipts are cataloged daily and are reconciled against bank deposit receipts on a monthly basis.

We noted that there is no set schedule as to when deposits are to be made. Per inquiry with Transit Operator personnel, we noted that bank deposits are typically performed three times a month by the Dispatch Manager. However, given the trending decline in ridership post COVID-19, deposits are currently made once per month. The amount to be deposited at the end of each month should be the remainder for the month based on the receipts kept by the Operations Manager.

We noted that the Dispatch Manager will keep a spreadsheet that summarizes the total amount of money collected for all of the IVT service lines and will send the spreadsheet to an offsite Staff Accountant for reconciliation to the total balance reported by the counters and balance per the bank statement. We noted that this procedure is performed at the Transit Operator corporate offices and contact will only be made with the El Centro location if a discrepancy was noted during the reconciliation. As such, evidence of this process could not be obtained.

We selected the month of March 2023 and obtained a deposit receipt and the daily fare collections receipts. We noted that the amount deposited agreed to the total amount on the daily fare collections receipt. We also noted that the amount from the deposit receipt agreed to the total fare revenue on the "Farebox" tab of the electronic invoice file that is sent to ICTC without error.

No exceptions were found as a result of procedures performed.

3) Spare Parts and Inventory Control

Inspect the operator's accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

Finding: We inquired of the Transit Operator management, inspected the Transit Operator Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on November 16, 2023. We noted the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 must be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the Transit Operator Vice President.

Spare parts and inventory are stored in a locked gated area that is under 24-hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Manager, Mechanics, and the General Manager. The use of spare parts and inventory is tracked using separate work orders for each project.

Each spare part and inventory item is tracked using a part number and located in the maintenance shop using the bin number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation.

We obtained the supporting documentation for the most recent inventory county performed (dated September 23, 2023). We noted a discrepancy in inventory totaling \$847. The variance was below 5% of total inventory value. The inventory count was reviewed and approved by the Transit Operator Maintenance Manager and submitted to the Director of Maintenance (Corporate Office). The transit operator does not maintain evidence of the Director of Maintenance's review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed that there is no documented evidence of this review process. We performed an inventory count during which we haphazardly selected items and were taken to the item's location. We selected ten (10) inventory items and compared it with the count on the inventory report. We located six (6) of the selected items within the storage room. Four (4) of the items selected were located on the shop floor as part of a work order in process. We noted that inventory items remain on inventory reports until the work order is complete.

Based on our observation, inventories that are damaged, or to be returned to suppliers for credit are physically separated from inventories in good condition. Based on our procedures performed, we noted no evidence of pilferage, other losses, or instances of improper usage.

No other exceptions were found as a result of procedures performed.

4) *Invoicing Process Control*

Inspect the operator's accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample of three (3) invoices to ensure policy was followed.

Finding: We inquired of the Transit Operator management and performed an observation on November 16, 2023 over the invoicing process and noted the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month. The invoices are prepared by the IVT MedTrans Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, Fare Receipt Catalogs, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of October 2022, November 2022 and March 2023 and noted that the invoices agreed to the summarized excel files and supporting marketing invoices without exception. In addition, on a sample basis, we noted that the monthly excel files agreed to supporting source documents. See details of samples tested documented at procedure 6 (Financial Data Analysis).

We noted that all monthly invoices selected were reviewed and approved by the Transit Operator's General Manager.

No exceptions were found as a result of procedures performed.

5) *Reporting Process*

Inspect the operator's accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

Finding: We inquired of the Transit Operator management, inspected the Transdev MedTrans Paratransit Services Agreement (July 2019) and noted the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. The Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT MedTrans Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include Driver's Daily Log Sheets, Time Sheets, Fare Receipts Catalogs, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

6) **Financial Data Analysis**

- 6.1 Inspect documents provided by ICTC and the transit operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2 Select a sample of three (3) months of expense reports and compare amounts to supporting documentation.
- 6.3 Select a sample of three (3) months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4 Select a sample of three (3) daily fare collection reports in each of a sample of three (3) months and compare to supporting documentation.
- 6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

Finding: We inquired of the Transit Operator management, inspected the MedTrans Paratransit Services Agreement (July 2019) and performed observations and observed the following:

- 6.1 We inspected the monthly invoices provided by the Transit Operator for MedTrans and noted that the invoices provided by the Transit Operator agreed to the invoices received by ICTC.

No exceptions were found as a result of procedures performed.

- 6.2 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for IVT MedTrans. We compared the monthly invoices to the supporting data schedule and marketing invoices.

No exceptions were found as a result of procedures performed.

- 6.3 We selected the months of October 2022, November 2022 and March 2023 and obtained the monthly invoices for IVT-Medtrans. We obtained the monthly invoiced fuel expenditure supporting documentation and compared the respective fuel escalator cover sheet calculations, annual fuel total analysis and fuel expense reports maintained by the Transit Operator. We reviewed supporting documentation for inconsistencies, arithmetic accuracy and compliance with policies and procedures. Through inquiry of management and review of supporting documentation, no evidence of loss or improper fuel usage was identified.

No exceptions were found as a result of procedures performed.

- 6.4 We noted that IVT-MedTrans implemented a “Free Fares Programs” for a portion of the fiscal year. As such, we selected the months of October 2022, November 2022 and March 2023 and obtained the cash fare collections by day from the Daily Fare Collections report included in the monthly reporting packet. We selected our sample within those months and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected a total of three (3) days for each month to inspect the daily fares per the source document “Daily Fare Collections Report.” We noted that for the samples selected, the daily fare collections per the “Farebox Accounting” report agreed to the supporting source document, “Daily Fare Collection Reports” without exceptions. See Exhibit B for details.

No exceptions were found as a result of procedures performed.

6.5 IVT MedTrans provides non-emergency transportation services for transit dependent individuals and is not a fixed route with published schedules. The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheet. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected November 14, 2022 and March 14, 2023, and obtained the Driver’s Daily Log Sheets and Time Sheets and compared them to the data schedule which supports the monthly invoices. We observed the following:

<u>Route/Paddle</u>	<u>Date</u>	<u>1st Pick Up</u>	<u>Lunch</u>	<u>Break 1</u>	<u>Break 2</u>	<u>Last Drop Off</u>	<u>Rev. Hours</u>
MedTrans 1	11/14/2022	6:40	10:00 10:30	8:30 8:40	14:10 14:20	16:05	8.92
						Total	8.92
						Invoiced to ICTC	8.92
						Variance	0.00

<u>Route/Paddle</u>	<u>Date</u>	<u>1st Pick Up</u>	<u>Lunch</u>	<u>Break 1</u>	<u>Break 2</u>	<u>Last Drop Off</u>	<u>Rev. Hours</u>
MedTrans 1	3/14/2023	6:33	10:00 10:50	8:05 8:15	13:02 13:12	16:17	8.90
						Total	8.90
						Invoiced to ICTC	8.95
						Variance	0.05

We noted a variance of 0.05 hours (3 minutes) on March 14, 2023.

No other exceptions were found as a result of procedures performed.

7) Budget Development

Inspect the operator’s accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

Finding: We inquired of Transit Operator management and inspected the IVT MedTrans services budget for the fiscal year ending June 30, 2023. We observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies and coordinates with ICTC during budget development. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which together do not exceed the agreed upon subsidies in the Transdev MedTrans Paratransit Services Agreement (July 2019). The estimates were based on internal calculations prepared by the Transit Operator’s General Manager. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the Transit Operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ICTC and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Rancho Cucamonga, California
[REPORT DATE]

Imperial County Transportation Commission
 Exhibit A
 Procedure #1- Services Provided (Unaudited)
 Year Ending June 30, 2023

First Transit - IVT MedTrans Service Line								
	A	B	C= (A-B)	D	E	F= (C+D+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Marketing	Net Cost & Total Paid to Transdev	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2022	\$ 29,079	\$ 1,078	\$ 28,001	\$ -	\$ -	\$ 28,001	\$ -	\$ -
August 2022	32,011	1,446	30,565	-	-	30,565	-	-
September 2022	32,142	974	31,168	-	2,545	33,713	-	-
October 2022	31,265	986	30,279	4,201	-	34,480	-	-
November 2022	32,115	902	31,213	814	-	32,027	-	-
December 2022	29,074	618	28,456	197	-	28,653	-	-
January 2023	31,050	970	30,080	197	3,670	33,947	-	-
February 2023	30,541	977	29,564	312	-	29,876	-	-
March 2023	32,973	1,536	31,437	636	-	32,073	-	-
April 2023	30,535	1,340	29,195	618	-	29,813	-	-
May 2023	31,963	-	31,963	641	-	32,604	(1,546)	1,546
June 2023	33,356	-	33,356	806	-	34,162	(1,865)	1,865
Total:	\$ 376,104	\$ 10,827	\$ 365,277	\$ 8,423	\$ 6,215	\$ 379,916	\$ (3,411)	\$ 3,411
Contract specifications	\$ 611,195	\$ 61,120	\$ 550,075					
Over (under) contract requirements	\$ (235,091)	\$ (50,293)	\$ (184,798)					
Operating Costs (A+D+E)	\$ 390,743							
Depreciation*	(20,483)							
Adjusted Operating Costs	\$ 370,260							
Farebox Ratio Actual		3.85%						
Minimum Farebox Ratio Contract		10%						

*Obtained from ICTC Budget to Actual Schedule

** The farebox ratio has been adjusted to incorporate amounts received through an LCTOP grant to fund ICTC's Free Fares Program.

Imperial County Transportation Commission

Exhibit B

Procedure #6.4- Daily Fare Collections (Unaudited)

Year Ending June 30, 2023

Date	Farebox Accounting - Per Monthly Invoice/Reporting	Daily Fare Collections - Per Daily Fare Collection Report	Variance
October 2022			
First Transit IVT MedTrans			
11	\$ 88.50	\$ 88.50	\$ -
17	27.75	27.75	-
25	78.75	78.75	-
November 2022			
First Transit IVT MedTrans			
14	\$ 55.50	\$ 55.50	\$ -
21	33.00	33.00	-
28	45.00	45.00	-
March 2023			
First Transit IVT MedTrans			
2	\$ 22.50	\$ 22.50	\$ -
21	61.50	61.50	-
30	301.50	301.50	-

VI. ACTION CALENDAR

A. Imperial County Transportation Commission Fiscal Audit for FY 2022-23

Receive and file the fiscal audit for the Imperial County Transportation Commission, for FY 2022-23.

Direct staff to transmit the fiscal audit to the State Controller's Office.



1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
FAX: (760) 592-4410

March 20, 2024

Luis Plancarte, Chairman
Imperial County Transportation Commission
1503 N. Imperial Avenue, Suite 104
El Centro, CA 92243

SUBJECT: ICTC Fiscal Audit for FY 2022-23

Dear Commission Members:

As required by the State of California, the Commission must conduct independent fiscal audits of its own financial activities on an annual basis. Attached, please find the following fiscal audit for FY 2022-23, performed by the CPA firm, The Pun Group.

- Transportation Development Act – receipt and allocation by ICTC of ¼ cent retail sales tax under Articles 8c, 8e and Article 3 under the State TDA, for transit programs and services (#7076001)
- State Transit Assistance – receipt and allocation of funding under the State Transit Assistance (STA) Program, the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA), State of Good Repair (SGR), the Low Carbon Transit Operations Program (LCTOP) and the Clean Mobility Options Program (CMO) (#7079001,7481001,7482001, 7553001)
- Regional Transit Planning and Programs – receipt and allocation of funding by ICTC for programs and services including transit service contracts, grants, project consultants and program staffing (#7416001)
- Regional Planning and Programming – receipt and allocation of funding by ICTC for planning programs and services including long and short-range highway, motorized and non-motorized projects, call for projects, capital projects such as the Calexico East POE Bridge Widening project, project consultants and program staffing (#7417001)
- Regional Collaboration – receipt and allocation of funding by ICTC for various regional projects whereby ICTC is the fiscal agent, including the Brownfield assessments and Broadband deployment grants with the Imperial Valley Economic Development Corp (IVEDC) (#7577001)
- SB325 report for the State Controller’s Office
- Single Audit for Federal Funds
- Service for Freeway Emergencies (SAFE)

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

The audit team and staff will be presenting this item.

The ICTC Management Committee met on March 13, 2024, and forwards this item to the Commission for their review and approval after public comment, if any:

1. Receive and file the fiscal audit for the Imperial County Transportation Commission, for FY 2022-23.
2. Direct staff to transmit the fiscal audit to the State Controller's Office and Federal Audit Clearinghouse.

Sincerely,



David Aguirre
Executive Director

DA/MB

Attachments

Imperial County Transportation Commission

El Centro, California

Financial Statements and Independent Auditors' Reports

For the Year Ended June 30, 2023



Imperial County Transportation Commission
For the Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Imperial County Transportation Commission (the "Commission"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Commission, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules – Major Special Revenue Funds, the Schedule of the Proportionate Share of the Net Pension Liability and Related Ratios, and the Schedule Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California
Page 3

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

The PwC Group, LLP

San Diego, California
March 19, 2024

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**REPORT ON COMPLIANCE FOR THE TRANSPORTATION PLANNING AGENCY REQUIRED BY
TRANSPORTATION DEVELOPMENT ACT
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditors' Report

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California

Report on Compliance for Transportation Planning Agency Required by Transportation Development Act

Opinion

We have audited the Imperial County Transportation Commission's ("the Commission") compliance with the compliance requirements described in §6662 and §6663 of the California Code of Regulation, Title 21, Division 3, Chapter 3, Article 5.5 applicable to the Commission's compliance as Transportation Planning Agency ("TPA") for the year ended June 30, 2023.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that are applicable to the Commission as Transportation Planning Agency for the year ended June 30, 2023.

Basis for Opinion on Measure X Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Transportation Development Act ("TDA") Statutes and California Code of Regulations, July 2018, issued by the California Department of Transportation Division of Rail and Mass Transportation ("TDA Guidebook"), are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for Transportation Planning Agency Required by Transportation Development Act. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's Transportation Development Act.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards in the United States of America and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the Transportation Development Act as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Measure X Program, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California
Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of §6662 and §6663 of the California Codes of Regulation, Title 21, Division 3, Chapter 3, Article 5.5. Accordingly, this report is not suitable for any other purpose.

The PwC Group, LLP

San Diego, California
March 19, 2024

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Imperial County Transportation Commission
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 27,136,576	\$ 31,723,407	\$ 58,859,983
Receivables			
Accounts receivable	1,826,550	-	1,826,550
Interest receivable	759,701	228,206	987,907
Due from other governments	721,796	854,586	1,576,382
Total current assets	<u>30,444,623</u>	<u>32,806,199</u>	<u>63,250,822</u>
Non-current assets:			
Capital assets:			
Depreciable, net of accumulated depreciation	-	3,860,260	3,860,260
Total capital assets, net	<u>-</u>	<u>3,860,260</u>	<u>3,860,260</u>
Total non-current assets	<u>-</u>	<u>3,860,260</u>	<u>3,860,260</u>
Total assets	<u>30,444,623</u>	<u>36,666,459</u>	<u>67,111,082</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	171,754	417,251	589,005
Total deferred outflows of resources	<u>171,754</u>	<u>417,251</u>	<u>589,005</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,381,537	7,517,845	11,899,382
Accrued payroll	9,082	21,469	30,551
Unearned revenues	2,577,886	-	2,577,886
Compensated absences, due within one year	21,260	46,756	68,016
Total current liabilities	<u>6,989,765</u>	<u>7,586,070</u>	<u>14,575,835</u>
Long-term liabilities:			
Net pension liability	209,292	508,445	717,737
Total long-term liabilities	<u>209,292</u>	<u>508,445</u>	<u>717,737</u>
Total liabilities	<u>7,199,057</u>	<u>8,094,515</u>	<u>15,293,572</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	33,092	80,393	113,485
Total deferred inflows of resources	<u>33,092</u>	<u>80,393</u>	<u>113,485</u>
NET POSITION			
Net investment in capital assets	-	3,860,260	3,860,260
Restricted	23,384,228	25,048,542	48,432,770
Total net position	<u>\$ 23,384,228</u>	<u>\$ 28,908,802</u>	<u>\$ 52,293,030</u>

Imperial County Transportation Commission
Statement of Activities
For the Year Ended June 30, 2023

Function/Programs	Program Revenues				Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 7,823,150	\$ -	\$ -	\$ -	\$ -
Professional services	656,812	-	-	-	-
Transit and transportation	6,812,299	95,750	4,056,684	6,525,055	10,677,489
Total governmental activities	15,292,261	95,750	4,056,684	6,525,055	10,677,489
Business-type Activities:					
Transportation services	17,065,443	649,967	11,016,181	-	11,666,148
Total business-type activities	17,065,443	649,967	11,016,181	-	11,666,148
Total primary government	\$ 32,357,704	\$ 745,717	\$ 15,072,865	\$ 6,525,055	\$ 22,343,637

Imperial County Transportation Commission
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Function/Programs	Net (Expense) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Totals
Governmental Activities:			
General government	\$ (7,823,150)	\$ -	\$ (7,823,150)
Professional services	(656,812)	-	(656,812)
Transit and transportation	3,865,190	-	3,865,190
Total governmental activities	(4,614,772)	-	(4,614,772)
Business-type Activities:			
Transportation services	-	(5,399,295)	(5,399,295)
Total business-type activities	-	(5,399,295)	(5,399,295)
Total primary government	(4,614,772)	(5,399,295)	(10,014,067)
General revenues:			
Transportation Development Act sales taxes	9,137,065	-	9,137,065
Investment income	1,064,044	667,555	1,731,599
Other miscellaneous revenue	6,748	-	6,748
Total general revenues	10,207,857	667,555	10,875,412
Transfers	(3,219,893)	3,219,893	-
Changes in net position	2,373,192	(1,511,847)	861,345
Net Position:			
Beginning of year, as restated (Note 14)	21,011,036	30,420,649	51,431,685
End of year	\$ 23,384,228	\$ 28,908,802	\$ 52,293,030

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FUND FINANCIAL STATEMENTS

Imperial County Transportation Commission
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Transportation Development Act Fund	State Transit Assistance Fund	Prop 1B Fund	State of Good Repair Fund
ASSETS				
Cash and investments	\$ 13,508,119	\$ 5,493,508	\$ 2	\$ 1,536,795
Receivables:				
Accounts receivable	1,781,360	-	30	-
Interest receivable	667,980	39,092	-	11,308
Due from other governments	-	721,796	-	-
Due from other funds	960,561	-	-	-
Total assets	\$ 16,918,020	\$ 6,254,396	\$ 32	\$ 1,548,103
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 42,649	\$ 59,923	\$ -	\$ 89,930
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	1,119,713	-	1,458,173
Total liabilities	42,649	1,179,636	-	1,548,103
Fund Balances:				
Restricted	16,875,371	5,074,760	32	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	16,875,371	5,074,760	32	-
Total liabilities and fund balances	\$ 16,918,020	\$ 6,254,396	\$ 32	\$ 1,548,103

Imperial County Transportation Commission
Balance Sheet (Continued)
Governmental Funds
June 30, 2023

	Special Revenue Funds			Total Governmental Funds
	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	
ASSETS				
Cash and investments	\$ 5,039,592	\$ 23,591	\$ 1,534,969	\$ 27,136,576
Receivables:				
Accounts receivable	8,294	-	36,866	1,826,550
Interest receivable	29,599	93	11,629	759,701
Due from other governments	-	-	-	721,796
Due from other funds	-	-	-	960,561
Total assets	\$ 5,077,485	\$ 23,684	\$ 1,583,464	\$ 31,405,184
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,167,170	\$ 12,971	\$ 8,894	\$ 4,381,537
Accrued payroll	8,700	-	382	9,082
Due to other funds	960,561	-	-	960,561
Unearned revenues	-	-	-	2,577,886
Total liabilities	5,136,431	12,971	9,276	7,929,066
Fund Balances:				
Restricted	-	10,713	1,574,188	23,535,064
Unassigned (deficit)	(58,946)	-	-	(58,946)
Total fund balances (deficit)	(58,946)	10,713	1,574,188	23,476,118
Total liabilities and fund balances	\$ 5,077,485	\$ 23,684	\$ 1,583,464	\$ 31,405,184

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Imperial County Transportation Commission
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances of governmental funds	\$ 23,476,118
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
Pension related deferred outflows of resources	171,754
Net pension liability	(209,292)
Pension related deferred inflows of resources	(33,092)
Compensated absences liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	(21,260)
Net position of governmental activities	\$ 23,384,228

Imperial County Transportation Commission
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Transportation Development Act Fund	State Transit Assistance Fund	Prop 1B Fund	State of Good Repair Fund
Revenues:				
State allocations	\$ -	\$ 3,276,811	\$ -	\$ 89,930
Federal allocations	-	-	-	-
TDA sales taxes	9,137,065	-	-	-
Investment income	865,478	77,008	-	-
Membership revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>10,002,543</u>	<u>3,353,819</u>	<u>-</u>	<u>89,930</u>
Expenditures:				
Current:				
TDA disbursements	5,695,135	1,140,039	-	-
General and administrative	-	-	-	-
Professional services	-	-	-	89,930
Total expenditures	<u>5,695,135</u>	<u>1,140,039</u>	<u>-</u>	<u>89,930</u>
Excess of revenues over (under) expenditures	<u>4,307,408</u>	<u>2,213,780</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers out	(3,219,893)	-	-	-
Total other financing sources (uses)	<u>(3,219,893)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,087,515	2,213,780	-	-
Fund balances (deficit):				
Beginning of year, as restated (Note 14)	15,787,856	2,860,980	32	-
End of year	<u>\$ 16,875,371</u>	<u>\$ 5,074,760</u>	<u>\$ 32</u>	<u>\$ -</u>

Imperial County Transportation Commission
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Total Governmental Funds
	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	
Revenues:				
State allocations	\$ 277,280	\$ 151,871	\$ 210,200	\$ 4,006,092
Federal allocations	6,525,055	50,592	-	6,575,647
TDA sales taxes	-	-	-	9,137,065
Investment income	86,730	244	34,584	1,064,044
Membership revenues	95,750	-	-	95,750
Other revenues	6,748	-	-	6,748
Total revenues	<u>6,991,563</u>	<u>202,707</u>	<u>244,784</u>	<u>20,885,346</u>
Expenditures:				
Current:				
TDA disbursements	-	-	-	6,835,174
General and administrative	7,787,575	31	35,544	7,823,150
Professional services	264,202	190,977	111,703	656,812
Total expenditures	<u>8,051,777</u>	<u>191,008</u>	<u>147,247</u>	<u>15,315,136</u>
Excess of revenues over (under) expenditures	<u>(1,060,214)</u>	<u>11,699</u>	<u>97,537</u>	<u>5,570,210</u>
Other financing sources (uses):				
Transfers out	-	-	-	(3,219,893)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,219,893)</u>
Net change in fund balance	(1,060,214)	11,699	97,537	2,350,317
Fund balances (deficit):				
Beginning of year, as restated (Note 14)	1,001,268	(986)	1,476,651	21,125,801
End of year	<u>\$ (58,946)</u>	<u>\$ 10,713</u>	<u>\$ 1,574,188</u>	<u>\$ 23,476,118</u>

Imperial County Transportation Commission
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Government-Wide Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances of governmental funds	\$ 2,350,317
Changes in the net pension liability in the Statement of Activities did not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(189,840)
Changes in pension-related deferrals in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Pension-related deferred outflows of resources	(3,715)
Pension-related deferred inflows of resources	215,170
Changes in compensated absences do not use current financial resources and, therefore are not reported as an expenditure in governmental funds.	1,260
Change in net position of governmental activities	\$ 2,373,192

Imperial County Transportation Commission
Statement of Net Position
Proprietary Fund
June 30, 2023

		Enterprise Fund	
		Transit Planning and Programs Management Fund	Total
ASSETS			
Current Assets:			
Cash and investments		\$ 31,723,407	\$ 31,723,407
Receivables:			
Due from other governments		854,586	854,586
Interest receivable		228,206	228,206
Total current assets		32,806,199	32,806,199
Noncurrent Assets:			
Depreciable, net of accumulated depreciation		3,860,260	3,860,260
Total noncurrent assets		3,860,260	3,860,260
Total assets		36,666,459	36,666,459
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions		417,251	417,251
Total deferred outflows of resources		417,251	417,251
LIABILITIES			
Current Liabilities:			
Accounts payable		7,517,845	7,517,845
Accrued payroll		21,469	21,469
Compensated absences, due within one year		46,756	46,756
Total current liabilities		7,586,070	7,586,070
Long-term liabilities:			
Net pension liability		508,445	508,445
Total long-term liabilities		508,445	508,445
Total liabilities		8,094,515	8,094,515
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions		80,393	80,393
Total deferred inflows of resources		80,393	80,393
NET POSITION			
Net investment in capital assets		3,860,260	3,860,260
Restricted		25,048,542	25,048,542
Total net position		\$ 28,908,802	\$ 28,908,802

Imperial County Transportation Commission
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Enterprise Fund	
	Transit Planning and Programs Management Fund	Total
Operating Revenues:		
Passenger fares	\$ 649,967	\$ 649,967
Total operating revenue	<u>649,967</u>	<u>649,967</u>
Operating Expenses:		
Purchased transportation services	8,580,146	8,580,146
Professional services	561,037	561,037
General administration	809,687	809,687
Capital contributions	6,056,919	6,056,919
Maintenance	235,727	235,727
Depreciation	821,927	821,927
Total operating expenses	<u>17,065,443</u>	<u>17,065,443</u>
Operating income (loss)	<u>(16,415,476)</u>	<u>(16,415,476)</u>
Nonoperating Revenues (Expenses):		
State transit revenues	6,698,920	6,698,920
Federal grant revenues	3,909,612	3,909,612
ICTC reimbursements	407,649	407,649
Interest income	667,555	667,555
Total nonoperating revenues (expenses)	<u>11,683,736</u>	<u>11,683,736</u>
Income (loss) before transfers	<u>(4,731,740)</u>	<u>(4,731,740)</u>
Transfers:		
Transfers in	3,219,893	3,219,893
Total transfers	<u>3,219,893</u>	<u>3,219,893</u>
Change in net position	(1,511,847)	(1,511,847)
Net Position:		
Beginning of year, as restated (Note 14)	30,420,649	30,420,649
End of year	<u>\$ 28,908,802</u>	<u>\$ 28,908,802</u>

Imperial County Transportation Commission
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Enterprise Fund	
	Transit Planning and Programs Management Fund	Totals
Cash flows from operating activities:		
Passenger fares	\$ 649,967	\$ 649,967
Payments to vendors	(8,579,775)	(8,579,775)
Payments to employees	(836,196)	(836,196)
Net cash used in operating activities	(8,766,004)	(8,766,004)
Cash flows from noncapital financing activities:		
Cash received from other funds	3,219,893	3,219,893
Non-operating grants received	13,084,102	13,084,102
Net cash provided by noncapital financing activities	16,303,995	16,303,995
Cash flows from investing activities:		
Interest received	526,663	526,663
Net cash provided by investing activities	526,663	526,663
Cash flows from capital and related financing activities:		
Purchase of capital assets	(225,000)	(225,000)
Net cash (used in) capital and related financing activities	(225,000)	(225,000)
Net increase in cash and investments	8,064,654	8,064,654
Cash and investments, beginning of year	23,658,753	23,658,753
Cash and investments, end of year	\$ 31,723,407	\$ 31,723,407
Reconciliation of operating (loss) to net cash provided by operating activities		
Operating (loss)	\$ (16,415,476)	\$ (16,415,476)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation	821,927	821,927
Change in assets and liabilities:		
Pension-related deferred outflows of resources	(44,380)	(44,380)
Accounts payable	6,854,054	6,854,054
Accrued payroll	(1,155)	(1,155)
Compensated absences	(920)	(920)
Net pension liability	467,109	467,109
Pension-related deferred inflows of resources	(447,163)	(447,163)
Total adjustments	7,649,472	7,649,472
Net cash used in operating activities	\$ (8,766,004)	\$ (8,766,004)

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Imperial County Transportation Commission
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Reporting Entity

The Imperial County Transportation Commission (the “Commission”) was established under Senate Bill 607 (SB 607 - Ducheny) which was approved by the California Legislature and Governor Arnold Schwarzenegger in 2009. As a county transportation commission, the Commission member agencies are enabled to exercise basic initiative and leadership in the transportation planning and programming process. The Commission will act in accordance with all applicable laws and statutes for county transportation commissions. The Commission body will guide the development of the Regional Transportation Plan for the Imperial region and its Regional, State and Federal transportation improvement programs (“TIP”s) and their updates, including, but not limited to: the distribution and oversight of Local Transportation Fund monies; the preparation and submittal of applications for transportation related funds; approval of the allocation and claims for Transportation Development Act funds; the planning, programming and administration of regional transit services; and, encourage active citizen participation in the development and implementation of various transportation-related plans and programs.

As established under SB 607, the Commission Board is currently composed of ten voting members and one non-voting member consisting of two members of the Imperial County Board of Supervisors; one member from each incorporated city (seven) within Imperial County who shall be the mayor of the city or a member of its city council; one member of the Board of Directors of the Imperial Irrigation District; and, one non-voting member appointed by the Governor representing the California Department of Transportation (“CalTrans”). In the future the governing Board of the commission may also include the following ex-officio or non-voting members: one member representing the State of Baja California, Mexico, who may be appointed by the governor of the state; one member representing the municipality of Mexicali, Mexico, who may be the mayor or his or her designee; one member representing the Consul of Mexico in Calexico, California, who may be the consul or his or her designee; and, one member representing any federally recognized Native American tribe in Imperial County.

In addition to the responsibilities described above, the Commission provides direct management, administration and oversight for the following local and regional transportation programs:

- Imperial Valley Transit (“IVT”) System and its Inner-City Circulator Service (Blue, Green, and Gold Lines)
- MedTrans (non-emergency medical demand response service to San Diego)
- IVT ACCESS (Americans with Disabilities Act - ADA paratransit service)
- IVT RIDE (curb to curb transit service for seniors; persons age 55 years and over, and persons with disabilities in the Cities of Brawley, Calexico, El Centro, Heber, Imperial and West Shores)
- Imperial County Local Transportation Authority (Measure D Sales Tax Program)

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the Commission have been prepared in accordance with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission’s accounting policies are described below.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Accounting and Measurement Focus

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The Commission's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Commission accompanied by a total column.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the Commission's assets and liabilities, including capital assets, as well as long-term liabilities, are included in the accompanying Statement of net position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Commission in the following categories:

- Charges for services;
- Operating grants and contributions;
- Capital grants and contributions

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Change in Fund Balances. An accompanying reconciliation explains the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements.

The governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Change in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for that revenues subject to accrual (generally 60 days after year-end) are recognized when measurable and available. The primary revenue sources, which have been treated as susceptible to accrual by the Commission, are sales tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Revenues from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable and unearned revenues are removed from the Balance Sheet and revenues are recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The Commission reports the following major governmental funds:

Transportation Development Act Special Revenue Fund – This fund was established by the Commission in order to administer funds derived from $\frac{1}{4}$ cent of the local general sales tax collected statewide. The state Board of Equalization returns the $\frac{1}{4}$ cent to each county according to the amount of tax collected. Disbursements from the TDA fund are made to the County of Imperial and the cities located within the County.

State Transit Assistance Special Revenue Fund - This fund was established pursuant to SB 620 to supplement existing funding sources for public transit services. The revenues of the fund are derived from a portion of the sales tax on gasoline and are subject to appropriation by the legislature. Disbursements from the fund are made by the Imperial County Auditor-Controller based upon allocation instruction received from the Commission.

Prop 1B Special Revenue Fund - This fund was established in order to account for funding received from bonds issued by the State. These funds provide for transit capital, corridor mobility improvements, goods movement, state-local partnership funds and local streets and roads.

State of Good Repair Special Revenue Fund - This fund was established in order to account for the funding received for the provisions of SB1 which apportions funding by formula for any transit-related capital maintenance purposes, including repair, refurbishment and replacement of existing transit vehicles and infrastructure.

Regional Planning and Programs Special Revenue Fund - This fund was established in order to administer regional transportation programs and services.

Regional Collaborations Special Revenue Fund - This fund was established for the purpose of tracking activities of joint projects with other agencies in the region.

SAFE Special Revenue Fund - This fund was established for the purpose of tracking activities of the Service Authority for Freeway Emergencies revenues received from the Department of Motor Vehicles user registration fees.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements

Proprietary funds account for operations (1) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds are accounted for on a flow of “*economic resources*” measurement focus and accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation are recognized when they are earned, and expenses and deductions are recognized when they are incurred. Non-exchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenses are incurred in accordance with program guidelines. When non-exchange revenues are received before eligibility requirements at met, they are reported as unearned revenues until earned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenue of the Commission’s proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, general and administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Commission reports the following major enterprise fund:

Transit Planning and Programs Fund - This fund was established in order to administer the various transit programs, grants and services provided either in house or under contract with various providers. The program receives various state and federal grants including the Federal Transportation Administration (FTA) Section 5307, 5310, and 5311. The specific federal funds received are programmed to be utilized for operation costs of Imperial Valley Transit (“IVT”), the IVT Blue, Green and Gold Lines, MedTrans, and IVT ACCESS, the ADA paratransit system and the mobility coordination program.

B. Cash and Cash Equivalents

The County of Imperial Auditor-Controller office acts as a trustee for the funds received and disbursed. Cash and investments are held in the County investment pool to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds. The investment policies and the risks related to cash and investments are those of the County investment pool and are disclosed in the County’s basic financial statements. The County’s basic financial statements can be obtained at the County Administrative Office.

Cash and investments are reported at fair value. The fair value measurements are based on fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active market for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Deposits and withdrawals in the County Investment Pool are made on the basis of \$1 and not fair value. Accordingly, investments in the County Investment Pool are based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans) or “advances to/from other funds” (i.e., long-term in nature). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide Financial Statements as “internal balances”.

D. Capital Assets

Capital assets, which include equipment and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Useful Lives
Automobiles	3 to 5 years
Buildings	40 years
Improvements	2 to 40 years
Radios and communication equipment	3 years
Small furniture, fixtures, and office equipment	5 years
Large furniture and durable goods	10 years
Computer hardware	3 years
Computer software	3 years
Transit vehicles	5 to 12 years

E. Unearned Revenue

Unearned revenues are reported for resources received before the eligibility requirements are met (excluding time requirements) or services are provided.

F. Compensated Absences

Personal time off (“PTO”) hours accumulated and not taken are accrued at fiscal year-end and a liability is reported in the government-wide financial statements. The liability will be liquidated with resources from the governmental and proprietary funds. Upon termination an employee with a minimum of twelve months of continuous services will receive 100% of the unused PTO balance.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

G. Deferred Outflows and Inflows of Resources

The Statement of Net Position/Balance Sheet reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

The Commission reports deferred outflows and inflows of resources related to pension on the Government-wide Statement of Net Position, under full accrual basis of accounting. Pension-related deferred outflows of resources relate to contributions made subsequent to the measurement date, which will be reflected as a reduction of net pension liability in a future reporting period, difference between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on pension plan investments, and adjustments due to differences in proportions. Pension-related deferred inflows of resources include the difference between expected and actual experience and adjustments due to differences in proportions, and will be recognized as part of pension expense in future reporting periods. Refer to Note 8 for items identified as deferred inflows and outflows related to pensions as of June 30, 2023.

H. Net Position Classifications

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets (where applicable). This portion of net position is not accessible for other purposes.

Restricted – This component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. The restrictions are placed by third parties or enabling legislation.

Unrestricted – This component of net position is the remaining amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the Commission's policy is to apply restricted net position first.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Fund Balance Classifications

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, and items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The Commission Board of Directors is considered the highest authority for the Commission and must commit or uncommit fund balance via formal resolution.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Board and the Executive Director have the authority to assign amounts to be used for specific purposes.

Unassigned – This category is for the remaining fund balance.

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use externally restricted resources first, the unrestricted resources-committed, assigned, and unassigned-in order as needed. The Commission has no formal policy of assignment of fund balance, so it is presumed that the order of spending is first committed fund balance, then assigned fund balance, and last of all, unassigned fund balance.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission’s Imperial County Employees’ Retirement System (“ICERS”) plans (“Plans”) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the ICERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Pensions (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

K. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 – Cash and Investments

At June 30, 2023, cash and investments are classified in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 27,136,576	\$ 31,723,407	\$ 58,859,983

At June 30, 2023, cash and investments consisted of the following:

Imperial County investment pool	\$ 58,859,983
Total	\$ 58,859,983

Demand Deposits

At June 30, 2023, the carrying amount of the Commission’s deposits were \$0 and bank balances were \$248,376. The total bank balance was covered by federal depository insurance or by collateral held by the Commission’s agent in the Commission’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Commission’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Commission's name.

The market value of pledged securities must equal at least 110% of the Commission's cash deposits. California law also allows institutions to secure the Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the Commission’s total cash deposits. the Commission may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). the Commission has waived the collateralization requirements for deposits insured by FDIC.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

Cash Pooled with Imperial County Investment Pool

The Commission is a participant in the Imperial County Investment Pool (Pool) and maintained cash in the amount of \$58,859,983 in the Imperial County Treasury at June 30, 2023. The County pools these funds with those of other entities in the County and invests the cash. Cash on deposit in the Pool is stated at fair value. The Pool values participant shares at fair market value during the year and adjusts to fair value at year-end.

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County of Imperial’s Annual Comprehensive Financial Report.

The Pool is not registered within the Securities and Exchange Commission (“SEC”), and a treasury oversight committee provides oversight to ensure that investments comply with the approved County investment policy. At June 30, 2023, the weighted average maturity for the Pool is less than one year. The Imperial County Treasury is not rated by the rating agency. At the year end, the Imperial County Treasury was not exposed to custodial credit risk.

Note 4 – Federal, State, and Local Grants

Federal Assistance – The Commission receives Federal operating assistance funds through the U.S. Department of Transportation Grants (Urbanized Area Formula Program – Federal Grant 5307, Rural Area Formula Program – Federal Grant 5311, Enhanced Mobility of Seniors and Individuals with Disabilities – Federal Grant 5310, Highway Planning and Construction Program, and Congestion Mitigation and Air Quality Improvement Program – CMAQ) and Environmental Protection Agency. Total Federal assistance provided under these programs during the fiscal year ended June 30, 2023 was \$10,485,259.

Transportation Development Act – The Commission is subject to provisions pursuant to Section 6634 and 6637 of the California Administrative Code (CAC) and section 99268.3, 99268.4, and 99268.5 of the Public Utilities Code.

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

CMAQ – Congestion Mitigation and Air Quality grants from the Environmental Protection Agency and Better Utilizing Investment to Leverage Development.

Section 6637 – Pursuant to Section 6637, the claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records adopted by the State Controller.

Section 99268.3, 99268.4 and 99268.5 – The Commission has several fare box recovery ratios for the various services provided.

	Required	Actual
IVT	17%	13.29%
IVT Access	10%	2.02%
IVT Ride	10%	9.80%
MedTrans	10%	3.49%

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Federal, State, and Local Grants (Continued)

Proposition 1B - The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund and California Transit Security Grant Program (CTS GP) are part of the State of California’s Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the State Prop 1B fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement. The unearned balances for PTMISEA and CTS GP as of June 30, 2023 are \$0.

Low Carbon Transit Operations Program (LCTOP) – LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The unearned balance for LCTOP funds as of June 30, 2023 was \$1,119,713.

State of Good Repair – The State of Good Repair Program provides funding to agencies for transit infrastructure repairs and service improvements. SGR funds are made available for eligible transit maintenance, rehabilitation and capital projects. The total unearned balance for State of Good Repair funds as of June 30, 2023 was \$1,458,173.

STIP-PPM Program – During the fiscal year ended June 30, 2023, the Commission applied for and received proceeds of \$259,000 from the State of California STIP-PPM Program. As of June 30, 2023, Category A, B, and C proceeds have been fully expended. This is detailed as follows:

Schedule III - STIP-PPM Category A	
Salaries & Benefits	\$ 94,380
Professional & Special Services	5,620
Subtotal category A	100,000
Schedule IV - STIP-PPM Category B	
Salaries & Benefits	-
Professional & Special Services	100,000
Subtotal category B	100,000
Schedule V - STIP-PPM Category C	
Salaries & Benefits	50,747
Travel	8,253
Subtotal category C	59,000
Total	\$ 259,000

Better Utilizing Investment to Leverage Development (BUILD) – The BUILD program is a federal competitive grant that looks to enhance America’s infrastructure. The Commission was awarded a \$20 million grant for the Calexico East Port of Entry Bridge Widening Project. As of June 30, 2023, the Commission has spent \$14,430,038 of the awarded proceeds on the project.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Interfund Transactions

A. Due To/From Other Funds

Amounts due to/from other funds consisted of the following for the year ended June 30, 2023:

	Due to Other Funds	
Due from Other Funds		Regional Planning and Governmental Programs Fund
Governmental Funds:		
Transportation Development Act Fund	\$	960,561
Total	\$	960,561

The Regional Planning and Governmental Programs Fund borrowed \$960,561 from the Transportation Development Act Fund at June 30, 2023 to cover a cash shortfall.

B. Transfers

Interfund transfers consisted of the following for the year ended June 30, 2023:

	Transfers Out	
	Transportation Development Act Governmental Fund	Total
Transfers In		
Enterprise Funds:		
Transit Planning and Programs Management Fund	\$ 3,219,893	\$ 3,219,893
Total	\$ 3,219,893	\$ 3,219,893

Interfund transfers are generally used to move revenues from the fund that statute or budget require to collect them to fund that statute or budget requires to expend them.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Capital Assets

A summary of changes in capital assets for the business-type activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Business-type Activities:				
Depreciable assets:				
Furniture	\$ 14,045	\$ -	\$ -	\$ 14,045
Transit equipment	11,066,420	225,000	-	11,291,420
Total depreciable assets	11,080,465	225,000	-	11,305,465
Less: accumulated depreciation				
Furniture	(14,045)	-	-	(14,045)
Transit equipment	(6,609,233)	(821,927)	-	(7,431,160)
Total accumulated depreciation	(6,623,278)	(821,927)	-	(7,445,205)
Business-type activities capital assets, net	\$ 4,457,187	\$ (596,927)	\$ -	\$ 3,860,260

Depreciation expense for the year ended June 30, 2023 was from the following funds and was charged to transportation services for the business-type activities on the government-wide financial statements:

Transit Planning and Programs Management Fund	\$ 821,927
Total business-type activities depreciation	<u>\$ 821,927</u>
Transportation services	<u>\$ 821,927</u>

Note 7 – Compensated Absences

Changes in compensated absences for the year ended June 30, 2023, were as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due in One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences	\$ 22,520	\$ 9,999	\$ (11,259)	\$ 21,260	\$ 21,260	\$ -
	<u>\$ 22,520</u>	<u>\$ 9,999</u>	<u>\$ (11,259)</u>	<u>\$ 21,260</u>	<u>\$ 21,260</u>	<u>\$ -</u>
Business-type Activities:						
Compensated absences	\$ 47,676	\$ 54,621	\$ (55,541)	\$ 46,756	\$ 46,756	\$ -

The Commission's policy relating to employees leave benefits is described in Note 2F, Compensated Absences. The long-term portion of compensated absences is expected to be paid in future years from future resources from the Regional Planning and Programs, Regional Collaboration, and Transit Planning and Programs Management funds.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Pension

A. General Information about the Pension Plan

Plan Description

The Imperial County Employees Retirement System (ICERS) was established by the County of Imperial in 1951. ICERS is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. Seq.). ICERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to members employed by the Commission.

The management of ICERS is vested with the Imperial County Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership; one member and one alternate are elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with their term as County Treasurer.

ICERS issues an audited stand-alone financial report which may be obtained by contacting the Board of Retirement at 1221 W. State Street, El Centro, CA 92243.

Employees Covered by Benefit Terms

At the June 30, 2022 measurement date, plan membership consisted of the following:

Active employees	10
Retired employees and beneficiaries	<u>1</u>
Total	<u><u>11</u></u>

Benefits Provided

ICERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Imperial or contracting districts who work a minimum of 30 hours per week become members of ICERS effective on the first day of the first full pay period after employment. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety Member who becomes a member on or after January 1, 2013 is designated as PEPRA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 ("PEPRA") and California Government Code 7522 et seq. All other employees are classified as General members. New general members employed after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et seq.

General members hired prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 52, with five years of retirement service credit.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Pension (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.14 for Regular and Regular plus Supplemental Benefits, respectively. The monthly allowance is equal to 1/60th of final compensation for Regular and Regular plus Supplemental Benefits, times years of accrued retirement service credit times age factor from either Section 31676.11 (Regular Benefit) or Section 31676.14 (Regular plus Supplemental Benefit). General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. However, for members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2022 is equal to \$153,671 (reference Section 7522.10). This limit is adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months for a general or safety member and the highest 36 consecutive months for a PEPRA general member or PEPRA safety member.

Contributions

The County of Imperial and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ICERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 22.84% of compensation.

All members are required to make contributions to ICERS regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 13.12% of compensation.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Pension (Continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liability (TPL) is measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. In particular, the following actuarial assumption were applied in the June 30, 2022 measurement:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount rate	7.00%
Inflation	2.75%
Salary increases	4.50% to 9.25%
Administrative expenses	1.80% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses are summarized in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption used for the June 30, 2021 actuarial valuation. This information is subject to change every three years based on the actuarial experience study.

Asset class ¹	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Large cap U.S. equity	23.00%	5.42%
Small cap U.S. equity	6.00%	6.21%
Developed international equity	17.00%	6.50%
Emerging markets equity	7.00%	8.80%
US core fixed income	22.00%	1.13%
TIPS	5.00%	0.87%
Real estate	5.00%	4.57%
Value added real estate	5.00%	8.10%
Private credit	5.00%	5.60%
Private equity	5.00%	9.40%
	100.00%	

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Pension (Continued)

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

Discount Rate

The discount rate used to measure the Total Pension Liability (TPL) was 7.00% as of the June 30, 2022 measurement date. For plan member contributions, the projection of cash flows used to determine the discount rate assumed employee contributions will be made at the current contribution rates and that the contributions will be made at rates equal to the actuarially determined contribution rates. For employer contributions, the projection of cash flow used to determine the discount rate assumed employer contributions will be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the Pension Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the TPL as part of the June 30, 2022 measurement date.

Sensitivity of the Commission’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission’s share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1%	Current Discount	Discount Rate + 1%
(6.00%)	Rate (7.00%)	(8.00%)
\$ 2,175,196	\$ 717,737	\$ 175,546

Pension Plan Fiduciary Net Position

Detail information about the plan’s fiduciary net position is available in the separately issued ICERS financial report and can be obtained from the County of Imperial’s website under Documents.

Proportionate Share of Net Pension Liability and Pension Expense

At June 30, 2023, the Commission reported a liability of \$717,737 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Commission’s proportion of the net pension liability was based on the projection of the long-term share of contributions to the pension plan related to the projected contributions of all pension plan participants, actuarially determined. At the June 30, 2022 measurement date, the Commission’s proportionate share of net pension liability was 0.638%. This is a 0.76% decrease from the previous year.

For the year ended June 30, 2023, the Commission recognized pension expense of \$178,146. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Pension (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool for the measurement period ended June 30, 2022.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool on the valuation date (June 30, 2021). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date. Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2021-2022).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the measurement date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the Commission’s share of contributions during measurement period.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for 2021-2022 measurement period is 6.57 years, which was obtained by dividing the total service years (the sum of the remaining service lifetimes of the active employees) by the total number of participants: active, inactive, and retired.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Pension (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution after measurement date	\$ 126,141	\$ -
Difference between expected and actual experience	16,859	(91,885)
Changes of assumptions	169,095	-
Net difference between projected and actual earning on pension plan investments	175,290	-
Adjustment due to differences in proportions	101,620	(21,600)
Total	\$ 589,005	\$ (113,485)

\$126,141 reported as deferred outflows of resources related to pensions resulting from the Commission’s contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2023	\$ 77,639
2024	77,639
2025	77,639
2026	77,639
2027	38,823
Thereafter	-
	\$ 349,379

At June 20, 2023, the Commission did not owe anything to the Plan.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Disbursements to Local Agencies

The Local Transportation Fund (LTF) accounts for the one-quarter percent state sales tax collected within the County. The funds can be used for various programs, including administration, planning and programming for the Transportation Development Act (TDA), bicycle and pedestrian projects, commuter rail, streets and rail, and transit operations. The Commission’s governing board approves an annual allocation which includes funding for local agencies to spend in accordance with TDA guidelines. During the fiscal year ended June 30, 2023, the Commission allocated \$169,333 of LTF funds to local agencies as shown below.

<u>Local Agency</u>	<u>Bicycles and Pedestrians</u>	<u>Benches and Shelters</u>	<u>Total</u>
City of El Centro	\$ 89,029	\$ 37,655	\$ 126,684
County of Imperial	29,341	13,308	42,649
Total allocations	<u>\$ 118,370</u>	<u>\$ 50,963</u>	<u>\$ 169,333</u>

Note 10 – Risk Management

the Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. These risks are covered by third-party commercial insurance. There have been no reductions in insurance coverage as compared to the previous year, and for the past fiscal year, no settlement amounts have occurred.

The Commission’s purchased commercial insurance coverage is as follows:

<u>Insurance</u>	<u>Amount</u>
Personal injury	\$ 2,000,000
Public officials errors and omissions	2,000,000
Products/completed operations	2,000,000
Employment practices	2,000,000
Crime	1,000,000
Property	25,000,000
Workers' compensation	1,000,000

Note 11 – Commitments and Contingencies

A. Litigation

The Commission is a defendant in various lawsuits which arise under the normal course of the operations. In the opinion of Commission Counsel and management, such claims against the Commission not covered by insurance would not materially affect the financial statements of the Commission.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Commitments and Contingencies (Continued)

B. Grants

The Commission recognizes as revenues, grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Commission expects such amounts, if any, to be immaterial.

C. Commitments

As of June 30, 2023, the Commission did not have significant outstanding commitments.

Note 12 – Net Position and Fund Balance

A. Net Investment in Capital Assets

At June 30, 2023, the net investment in capital assets category of net position consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, depreciable/amortizable, net	\$ -	\$ 3,860,260
Total net investment in capital assets	\$ -	\$ 3,860,260

B. Fund Balance Classifications

The following table shows the classification of the Commission’s fund balances as of June 30, 2023:

Fund Balance Category	Transportation Development Act Fund	State Transit Assistance Fund	Prop 1B Fund	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	Total
Restricted:							
Transportation projects	\$ 16,875,371	\$ 5,074,760	\$ 32	\$ -	\$ 10,713	\$ 1,574,188	\$ 23,535,064
Total restricted	16,875,371	5,074,760	32	-	10,713	1,574,188	23,535,064
Unassigned (deficit)	-	-	-	(58,946)	-	-	(58,946)
Total fund balances	\$ 16,875,371	\$ 5,074,760	\$ 32	\$ (58,946)	\$ 10,713	\$ 1,574,188	\$ 23,476,118

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Required Disclosures

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the following funds:

Fund	Function	Excess Expenditures
State Transit Assistance Fund	TDA disbursements	\$ 123,308
State of Good Repair	Professional services	89,930
Regional Collaborations Fund	General and administrative	31

B. Deficit Fund Balances

The Regional Planning and Programs Special Revenue Fund had a deficit fund balance of \$(58,946) as of June 30, 2023. The Commission plans on alleviating this deficit through future revenues exceeding expenditures.

Note 14 – Prior Period Adjustments

Beginning net position/fund balance has been restated on the government-wide Statement of Activities as follows:

	Governmental Activities	Business-Type Activities
Beginning of year, as previously reported fund balance/net position	\$ 19,012,119	\$ 30,160,649
Adjustments:		
To record TDA received	973,308	-
To record LTA matching funds	1,026,034	-
To correct payroll accrual	(425)	-
To correct deposit	-	260,000
total adjustments	1,998,917	260,000
Beginning of year, as restated fund balance/net position	<u>\$ 21,011,036</u>	<u>\$ 30,420,649</u>

Beginning net position/fund balance has been restated on the fund financial statements as follows:

	Governmental Funds				Enterprise Fund
	Transportation Development Act Fund	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	Transit Planning and Programs Management Fund
Fund balance/net position July 1, 2022, as previously reported	\$ 14,814,548	\$ (24,766)	\$ 26	\$ 1,476,064	\$ 30,160,649
Adjustments:					
To record TDA received	973,308	-	-	-	-
To record LTA matching funds	-	1,026,034	-	-	-
To correct payroll accrual	-	-	(1,012)	587	-
To correct deposit	-	-	-	-	260,000
total adjustments	973,308	1,026,034	(1,012)	587	260,000
Fund balance/net position July 1, 2022 as restated	<u>\$ 15,787,856</u>	<u>\$ 1,001,268</u>	<u>\$ (986)</u>	<u>\$ 1,476,651</u>	<u>\$ 30,420,649</u>

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Transportation Development Act Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
TDA sales taxes	\$ 13,711,778	\$ 13,711,778	\$ 9,137,065	\$ (4,574,713)
Investment income	-	-	865,478	865,478
Total revenues	<u>13,711,778</u>	<u>13,711,778</u>	<u>10,002,543</u>	<u>(3,709,235)</u>
Expenditures:				
Current:				
TDA disbursements	6,081,482	6,081,482	5,695,135	386,347
Total expenditures	<u>6,081,482</u>	<u>6,081,482</u>	<u>5,695,135</u>	<u>386,347</u>
Excess of revenues over (under) expenditures	<u>7,630,296</u>	<u>7,630,296</u>	<u>4,307,408</u>	<u>(3,322,888)</u>
Other Financing Sources:				
Transfers out	(7,630,296)	(7,630,296)	(3,219,893)	4,410,403
Total other financing sources	<u>(7,630,296)</u>	<u>(7,630,296)</u>	<u>(3,219,893)</u>	<u>4,410,403</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,087,515</u>	<u>\$ 1,087,515</u>
Fund balance:				
Beginning of year			<u>15,787,856</u>	
End of year			<u>\$ 16,875,371</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - State Transit Assistance Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State allocations	\$ 1,734,336	\$ 1,734,336	\$ 3,276,811	\$ 1,542,475
Investment income	-	-	77,008	77,008
Total revenues	<u>1,734,336</u>	<u>1,734,336</u>	<u>3,353,819</u>	<u>1,619,483</u>
Expenditures:				
Current:				
TDA disbursements	1,016,731	1,016,731	1,140,039	(123,308)
Total expenditures	<u>1,016,731</u>	<u>1,016,731</u>	<u>1,140,039</u>	<u>(123,308)</u>
Excess of revenues over (under) expenditures	<u>717,605</u>	<u>717,605</u>	<u>2,213,780</u>	<u>1,496,175</u>
Other Financing Sources:				
Transfers out	(717,605)	(717,605)	-	717,605
Total other financing sources	<u>(717,605)</u>	<u>(717,605)</u>	<u>-</u>	<u>717,605</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,213,780</u>	<u>\$ 2,213,780</u>
Fund balance:				
Beginning of year			2,860,980	
End of year			<u>\$ 5,074,760</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Prop 1B Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State allocations	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Excess of revenues over (under) expenditures	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Other Financing Sources:				
Transfers out	(500,000)	(500,000)	-	500,000
Total other financing sources	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance:				
Beginning of year			<u>32</u>	
End of year			<u>\$ 32</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - State of Good Repair Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State allocations	\$ 957,789	\$ 957,789	\$ 89,930	\$ (867,859)
Total revenues	<u>957,789</u>	<u>957,789</u>	<u>89,930</u>	<u>(867,859)</u>
Expenditures:				
Current:				
Professional services	-	-	89,930	(89,930)
Total expenditures	<u>-</u>	<u>-</u>	<u>89,930</u>	<u>(89,930)</u>
Excess of revenues over (under) expenditures	<u>957,789</u>	<u>957,789</u>	<u>-</u>	<u>(957,789)</u>
Other Financing Sources:				
Transfers out	(957,789)	(957,789)	-	957,789
Total other financing sources	<u>(957,789)</u>	<u>(957,789)</u>	<u>-</u>	<u>957,789</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:				
Beginning of year			-	
End of year			<u>\$ -</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Regional Planning and Programs Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State allocations	\$ 6,844,903	\$ 6,844,903	\$ 277,280	\$ (6,567,623)
Federal allocations	13,481,221	13,481,221	6,525,055	(6,956,166)
Local Transportation Agency income	1,023,701	1,023,701	-	(1,023,701)
Investment income	270,069	270,069	86,730	(183,339)
Membership revenues	100,000	100,000	95,750	(4,250)
Other revenues	14,627	14,627	6,748	(7,879)
Total revenues	<u>21,734,521</u>	<u>21,734,521</u>	<u>6,991,563</u>	<u>(14,742,958)</u>
Expenditures:				
Current:				
General and administrative	21,400,023	21,400,023	7,787,575	13,612,448
Professional services	334,498	334,498	264,202	70,296
Total expenditures	<u>21,734,521</u>	<u>21,734,521</u>	<u>8,051,777</u>	<u>13,682,744</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,060,214)</u>	<u>(1,060,214)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,060,214)</u>	<u>\$ (1,060,214)</u>
Fund balance (deficit):				
Beginning of year			<u>1,001,268</u>	
End of year			<u>\$ (58,946)</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Regional Collaborations Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State allocations	\$ 340,631	\$ 340,631	\$ 151,871	\$ (188,760)
Federal allocations	48,256	48,256	50,592	2,336
Investment income	-	-	244	244
Total revenues	<u>388,887</u>	<u>388,887</u>	<u>202,707</u>	<u>(186,180)</u>
Expenditures:				
Current:				
General and administrative	-	-	31	(31)
Professional services	388,887	388,887	190,977	197,910
Total expenditures	<u>388,887</u>	<u>388,887</u>	<u>191,008</u>	<u>197,879</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	11,699	<u>\$ 11,699</u>
Fund balance (deficit):				
Beginning of year			(986)	
End of year			<u>\$ 10,713</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - SAFE Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State allocations	\$ 185,000	\$ 185,000	\$ 210,200	\$ 25,200
Investment income	10,000	10,000	34,584	24,584
Total revenues	<u>195,000</u>	<u>195,000</u>	<u>244,784</u>	<u>49,784</u>
Expenditures:				
Current:				
General and administrative	45,265	45,265	35,544	9,721
Professional services	149,735	149,735	111,703	38,032
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>147,247</u>	<u>47,753</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	97,537	<u>\$ 97,537</u>
Fund balance:				
Beginning of year			<u>1,476,651</u>	
End of year			<u>\$ 1,574,188</u>	

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Imperial County Transportation Commission
Required Supplementary Information
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023

Budget and Budgetary Accounting

The Imperial County Transportation Commission ("Commission") establishes accounting control through formal adoption of an annual budget for all of its funds. The Overall Work Plan and Budget is developed by Commission staff and Executive Director and demonstrates a comprehensive agency-wide budget that conveys the work to be performed by the Commission. Staff has the ongoing responsibility to monitor actual revenues and expenditures. When it becomes necessary to modify the adopted budget, the amendment procedure will depend on the type of change that is needed. It is proposed that administrative changes that do not result in an increase in the overall program budget, but require line item transfers of costs and revenues within a work program budget, will only require approval of the Executive Director. Amendments that result in an increase to the total expenditures for a program would require Commission approval and will be presented to the Commission in a formal agenda item.

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

Imperial County Employees' Retirement System ("ICERS") Miscellaneous Plan

Fiscal Year Ended June 30, Measurement Date	2023 <u>June 30, 2022</u>	2022 <u>June 30, 2021</u>	2021 <u>June 30, 2020</u>	2020 <u>June 30, 2019</u>	2019 <u>June 30, 2018</u>
Proportion of the net pension liability	0.63800%	0.56200%	0.68200%	0.50200%	0.42200%
Proportionate share of the net pension liability	<u>\$ 717,737</u>	<u>\$ 60,788</u>	<u>\$ 937,450</u>	<u>\$ 613,149</u>	<u>\$ 588,681</u>
Covered payroll	<u>\$ 740,517</u>	<u>\$ 718,949</u>	<u>\$ 698,009</u>	<u>\$ 715,480</u>	<u>\$ 599,646</u>
Proportionate share of the net pension liability as percentage of covered payroll	<u>96.92%</u>	<u>8.46%</u>	<u>134.30%</u>	<u>85.70%</u>	<u>98.17%</u>
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	<u>92.80%</u>	<u>82.42%</u>	<u>81.98%</u>	<u>87.76%</u>	<u>86.20%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented.

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

Imperial County Employees' Retirement System ("ICERS") Miscellaneous Plan

Fiscal Year Ended June 30, Measurement Date	2018 <u>June 30, 2017</u>	2017 <u>June 30, 2016</u>	2016 <u>June 30, 2015</u>	2015 <u>June 30, 2014</u>
Proportion of the net pension liability	0.40800%	0.36600%	0.35800%	0.34100%
Proportionate share of the net pension liability	<u>\$ 546,878</u>	<u>\$ 491,187</u>	<u>\$ 317,478</u>	<u>\$ 200,453</u>
Covered payroll	<u>\$ 542,755</u>	<u>\$ 483,874</u>	<u>\$ 452,450</u>	<u>\$ 431,290</u>
Proportionate share of the net pension liability as percentage of covered payroll	<u>100.76%</u>	<u>101.51%</u>	<u>70.17%</u>	<u>46.48%</u>
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	<u>85.31%</u>	<u>83.39%</u>	<u>89.78%</u>	<u>88.78%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented.

**Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions
For the Year Ended June 30, 2023**

Last Ten Fiscal Years¹

Imperial County Employees' Retirement System ("ICERS") Miscellaneous Plan

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 126,141	\$ 141,167	\$ 152,886	\$ 145,001	\$ 101,098
Contributions in relation to the actuarially determined contributions	(126,141)	(141,167)	(152,886)	(145,001)	(101,098)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 740,517	\$ 718,949	\$ 698,009	\$ 698,009	\$ 715,480
Contributions as a percentage of covered payroll	17.03%	19.64%	21.90%	20.77%	14.13%

¹ Historical information is presented only for measurement periods for which GASB No. 68 is implemented.

Notes to Schedule:

Benefit Changes: There were no changes to the benefit terms.

**Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions (Continued)
For the Year Ended June 30, 2023**

Last Ten Fiscal Years¹

Imperial County Employees' Retirement System ("ICERS") Miscellaneous Plan

	2018	2017	2016	2015
Actuarially determined contribution	\$ 92,719	\$ 85,263	\$ 80,762	\$ 71,167
Contributions in relation to the actuarially determined contributions	(92,719)	(85,263)	(80,762)	(71,167)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 599,646	\$ 542,755	\$ 483,874	\$ 452,450
Contributions as a percentage of covered payroll	15.46%	15.71%	16.69%	15.73%

Notes to Schedule:

Benefit Changes: There were no changes to the benefit terms.

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Imperial County Transportation Commission

El Centro, California

Single Audit and Independent Auditors' Reports

For the Year Ended June 30, 2023



Imperial County Transportation Commission
Single Audit Report
For the Year Ended June 30, 2023
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the related notes to financial statements of the Imperial County Transportation Commission (“Commission”), as of and for the year ended June 30, 2023, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated March 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California
Page 2

Report on Compliance and Other Matters

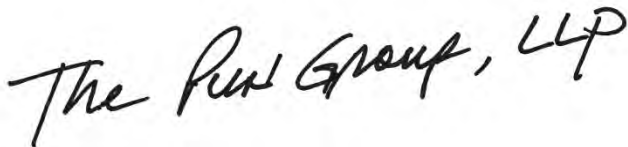
As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this report

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

A handwritten signature in black ink that reads "The Paul Group, LLP". The signature is written in a cursive, flowing style.

San Diego, California
March 19, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Independent Auditors' Report

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Imperial County Transportation Commission's ("Commission") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2023. The Commission's major federal programs are identified in the Summary of the Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

To the Board of Directors
of the Imperial County Transportation Commission
El Centro, California
Page 3

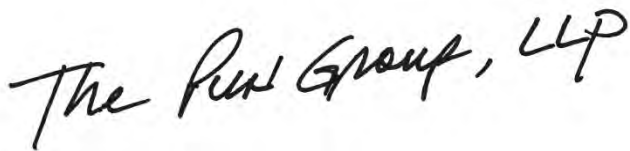
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund, of the Commission as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the Commission's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



San Diego, California
March 19, 2024

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**Imperial County Transportation Commission
Single Audit Report
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
<i>Direct Programs:</i>			
Federal Transit Cluster:			
Urbanized Area Formula Program, Section 5307	20.507	CA-7016-2019-101	\$ 2,215,645
Urbanized Area Formula Program, Section 5307 - ARPA	20.507	ARPA 2021-031	1,116,397
		Federal Transit Cluster Total	<u>3,332,042</u>
<i>Passed Through California Department of Transportation:</i>			
Formula Grants for Rural Areas, Section 5311 - CARES	20.509	CARES 64VO20-1320	<u>169,550</u>
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5310	20.513	SA64AM19-01181 ARPA	44,263
Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5310	20.513	SA64AM19-01181	<u>109,183</u>
		Transit Services Programs Cluster Total	<u>153,446</u>
National Infrastructure Investments	20.933	BUILD L6471(017)	<u>5,736,234</u>
		Total U.S. Department of Transportation	<u>9,391,272</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Direct Programs:</i>			
Brownfields Assessment and Cleanup Grant Program	66.818	99T62101	<u>50,592</u>
		Total U.S. Environmental Protection Agency	<u>50,592</u>
		TOTAL EXPENDITURES OF FEDERAL AWARDS	<u>\$ 9,441,864</u>

Imperial County Transportation Commission
Single Audit Report
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Note 1 – Reporting Entity

The Imperial County Transportation Commission (the “Commission”) was established under Senate Bill 607 (SB 607 - Ducheny) which was approved by the California Legislature and Governor Arnold Schwarzenegger in 2009. As a county transportation commission, the Commission member agencies are enabled to exercise basic initiative and leadership in the transportation planning and programming process. The Commission will act in accordance with all applicable laws and statutes for county transportation commissions. The Commission body will guide the development of the Regional Transportation Plan for the Imperial region and its Regional, State and Federal transportation improvement programs (“TIP”s) and their updates, including, but not limited to: the distribution and oversight of Local Transportation Fund monies; the preparation and submittal of applications for transportation related funds; approval of the allocation and claims for Transportation Development Act funds; the planning, programming and administration of regional transit services; and, encourage active citizen participation in the development and implementation of various transportation-related plans and programs.

As established under SB 607, the Commission Board is currently composed of ten voting members and one non-voting member consisting of two members of the Imperial County Board of Supervisors; one member from each incorporated city (seven) within Imperial County who shall be the mayor of the city or a member of its city council; one member of the Board of Directors of the Imperial Irrigation District; and, one non-voting member appointed by the Governor representing the California Department of Transportation (“CalTrans”). In the future the governing Board of the commission may also include the following ex-officio or non-voting members: one member representing the State of Baja California, Mexico, who may be appointed by the governor of the state; one member representing the municipality of Mexicali, Mexico, who may be the mayor or his or her designee; one member representing the Consul of Mexico in Calexico, California, who may be the consul or his or her designee; and, one member representing any federally recognized Native American tribe in Imperial County.

In addition to the responsibilities described above, the Commission provides direct management, administration and oversight for the following local and regional transportation programs:

- Imperial Valley Transit (“IVT”) System and its Inner-City Circulator Service (Blue, Green, and Gold Lines)
- MedTrans (non-emergency medical demand response service to San Diego)
- IVT ACCESS (Americans with Disabilities Act - ADA paratransit service)
- IVT RIDE (curb to curb transit service for seniors; persons age 55 years and over, and persons with disabilities in the Cities of Brawley, Calexico, El Centro, Heber, Imperial and West Shores)
- Imperial County Local Transportation Authority (Measure D Sales Tax Program)

Note 2 – Schedule of Expenditures Federal Awards

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal financial assistance programs of the Commission. Federal financial assistance received directly from the federal agencies, as well as federal financial assistance passed through the State of California, is included in the Schedule. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the schedule was prepared from only the accounts of the various grant programs, it is not intended to, and does not, present the financial position or results of operations of the Commission.

Imperial County Transportation Commission
Single Audit Report
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023

Note 3 – Basis of Accounting

Funds received under the various grant programs have been recorded within the special revenue funds and enterprise funds of the Commission. The Commission utilizes the modified accrual method of accounting for the special revenue funds and the full accrual method of accounting for the enterprise funds. The accompanying Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the Commission's basic financial statements.

Note 4 – Subrecipients

The Commission did not provide any amounts to subrecipients during the fiscal year ended June 30, 2023.

Note 5 – Indirect Cost Rate

The Commission has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

Imperial County Transportation Commission
Single Audit Report
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? 2023-001
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? No
- Significant deficiency (ies) identified? None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

Name of Federal Program or Cluster	Federal Assistance Listing Number	Expenditures
Federal Transit Cluster	20.507	\$ 3,332,042
Total Expenditures of All Major Federal Programs		\$ 3,332,042
Total Expenditures of Federal Awards		\$ 9,441,864
Percentage of Total Expenditures of Federal Awards		35.29%

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520? Yes

Imperial County Transportation Commission
Single Audit Report
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

A. Current Year Financial Statement Findings

Finding 2023-001 Internal Control Over Financial Reporting – Prior Period Adjustments

Criteria:

Management is responsible for designing, implementing, and maintaining appropriate internal control over financial reporting and compliance. Management is also responsible for the accuracy of the financial statements including disclosures.

The internal control should include establishing or enhancing guidance in the following areas:

- *Control environment* sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
- *Risk assessment* is the entity’s identification and analysis of relevant risks to achievement of its objectives, forming a basis for developing appropriate risk responses.
- *Control activities* are the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system.
- *Information and communication* systems support the identification, capture, and exchange of information in a form and time frame that enables people to carry out their responsibilities.
- *Monitoring* consists of activities management establishes and operates to assess the quality of performance over time.

Condition:

During the audit, as discussed in Note 14 to the basic financial statements, the Commission restated its beginning net position of the government-wide governmental activities by \$1,998,917 and the business-type activities by \$260,000 in order to record TDA funding received, to record LTA matching funds, to correct a payroll accrual, and to correct a deposit. These prior period adjustments were made on the corresponding fund financial statements as follows:

	Governmental Funds				Enterprise Fund
	Transportation Development Act Fund	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	Transit Planning and Programs Management Fund
Fund balance/net position July 1, 2022, as previously reported	\$ 14,814,548	\$ (24,766)	\$ 26	\$ 1,476,064	\$ 30,160,649
Adjustments:					
To record TDA received	973,308	-	-	-	-
To record LTA matching funds	-	1,026,034	-	-	-
To correct payroll accrual	-	-	(1,012)	587	-
To correct deposit	-	-	-	-	260,000
total adjustments	973,308	1,026,034	(1,012)	587	260,000
Fund balance/net position July 1, 2022 as restated	\$ 15,787,856	\$ 1,001,268	\$ (986)	\$ 1,476,651	\$ 30,420,649

Imperial County Transportation Commission
Single Audit Report
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II – Financial Statement Findings (Continued)

A. Current Year Financial Statement Findings (Continued)

Finding 2023-001 Internal Control Over Financial Reporting – Prior Period Adjustments (Continued)

Cause:

The Commission did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions relating to the financial close and reporting of their fiscal year ended June 30, 2022 financial statements. Accruals, reconciliations, and sub-ledgers that support the amounts and disclosures in the financial statements should be reconciled to the general ledger and reviewed by management in a timely manner to ensure that the general ledger is complete and accurate with all transactions recorded in the proper period.

Repeat Finding:

No

Effect or Potential Effect:

Restatements of beginning net position as of July 1, 2022 for both the government-wide financial statements governmental activities (\$1,998,917) and business-type activities (\$260,000) were necessary, as well as to the corresponding governmental and enterprise funds.

Recommendation:

The Commission should enhance its review processes over transactions arising from capital assets to ensure the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

Management View and Corrective Action Plan:

The Commission concurs with the finding. The Commission is continuously establishing procedures to ensure all year-end close out activities are completed as required.

The Commission will enhance its year-end documentation evaluation, reconciliation and tracking processes to ensure all year-end transactions are completed within the performance period. Completing all year-end transactions within the performance period will assist the Commission with eliminating prior period adjustments.

B. Prior Year Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 2022.

Imperial County Transportation Commission
Single Audit Report
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section III – Federal Awards Findings and Questioned Costs

A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the Commission’s major programs for the year ended June 30, 2023.

B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the Commission’s major programs for the year ended June 30, 2022.

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VI. ACTION CALENDAR

VI. ACTION CALENDAR

B. Calexico East Port of Entry Bridge Widening Project – Contract Change Order No 10

Approve Change Order No. 10 to Hazard Construction Company for the Calexico East Port of Entry Bridge Widening Project in the amount of \$34,521.82 modifying the total contract value to \$20,900,448.33.

Authorize the Executive Director to sign Change Order No. 10.



1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
FAX: (760) 592-4410

March 20, 2024

Luis Plancarte, Chairman
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Calexico East Port of Entry Bridge Widening Project – Contract Change Order No. 10

Dear Commission Members:

The U.S. Department of Transportation awarded the Imperial County Transportation Commission (ICTC) a 2018 Better Utilizing Investment to Leverage Development (BUILD) grant in the amount of \$20 million for the Calexico East Port of Entry Bridge Widening project. The Project is widening the existing Calexico East Port of Entry (POE) Bridge over the All-American Canal at the USA/Mexico Border to facilitate traffic flow to the existing U.S. federal primary inspection booths, and to reduce delays, idling times, and improve air quality emissions.

- The Project will widen the Bridge on its east side to minimize traffic impacts during construction and reduce construction costs.
- The project will add four northbound lanes: two commercial vehicle lanes and two passenger vehicle lanes.
- The existing northbound pedestrian walkway will be shifted to the west to facilitate the addition of the two new northbound passenger vehicle lanes.
- The Project will also add new concrete barriers and minor modifications to existing landscaping, drainage, signage, and lighting.

The project is being funded by a \$20 million BUILD award, \$7.5 million TCEP Cycle 2 award, and Local Transportation Authority 5% Regional Highway Set-Aside funds in the amount of \$1,844,000. The project funds are being utilized to complete environmental, design, construction management/resident engineering, material testing and construction efforts. The current committed project cost consists of:

Design/Construction – Hazard Construction	\$20,865,927
Construction Management/Resident Engineering – Jacobs Engineering	\$2,956,458
<u>Material Testing – Atlas/Sierra Material Testing</u>	<u>\$557,683</u>
Total Project Cost	\$24,380,068

The core elements of the project design were developed based on the project study report prepared for the project. It was anticipated that during the project design development that existing infrastructure would be required to be relocated or adjusted because of the project improvements.

ICTC participates in weekly and bi-weekly meetings with various members of the project team including the contractor, resident engineer, Customs and Border Protection (CBP), the General Service Administration (GSA) and various other key stakeholders.

During the project development and weekly and bi-weekly meetings, it was agreed that additional services would be required to address several infrastructure relocation efforts and adjustments because of the new infrastructure improvements.

Change Order No. 10 consists of construction efforts primarily related to relocated facilities. The following are the items that are included in Change Order No. 10.

1. Remove the existing chain-link fence from the existing northbound pedestrian crossing: The US Customs and Border Protection (CBP) has installed a new chain-link fence along the westerly concrete barrier of existing northbound pedestrian crossing. The infrastructure was not in place during the project report phase or design-build contract award phase. As a result of the relocation of the pedestrian crossing, the contractor will provide the required labor, equipment, and material to remove the existing chain-link fence from the existing northbound pedestrian crossing. The chain-link fence panels removed from this location shall be salvaged for future use by CBP at a location to be determined by the CBP.
2. Relocate approximately 360 LF of K-Rail from the Calexico West Port of Entry (CWPOE) to the Calexico East Port of Entry (CEPOE): CBP has requested to delete the permanent concrete barrier between the NB and SB Commercial Lanes at the Calexico East Port of Entry Bridge project. The elimination of the permanent concrete barrier provides flexibility to adjust the quantity of NB/SB lanes as needed. CBP has requested to relocate approximately 360 LF of K-Rail from the CWPOE to CEPOE and place the K-Rail in lieu of the permanent concrete barrier between the NB and SB Commercial Lanes. The contractor will provide labor, equipment, and materials to relocate approximately 360 LF of K-Rail from the CWPOE to CEPOE and place them in lieu of the permanent concrete barrier between the NB and SB Commercial Lanes.

ICTC and Hazard construction negotiated the cost for the change order and agreed to the recommended cost of \$34,521.82. ICTC has reviewed the proposed change order to FHWA for approval and concurrence.

The total updated cost for the design/build contract would be \$20,900,448.33. The proposed change order fee has been budgeted in ICTC FY 23/24 Budget. The proposed change order cost is within the existing funding threshold and no additional financial impact is anticipated.

The Management Committee met on March 13, 2024, and forwards this item to the Commission for review and approval after public comment, if any:

1. Approve Change Order No. 10 to Hazard Construction Company for the Calexico East Port of Entry Bridge Widening Project in the amount of \$34,521.82 modifying the total contract value to \$20,900,448.33.
2. Authorize the Executive Director to sign Change Order No. 10.

Sincerely,



David Aguirre
Executive Director



CONTRACT CHANGE ORDER NO. 10 SUPPL. NO 0

PROJECT Calexico East Port of Entry Bridge Widening Project SHEET 1 of 2

FEDERAL No. BUILD L-6471 (017) CONTRACT No. 20-101 Project Id. 1118000265

TO Hazard Construction Company, CONTRACTOR

You are directed to make the following changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by Imperial County Transportation Commission (ICTC)

Description of work to be done, estimate of quantities, and prices to be paid. (Segregate between additional work at contract price, agreed price, and force account.) Unless otherwise stated, rates for rental equipment cover only such time as equipment is actually used and no allowance will be made for idle time. **Change Requested by: Engineer**

EXTRA WORK AT AGREED LUMP SUM:

Remove the existing chainlink fence from the existing northbound pedestrian crossing: The US Customs and Border Protection (CBP) has installed a new chainlink fence along the westerly concrete barrier of existing northbound pedestrian crossing. The infrastructure was not in place during the project report phase or design-build contract award phase. As a result of the relocation of the pedestrian crossing, provide labor, equipment and material to remove the existing chainlink fence from the existing northbound pedestrian crossing. The chainlink fence panels removed from this location shall be salvaged for future use by CBP at a location agreed by the CBP.

Payment Adjustment for this work at Agreed Lumpsum = \$13,736.52

Relocate approximately 360 LF of K-Rail from the Calexico West Port of Entry (CWPOE) to the Calexico East Port of Entry (CEPOE): CBP has requested to delete the permanent concrete barrier between the NB and SB Commercial Lanes at the Calexico East Port of Entry Bridge project. CBP has requested to relocate approximately 360 LF of K-Rail from the CWPOE to CEPOE and place them in lieu of the permanent concrete barrier between the NB and SB Commercial Lanes. Provide labor, equipment and material to relocate approximately 360 LF of K-Rail from the CWPOE to CEPOE and place them in lieu of the permanent concrete barrier between the NB and SB Commercial Lanes.

Payment Adjustment for this work at Agreed Lumpsum = \$20,785.30

Estimated Cost: Decrease: \$ Increase: \$ 34,521.82

By reason of this order the time of completion will be adjusted as follows: Deferred

Submitted By: *Irfan Patel* Date: 03/04/2024
Irfan Patel, Resident Engineer

Approval Recommended By: **David Aguirre, ICTC Program Manager** Date: _____

Approved By: **David Aguirre, ICTC Interim Director** Date: _____

We the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted, Date: _____ Contractor: Hazard Construction Company

By: _____ Title: Jason Mordhost, President

NOTE: If you, the Contractor, do not sign acceptance of this order, your attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

VII. REPORTS

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- A. ICTC/LTA/IVRMA EXECUTIVE DIRECTOR REPORT
- B. SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REPORT
- C. CALIFORNIA DEPARTMENT OF TRANSPORTATION-DISTRICT 11
- D. COMMITTEE MEMBER REPORTS



1503 N IMPERIAL AVE SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
FAX: (760) 592-4410

Memorandum

Date: March 27, 2024
To: ICTC Commission Members
From: David Aguirre, Executive Director
Re: Executive Director’s Report

The following is a summary of the Executive Director’s Report for the ICTC Commission meeting on March 27, 2024.

- 1) **Community Project Funding/Congressionally Directed Spending (CPFCDs):** ICTC recently received an award of 4.1 million dollars to be utilized towards the Calexico Intermodal Transportation Center Project. The project has already received awards from the RAISE, ATP and REAP 2.0 programs. We would like to thank our local, State and Federal Partners and Congressman Raul Ruiz for their continued support of the project, ICTC and the Imperial County. **ICTC would also like to congratulate the cities of Imperial and El Centro, the County of Imperial and the Imperial Irrigation District on their awards.**
- 2) **Appointed Chair of the CTC CEOs/SCAG Group:** At the January 19th meeting, the CTC CEOs/SCAG members appointed David Aguirre as the Chairman for 2024. This group is comprised of Regional County Transportation Planning Agencies and the Southern California Association of Governments leadership. The group meets monthly, on the 3rd Friday and is either held by zoom or in-person at the LA Metro administration offices.
- 3) **Surface Transportation Block Grant Program (STBG), Carbon Reduction Program (CRP) and Congestion Mitigation and Air Quality Program (CMAQ) 2024 Call for Projects – FFY 2023-2024 to FFY 2025/2026:** The STBG, CRP and CMAQ Call for Projects began on November 9, 2023. Applications were due on Friday, January 26, 2024, at the ICTC office. All agencies were provided guideline documentation were encouraged to submit potential projects.

Program	Applicants	Total Value Requested by All Applicants
CMAQ	City of Imperial	\$388,000
STBG	City of Imperial, City of Brawley and City of El Centro	\$2,416,000
CRP	ICTC – City of Imperial	\$1,083,000

Due to the number of projects submitted, ICTC was able to evaluate all projects internally without utilizing the normal process which involves all cities participating in the scoring and ranking process. ICTC will be recommending projects to SCAG as part of the final submittal process. ICTC staff will be working with local agency staff and programming all approved projects in the Federal Transportation Improvement Program (FTIP) upon award notification. *The list of projects was approved by the commission in February. Next steps will be to submit our project list to SCAG for consideration of approval.*

- 4) **Imperial Valley Transit and Associated Services Operations and Maintenance Request for Proposals:** *ICTC's existing agreement with its current operator (Transdev) is coming to a conclusion. As required by federal law, ICTC has issued a Request for Proposals (RFP) to qualified transit operations and maintenance operators. The RFP was issued on February 16th, 2024. ICTC's goal is to complete the procurement process and award a contract to a qualified firm by the end of the fiscal year. The proposed new agreement will be for a 5-year fixed period with two additional single-year options. More information to come.*
- 5) **Imperial County EV Charging Infrastructure Feasibility Study** – ICTC recently submitted a grant application under the Carbon Reduction Program (CRP) to prepare a Countywide EV Charging Infrastructure Feasibility Study. The project will aim to identify strategic locations within the county for EV Charging Infrastructure. Caltrans is currently developing a similar project for locations along State facilities.
- 6) **Calexico East Port of Entry Bridge Widening Project:** The Project proposes to widen the bridge over the All-American Canal at the U.S./Mexico border approximately 0.7 miles south of State Route (SR) 7. The project proposes to widen the existing structure by adding four lanes: Two New Northbound Auto Lanes and Two New Northbound Commercial Vehicle Lanes. In May 2018, Caltrans and ICTC received \$3,000,000 from the California Transportation Commission and the Trade Corridor Enhancement Program (TCEP) to complete the Project Approval and Environmental Document (PA/ED) for the project. In June 2018, Caltrans completed a Project Initiation Document (PID). In Fall of 2018, the PA/ED phase was initiated by Caltrans, technical studies for the National Environment Policy Act (NEPA) document under Caltrans as the NEPA lead are in progress and is scheduled for completion in May 2020. In December 2018, ICTC was awarded \$20 million under the U.S. Department of Transportation's BUILD discretionary grant program to complete the Design-Build construction phase. ICTC subsequently received TCEP in the amount of \$7.4 Million for construction efforts. The design portion of the project is complete. The project construction is underway, and construction was anticipated to be completed at the beginning of 2023 but suffered delays due to the issuance of the presidential permit. Approximately 87% of construction efforts have been completed. The project was temporarily placed on hold for 6 months due to the issuance of the presidential permit to relocate the border fence. The Presidential Permit was received on July 7, 2023. On November 15, 2023, GSA, ICTC, and regional partners celebrated the completion of Stage 1 of the project with a Ribbon Cutting celebration. ICTC Executive Director David Aguirre led the ceremony. Speakers included ICTC Chair Mike Goodsell, CBP Calexico Port Director Roque Caza, GSA Pacific Rim Region Public Buildings Service Deputy Regional Commissioner Amanda Sweeney, FHWA Senior Project Engineer Tay Dam, Caltrans District 11's South County and Trade Corridor Director Nikki Tiongco, CTC Commissioner Clarissa Reyes Falcon, and Head Counsel of the Mexican Consulate in Calexico Tarcisio Montes de Oca. The event concluded with the anticipated Ribbon Cutting followed by media opportunities. For additional information regarding this project visit the ICTC website at: <https://www.imperialctc.org/projects/calexico-east-port-of-entry-bridge-expansion>. *The project is estimated to be completed in June 2024.*
- 7) **Imperial Mexicali Binational Alliance (IMBA):** *An IMBA meeting and strategic planning session was held in the City of Mexicali's Preparatoria y Universidad 16 de Septiembre, on January 16, 2024. At the strategic planning meeting, the committee developed the schedule for the year. ICTC hosted the March 14th, 2024, meeting at ICTC offices. The following dates are tentatively scheduled for IMBA in 2024.*
- *May 9th – Mexicali*
 - *July 11th – Imperial County*
 - *September 12th – Mexicali*
 - *November 14th (Strategic Planning and IMBA meetings) – Imperial County*
- 8) **Imperial Valley Transit (IVT) FREE FARES PROGRAM:** On August 7, 2020, the Imperial County Transportation Commission (ICTC) announced the implementation of a **Free Fares Program** for various Imperial Valley Transit (IVT) services. Eligible services include IVT Fixed Route, IVT Circulators (Blue, Green and Gold Lines), IVT ACCESS and IVT RIDE (EL Centro, Imperial, Heber, Brawley, Calexico, Westshores). All passengers are eligible to benefit from the Free Fares Program. The fares are subsidized by a State of California grant and fare contributions to IVT RIDE passengers by the County of Imperial's Area Agency for the Aging (AAA). *ICTC was able to secure a new grant to provide free fares for all its transit programs. Due to the previous labor issues, ICTC implemented free fares for all services to assist with the inconvenience to the public. The labor issues have since been resolved but ICTC will continue to offer free fares to the public until further*

notice. ICTC was also able to secure a second grant to provide free fares for all services with the exception of the Calexico On Demand service. ICTC anticipates the free fares program ending in the June 2024 timeframe. A formal public hearing is scheduled for the March 27, 2024, Commission Meeting.

- 9) **IVT Ride Potential Service Modifications:** IVT Ride is a dial-a-ride service that is available to seniors (55 years of age or older) and persons with disabilities in the communities of Calexico, Heber, El Centro, Imperial and Brawley. The service primarily operates in an intracity capacity with the exception of the communities of El Centro, Imperial and Heber and the Westshores service which travels to the city of Brawley or the Coachella Valley. The Westshores service is also available to the general public. Due to continuing declining ridership on all IVT Ride services, staff are exploring the possibility of modifying the service to provide trips to the general public but still provide priority to the senior population. The possible modification would enable the service to capture additional passengers and implement a microtransit like service in various communities. The possible modification would also require financial investment in technology and the development of a passenger web and mobile application. Staff anticipates bringing the further evaluated concept to the Management Committee and Commission in the coming months. Staff are also pursuing funding opportunities to facilitate the possible transition of the service.
- 10) **Calexico Intermodal Transportation Center (ITC):** A new Intermodal Transportation Center in the City of Calexico has been part of ICTC’s long range transit planning. The new Calexico ITC will serve as a regional mobility hub that will accommodate bus bays for Imperial Valley Transit in addition to private bus companies, taxis and farm labor buses. ICTC previously received a Congestion Mitigation and Air Quality federal program fund to complete the environmental and design plans of the new Calexico ITC. The environmental and design phase has been completed. *Right of Way Acquisition is underway. ICTC has already acquired 2 of the required 3 properties for the project. The City of Calexico Council approved the commencement of the eminent domain process for two of the required properties. ICTC was recently awarded multiple grants to complete the required construction efforts for the project. ICTC received grant awards from the Regional Early Action Planning (REAP) 2.0, Active Transportation Program (ATP) and Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Programs. Due to the anticipated State budget deficit, REAP 2.0 funding may be impacted. SCAG is working to ensure that the REAP 2.0 funding is not negatively impacted. ICTC is working with SCAG to identify possible alternative funding sources in the interim. It is anticipated the project will start construction in July 2024. The project construction management RFP has been released and is available for bidding by qualified engineering firms.*
- 11) **Bus Stop Improvement Project:** Staff are working on developing a bus stop improvement project across multiple cities throughout the county. The project consists of installing various bus shelters and potentially other amenities. ICTC will be coordinating with the various cities to complete the development. *ICTC released the Request for Proposals for design services for the project. ICTC is looking to begin design services soon and have construction take place within FY23-24/FY24-25.*
- 12) **Transit Comprehensive Operational Analysis –** Staff was able to secure grant funding to complete a Transit Comprehensive Operational Analysis (COA). The COA is a comprehensive evaluation of ICTC’s existing transit services while also presenting evaluation findings and recommendations to further improvement of ICTC’s existing public transit system. ICTC intends to evaluate all ICTC operated services in addition to incorporating an assessment of the feasibility of intercity passenger rail. Staff is currently working on the development of the Request for Proposals (RFP) and it is anticipated that the RFP will be released in the coming months.
- 13) **EV Charger Installation Project:** Staff are working on developing an EV charger installation project across multiple cities throughout the county. ICTC will be coordinating with the various cities to complete the development. *It is anticipated that the project will be completed within FY23-24/FY24-25.*
- 14) **2022 Long Range Transportation Plan:** The ICTC in its capacity as the Regional Transportation Planning Agency is responsible for leading the Long Range Transportation Plan (LRTP) in Imperial County. The last update to the LRTP was conducted in 2013. ICTC staff completed a Request for Proposal (RFP) to prepare a full update of the Imperial County LRTP. Michael Baker International was the selected consultant. The goal of the LRTP is to provide the following:

- Identify and promote the relationship between the transportation system to existing and future land use and community comprehensive plans and programs.
- Provide guidance to promote the improvement of multi-modal transportation circulation of people and goods, using both motorized and non-motorized transportation modes, new technologies and infrastructure facilities.
- Recommendations and guidance to provide a safe, efficient, accessible, socially equitable and cost-effective transportation system.
- Ensure compliance with state and federal transportation planning regulations.
- Develop recommendations that ensure environmentally sustainable planning practices.

The first TAC meeting was held on March 30, 2022, and was attended by a diverse stakeholder group comprised of local, regional, environmental justice groups and economic development organizations. In addition, an all-day event with six (6) subgroup meetings was held on April 6, 2022, that encompassed subgroups for:

- Highways and Local Roadways
- Border and Goods Movement
- Pedestrian, Bicycles and Microbility
- Transit and Paratransit / Senior and Disabled Service
- Environmental and Environmental Justice
- Developers / Economic Development / Small Business Liaison

Virtual and pop-up outreach events were held in the month of July to inform the public of the upcoming draft document and the opportunity to provide input. The draft LRTP was reviewed by the TAC and Steering Committees. The completed draft LRTP public review and comments period ended on September 6, 2023. The Final Draft LRTP was released for public review prior to final development. *The final document adoption took place in the month of February 2024. To access the completed documents and project listing, please visit the project website located at <https://www.imperialctc.org/publications-and-reports/transportation-plans-and-studies>.*

- 15) **Forrester Road Project Study Report (PSR):** Caltrans District 11 has been working on a project report on behalf of ICTC. The PSR will analyze safety and operation improvements along Forrester Road between I-8 and SR86/SR78. Other improvements include the Westmorland bypass. A meeting to discuss the draft PSR took place at the ICTC offices on Wednesday, March 29, 2023, at 9 a.m. Further updates to the PSR are anticipated along with additional meetings to discuss the updated PSR. *The updated PSR was recently received and staff will be reviewing the updated document.*
- 16) **Calexico Microtransit Service – Calexico On Demand:** ICTC submitted a grant application for the Clean Mobility Options (CMO) program in October of 2020. The grant application was submitted to provide a clean energy microtransit service in the city of Calexico. In early 2021, ICTC was notified of its grant award of \$1 Million to fund the pilot microtransit service. The microtransit service will operate as an on-demand service available to provide trips to the general public within the boundaries of the city of Calexico. The award required that ICTC fund and operate the service for a minimum of 4 years. ICTC partnered with Via Transportation, an experienced transportation operator to operate the service. ICTC and Via began the development of the project including service criteria, marketing information, and operational criteria. ICTC obtained approval from the CMO program to commence the service. ICTC kicked off the service on January 9th, 2023, and intends to have a formal event to celebrate the kickoff of the service as soon as approval is received by the CMO. The service was free for all passengers until February 9th, 2023. Further information about the service can be viewed on the website: <https://city.ridewithvia.com/calexico-ondemand>. *The service has averaged 180 passengers per day since the removal of the free fares and has been well received. ICTC has been working with CMO to obtain additional funding for the project. ICTC was awarded an additional \$500,000 to be utilized for operations of the service and additional service hours. The contract amendment with the operator was approved at the June 23, 2024 meeting. ICTC is pursuing additional grant opportunities to continue to fund the project.*
- 17) **State Route 86 (Northbound) Border Patrol Checkpoint:** State Route 86 (Northbound) Border Patrol Checkpoint: In August 2017 following a year of coordination, Caltrans, the County of Imperial and ICTC met with CBP management and operations staff achieved consensus for a new conceptual alternative prepared by

Caltrans. The LTA Board met on September 27, 2017; staff presented the Board with a fund request for \$1.3 million from the 5% Regional Highway Set-Aside from the Measure D allocations. A Consultant Agreement with AECOM for design and construction engineering was approved by the LTA on February 28, 2018. Following our ICTC Board meeting in late September 2020, ICTC has initiated a traffic study as required by Caltrans. Design work has been delayed due to Border Patrol's concern related to their ability to provide additional funding necessary to meet their operational requirements. On Wednesday, March 17, 2021, ICTC received confirmation from Border Patrol Headquarters in Washington D.C. that they wish to proceed with the original Canopy Design that is similar to Interstate 8 Pine Valley Checkpoint.

As discussed, and confirmed with Border Patrol, ICTC will only provide the remaining funds we had available (February 2021) of approximately \$1.3 million to complete the traffic study, 100% design plans, and construction of the canopy, lighting related to the canopy, and traffic related improvements required by Caltrans. Border Patrol is committed to paying for all other construction-related costs and Border Patrol will lead the construction contract. Border Patrol, Caltrans and ICTC are having weekly meetings toward completing design plans and obtaining Caltrans Permits and Environmental Clearance. The improvement plans have been prepared in final draft form and have been submitted to Caltrans for review.

- 18) **Bus Stop along Cole Road west of Highway 111 in the City of Calexico:** *ICTC received a request through its Unmet Transit Needs Public Hearing Process asking for the installation of bus stop improvements along Cole Road west of Highway 111 in the City of Calexico. ICTC and the City of Calexico were able to work together to have the bus shelter and associated infrastructure improvements installed. The bus stop is now open for public use.*
- 19) **Clean California Bus Stop Improvement Project:** Through Clean California Round 1 Funding, Caltrans was able to secure funding to complete bus stop and shelter improvements in the communities of Niland, Calipatria, Brawley and Holtville along various state routes. Caltrans, ICTC and the communities worked together to identify locations, in addition to reviewing possible secondary amenities such as trash enclosures. Construction activities for the new bus stop improvements began on March 13, 2023. The project bus stop improvements were completed in November/December 2023.
- 20) **Funding for Phase II of the Calexico West Port of Entry:** As previously noted, Congress authorized \$98 million for Phase 1. The U.S. General Services Administration (GSA) began construction for Phase 1 in December 2015 with completion now scheduled for July 2018. Phase 2A was awarded in the amount of \$191million and will include six additional northbound privately-owned vehicle (POV) inspection lanes, permanent southbound POV inspection, expanded secondary inspection and adding a pre-primary canopy, new administration building, and employee parking structure. *Funding for phase 2B was awarded in the amount of \$103.4 million. Work for phase 2B will include demolition of the old port building and construction of the new pedestrian building. The total estimated investment for the Calexico West POE improvements are \$416.2 million. Construction efforts for the West Port of Entry are anticipated to begin on September 26, 2022. Noticing information pertaining to lane closures and closure times, adjustments to the East Port of Entry passenger vehicle operating hours and other items have been distributed and shared via multiple media outlets including ICTC's website at [Canopy construction at the Calexico West Port of Entry to impact vehicle traffic | Imperial County Transportation Commission \(imperialctc.org\)](https://www.imperialctc.org)*
- 21) **Regional Active Transportation Program:** ICTC staff has been working with staff from the Southern California Association of Governments (SCAG) in the development of the Active Transportation Program (ATP) guidelines. The ATP is funded from various federal and state funds including the federal Transportation Alternatives Program (TAP), the Highway Safety Improvement Program (HSIP), State Highway Account, and Safe Routes to Schools (SR2S). The approved California Transportation Commission 2023 ATP (Cycle 6) program guidelines divide the funds into state and regional shares. State funds are available through a competitive application process. Applicants that are unsuccessful at the state level are considered for regional funds. Regional ATP funds are administered by the Metropolitan Planning Organizations (MPO). SCAG is Imperial County's MPO. Per SCAG's 2023 ATP Regional Guidelines, county transportation commissions may assign up to 20 points to each statewide project application deemed consistent and meeting eligibility requirements. ICTC staff has completed the adoption process of the scoring methodology. ICTC staff received state scoring of ATP applications from Imperial County and presented staff

recommendations to TAC members on December 15, 2022. Projects are underway at various stages by the agencies. Staff recommendations were approved at the January Commission meeting. See the table below for further information.

Regional ATP Projects		
Agency	Project Name	Total ATP Funds Requested
City of Calipatria	Bonita Place Pedestrian Safety Project	\$997,000
City of El Centro	Pedestrian Improvement Project – various locations on Main Street	\$1,200,000
ICTC	Pedestrian Improvements for the Calexico Intermodal Transportation Center	\$1,073,000
TOTAL Regional ATP funds		\$3,270,000

- 22) **Orchard Road & SR115 Traffic Concept Report:** During the Commission meeting of September 2022, the Commission asked ICTC staff to follow up on the SR 115 Transportation Concept Report (TCR). ICTC staff has conducted meetings with Caltrans and County Public Works staff during the week of October 17th. ICTC staff in partnership with County and Caltrans staff are continuing discussions for short term options to deter trucks from using Orchard Road. The parties are also expected to discuss long term options as well. More information will be shared as discussions continue.
- 23) **San Diego & Imperial Counties Sustainable Freight Strategy:** San Diego Association of Governments (SANDAG) and ICTC received a Caltrans Sustainable Transportation Planning Grant for a Sustainable Freight Implementation Strategy for both counties. The goal with the strategy is to help transition the freight sector in San Diego and Imperial Counties to sustainable technologies, operations, infrastructure over the next 30 years. The strategy will systematically implement multimodal freight projects and policies, seek to pilot innovation technologies, create a workforce development toolkit, and identify potential funding sources for implementation. The area of study includes communities adjacent to major freight infrastructure in San Diego and Imperial Counties. Environmental justice areas, as defined by AB617, will be a particular focus and include the Portside Environmental Justice Communities, the International Border Community, and Calexico-El Centro-Heber corridor. This plan kicked off in February 2022 and is expected to be completed March 2024. Public engagement has been instrumental in the creation of this strategy, participants of Imperial County have included County Public Works department, Work Force Development, Comité Civico del Valle, Imperial Valley Economic Development Corporation, among others. Strategy outcomes are scheduled to be presented to SANDAG and ICTC groups as well as community organizations such as IMBA and AB617 meetings starting in June in Imperial County.
- 24) **State Route 98 Widening from Ollie to Rockwood:** As part of the Calexico West POE Expansion project, SR-98 and Cesar Chavez Boulevard were widened and improved to serve the expansion to the west. Caltrans’ SR-98 work between VV Williams and Ollie Avenue was completed in March 2018, and the Cesar Chavez Blvd. Widening was completed in October 2019. Caltrans has completed the design and right of way phase for SR-98 Widening between Rockwood Avenue and Ollie Avenue. On June 24, 2020, CTC authorized construction funding. The total project cost is estimated at \$7 million using a combination of 2016 Earmark Repurposing, Demonstration, Traffic Congestion Relief, ICTC and local funds. The construction start date was delayed to due to environmental impacts and other utility projects in progress within the project area. Construction of the project began on August 6, 2021. The existing contractor of the project has been removed. Caltrans has secured a new temporary contractor to complete the project improvements from Ollie Avenue to Highway 111. Caltrans completed Phase 1 in late November. *Phase 2 of the project commenced on January 9th, 2023. The portion of the project that consisted of the north side of Highway 98 between Highway 111 and Ollie Avenue has been completed. Caltrans is now working on completing the southeast side of Highway 98 between Highway 111 and Rockwood Avenue.*
- 25) **State and Federal Local funding Obligations:** Projects programmed in programmed in Federal Fiscal Year (FFY) 2019/2020 were fully obligated according to Caltrans Local Assistance. Beginning October 1, 2020, agencies can move forward with request for authorization (RFA) for Congestion Mitigation Air Quality (CMAQ), Surface Transportation Block Grant program (STBG) programmed in FFY 2020/2021. Other state funding also

included in the Federal Transportation Improvement Program (FTIP) include the Active Transportation Program (ATP).

26) **State Legislation for Transportation Funding – SB 1 Road Maintenance and Rehabilitation Account (RMRA):** *According to the California League of Cities, overall local streets and roads allocations to cities and counties from the Highway Users Tax Account (HUTA) and the Road Maintenance and Rehabilitation Account (RMRA) are projected to climb 14.8% in the current fiscal year, 2021-22, above last year, reflecting a rebound from peak impacts of the pandemic in 2020. For the budget year 2022-23, allocations are projected to grow 10.8% over the current year. This presumes that if the scheduled July 1 cost-of-living fuel tax increase is suspended, the Legislature will backfill any revenue impacts to local governments as leaders have pledged. The estimates are based on new statewide tax revenue estimates released by the California Department of Finance with the Governor’s 2022-23 Proposed Budget. The county estimates were prepared in collaboration with the California State Association of Counties.*

For RMRA remittance advice by cities visit: https://www.sco.ca.gov/ard_payments_rmra_cities.html

For RMRA remittance advice by counties visit: https://www.sco.ca.gov/ard_payments_rmra_counties.html

27) **Funding Opportunities:**

- *For a complete list of California specific grant opportunities go to <https://www.grants.ca.gov/>.*
 - *[Fiscal Year \(FY\) 2023 through FY 2026 Bridge Investment Program, Planning and Bridge Project Grants](#)*
- *For a complete list of federal transportation grant opportunities go to <https://www.transportation.gov/bipartisan-infrastructure-law/key-notices-funding-opportunity>.*

28) **Meetings/trainings attended on behalf of ICTC:**

- Various Weekly Reoccurring Calexico East POE Bridge Widening Project Meetings
- Various Weekly Project Specific Meetings
- March 4, 2024 – Quarterly Meeting Operations, Safety, Dispatch and Maintenance meetings at the ICTC offices (attended by staff)
- March 5, 2024 – Senior Resource Fair at the Brawley Senior apartments (attended by ICTC mobility and Transdev staff)
- March 6, 2024 – ICTC SSTAC Meeting at the ICTC offices (attended by staff)
- March 7, 2024 – PERMA Board of Directors Meeting (attended by Michelle Bastidas)
- March 7, 2024 – SCAG Regional Council Meeting via zoom meeting
- March 8, 2024 – Imperial County Broadband Planning Committee Meeting
- March 12, 2024 – Region IX & X Real Estate Workshop via teams meeting (attended by staff)
- March 13, 2024 – ICTC Management Committee Meeting at the ICTC Offices
- March 13, 2024 – AB 617 Steering Committee Meeting: El Centro-Heber-Calexico Corridor via zoom meeting
- March 14, 2024 – Imperial-Mexicali Binational Alliance (IMBA) Meeting at the ICTC Offices
- March 14, 2024 – CalVans Boards of Directors Meeting via zoom meeting (attended by staff)
- March 15, 2024 – CTC CEOs / SCAG Meeting in Los Angeles
- March 15, 2024 – Imperial Valley Transit Non-Mandatory Pre-bid meeting at the ICTC offices
- March 15, 2024 – Transit services presentation by mobility staff at the Kiwanis meeting in El Centro
- March 18, 2024 – Transit service provider panel in San Diego
- March 19, 2024 – Senior Resources Fair in Calexico (attended by the mobility staff)
- March 20, 2024 – 21st Annual Childrens and Families Health Fair at Grace Smith School in Niland (attended by mobility staff)
- March 21, 2024 – Imperial Valley Procurement and Resource Fair in El Centro (attended by staff)
- March 21, 2024 – Regional Transportation Planning Agency’s Meeting
- March 21, 2024 – State of the County Address
- March 22, 2024 – IVC Transition Fair at Imperial Valley College (attended by mobility staff)



Memorandum

Date: March 13th, 2024
To: ICTC Committee and Management Meeting
From: David Salgado, Government Affairs Officer (GAO)
Re: **Southern California Association of Government’s (SCAG) Report**

The following is a summary of the SCAG Executive Director’s Report and/or Federal and State Legislature Staff Report for the Imperial County Transportation Commission Management Committee and Regular Commission meeting for the month of March 2024.

1. REGIONAL EARLEY ACTION PLANNING GRANT PROGRAM 2021 (REAP 2.0) ADVOCACY UPDATES

Governor Gavin Newsom’s proposed budget announced on Jan. 16 includes \$300 million in cuts to the Regional Early Action Planning program of 2021 (REAP 2.0) that will result in approximately \$123 million in cuts from SCAG’s \$246 million REAP 2.0 program.

SCAG issued a hold on sub-allocation projects while working to assess impacts of the proposed cuts. Given the delays and impact caused by the proposed budget, adjustments will need to be made to SCAG’s REAP 2.0 program. Staff plans to bring an informational item to the Executive Administration Committee in April to discuss priorities and processes for reshaping the program.

In the meantime, SCAG encourages the Governor to reconsider these cuts and submitted an official letter to state legislators and the Senate Budget and Fiscal Review Committee. SCAG will continue to advocate to preserve REAP 2.0 at the 2024 Legislative Summit in Sacramento and during the state budget process. SCAG has also prepared a grantee toolkit, with template letters and other share-able information, for partners to assist in this advocacy.

2. 2024 SCAG SCHOLARSHIP PROGRAM CALL FOR APPLICATIONS

Applications for the 2024 SCAG Scholarship Program are now open. The program offers a \$4,000 scholarship for up to 9 high school or community college students from the SCAG region interested in pursuing planning or public service-related careers. Applications are due electronically on March 22. More information is available is available on the SCAG website.

3. SCAG Joint Policy Committee Recommends Connect SoCal 2024 for Approval

The Joint Policy Committee, at its March 7, 2024, meeting, recommended the proposed final Connect SoCal 2024 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) including the associated proposed final transportation conformity analysis, and the Connect SoCal 2024 proposed Final Program Environmental Impact Report (PEIR) to the Regional Council for approval and certification.

This decision came after a staff presentation summarizing comments from the public review periods. During public review, SCAG hosted 15 elected official briefings and three public hearings on the draft RTP/SCS, receiving 53 comment letters on the draft RTP/SCS and 33 comment letters on the Draft PEIR.

SCAG staff are currently in the process of updating the draft Connect SoCal 2024 in response to comments. A direct response to each plan comment will be included in the proposed final Connect SoCal 2024 Public Participation & Consultation Technical Report. Response to PEIR comments will be included in the proposed Final PEIR.

The proposed final Connect SoCal 2024 will be available on the SCAG website on March 28. The Regional Council is set to consider certification of the Final PEIR and adoption of the final RTP/SCS, including the associated final transportation conformity analysis, in April 2024.

4. REGIONAL COUNCIL APPROVES DRAFT COMPREHENSIVE BUDGET FOR FISCAL YEAR 2025

At its March 2024 meeting, SCAG's Regional Council moved to approve SCAG's Draft Comprehensive Budget for Fiscal Year (FY) 2024-25, including the Draft Overall Work Program (OWP). The framework

for developing the FY 2024-25 Draft Comprehensive Budget is SCAG's multi-year Strategic Plan, which focuses on the agency's vision for improving the organization and its operations.

The Regional Council's vote also authorized the release of the FY 2024-25 Draft OWP for a 30-day public review period from March 7 to April 8. Comments may be submitted by completing the comment form or emailing nguyenk@scag.ca.gov.

At the close of the public comment period, the FY 2024-25 Final OWP will be submitted to the Regional Council for approval on May 2. The General Fund Budget and the Membership Assessment will also be submitted to the General Assembly for approval in May.

5. SCAG 2024 SAVE THE DATE! 2024 REGIONAL CONFERENCE & GENERAL ASSEMBLY

Early bird registration is open for SCAG's 59th Annual Regional Conference and General Assembly at the JW Marriott Desert Springs Resort & Spa in Palm Desert on May 2-3. Don't miss this event, which



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brings together elected officials and policymakers, as well as business, community and civic leaders, from across Southern California to collaborate on the future of mobility, communities, the environment and the economy.

Early bird registration **saves \$150 on the price of admission**. [Register online](#) before March 29 to lock in the savings. Hotel rooms at conference rates are also available on a limited basis. Rooms can be booked directly from the registration page.

For additional details about the event, visit the [2024 Regional Conference and General Assembly website](#). Please contact update@scag.ca.gov with any questions.

6. SCAG 2024 GENERAL ASSEMBLY DELEGATE AND ALTERNATE SELECTION

Please keep an eye out for the SCAG General Assembly Delegate selection email. SCAG sends an email to all cities asking for respective councils to take action to appoint a specific General Assembly Delegate and an Alternate. Only the selected Delegate and Alternate will be afforded an opportunity to vote at the conference. All elected officials are invited to attend the SCAG General Assembly and Annual Conference. Elected Officials and City Managers are comped on registrations.

7. U.S. ENVIRONMENTAL PROTECTION AGENCY PROPOSED DISAPPROVAL OF SOUTH COAST AIR QUALITY MANAGEMENT DISTRICTS 2019 CONTINGENCY MEASURE PLAN

According to a Consent Decree issued in January 2024, the U.S. Environmental Protection Agency (EPA) is required to take action by July 1 on the South Coast Air Quality Management District (AQMD) 2019 Contingency Measure Plan for the 1997 federal ozone standard. This plan covers the South Coast Air Basin, which includes all of Orange County and urban areas within Los Angeles, Riverside and San Bernardino counties.

On Feb. 2, the EPA published a notice of proposed disapproval of the air plan, which will set in motion a 24-month highway sanction clock for AQMD to address underlying issues in the plan. If the issue is not addressed within the 24-month period, highway sanctions and a federal air plan would be imposed in the South Coast Air Basin, impacting the ability of nonexempt highway capacity projects in the region to receive federal approval or funding.

SCAG provided comments on the substantial negative consequences of the EPA's proposed disapproval and requested an extension of the March 4 public comment period deadline to allow careful analysis of the implications for the SCAG region. EPA granted this extension, and the comment period deadline is now April 3. SCAG and county transportation commissions are preparing a letter outlining the significant implications of the disapproval and recommending that EPA consider full approval of the plan, conditional approval that supports meaningful partnerships, or partial approval that provides a realistic and short pathway to resolve the underlying issues.



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EPA and AQMD representatives have been asked to provide a status report on the proposed disapproval at SCAG's monthly Transportation Conformity Working Group meetings. SCAG will continue to evaluate potential impacts of highway sanctions.



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2024 & Regional Conference & General Assembly

Southern California has many geographic, demographic and economic advantages, but the challenges of 2024 and beyond will require collaboration across local boundaries.

Following final adoption of the Connect SoCal 2024 Regional Transportation Plan/Sustainable Communities Strategy, the 2024 Regional Conference and General Assembly brings together local and regional leaders to share and learn from each other on the future of mobility, housing and communities, the environment and the economy.

REGISTER TODAY
scag.ca.gov/GA2024

California Department of Transportation



To: ICTC Commission

Date: March 2024

From: EVERETT TOWNSEND (Acting)
Caltrans District 11 Director

Subject: **DISTRICT DIRECTOR'S REPORT**

CONSTRUCTION

- 1. SR-98 Widening Project:** As part of the Calexico West POE Expansion project, SR-98 and Cesar Chavez Blvd were widened and improved to serve the expansion to the west. SR-98 work between VV Williams and Ollie Avenue was completed in March 2018, and the Cesar Chavez Blvd widening was completed in October 2019 by the City of Calexico. Construction for stage 1 of the SR-98 eastbound widening between Rockwood Avenue and Ollie Avenue was completed in November 2022. The construction of Stage 2 (westbound SR-98 from SR-111 to Ollie Ave) has been completed. Stage 3 has been completed in January 2024. Completion of Stage 4 is estimated for Spring 2024. The total project cost is estimated at \$8.2 million.
- 2. I-8, SR-78 Bridge Rehab at Various Locations:** The project includes 4 bridge locations on I-8 at Brock Research Center Rd, All American Canal (left/right) Bridges and at Winterhaven Dr/4th Ave. The 2 locations on SR-78 are at Palo Verde Drain and Palo Verde Outfall bridges near Palo Verde. Work has begun at the I-8 location over the All-American Canal, bridge deck work is complete. Painting at the All-American Canal is complete. Work at Brock Research Center Rd is complete with exception of overlay on the overcrossing. Target start for the 4th Ave bridge is mid to late May. Total estimated cost is \$8 million. The Palo Verde locations have started. These bridge repairs will install a long-term automated traffic control signal at both locations for reversible 1 way traffic throughout the duration of construction.

3. **I-8 Roadside Safety Improvements:** This project is implementing various safety improvements at various locations on I-8 between Silsbee Rd and Anderholt Rd. The scope includes slope paving, gore paving and rumble strip installations. Construction activities are underway and estimated completion is spring 2024. The total project cost is estimated at \$4.6 million.
4. **Clean California Projects:** District 11 has been working on several Clean CA Projects in Imperial County. They include bus shelter improvements in Niland(SR111), and bus shelter installations in Calipatria(SR111) and Holtville (SR115). Construction on these Clean CA bus shelter projects have been completed. Median island improvements in El Centro(SR86) and a gateway beautification project at SR-7/Nina Lee Rd just north of the Calexico Port of Entry are also included as part of this effort. The gateway project is complete along with three (3) of the median island improvements.

Clean CA - Bus Shelter 11-IMP-86-PM 21.0 Located in the City of Brawley on S. Rio Vista Ave.

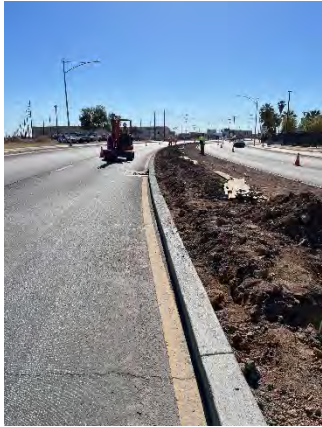
The Bus shelters have been installed. The construction of the curb ramp has been placed on the southwest quadrant of S. Rio Vista Ave. Below are some of current pictures of the work. The remaining construction work is electrical and striping that will occur in middle of April 2024 to complete the project.



Clean CA – Median Island 11-IMP-86-PM L7.4/L7.61 Located in the City of El Centro

The Median Island project is active. The construction of the curb is being constructed along with the grading of inside the curb to receive the planting.

Below are some of current pictures of the work. The remaining work is irrigation and planting.



5. **SR-111 Roadside Improvements:** This project will be implementing improvements at various locations on SR-111 between Heber Rd and Niland. The scope includes upgrading guardrail, ADA curb ramps and rumble strip installations. The project cost is estimated at \$11 million and was advertised in August and awarded in October. Construction started February 2024, to be completed in Fall 2024.

PROJECT DELIVERY

1. **SR-186 All-American Canal Bridge:** This project proposes to construct a new bridge over the All-American Canal (AAC). The new bridge will improve safety and better facilitate international and interregional movement of people, goods and services. A 2019 feasibility study proposed 8 alternatives including a no-build option. The following stakeholders have been identified, Fort Yuma Quechan Indian Tribe, US BIA, US BOR, IID, International Boundary and Water Commission, County of Imperial, Union Pacific Railroad and US GSA. Preliminary Design of the bridge is underway, as well as environmental studies. *Project Milestones: Project Approval/Environmental Clearance 12/2024. The Anticipated funding fiscal year for construction is 2026/27.*

MAINTENANCE AND TRAFFIC OPERATIONS

1. El Centro Traveled Way Crew – Fence repair: I-8/SR-111, pothole repair: SR-98 Install K rail/crash cushion-SR-86/Austin Road



2. El Centro Functional/Marking Crew – Sign/Landscape maintenance, Refresh pavement markings-SR-7/Maggio Road



3. Midway Traveled Way Crew – Crack sealing SR98/SR-7.



4. Brawley Traveled Way Crew – Sweeping/brush control
Crack sealing-SR-111/Rutherford Road.



5. El Centro Clean CA Crew – Litter control/landscaping activities I-8/4th ,
I-8/All American Canal.



6. **SR-86/Customs & Border Protection (CBP) Checkpoint Expansion:** AECOM has submitted a revised concept plan with a standard acceleration lane from the secondary inspection facility and it has been approved. The environmental studies are being prepared by ICTC/CBP and will soon be sent for review. Caltrans will assist ICTC in coordinating upcoming meetings.

Caltrans has received all required documents from AECOM except the QMP, SIQMP, and the environmental document. Caltrans will proceed with the 0 phase. A series of permits will be required for existing traffic control at the checkpoint, for the inspection operations and equipment within the facility, and for a temporary checkpoint while the project is in construction. A new Freeway Maintenance Agreement will be required for the portion of the existing canopy

"Provide a safe and reliable transportation network that serves all people and respects the environment"

that is within Caltrans ROW.

PLANNING AND LOCAL ASSISTANCE

- 1. Project Study Report: Forrester Road Improvements** - This study is developing various improvements for Forrester Road (I-8 to SR 78/86). It is being prepared as Project Study Report – Project Development Support (PSR-PDS) and identifies improvements that can proceed to the Project Approval/ Environmental Document (PA/ED) phase of the project development process. The project creates a truck bypass to the City of Westmorland using local roads, proposes passing lanes in the New River area, and makes improvements to the Forrester Road intersections at Ross Road and Evan Hewes Highway. The environmental designation has been determined and the Environmental Branch has completed the PEAR to reflect this new list of priorities. The PSR document is anticipated to be completed by early spring of 2024.
- 2. Feasibility Studies: District 11 Truck Parking and Medium/Heavy Duty ZEV Charging Station Site Assessment** – The purpose of this study is to identify potential sites, assess site feasibility, and develop conceptual planning plans for four future truck parking facilities and Medium Duty/Heavy Duty (MD/HD) Zero Emission (ZEV) charging and fueling stations in San Diego and Imperial counties primarily along corridors identified by the Senate Bill (SB) 671 Clean Freight Corridor Efficiency Assessment. The study will also support regional and local efforts to advance MD/HD ZEV including the San Diego and Imperial County Sustainable Freight Implementation Strategy. On 2/21/2024 the Policy Advisory Committee (PAC) of the California-Border Master Plan (BMP) kicked off efforts to develop a "Tri-State Zero Emissions approach." The proposed concept will develop a ZEV strategy for the states of California, Baja California, and Baja California Sur. The proposed strategy will be considered for adoption by the BMP PAC on June 2024. The overall study completion is estimated for summer 2024.
Calexico East Land Port of Entry Joint Operations Systems- This study will develop a concept for a joint operation system for the Calexico East Port of Entry (POE), which will also debut the first land POE appointment system for commercial vehicles and potentially passenger vehicles. Using current border conditions, the system will allow commercial vehicle border users to pay for a designated appointment window to cross the border. This first-in-the-nation application will be piloted initially for commercial vehicles and could be expanded to passenger vehicles. If successful, this pilot has the potential to be scalable by expanding to other POE and could be utilized at other POEs along the northern and southern borders in the United States. The study completion is estimated for summer 2024.

3. Local Assistance:

March 15, 2024 – Deadline for California Transportation Commission (CTC) Requests

Please review this linked schedule of deadlines and prepare requests for California Transportation Commission (CTC) approval during the May 16-17, 2024, CTC meeting –

dot.ca.gov/-/media/dot-media/programs/financial-programming/documents/proposed-2024-draft-prep-external-063024.pdf

When possible, do not wait to submit requests. Caltrans District 11 must receive all documents at least two months prior to the desired CTC meeting date.

Friday, **March 15**, 2024, is the final deadline (for that May 16-17, 2024, CTC meeting).

Unique Entity Identifier (UEI) Renewals Due!

For every Local Agency, the Unique Entity Identifier (UEI) expires annually and on different dates.

An Agency must reverify on the [SAM.gov](https://sam.gov) website 4-6 weeks before a UEI expires. No Requests for Authorization will be processed if a UEI is flagged as invalid. (If Caltrans cannot verify a UEI, the Local Agency might have opted-out of public view; if so, please send Caltrans a snapshot of the UEI from [SAM.gov](https://sam.gov) as verification.)

To confirm a UEI, click this UEI SmartSheet link below, and enter information in the yellow columns –

<https://app.smartsheet.com/b/publish?EQBCT=339b738857f44033b2e7d9a95742c38d>

Expiring soon: El Centro (March 22, 2024)

For assistance, please contact the Caltrans Imperial Area Engineer, Alejandro Lopez-Rangel: 858-229-1721.

2025 Active Transportation Program (Cycle 7)

The CTC is developing guidelines for the 2025 Active Transportation Program (ATP) cycle. See link below for ATP (Cycle 7) information and future opportunities to participate in live workshops on-site and remotely.

Upcoming ATP Webinar

An overview of Submittable: The New ATP Cycle 7 Application Tool

Wednesday, March 27, 2024

9:30am – 11:30am

[Register Here – \(Zoom\)](#)

Further details are available at this link –

<https://catc.ca.gov/programs/active-transportation-program>

Highway Safety Improvement Program (HSIP) – Cycle 12

Currently there is no active HSIP call for projects. It is expected that HSIP Cycle 12 Call-for-Projects be announced around late April or early May 2024.

Further details are available at this link –

<https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/highway-safety-improvement-program/calls-for-projects-hsip-ssarp>

Bridge Investment Program

The Bridge Investment Program is a competitive, discretionary program that focuses on existing bridges to reduce the overall number of bridges in poor condition, or in fair condition at risk of falling into poor condition.

- The deadlines for applications to be submitted via [Grants.gov](#) are:

Fiscal Year BIP Funding	Planning Application Deadline	Bridge Project Application Deadline
FY 2023 and 2024	February 19, 2024	March 19, 2024
FY 2025	October 1, 2024	November 1, 2024
FY 2026	October 1, 2025	November 1, 2025

The deadlines for **Large Bridge Project Grant Applications** to be submitted via [Grants.gov](#) are:

- August 1, 2024, for consideration of FY 2025 funds.
- August 1, 2025, for consideration of FY 2026 funds.

Further details are available at this link –

[BIP - Funding Programs - Management and Preservation - Bridges & Structures - Federal Highway Administration \(dot.gov\)](#)

U.S. Department of Transportation Grant Opportunities

The USDOT website provides a DOT Discretionary Grants Dashboard, which is a great tool that your local agency can use to find grant opportunities in various areas such as, Strengthening Mobility and Revolutionizing Transportation grants program (SMART), Rural Opportunities to Use Transportation for Economic Success (ROUTES), and Federal Transit Administration Grant Programs (FTA), just to name a few. In the link, provided below, you can filter for your agency specifics to narrow down grant opportunities. Directions, deadlines, and links to apply are also provided.

Further details are available at this link –

<https://www.transportation.gov/grants>

Key Notices of Funding Opportunity (NOFO)

In order to provide stakeholders with more visibility into upcoming funding opportunities, DOT is publishing a list of anticipated dates for upcoming Notices of Funding Opportunity (NOFOs) for key programs. This list is not comprehensive and will be updated periodically with additional programs and revised dates as appropriate.

A few of the key programs and their deadlines:

- * Buses and Bus Facilities Program – 4/25/2024
- * Low- or No-Emissions Program – 4/25/2024
- * Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
 - 1) FY 2025: 1/13/2025
 - 2) FY 2026: 1/13/2026

Further details are available at this link –

[Key Notices of Funding Opportunity | US Department of Transportation](#)

Safe Streets and Roads for All (SS4A) FY 24: Caltrans Call for Letters of Support (LOS)

The purpose of SS4A grants is to improve roadway safety by significantly reducing or eliminating roadway fatalities and serious injuries through safety action plan development and refinement and implementation focused on all users, including pedestrians, bicyclists, public transportation users, motorists, personal conveyance and micromobility users, and commercial vehicle operators. The program provides funding to develop the tools to help strengthen a community's approach to roadway safety and save lives and is designed to meet the needs of diverse local, Tribal, and regional communities that differ dramatically in size, location, and experience administering Federal funding.

Eligible SS4A Projects Include:

- Develop a comprehensive safety action plan (Action Plan).
- Conduct supplemental safety planning to enhance an Action Plan.
- Carry out demonstration activities to inform the development of, or an update to, an Action Plan.
- Perform planning, design, and development activities for projects and strategies identified in an Action Plan.
- Implement projects and strategies identified in an Action Plan that address roadway safety problems.

SS4A makes available up to \$1.2 billion for FY 2024. Of the funding made available, up to \$580 million is available to implement projects and strategies. \$656 million must be awarded for developing Action Plans; conducting supplemental planning to update existing Action Plans; or carrying out demonstration activities to inform the development of, or updates to, Action Plans.

Planning and Demonstration Grant applicants have three deadlines:

- Thursday, April 4, 2024, 5:00 PM (ET)
- Thursday, May 16, 2024, 5:00 PM (ET)
- Thursday, August 29, 2024, 5:00 PM (ET)

Implementation Grant applications must be submitted by 5:00 PM (ET) on Thursday, May 16, 2024.

If you would like a letter of support for a SS4A Project signed by a Caltrans District Director, you will need to coordinate with your Caltrans District Representative to submit your request. The Caltrans District 11 Representative is:

Brian Miller
(619) 985-5288
brian.miller@dot.ca.gov

Visit the *Office of Strategic Investment Planning* website for complete resources. Copies of all LOS that were or were not signed by the District Director must be provided to OSIP for record keeping. Please include justifications.

November 21, 2024 – Environmental and Climate Justice Community Change Grants

The U.S. Environmental Protection Agency (EPA) has a new Environmental and Climate Justice Community Change Grants program (Community Change Grants), announced via a Notice of Funding Opportunity (NOFO), for approximately \$2 billion dollars in Inflation Reduction Act (IRA) funds in environmental and climate justice activities to benefit disadvantaged communities through projects that reduce pollution, increase community climate resilience, and build community capacity to address environmental and climate justice challenges. These place-based investments will be focused on community-driven initiatives to be responsive to

community and stakeholder input. They are designed to deliver on the transformative potential of the IRA for communities most adversely and disproportionately impacted by climate change, legacy pollution, and historic disinvestments.

Applications are now open, which the EPA is accepting on a rolling basis. Final deadline to apply is November 21, 2024.

EPA is offering grant technical assistance to applicants, including requirements for community engagement and governance plans, community strength plans, and readiness approach.

Program NOFO:

<https://www.epa.gov/inflation-reduction-act/inflation-reduction-act-community-change-grants-program>

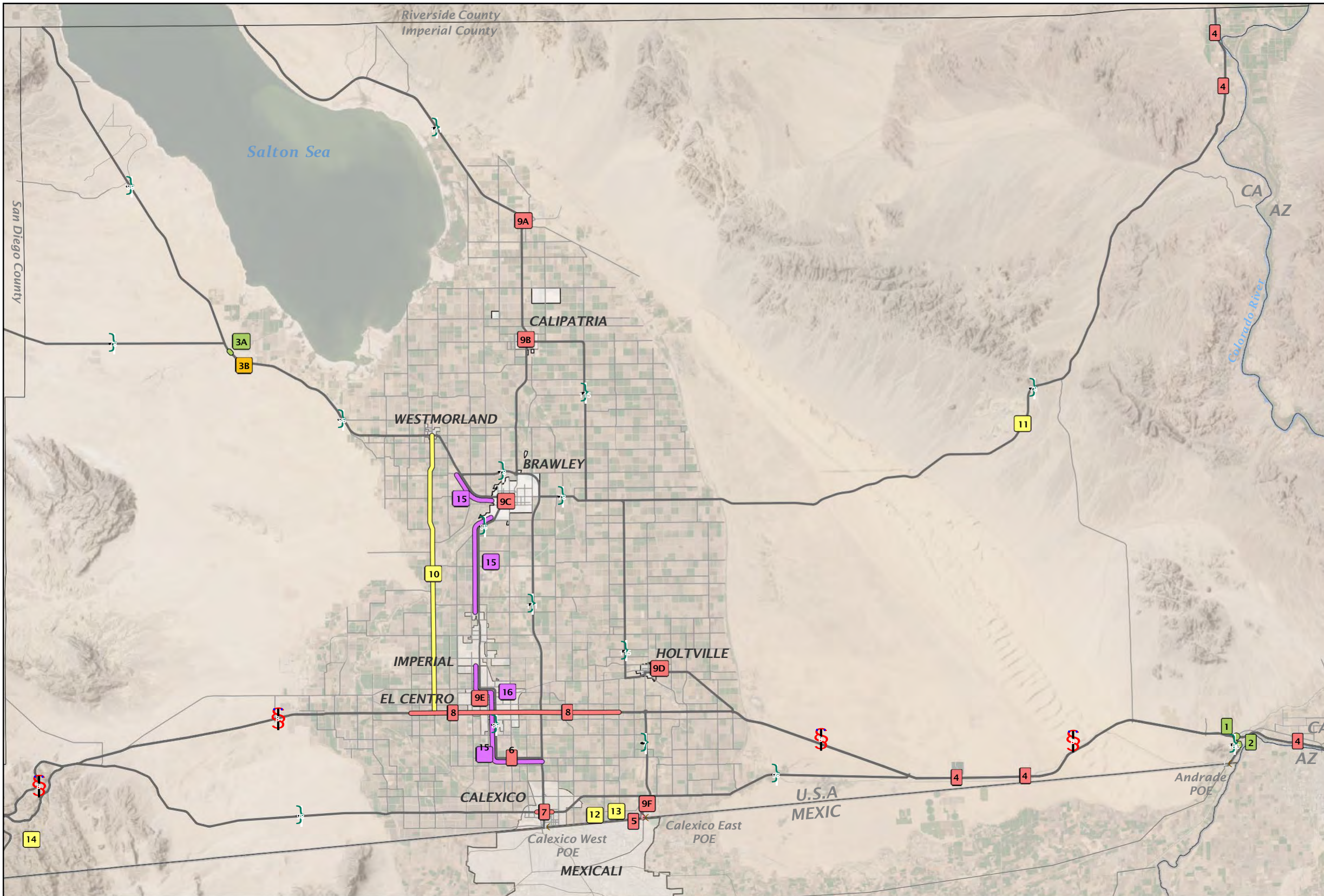
Title VI Nondiscrimination Program

Local agencies must comply with all Title VI requirements (*LAPM* Section 9.2). Title VI compliance is subject to review at any time.

<https://dot.ca.gov/programs/local-assistance/local-civil-compliance/title-vi>

RELINQUISHMENTS

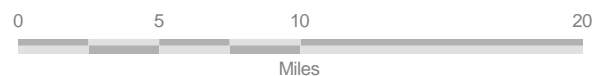
1. SR-86 from SR-111 to Countryside Dr, West Ralph Rd to Calle Estrella, and just east of Brandt Rd to SR-78. Relinquishment to County of Imperial, County did not provide any input, planning to close project. County of Imperial needs to provide information whether still interested (#15 on Status Map) (EA 11-43098).
2. SR-86 from Countryside Dr to Treshill Rd. Relinquishment to City of El Centro, City provided comments and Caltrans responses. Currently waiting for City of El Centro to review proposed estimate (#16 on Status Map) (EA 11-43099).



- ENVIRONMENTAL**
- 1. SR-186/I-8 Quechan Interchange Improvements*
Complete Dec 2023
- 2. SR-186 All-American Canal Bridge
Complete Dec 2024
- 3A. SR-86 USBP Checkpoint Canopy*
Complete Fall 2023
- DESIGN**
- 3B. SR-86 USBP Checkpoint Canopy*
Complete Fall 2023
- CONSTRUCTION**
- 4. Bridge Rehab Projects on I-8 and SR-78
Begin Construction March 2023, Complete Spring 2024
- 5. Calexico East POE Bridge Widening
Design/Build Begin Mar 2021, Complete June 2023
- 6. SR-86/Dogwood Road Intersection Improvements County Permit*
- 7. SR-98 Widening Phase 1C Ollie Ave to Rockwood Ave
Complete Winter 2023
- 8. I-8 Roadside safety improvements
Begin construction June 2023, Complete Spring 2024
- 9 A-F. Clean CA Projects - Bus Shelters, Median, Welcome Sign
- PLANNING**
- 10. Forrester Road Improvements PSR
- 11. SR-78/Mesquite Mine
- 12. Feasibility Study - Truck Parking & Med/Heavy Duty ZEV Charging Station Site Assessment
- 13. Feasibility Study - Calexico East Land Port of Entry Joint Operations Systems
- 14. Feasibility Study - Desert Line
- RELINQUISHMENT**
- 15. SR-86 Relinquishment to County of Imperial
Date Estimate 2026
- 16. SR-86 Relinquishment to City of El Centro
Date Estimate 2026



- █ Environmental
- █ Design
- █ Construction
- █ Planning
- █ Relinquishment



:Project funded by Senate Bill 1

Abbreviations:

GSA: General Services Administration

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Questions can be directed to (619) 688-6699
ct.public.information.d11@dot.ca.gov

Date:10/18/2023



* The California Department of Transportation (Caltrans) is a partner in this study/projects, although not the lead agency.