



**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 22, 2023
6:00 PM**

CHAIR: MIKE GOODSSELL

VICE CHAIR: LUIS PLANCARTE

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 by zoom meeting click on the following link:

<https://us06web.zoom.us/j/89658449892?pwd=aUh0bTNRbnh3RVZyZ0U5aHlwFjFkOz09>

To Join by Phone dial 669-444-9171

Meeting ID: 896 5844 9892

Passcode: 764937

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. INFORMATION / DISCUSSION CALENDAR

- A. Brown Act Remote Participation pursuant to AB 2449 Page 5

Eric Havens, ICTC Counsel, has provided a detailed response to the discussion regarding the transition of AB 361 to AB 2449.

V. CONSENT CALENDAR

- A. ICTC Commission Minutes: February 22, 2023 Pages 8-22
B. Receive and file:
1. ICTC Management Committee Minutes: February 15, 2023
2. ICTC TAC Minutes: February 23, 2023
3. ICTC SSTAC Minutes: February 1, 2023

- C. Low Carbon Transit Operations Program (LCTOP) Application for FY 2022-23 Funds Page 24

The Management Committee met on March 8, 2023, and forwards this item to the Commission for review and approval after public comment, if any:

1. Authorize the ICTC Chairperson to sign the attached resolution.
2. Authorization for the Execution of the LCTOP Project application: Free Fare Program for eligible ICTC administered transit services.

- D. Specific Transit Operator Fiscal Reports FY 2021-22 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans Page 29

The Management Committee met on March 8, 2023, and forwards this item to the Commission for review and approval after public comment, if any:

1. Receive and file the Specific Transit Operator Fiscal Reports FY 2021-22; IMPERIAL VALLEY TRANSIT, IVT ACCESS, IVT RIDE and IVT MedTrans

VI. ACTION CALENDAR

- A. Imperial County Transportation Commission Fiscal Audit for FY 2021-22 Page 77

The Management Committee met on March 8, 2023, and forwards this item to the Commission for review and approval after public comment, if any:

1. Receive and file the fiscal audit for the Imperial County Transportation Commission, for FY 2021-22.
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 2 Supplement 1 Page 160

The Management Committee met on March 8, 2023, and forwards this item to the Commission for review and approval after public comment, if any:

1. Approve Change Order No. 2 Supplement 1 to Hazard Construction Company for the Calexico East Port of Entry Bridge Widening Project in the amount of \$110,991.08 modifying the total contract value to \$20,160,242.61.
2. Authorize the Executive Director to sign Change Order No. 2 Supplement 1.

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

- A. ICTC Executive Director
- Executive Director Report on page 164

- B. Southern California Association of Governments
 - See attached report on page 174
- C. California Department of Transportation – District 11
 - See attached report on page 177
- D. Commission / Committee Member Reports (if any)

VIII. PRESENTATION CALENDAR

- A. Imperial County Strategic Plan Page 188
Presentation by Susan Giller, Reliance Public Relations, Inc.

IX. MEETING DATE AND PLACE

- A. The next meeting of the **Imperial County Transportation Commission** will be held on **Wednesday, April 26, 2023, 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.

X. ADJOURNMENT

- A. Motion to adjourn.

IV. INFORMATION / DISCUSSION CALENDAR

A. Brown Act Remote Participation pursuant to AB 2449

Eric Havens, ICTC Counsel, has provided a detailed response to the discussion regarding the transition of AB 361 to AB 2449.

*Eric Havens
County Counsel*

*Mistelle Abdelmagied
Assistant County Counsel*



County Counsel
County Administration Center
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March 22, 2023

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

Re: Brown Act Remote Participation pursuant to AB 2449

Dear Honorable Commissioners:

Requested Action:

1. Discussion regarding the transition from AB 361 to AB 2449, related to Brown Act remote meetings, as requested by Commissioner Maria Nava-Froelich.

In response to the pandemic, the California Legislature passed AB 361 to streamline the requirements for teleconference / virtual / “remote” meetings under the Brown Act during times of emergency. However, the Governor’s Office recently ended the COVID State of Emergency, and COVID-19 is longer a valid basis to hold emergency remote meetings pursuant to AB 361. Thus, absent an exception, Commissioners will have to appear at meetings in person. As this requirement only applies to Commissioners, meetings may continue to be broadcast via Zoom, and members of the public and staff can continue to make comments via Zoom.

The new AB 2449 now in place attempts to continue some of AB 361’s allowances for Commissioners to Zoom in remotely without making each remote location accessible to the public, but it is limited in scope and contains additional requirements. Specifically, at least a quorum of the Commission must participate from a physical location in Imperial County. Under AB 2449, an individual Commissioner may participate via Zoom if the Commissioner has “just cause” to do so—such as childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely; a contagious illness that prevents a Commissioner from attending in person; a need related to a physical or mental disability; or travel while on official business of the legislative body or another state or local agency. Additionally, a Commissioner may participate via Zoom if the Commissioner has personal “emergency circumstances”—such as a physical or family medical emergency that prevents the Commissioner from attending in person. Importantly however, a Commissioner may utilize these procedures to participate remotely **no more than twice annually (or up to three times consecutively in emergency circumstances)**.

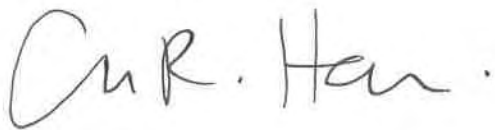
To utilize the above provisions of AB 2449, a Commissioner should simply notify the Chairperson or Clerk of the Commission at the earliest opportunity, including at the start of any regular meeting (provide a short general description). If there is not sufficient time to do so, the request need not be listed on the agenda. At the beginning of the meeting, the Commission will vote on the request of a Commissioner to participate remotely via Zoom. The request may be approved by a simple majority vote. While participating via Zoom, the Commissioner should keep their video on; the public needs to be able to remotely interact via a platform like Zoom.

The Commission may still meet via teleconference by following the traditional Brown Act rules of identifying the teleconference site on the agency's agenda and ensuring it is accessible for the public to attend. The traditional Brown Act teleconferencing rules are as follows:

- At least a quorum of the Commission must participate from Imperial County;
- Each teleconference location must be specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be applicable;
- Agendas must be posted at each teleconference location, even if a hotel room or a residence;
- Each teleconference location, including a hotel room or residence, must be accessible to the public and have technology, such as a speakerphone, to enable the public to participate;
- The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location; and
- All votes must be by roll call

If the Commission would like to meet remotely under these traditional rules, a pre-meeting should be calendared in advance with the Clerk of the Commission to coordinate each of teleconference locations and ensure all traditional teleconference requirements are satisfied.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eric Havens". The signature is fluid and cursive, with a period at the end.

Eric Havens
ICTC Counsel

V. CONSENT CALENDAR

V. CONSENT CALENDAR

- A. ICTC Commission Minutes: February 22, 2023
- B. Receive and file:
 - 1. ICTC Management Committee Minutes: February 15, 2023
 - 2. ICTC TAC Minutes: February 23, 2023
 - 3. ICTC SSTAC Minutes: February 1, 2023

IMPERIAL COUNTY TRANSPORTATION COMMISSION**DRAFT MINUTES FOR February 22, 2023****6:00 p.m.****VOTING MEMBERS PRESENT:**

City of Brawley	George Nava
City of Calipatria	Maria Nava-Froelich
City of Calexico	Raul Ureña
City of El Centro	Martha Cardenas-Singh
City of Imperial	Stacy Mendoza
City of Holtville	Absent
City of Westmorland	Absent
County of Imperial	Absent
County of Imperial	Luis Plancarte
Imperial Irrigation District	Javier Gonzalez

STAFF PRESENT: David Aguirre, Cristi Lerma, Virginia Mendoza, Angela Delgadillo**OTHERS PRESENT:** Eric Havens: Counsel; Gustavo Dallarda, Ann Fox, Mario Orso:Caltrans; David Salgado: SCAG; Cedric Ceseña: City of El Centro; Francis Roque, Roger Martinez; Vasquez + Company LLP; Susan Giller, Bill Gay: Reliance Public Relations, Inc.; Michael Luellen: City of Calipatria; Karina Alvarez: Imperial County Auditor-Controller**PUBLIC:** Daniela Flores, Javier Lopez

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 22, 2023, together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

[Vice-Chair Plancarte](#) called the Commission meeting to order at 6:03 p.m. Roll call was taken, and a quorum was present.

II. ACTION CALENDAR

A. Adopted resolution authorizing remote teleconference meetings in accordance with Assembly Bill 361

1. Approved the resolution of the Imperial County Transportation Commission authorizing remote meetings in accordance with the provisions of the State Assembly Bill (AB) 361.
2. Authorized the Chairperson to sign the resolution.

A motion was made by [Nava-Froelich](#) and seconded by [Gonzalez](#), roll call:

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

City of Westmorland	Absent
Imperial Irrigation District	Yes

Motion Carried.**III. CLOSED SESSION CALENDAR****A. Motion to Adjourn to Closed Session**

A motion was made by [Gonzalez](#) and seconded by [Nava-Froelich](#) to approve the closed session, roll call:

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

Motion Carried.**B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Initiation of litigation (1 matter) (Government Code § 54956.9 (d)(4))

C. Announcement of Closed Session Action(s)

Mr. Havens stated the following:

- The Commission met in closed session regarding CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation (1 matter) (Government Code § 54956.9 (d)(4)), direction was given.

IV. EMERGENCY ITEMS

There were none.

V. PUBLIC COMMENTS

Javier Lopez, representing the City of Calexico, asked the board to consider giving some funds for traffic controllers in the City of Calexico. He provided various examples on how the City of Calexico must deal with the traffic issue on their own. He also stated that there have been four incidents where traffic controllers have been hit by cars. He mentioned that the west port of entry is for all the valley not only Calexico. He stated that people who work in the Imperial Valley might live in Mexicali and that causes a lot of traffic for the City of Calexico.

VI. CONSENT CALENDAR

- | | | |
|----|--------------------------|------------------|
| A. | ICTC Commission Minutes: | January 25, 2023 |
| B. | Receive and File: | |
| 1. | ICTC TAC Minutes: | January 26, 2023 |
| 2. | ICTC SSTAC Minutes: | January 04, 2023 |

A motion was made by [Ureña](#) and seconded by [Gonzalez](#) to approve the consent calendar as presented, roll call:

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

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

Motion Carried.

VII. ACTION CALENDER

- A. 2022 State Transportation Improvement Program (STIP) Amendment Recommendations for Imperial County

The Management Committee met on February 15, 2023, and forwards this item to the Commission for review and approval after public comment, if any:

1. Approved the 2022 STIP Amendment Recommendations for Imperial County, requesting to fund Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (COVID STIP) funds in the following distributions:
2. Programed a total of \$1,250,149 from COVID STIP Relief Funds for the East Main Street Road Rehabilitation Project.
3. Programed a total of \$1,000,000 from COVID STIP Relief Funds for the Evan Hewes Highway Rehabilitation Project.

A motion was made by [Gonzalez](#) and seconded by [Nava-Froelich](#), roll call:

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

Motion Carried.

VIII. REPORTS

- A. ICTC Executive Director
- FY 2023-24 Unmet Transit Needs Survey: The public hearing will tentatively take place in the month of April. ICTC has prepared surveys available on all services websites. There are also physical surveys available on the vehicles for passengers to complete.
 - Calexico Microtransit Service - Calexico on Demand went online January 9th. It has been a big success so far. There was a period of a month where it was free. This ended on February 9th. When the service was free, there were about 180 passengers per day. Now that there is a fee, there are about 150 passengers per day. This is a ride-share program that operates within the city of Calexico. There are three vehicles that operate it in a daily basis. Monday-Friday 6am-6pm. The regular price is \$2 per ride. Seniors (55+) and riders with disabilities ride for \$1.
 - Bus Stop along Cole Road in the City of Calexico: This was a request that came from the Unmet Transit Needs Process. ICTC worked with the City of Calexico and the city was able to implement a bus stop along Cole Road.

- Forrester Road Project Study Report (PSR): ICTC has received the PSR in multiple forms and staff have been in communication with Caltrans in terms of comments. A meeting to discuss the draft PSR will be held at the ICTC offices on Monday, March 13, 2023, at 2 p.m.
 - State Route 86 Border Patrol Checkpoint is moving forward and there have been some additional design features that have been incorporated. The design is expected to be completed in late April 2023. There are continuous meetings that are held with CBP.
 - All other updates are on the Executive Director report on page 63 of the agenda.
- B. Southern California Association of Governments (SCAG)
- The SCAG 2023 Regional Conference & General Assembly will be held May 4th-5th. It is free of charge for elected officials.
 - SCAG's scholarship program is currently open. SCAG has worked closely with the County office of Education and has distributed this information to all high school counselors. This opportunity is for \$4,000 for any graduating high school student or current community college student. The scholarship is focused on public policy and urban planning majors.
 - All other updates are on the SCAG report on page 70 of the agenda.
- C. California Department of Transportation (Caltrans)- District 11
- Call for Projects for the Clean California Local Grant Program is out as of last week. The state is looking for applications for eligible projects that is either infrastructure or non- infrastructure projects that reduce litter, beautify public spaces, and improve public health. The grants are up to 5 million dollars. The deadline for application projects is April 28th.
 - The SR-98 widening project has its Stage 1 has been completed. After discussions between the construction team and the local stake holders, it was decided to go to Stage 3, which is the Westbound direction from SR-111 to Rockwood. This decision was made due to it not having any businesses around it. This will minimize the impact on businesses during the holiday season. Following Stage 3, Caltrans will start with Stage 2.
 - I-8 Colorado River Bridge Rehab project will impact travel to Yuma. There will be detours and construction will start mid-February. There will most likely won't be any traffic affected until mid-March.
 - I-8, SR-78 Bridge Rehab at Various Locations: Looking to start construction mid-March and will continue the next couple of months.
 - Middle Mile Broadband Initiative: Caltrans is in the final stages of identifying a contractor that will help develop these projects. CDT has approved segments on SR78, SR86, SR111 and SR115 totaling in 178 miles of middle mile broadband deployment.
 - There are many maintenance and traffic operations that are ongoing throughout the Imperial Valley.
 - All other updates are on the Caltrans report on page 76 of the agenda.
- D. Commission Member Reports
- Updates were provided by various commissioners.

IX. INFORMATION CALENDAR

Imperial County Strategic Plan: Presentation by Susan Giller, Reliance Public Relations, Inc.

- Ms. Susan Giller provided a small presentation on the development of a Strategic Plan to guide Imperial County for the next five years. She requested to meet with ICTC at the March meeting

to ensure they have a chance to capture the experiences, insights, and understanding of issues affecting each community and so they can be included in the strategic planning process. She will be providing an idea worksheet and surveys that she would like to collect at the end of the next meeting.

- X. The next meeting will be on April 26, 2023, 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.

XI. ADJOURNMENT

- A. Meeting Adjourned at 7:33 p.m.

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
MANAGEMENT COMMITTEE
MINUTES OF February 15, 2023
10:30 a.m.**

VOTING MEMBERS PRESENT:

City of Brawley	Tyler Salcido
City of Calexico	Esperanza Colio-Warren
City of Calipatria	Absent
City of El Centro	Cedric Ceseña
City of Holtville	Nick Wells
City of Imperial	Dennis Morita
County of Imperial	Miguel Figueroa
County of Imperial	Rebecca Terrazas-Baxter
Imperial Irrigation District	Ismael Gomez
City of Westmorland	Absent
ICTC	David Aguirre

STAFF PRESENT: Virginia Mendoza, Cristi Lerma, Michelle Bastidas, Angela Delgadillo, Esperanza Avila

OTHERS PRESENT: Ben Guerrero, Mario Orso, Hanh-Dung Khuu Su, Nick Ventrilla: Caltrans, David Salgado: SCAG, Francis Roque, Roger Martínez: Vasquez + Company LLP

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 15, 2023, together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

Chair Colio-Warren called the meeting to order at 10:35 a.m., roll call was taken, and a quorum was present.

II. ACTION CALENDAR

A. Adopted resolution authorizing remote teleconference meetings in accordance with Assembly Bill 361

1. Approved the resolution of the Imperial County Transportation Commission authorizing remote meetings in accordance with the provisions of the State Assembly Bill (AB) 361.
2. Authorized the Chairperson to sign the resolution.

A motion was made by Wells seconded by Salcido to approve this item, roll call was taken:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Absent
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	Yes
City of Westmorland	Absent
Imperial Irrigation District	Yes

Motion carried unanimously.

III. EMERGENCY ITEMS

There were none.

IV. PUBLIC COMMENTS

There were none.

V. CONSENT ITEMS

A motion was made by [Salcido](#) seconded by [Morita](#) to approve the consent calendar as presented; Roll call was taken:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Absent
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	Yes
City of Westmorland	Absent
Imperial Irrigation District	Yes

Motion carried unanimously.

VI. ACTION CALENDAR

- A. Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2022

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

- Received, Approved and Filed the FY 2021-22 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, the County of Imperial and the ICLTA.

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

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Absent
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	Yes
City of Westmorland	Absent
Imperial Irrigation District	Yes

Motion(s) carried unanimously.

B. 2022 State Transportation Improvement Program (STIP) Amendment Recommendations for Imperial County

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

1. Approved the 2022 STIP Amendment Recommendations for Imperial County, requesting to fund Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (COVID STIP) funds in the following distributions:
2. Programed a total of \$1,250,149 from COVID STIP Relief Funds for the East Main Street Road Rehabilitation Project.
3. Programed a total of \$1,000,000 from COVID STIP Relief Funds for the Evan Hewes Highway Rehabilitation Project.

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

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Absent
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	Absent
Imperial Irrigation District	Yes

Motion carried unanimously.

VII. REPORTS

A. ICTC Executive Director

- Mr. Aguirre had the following updates:
 - o FY 2023-24 Unmet Transit Needs Survey: The public hearing will tentatively take place in the month of April. ICTC has prepared surveys available on all services websites. There are also physical surveys available on the vehicles for passengers to complete.
 - o Calexico Micro Transit Service - Calexico on Demand: This is an on-demand service in the City of Calexico that just started on Monday, January 9, 2023. It is limited and available to the public in the City of Calexico. It is available via app, or you can also call in using this number: 760-350-3414. The service has had over 100 riders that have utilized the service so far. The service was free until February 9, 2023. For more information:

<https://city.ridewithvia.com/calexico-ondemand>

- Bus Stop 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 associate infrastructure improvements installed. The bus stop is now open for public use.
- Forrester Road Project Study Report (PSR): The PSR is still in development and is planned to be completed in the next couple of months. There is a tentatively scheduled meeting with the key stakeholders on March 13th at 6pm at the ICTC offices.
- State Route 86 Border Patrol Checkpoint is still under design. The design is expected to be completed in April 2023. There are continuous meetings that are held with CBP.
- Calexico East Port of Entry Bridge Widening Project is about 80% done. There will be a ribbon cutting ceremony. More details will be shared closer to the completion date. Target completion date: May 2023.
- Ms. Mendoza had the following updates:
 - There next IMBA meeting is scheduled for April 13, 2023, in the City of Mexicali.
 - The 2022 Long Range Transportation Plan is moving forward. A solid draft has been completed on the project listings. ICTC looks forward to sharing with member agencies later this month. Project updates can be found on the ICTC website.
 - All ICTC Executive Directors updates can be found on page 321.
- B. Southern California Association of Governments (SCAG)
 - Mr. Salgado had the following updates:
 - The SCAG 2023 General Assembly (GA) Delegate Selection Process has started. For any questions regarding the process please contact Mr. Salgado. The General Assembly will be on May 4-5 in Palm Desert.
 - The Draft Digital Action Plan is released for 30-Day Public Review and Comment.
 - SCAG's Regional Early Action Planning Grant Program (REAP) 2.0: There will be a PATH Program Presentation by Jessica Reyes Juarez to the TAC group on February 23, 2023.
 - All SCAG updates can be found on page 328.
- C. Caltrans Department of Transportation – District 11
 - Mr. Guerrero had the following updates:
 - SR-98 Widening Project: Stage 2 construction is currently underway. About 30% has been completed. The target completion date will be late April 2023.
 - April 28th is the deadline for Clean California local grant program. <https://cleancalifornia.dot.ca.gov/local-grants/local-grant-program>
 - March 7, 2023, is a workshop from 8:30-11:30 for the Regional Transportation Planning Agencies.
 - The next CTC meeting is on May 17th. The deadline to submit supporting documents is on March 17th.
 - Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant: This is another funding opportunity for about \$1.5 million. The deadline is February 28, 2023, to submit.

- Mr. Guerrero will be taking a temporary position at headquarters and Bryan Ott or Rafael Reyes will be filling in for him.
- All Caltrans updates can be found on page 334.

VIII. The next meeting is tentatively scheduled for **March 8, 2023, at 10:30 a.m.** at the City of Imperial and tentatively via Zoom Meeting.

IX. ADJOURNMENT

Meeting adjourned at 11:44 p.m.



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

TECHNICAL ADVISORY COMMITTEE MINUTES

February 23, 2023

Present:

Guillermo Sillas	City of Brawley
Lily Falomir	City of Calexico
George Galvan	City of Calipatria
Abraham Campos	City of El Centro
Adriana Anguis	City of Holtville
Jesus Villegas	City of Imperial
Ramiro Barajas	City of Westmorland
Veronica Atondo	County of Imperial

Others:

David Aguirre	ICTC
Marlene Flores	ICTC
Angela Delgadillo	ICTC
Esperanza Avila	ICTC
Andrea Montañño	City of Brawley
Angel Hernandez	City of El Centro
Andres Miramontes	City of El Centro
Felix De Leon	City of El Centro
Marco Coronel	City of Imperial
Adolfo Garcia	County of Imperial
Monica Soucier	County of Imperial
Ismael Garcia	County of Imperial
Nick Ventrilla	Caltrans
Rafael Reyes	Caltrans
Robin Owen	Caltrans
Kevin Hovey	Caltrans
David Salgado	SCAG
Jessica Reyes Juarez	SCAG

1. The meeting was called to order at 10:07 a.m. A quorum was present, and introductions were made. There were no public comments made.
2. Adopted resolution authorizing remote teleconference meeting in accordance with Assembly Bill 361. ICTC requested a motion to adopt. (Galvan/Anguis). **Motion Carried.**

3. A motion was made to adopt the minutes for January 23, 2023 (Atondo/Anguis) **Motion Carried.**

**4. REAP 2.0 PATH Program (Programs to Accelerate Transformative Housing),
Draft Application**

(Presented by: Jessica Reyes Juarez, SCAG)

- Ms. Reyes Juarez provided a brief presentation on the REAP 2.0 PATH Program Draft Application.
- For more information, please visit <https://scag.ca.gov/reap2021>
- Jacob Noonan, Housing Program Manager: noonan@scag.ca.gov
- Jessica Reyes Juarez, Associate Regional Planner: juarez@scag.ca.gov
- Hannah Brunelle: brunelle@scag.ca.gov

5. ICTC Updates / Announcements

(Presented by ICTC Staff)

a. Transit Planning Updates

b. Transportation Planning Updates

• **CRRSAA Funds Update:**

- The following documents should be submitted:
- Attachments B CRRSAA Allocation Form
- CRRSAA Finance Letter
- CRRSAA ePPR

• **Long Range Transportation Plan (LRTP) Update:**

- Visit the team at four upcoming events for giveaways and to share feedback:
- March 11: El Centro Air Show
- March 15: Children's and Family Health Fair in Niland
- March 30: Cesar Chavez Celebration Festival in Calexico
- April 1: Annual Children's Fair in El Centro
- Join us: lctc-lrtp2023.org

• **Federal & State Project Listing for FFY 2022-23:**

- Each jurisdiction gave their update.

6. Caltrans Updates / Announcements:

(Presented by: Robin Owen)

- February 3, 2023 was the deadline to submit Inactive invoices or justification.
- January 31, 2023 – Federal Fiscal Year (FFY) 22/23 Requests for Authorization Obligations Due! Please submit RFA packages as soon as possible.
- March 7, 2023 – Reconnecting Communities: Highways to Boulevards Pilot Program Workshop: <https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/rc-h2b>
- April 28, 2023 Clean California Local Grant Program – Cycle 2 Call for Projects Applications Due: <https://cleancalifornia.dot.ca.gov/local-grants/local-grant-program>
- The next CTC meeting is on March 22, 2023. The following will be on May 17, 2023. To submit for the May 17th CTC Meeting the deadline will be March 17, 2023.
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant – Feb. 28, 2023: Deadline is February 28, 2023
- Local Assistance Day save the date: March 8, 2023, <https://ca-ctap.org/?pid=1611>
- June 1, 2023 – Annual Deadline for *Local Assistance Procedures Manual* Exhibits 9-B & 9-C!
- Cooperative Training Assistance Program (CTAP) – New Learning Opportunities! (“live” & virtual)
- Federal Aid Series and the Resident Engineers Academy, both of which fill quickly. “Live” on-site classroom delivery will be returning soon. Please enroll early!
- Schedule is available here – <https://ca-ctap.org/?pid=1609> Recordings of several trainings are online.

7. SCAG Updates / Announcements:

(Presented by: David Salgado)

- SCAG's scholarship program is currently open. SCAG has worked closely with the County office of Education and has distributed this information to all high school counselors. This opportunity is for \$4,000 for any graduating high school student or current community college student. The scholarship is focused on public policy and urban planning majors.
- For more information, please contact David Salgado at salgado@scag.ca.gov

8. Cities and County Planning / Public Works Updates:

- Each jurisdiction gave their update.

9. General Discussion / New Business

- Next meeting there will be an overview of the LTA. It is encouraged that everyone attends this meeting in person and other city/county staff that work with LTA.

Next TAC meeting will be March 23, 2023, via Zoom for the public and in person at the ICTC offices.

Meeting adjourned at 11:54 p.m.



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

SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

MINUTES

February 1, 2023

Present

Voting Attendees:

Kathleen Lang	California Health & Wellness
Priscilla Lopez	Workforce & Economic Development
Mitzi Perez	ARC-IV
Karina Leon	Access to Independence
Sarah Enz	Area Agency on Aging (AAA)
Gustavo Gomez	CTSA-ICTC

Non-Voting Attendees:

Helio Sanchez	IVT
Cesar Sanchez	IVT
Jose Guillen	IVT MedTrans
Karla Pacheco	IVT Access
Karla Aguilar	IVT Ride
Liz Santucci	Caltrans
Angela Delgadillo	ICTC
Esperanza Avila	ICTC
Karrah Cardone	IC Public Health
Joshua Lopez	IVC

1. Dr. Lang called the meeting to order at 10:11 a.m. **A quorum was present.** Introductions were made.
 - Hybrid meeting.
2. SSTAC Remote Resolution.
 - SSTAC members reviewed the resolution and motioned to approve it as is. (Perez, Lopez), **Motion Carried.**
 - Required signatures will be collected after the meeting.
3. Minutes were adopted for January 4, 2023. (Enz, Perez), **Motion Carried.**
4. CTSA Reports:

Mr. Gomez had the following updates:

- Staff attended events during January; Senior Health Fair at Holtville and Imperial Gardens Senior Apartments and at City of Calexico distributing Calexico On-Demand brochures
 - On February 16th, ICTC Staff will be presenting an IVT presentation at Villa De La Flores Senior Apartments in Calexico.
 - The UTN survey is now live until March 3rd. So far, there have been about 30-40 comments on the survey.
 - Calexico On-Demand is going along very well. There are about 180 passengers per day.
 - The bus shelter on Cole Rd. is now in place at the City of Calexico.
5. FY 2023-24 Master Needs List, UTN Letter to the hearing Panel Review (DRAFT)
- Mr. Gomez discussed the current Master Needs list and mentioned that the requested changes have been made to the list. He stated that changes can still be done to the list if requested.
 - Dr. Kathleen Lang asked if there can be a revision made on the second general comments on the letter. The IVT Garnet Line in Calexico should be revised to the new Microtransit service: Calexico On-Demand.
 - SSTAC members recommended to revise #2 on the priority list. The revision will be to add bus stop improvement to the new public library in El Centro.
 - SSTAC members recommended to revise #3 on the priority list. The revision will be to explore and analyze senior transportation needs in the north end.
 - A motion was made for staff to revise the FY 2023-24 Master Needs List, UTN Letter and will finalize at the next meeting. ([Lopez, Perez](#)), **Motion Carried.**

6. Transit Operator FY 2022-23 Reports:

Imperial Valley Transit

- There is a slight increase in ridership as time goes by.
- On page 13 of the agenda the 2nd Quarterly Review is attached for reference.

IVT Access

- Ms. Pacheco mentioned that service is running as usual.
- On page 14 of the agenda the 2nd Quarterly Review is attached for reference.

IVT Ride

- Ms. Aguilar stated that the service is running as usual and mentioned some of the events that IVT Ride participated in the last month.
- The service is still providing free fares, sponsored by Area Agency on Aging.
- On page 15 of the agenda the 2nd Quarterly Review is attached for reference.

IVT MedTrans

- Mr. Guillen mentioned that service hours are the same and both buses are available. It is in response to demand.
- On page 16 of the agenda the 2nd Quarterly Review is attached for reference.

7. General Discussion

- There was no general discussion.

8. Adjournment

- The meeting adjourned at 10:55 a.m.
- The next meeting will be held on Wednesday, March 1, 2023, at the Imperial County Transportation Commission Office, 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243.

V. CONSENT CALENDAR

- C. Low Carbon Transit Operations Program (LCTOP) Application for FY 2022-23 Funds
1. Authorize the ICTC Chairperson to sign the attached resolution.
 2. Authorization for the Execution of the LCTOP Project application: Free Fare Program for eligible ICTC administered transit services.



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March 9, 2023

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

SUBJECT: Low Carbon Transit Operations Program (LCTOP) Application for FY 2022-23 Funds

Dear Commission Members:

Imperial County Transportation Commission (ICTC) proposes to submit an application for use of Low Carbon Transit Operations Program (LCTOP) funds in Fiscal Year (FY) 2022-23. The 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 (SB 862). The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support the following:

1. Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities.
2. Operational expenditures that increase transit mode share including free fare programs.
3. Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support zero-emission buses.

Per the State Controller's Office, ICTC has an eligible allocation in FY 2022-23 in the amount of \$482,113. Following the LCTOP guidelines, ICTC staff recommends submitting an application requesting the use of funds from FY 2022-23 towards a free fare program to be utilized on eligible ICTC administered transportation modes.

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

The ICTC Management Committee met on March 8, 2023, and forwards this item to the Commission for their review and approval after public comment, if any:

1. Authorize the ICTC Chairperson to sign the attached resolution.
2. Authorization for the Execution of the LCTOP Project application: Free Fare Program for eligible ICTC administered transit services.

Sincerely,

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

David Aguirre
Interim Executive Director

Attachments

RESOLUTION #

**AUTHORIZATION FOR THE EXECUTION OF THE
 CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS
 FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
 FOR THE FOLLOWING PROJECT:
 FREE FARES PROGRAM:
 \$482,113**

WHEREAS, the Imperial County Transportation Commission is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the Imperial County Transportation Commission wishes to delegate authorization to execute these documents and any amendments thereto to David Aguirre, Executive Director.

WHEREAS, the Imperial County Transportation Commission wishes to implement the following LCTOP project(s) listed above,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Imperial County Transportation Commission that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that David Aguirre, Executive Director, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Imperial County Transportation Commission that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2022-23 for LCTOP funds as follows:

Project Name: Free Fares Program

Amount of LCTOP funds requested (including LCTOP Interest): \$482,113

Short description of project: Provide Free Fares to passengers across multiple services

Benefit to a Priority Populations: The project is located within multiple SB 535 Disadvantaged Communities and AB 1550 Low-Income Communities

PASSED AND ADOPTED at a regular meeting of the Imperial County Transportation Commission held on March 22, 2023.

By: _____
Chairman

ATTEST:

By:

CRISTI LERMA
Secretary to the Commission

V. CONSENT CALENDAR

- D. Specific Transit Operator Fiscal Reports FY 2021-22 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans
 - 1. Receive and file the Specific Transit Operator Fiscal Reports FY 2021-22; IMPERIAL VALLEY TRANSIT, IVT ACCESS, IVT RIDE and IVT MedTrans



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March 9, 2023

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

SUBJECT: Specific Transit Operator Fiscal Reports FY 2021-22 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 2021-22 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 2021-22 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 21-22 reviews did not note any areas of improvement. There have been a number of improvements completed to administrative and operations areas in previous years which resulted in no areas of improvement being noted for FY 21-22.

The ICTC Management Committee met on March 8, 2023, and forwards 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 2021-22; IMPERIAL VALLEY TRANSIT, IVT ACCESS, IVT RIDE and IVT MedTrans

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Aguirre', written over a 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 First Transit, 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, 2022. 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 First Transit 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 February 8, 2023:

- Route 1 North: We boarded a First Transit bus leaving the IV Mall at 10:05am (5 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 7th Street and State stop at 10:35am (5 minutes late).
- Route 2 North: We boarded a First Transit bus leaving the 7th Street and State stop at 10:40am (on schedule). We rode the bus for a total of eight (8) stops noting the driver would stop based on passengers' needs. The bus arrived at the Brawley Pioneers Hospital stop at 11:27am (7 minutes late).

- Route 2 South: We boarded the First Transit bus depart from the Brawley Pioneers Hospital stop at 12:01pm (6 minutes late). We observed the bus operate for a total of eight (8) stops. We observed the bus arrive at the 7th Street and State stop at 12:54pm (4 minutes late).
- Route 1 South: We boarded the First Transit bus leaving from the 7th Street and State stop at 1:00pm (on schedule). We observed the bus operate for a total of five (5) stops. We observed the bus arrive at the IV Mall at 1:23pm (2 minutes early).
- Route 4 West: We observed the First Transit Shuttle Bus depart from the El Centro 7th Street and State at 4:35 pm (on schedule). We observed the bus operate for a total of three (3) stops. We observed the shuttle bus arrive at the Seeley stop at 4:57 pm (2 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 First Transit 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, 2022. 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 First Transit Operations Manual over cash handling and performed an observation over the cash handling process on February 8, 2023. We observed the following:

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 First Transit 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 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. Due to the COVID-19 pandemic and efforts set in place to enforce social distancing by the transit operator, we noted that cash counts are performed by one dispatcher inside the vault room while the second dispatcher observes through the surveillance system.

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 First Transit Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on February 8, 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 First Transit 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. The inventory count is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We noted that there is no evidence of the Director of Maintenance 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 where we haphazardly selected items and were taken to the item's location. We observed ten (10) inventory items and compared it with the count on the inventory report. We noted that seven (7) of these items had no discrepancy. For the three (3) items with discrepancy, we noted that it was a result of the items already in the process of being used as part of a work order.

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 February 8, 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 November 2021, February 2022 and June 2022 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 First Transit 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 First Transit Fixed Route Transit Service Agreement (July 2019) and related amendments, inspected the First Transit 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 November 2021, February 2022 and June 2022 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 inspected the monthly invoices for the IVT Line, Green Line, Blue Line, and Gold Line services for the fiscal year ending June 30, 2022 and observed no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract.

No exceptions were found as a result of procedures performed.

6.4 We noted that a “Free Fares Program” was in place from August 2020 through April 1, 2022. We selected three (3) days from the months of April 2022, May 2022 and June 2022 and obtained the fare collections by day from the "Farebox Accounting" report included in the monthly reporting packet and compared the amounts to the “Daily Fare Collections Reports”. 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: June 1, 2022
 - No exceptions noted
- Line 2N – Date: June 1, 2022
 - Work Run S7 – 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 2S – Date: June 1, 2022
 - Work Run S7 – 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 1N – Date: June 1, 2022
 - Work Run S1 and S14 – 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: June 1, 2022
 - Work Run S7 and S14 – 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 4E – Date: June 1, 2022
 - No exceptions noted.
- Blue Line – Date: June 1, 2022
 - No exceptions noted.
- Green Line – Date: June 1, 2022
 - No exceptions noted.
- Gold Line – Date: June 1, 2022
 - No exceptions noted.

Additionally, we obtained the service hours per inspection of the First Transit Riders Guide and compared the calculated estimate to the revenue hours per the First Transit 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, 2022 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 First Transit 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
March XX, 2023

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2022

IVT Operating Services								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing & other Expenses	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 297,184	\$ 1,928	\$ 295,256	\$ -	\$ 1,052	\$ 296,308	\$ (25,482)	\$ 25,482
August 2021	309,687	184	309,503	-	4,974	314,477	(29,560)	29,560
September 2021	311,742	-	311,742	-	(634)	311,109	(34,692)	34,692
October 2021	316,946	-	316,946	-	10,209	327,155	(42,047)	42,047
November 2021	297,135	640	296,495	-	-	296,495	(43,037)	43,037
December 2021	306,669	900	305,769	-	-	305,769	(46,645)	46,645
January 2022	303,365	-	303,365	-	-	303,365	(43,731)	43,731
February 2022	286,251	-	286,251	-	-	286,251	(47,354)	47,354
March 2022	328,769	200	328,569	-	1,479	330,048	(61,879)	61,879
April 2022	309,125	35,707	273,418	-	3,119	276,537	-	-
May 2022	312,359	55,657	256,702	-	5,594	262,295	-	-
June 2022	313,204	67,672	245,532	-	10,609	256,140	-	-
	<u>\$ 3,692,436</u>	<u>\$ 162,889</u>	<u>\$ 3,529,548</u>	<u>\$ -</u>	<u>\$ 36,401</u>	<u>\$ 3,565,949</u>	<u>\$ (374,428)</u>	<u>\$ 374,428</u>
Contract specifications	<u>\$ 4,706,127</u>	<u>\$ 800,042</u>	<u>\$ 3,906,085</u>					
Over (under) contract requirements	<u>\$ (1,013,691)</u>	<u>\$ (637,153)</u>	<u>\$ (376,537)</u>					
Operating Costs (A+E)	\$ 3,728,837							
ICTC Marketing*	68,676							
Depreciation*	(618,627)							
Adjusted Operating Costs	<u>\$ 3,178,886</u>							
Farebox Ratio Actual**		16.90%						
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, 2022

Green Line Services								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing & other Expenses	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 17,052	\$ 96	\$ 16,956	\$ -	\$ -	\$ 16,956	\$ (309)	\$ 309
August 2021	17,052	-	17,052	-	-	17,052	(294)	294
September 2021	16,624	-	16,624	-	-	16,624	(315)	315
October 2021	16,624	-	16,624	-	-	16,624	(309)	309
November 2021	16,196	-	16,196	-	-	16,196	(318)	318
December 2021	17,480	-	17,480	-	-	17,480	(348)	348
January 2022	16,196	-	16,196	-	-	16,196	(327)	327
February 2022	15,768	-	15,768	-	-	15,768	(280)	280
March 2022	17,480	-	17,480	-	-	17,480	(387)	387
April 2022	16,624	235	16,389	-	-	16,389	-	-
May 2022	16,624	186	16,438	-	-	16,438	-	-
June 2022	17,052	185	16,867	-	-	16,867	-	-
Total:	<u>\$ 200,776</u>	<u>\$ 702</u>	<u>\$ 200,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,073</u>	<u>\$ (2,887)</u>	<u>\$ 2,887</u>
Contract specifications	<u>\$ 326,549</u>	<u>\$ 13,062</u>	<u>\$ 313,487</u>					
Over (under) contract requirements	<u>\$ (125,773)</u>	<u>\$ (12,360)</u>	<u>\$ (113,413)</u>					
Operating Costs (A+E)	\$ 200,776							
Depreciation*	(33,436)							
Adjusted Operating Costs	<u>\$ 167,340</u>							
Farebox Ratio Actual**		2.14%						
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, 2022

Blue Line Services								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing & other Expenses	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 18,939	\$ 256	\$ 18,683	\$ -	\$ 2,212	\$ 20,895	\$ (162)	\$ 162
August 2021	18,939	-	18,939	-	-	18,939	(186)	186
September 2021	18,425	-	18,425	-	-	18,425	(209)	209
October 2021	18,425	-	18,425	-	-	18,425	(258)	258
November 2021	17,912	160	17,752	-	-	17,752	(263)	263
December 2021	19,453	-	19,453	-	-	19,453	(239)	239
January 2022	17,912	-	17,912	-	-	17,912	(199)	199
February 2022	17,398	-	17,398	-	-	17,398	(168)	168
March 2022	19,453	192	19,261	-	-	19,261	(253)	253
April 2022	18,425	154	18,271	-	-	18,271	-	-
May 2022	18,425	291	18,134	-	-	18,134	-	-
June 2022	18,939	283	18,656	-	-	18,656	-	-
Total:	<u>\$ 222,646</u>	<u>\$ 1,337</u>	<u>\$ 221,310</u>	<u>\$ -</u>	<u>\$ 2,212</u>	<u>\$ 223,522</u>	<u>\$ (1,936)</u>	<u>\$ 1,936</u>
Contract specifications	<u>\$ 326,549</u>	<u>\$ 13,062</u>	<u>\$ 313,487</u>					
Over (under) contract requirements	<u>\$ (103,902)</u>	<u>\$ (11,725)</u>	<u>\$ (92,177)</u>					
Operating Costs (A+E)	\$ 224,858							
ICTC Marketing*	-							
Depreciation*	(33,436)							
Adjusted Operating Costs	<u>\$ 191,422</u>							
Farebox Ratio Actual**		1.71%						
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, 2022

Gold Line Services								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing & other Expenses	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 22,585	\$ -	\$ 22,585	\$ -	\$ -	\$ 22,585	\$ (531)	\$ 531
August 2021	22,585	-	22,585	-	-	22,585	(592)	592
September 2021	21,920	-	21,920	-	-	21,920	(686)	686
October 2021	21,920	-	21,920	-	-	21,920	(624)	624
November 2021	21,255	-	21,255	-	-	21,255	(635)	635
December 2021	23,250	-	23,250	-	-	23,250	(695)	695
January 2022	21,255	-	21,255	-	-	21,255	(679)	679
February 2022	20,589	-	20,589	-	-	20,589	(602)	602
March 2022	23,250	-	23,250	-	-	23,250	(710)	710
April 2022	21,920	429	21,491	-	-	21,491	-	-
May 2022	21,920	432	21,488	-	-	21,488	-	-
June 2022	22,585	401	22,184	-	-	22,184	-	-
Total:	\$ 265,034	\$ 1,262	\$ 263,772	\$ -	\$ -	\$ 263,772	\$ (5,754)	\$ 5,754
Contract specifications	\$ 340,025	\$ 13,601	\$ 326,424					
Over (under) contract requirements	\$ (74,991)	\$ (12,339)	\$ (62,652)					
Operating Costs (A+E)	\$ 265,034							
Depreciation*	(33,436)							
Adjusted Operating Costs	\$ 231,598							
Farebox Ratio Actual		3.03%						
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, 2022

Date	Farebox Accounting - Per Monthly Invoice/Reporting		Daily Fare Collections - Per Daily Fare Collection Report		Variance
April 2022					
IVT					
12	\$	1,452.10	\$	1,452.10	\$ -
19		1,169.54		1,169.54	-
26		1,443.96		1,443.96	-
Blue Line					
12		6.00		6.00	-
19		8.00		8.00	-
26		4.00		4.00	-
Green Line					
12		7.35		7.35	-
19		8.80		8.80	-
26		8.85		8.85	-
Gold Line					
12		20.70		20.70	-
19		25.40		25.40	-
26		14.63		14.63	-
May 2022					
IVT					
9	\$	1,720.86	\$	1,720.86	\$ -
24		1,411.11		1,411.11	-
27		1,427.77		1,427.77	-
Blue Line					
9		4.00		4.00	-
24		2.00		2.00	-
27		6.05		6.05	-
Green Line					
9		8.55		8.55	-
24		3.70		3.70	-
27		6.05		6.05	-
Gold Line					
9		11.00		11.00	-
24		18.20		18.20	-
27		18.39		18.39	-
June 2022					
IVT					
9	\$	1,239.26	\$	1,239.26	\$ -
13		1,172.56		1,172.56	-
17		1,280.36		1,280.36	-
Blue Line					
9		4.25		4.25	-
13		2.00		2.00	-
17		4.90		4.90	-
Green Line					
9		9.60		9.60	-
13		7.70		7.70	-
17		4.00		4.00	-
Gold Line					
9		19.96		19.96	-
13		16.89		16.89	-
17		23.00		23.00	-

Imperial County Transportation Commission

Exhibit C

Procedure #6.5- Annual Revenue Hours Recalculation (Unaudited)

Year Ending June 30, 2022

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	2,275

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	1,757

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	1,463

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	33,660

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	39,155

*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 First Transit, Inc. (Transit Operator), and its records relating to the IVT-Access transit services for the period ending June 30, 2022. 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 First Transit 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, 2022. 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 First Transit Operations Manual over cash handling and inquired with First Transit Management over the cash handling process on February 8, 2023. We noted the following:

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 First Transit 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 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 LogDay 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. Due to the COVID-19 pandemic and efforts set in place to enforce social distancing by the transit operator, we noted that cash counts are performed by one dispatcher inside the vault room while the second dispatcher observes through the surveillance system.

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 First Transit Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on February 8, 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 First Transit 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. The inventory count is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We noted that there is no evidence of the Director of Maintenance 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 where we haphazardly selected items and were taken to the item's location. We observed ten (10) inventory items and compared it with the count on the inventory report. We noted that seven (7) of these items had no discrepancy. For the three (3) items with discrepancy, we noted that it was a result of the items already in the process of being used as part of a work order.

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 February 8, 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 LogDay Sheets, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of November 2021, February 2022 and June 2022, 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 LogDay 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 First Transit ADA Paratransit Service Agreement (July 2019), inspected the First Transit 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 November 2021, February 2022 and June 2022 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 inspected the monthly invoices for IVT-Access for the fiscal year ending June 30, 2022 and identified no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract.

No exceptions were found as a result of procedures performed.

- 6.4 We noted that IVT-Access implemented the "Free Fares Program" from August 2020 through April 1, 2022. As such, cash collections only occurred during April 2022 through June 2022. 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 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	4/18/2022	7:30	11:00 11:30	8:30 8:40	14:00 14:10	13:26	5.43
303	4/18/2022	5:58	9:45 10:45	8:30 8:40	12:20 12:30	13:45	6.78
307	4/18/2022	10:29	13:00 14:00	11:20 11:30	17:00 17:10	18:41	7.20
308	4/18/2022	9:19	11:00 11:30	9:50 10:00	13:15 13:25	14:40	4.85
Total							24.27
Invoiced to ICTC							24.17
Difference							(0.10)

Route	Date	1st Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
301	6/6/2022	7:26	11:05 11:35	10:50 11:00	12:50 13:00	15:06	7.17
303	6/6/2022	5:57	9:50 10:50	7:25 7:35	11:40 11:50	13:40	6.72
307	6/6/2022	10:30	13:20 14:20	13:09 13:19	16:25 16:35	17:58	6.47
308	6/6/2022	9:16	11:30 12:00	11:15 11:25	13:40 13:50	14:59	5.22
Total							25.57
Invoiced to ICTC							25.55
Difference							(0.02)

We noted a variance of 0.10 hours (6 minutes) on April 18, 2022 and .02 hours (1 minute) on June 6, 2022.

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, 2022 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 First Transit, Inc. 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 First Transit 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
March XX, 2023

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2022

IVT-ACCESS ADA Paratransit Service Line								
	A	B	C= (A-B)	D	E	F= (C+E) Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Marketing			
July 2021	\$ 88,606	\$ -	\$ 88,606	\$ -	\$ 7,656	\$ 96,262	\$ (1,856)	\$ 1,856
August 2021	89,605	-	89,605	-	7,807	97,413	(1,778)	1,778
September 2021	88,587	-	88,587	-	3,707	92,294	(1,804)	1,804
October 2021	89,594	-	89,594	-	-	89,594	(1,734)	1,734
November 2021	85,171	-	85,171	-	-	85,171	(1,657)	1,657
December 2021	88,842	-	88,842	-	-	88,842	(1,744)	1,744
January 2022	85,514	-	85,514	-	-	85,514	(1,525)	1,525
February 2022	85,720	-	85,720	-	-	85,720	(1,509)	1,509
March 2022	93,275	-	93,275	-	4,144	97,419	(2,163)	2,163
April 2022	90,422	2,145	88,277	-	-	88,277	-	-
May 2022	88,700	1,682	87,018	-	344	87,362	-	-
June 2022	88,426	1,780	86,646	-	-	86,646	-	-
Total:	<u>\$ 1,062,461</u>	<u>\$ 5,607</u>	<u>\$ 1,056,855</u>	<u>\$ -</u>	<u>\$ 23,658</u>	<u>\$ 1,080,512</u>	<u>\$ (15,769)</u>	<u>\$ 15,769</u>
Contract specifications	<u>\$ 1,670,276</u>	<u>\$ 167,028</u>	<u>\$ 1,503,248</u>					
Over (under) contract requirements	<u>\$ (607,815)</u>	<u>\$ (161,421)</u>	<u>\$ (446,394)</u>					
Operating Costs (A+E)	\$ 1,086,119							
ICTC Marketing*	10,234							
Depreciation*	(53,032)							
Adjusted Operating Costs	<u>\$ 1,043,321</u>							
Farebox Ratio Actual		2.05%						
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, 2022

Farebox Accounting -			Daily Fare Collections -		
Date	Per Monthly Invoice/Reporting		Per Daily Fare Collection Report		Variance
April 2022					
IVT-Access					
9	\$	10.00	\$	10.00	\$ -
24		8.78		8.78	-
27		13.00		13.00	-
May 2022					
IVT-Access					
9	\$	34.60	\$	34.60	\$ -
24		35.00		35.00	-
27		57.10		57.10	-
June 2022					
IVT-Access					
3	\$	31.29	\$	31.29	\$ -
17		35.80		35.80	-
29		33.75		33.75	-

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 First Transit, Inc. (Transit Operator), and its records relating to the IVT MedTrans transit services for the period ending June 30, 2022. 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 First Transit 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, 2022. 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 First Transit Operations Manual over cash handling and inquired with First Transit Management over the cash handling process on February 8, 2023. We noted the following:

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 First Transit Inc. dispatch personnel on February 8, 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. Due to the decline in ridership caused by the COVID-19 pandemic, 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 First Transit 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 June 2022 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 First Transit Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on February 8, 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 First Transit 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. The inventory is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We noted that there is no evidence of the Director of Maintenance 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 where we haphazardly selected items and were taken to the item's location. We observed ten (10) inventory items and compared it with the count on the inventory report. We noted that seven (7) of these items had no discrepancy. For the three (3) items with discrepancy, we noted that it was a result of the items already in the process of being used as part of a work order.

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 February 8, 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 November 2021, February 2022, and June 2022 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 for 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 First Transit 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 November 2021, February 2022, and June 2022 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 inspected the monthly invoices for IVT MedTrans for the fiscal year ending June 30, 2022 and observed no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract.

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 April 2022, May 2022, and June 2022 and obtained the cash fare collections by day from the Daily Fare Collections report included in the monthly reporting packet. We selected three (3) days for each month to inspect the daily fares per the fare receipt catalogs. We noted that for the samples selected for the months of April 2022, May 2022, and June 2022, the daily fare collections per the Daily Fare Collections report agreed to the supporting source document 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 April 19, 2022 and June 6, 2022, 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	4/19/2022	9:29	13:00 13:45	11:20 11:30	13:40 13:50	19:00	8.77
						Total	8.77
						Invoiced to ICTC	8.88
						Variance	0.11

<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	6/6/2022	6:40	10:00 10:30	8:05 8:15	13:02 13:12	14:58	7.80
						Total	7.80
						Invoiced to ICTC	7.88
						Variance	0.08

We noted a variance of 0.11 hours (7 minutes) on April 19, 2022 and .08 hours (5 minutes) on June 6, 2022.

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, 2022. 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 First Transit 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
March XX, 2023

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2022

First Transit - IVT MedTrans Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 31,392	\$ 1,184	\$ 30,208	\$ -	\$ 2,841	\$ 33,049	\$ -	\$ -
August 2021	30,221	824	29,397	-	-	29,397	-	-
September 2021	30,833	1,682	29,151	-	-	29,151	-	-
October 2021	28,855	975	27,880	-	-	27,880	-	-
November 2021	30,642	364	30,279	-	-	30,279	(815)	815
December 2021	27,616	-	27,616	-	-	27,616	(904)	904
January 2022	29,286	-	29,286	-	-	29,286	(997)	997
February 2022	30,170	-	30,170	-	-	30,170	(1,123)	1,123
March 2022	32,729	-	32,729	-	-	32,729	(1,751)	1,751
April 2022	29,394	1,127	28,267	-	-	28,267	-	-
May 2022	30,940	1,292	29,648	-	-	29,648	-	-
June 2022	30,427	866	29,560	-	-	29,560	-	-
Total:	<u>\$ 362,505</u>	<u>\$ 8,315</u>	<u>\$ 354,190</u>	<u>\$ -</u>	<u>\$ 2,841</u>	<u>\$ 357,031</u>	<u>\$ (5,588)</u>	<u>\$ 5,588</u>
Contract specifications	<u>\$ 590,446</u>	<u>\$ 56,338</u>	<u>\$ 507,041</u>					
Over (under) contract requirements	<u>\$ (227,941)</u>	<u>\$ (48,023)</u>	<u>\$ (152,851)</u>					
Operating Costs (A+E)	\$ 365,346							
ICTC Marketing*	13,394							
Deprecation*	(17,560)							
Adjusted Operating Costs	<u>\$ 361,180</u>							
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, 2022

Date	Farebox Accounting - Per Monthly Invoice/Reporting		Daily Fare Collections - Per Daily Fare Collection Report		Variance
April 2022					
First Transit IVT MedTrans					
11	\$	72.75	\$	72.75	\$ -
21		78.00		78.00	-
27		55.50		55.50	-
May 2022					
First Transit IVT MedTrans					
19	\$	144.75	\$	144.75	\$ -
20		122.25		122.25	-
24		123.00		123.00	-
June 2022					
First Transit IVT MedTrans					
6	\$	123.00	\$	123.00	\$ -
8		111.00		111.00	-
14		123.00		123.00	-

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 First Transit, Inc. (Transit Operator), and its records relating to the IVT-Ride transit services for the period ending June 30, 2022. 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 First Transit 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 First Transit 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, 2022. 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 First Transit Operations Manual over cash handling and performed an observation over the cash handling process on February 8, 2023. We observed the following:

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 First Transit 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 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 LogDay 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. Due to the COVID-19 pandemic and efforts set in place to enforce social distancing by the transit operator, we noted that cash counts are performed by one dispatcher inside the vault room while the second dispatcher observes through the surveillance system.

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 First Transit Inventory Count Policies and Purchase Order Policies, and performed an observation over the spare parts and inventory controls on February 8, 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 First Transit 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. The inventory count is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We noted that there is no evidence of the Director of Maintenance 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 where we haphazardly selected items and were taken to the item's location. We observed ten (10) inventory items and compared it with the count on the inventory report. We noted that seven (7) of these items had no discrepancy. For the three (3) items with discrepancy, we noted that it was a result of the items already in the process of being used as part of a work order.

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 February 8, 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 LogDay Sheets, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of November 2021, February 2022 and June 2022, 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 First Transit 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 LogDay 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 First Transit 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 November 2021, February 2022 and June 2022 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 data schedule and marketing invoices.

No exceptions were found as a result of procedures performed.

- 6.3 We inspected 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 for the fiscal year ending June 30, 2022 and identified no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract.

No exceptions were found as a result of procedures performed.

6.4 We noted that IVT-Ride implemented the “Free Fares Program” from August 2020 through April 1, 2022. As such, fare collections only occurred during April 2022 with the exception of the West Shores route. We noted that the Brawley, Calexico, Imperial, El Centro and Heber routes received free fare funding through other sources after ICTC’s free fare program ended from which the West Shores route was ineligible for. As such, we selected a sample of nine (9) days for the Brawley, Calexico, Imperial, El Centro, and Heber routes throughout the month of April 2022. For the West Shores route we selected one (1) day from April 2022, five (5) days from May 2022, and three (3) days from June 2022 for a total sample size of nine (9) days. We obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet and compared the amounts to the “Daily Fare Collections Report”. 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	4/18/2022	8:30	10:30 11:30	9:50 10:00	14:30 14:40	12:46	3.27
Total							3.27
Invoiced to ICTC							8.00
Difference							(4.73)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Calexico 1	4/18/2022	7:18	10:30 11:30	8:00 8:10	13:40 13:50	13:32	5.23
Calexico 2	4/18/2022	7:00	11:00 12:00	8:45 8:55	14:40 14:50	16:53	8.88
Total							14.12
Invoiced to ICTC							15.50
Difference							(1.38)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Brawley 1	4/18/2022	7:20	11:00 12:00	9:10 9:20	14:40 14:50	14:00	5.67
Total							5.67
Invoiced to ICTC							10.00
Difference							(4.33)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
El Centro 1	4/18/2022	6:56	10:00 10:30	8:40 8:50	13:40 13:50	14:12	6.77
El Centro 2	4/18/2022	7:02	10:30 11:30	7:40 7:50	13:40 13:50	14:17	6.25
El Centro 3	4/18/2022	8:34	11:20 12:20	9:40 9:50	15:00 15:10	17:24	7.83
Total							20.85
Invoiced to ICTC							25.50
Difference							(4.65)
Route	Date	First Pick Up	Lunch	Break 1	Break 2	Last Drop Off	Rev Hours
Imperial	4/18/2022	7:05	10:30 11:30	8:40 8:50	14:10 14:20	14:40	6.58
Total							6.58
Invoiced to ICTC							9.50
Difference							(2.92)

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, 2022 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 First Transit, Inc. 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 First Transit 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
March XX, 2023

Imperial County Transportation Commission

Exhibit A

Procedure #1- Services Provided (Unaudited)

Year Ending June 30, 2022

All IVT-Ride Combined Services								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 120,627	\$ 2,825	\$ 117,802	\$ -	\$ -	\$ 117,802	\$ (443)	\$ 443
August 2021	121,458	2,328	119,130	-	3,202	122,332	(642)	642
September 2021	116,921	2,232	114,690	-	4,100	118,790	(545)	545
October 2021	119,035	2,163	116,873	-	11,076	127,949	(770)	770
November 2021	114,854	2,017	112,838	-	7,212	120,050	(898)	898
December 2021	121,078	1,954	119,125	-	-	119,125	(915)	915
January 2022	115,401	1,674	113,727	-	-	113,727	(800)	800
February 2022	111,766	1,834	109,932	-	4,945	114,878	(818)	818
March 2022	124,950	2,247	122,703	-	2,325	125,028	(1,136)	1,136
April 2022	119,463	2,936	116,527	-	-	116,527	-	-
May 2022	119,012	3,250	115,761	-	-	115,761	(78)	78
June 2022	121,339	3,135	118,205	-	-	118,205	(59)	59
Total:	<u>\$ 1,425,905</u>	<u>\$ 28,592</u>	<u>\$ 1,397,313</u>	<u>\$ -</u>	<u>\$ 32,861</u>	<u>\$ 1,430,173</u>	<u>\$ (7,103)</u>	<u>\$ 7,103</u>
Combined contract	<u>\$ 3,810,423</u>	<u>\$ 378,103</u>	<u>\$ 3,432,320</u>					
Over (under) contract requirements	<u>\$ (2,384,518)</u>	<u>\$ (349,511)</u>	<u>\$ (2,035,007)</u>					
Operating Costs (A+E)		\$ 1,458,766						
ICTC Marketing*		4,655						
Depreciation*		(54,436)						
Adjusted Operating Costs		<u>\$ 1,408,985</u>						
Combined Farebox Ratio Actual**		2.53%						

*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, 2022

IVT Ride Brawley Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 18,703	\$ 329	\$ 18,374	\$ -	\$ -	\$ 18,374.43	\$ -	\$ -
August 2021	18,442	530	17,912	-	-	17,912	(66)	66
September 2021	17,967	531	17,436	-	-	17,436	(39)	39
October 2021	18,228	479	17,749	-	4,100	21,849	(92)	92
November 2021	17,491	425	17,067	-	-	17,067	(81)	81
December 2021	18,655	437	18,219	-	-	18,219	(119)	119
January 2022	17,491	272	17,220	-	-	17,220	(131)	131
February 2022	17,016	329	16,688	-	295	16,982	(39)	39
March 2022	18,917	431	18,486	-	-	18,486	(102)	102
April 2022	18,228	515	17,713	-	-	17,713	-	-
May 2022	17,967	504	17,463	-	-	17,463	-	-
June 2022	18,442	525	17,917	-	-	17,917	-	-
Total:	\$ 217,546	\$ 5,303	\$ 212,243	\$ -	\$ 4,395	\$ 216,637	\$ (668)	\$ 668
Contract specifications	\$ 291,472	\$ 29,147	\$ 262,325					
Over (under) contract requirements	\$ (73,926)	\$ (23,844)	\$ (50,082)					
Operating Costs (A+E)	\$ 221,941							
ICTC Marketing*	745							
Depreciation*	(8,710)							
Adjusted Operating Costs	\$ 213,976							
Farebox Ratio Actual**		2.79%						
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, 2022

IVT Ride Calexico Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 31,020	\$ 320	\$ 30,700	\$ -	\$ -	\$ 30,700	\$ (177)	\$ 177
August 2021	31,519	220	31,299	-	-	31,299	(219)	219
September 2021	30,355	212	30,143	-	-	30,143	(244)	244
October 2021	31,210	260	30,950	-	2,325	33,275	(315)	315
November 2021	29,618	208	29,410	-	3,606	33,016	(381)	381
December 2021	31,091	238	30,853	-	-	30,853	(375)	375
January 2022	30,046	277	29,769	-	-	29,769	(324)	324
February 2022	28,882	282	28,600	-	2,325	30,925	(357)	357
March 2022	31,828	262	31,566	-	-	31,566	(397)	397
April 2022	30,782	569	30,214	-	-	30,214	-	-
May 2022	30,782	623	30,159	-	-	30,159	-	-
June 2022	31,091	571	30,520	-	-	30,520	-	-
Total:	\$ 368,225	\$ 4,042	\$ 364,183	\$ -	\$ 8,257	\$ 372,440	\$ (2,789)	\$ 2,789
Contract specifications	\$ 481,417	\$ 48,142	\$ 433,275					
Over (under) contract requirements	\$ (113,192)	\$ (44,100)	\$ (69,092)					
Operating Costs (A+E)	\$ 376,481							
ICTC Marketing*	1,210							
Depreciation*	(14,153)							
Adjusted Operating Costs	\$ 363,538							
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, 2022

IVT Ride Imperial Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 13,148	\$ 924	\$ 12,224	\$ -	\$ -	\$ 12,224	\$ -	\$ -
August 2021	13,148	284	12,864	-	-	12,864	-	-
September 2021	12,245	266	11,979	-	-	11,979	-	-
October 2021	13,148	294	12,854	-	2,325	15,179	-	-
November 2021	13,148	350	12,798	-	-	12,798	-	-
December 2021	12,696	308	12,388	-	-	12,388	-	-
January 2022	12,245	275	11,970	-	-	11,970	-	-
February 2022	11,794	299	11,495	-	-	11,495	-	-
March 2022	13,148	375	12,773	-	-	12,773	-	-
April 2022	13,148	339	12,809	-	-	12,809	-	-
May 2022	12,696	399	12,297	-	-	12,297	-	-
June 2022	12,696	369	12,327	-	-	12,327	-	-
Total:	\$ 153,259	\$ 4,482	\$ 148,777	\$ -	\$ 2,325	\$ 151,103	\$ -	\$ -
Contract specifications	992,907	\$ 99,291	\$ 893,616					
Over (under) contract requirements	\$ (839,648)	\$ (94,809)	\$ (744,839)					
Operating Costs (A+E)	\$ 155,584							
ICTC Marketing*	466							
Depreciation*	(5,444)							
Adjusted Operating Costs	\$ 150,606							
Farebox Ratio Actual		2.98%						
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, 2022

IVT Ride West Shores Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 3,017	\$ 68	\$ 2,949	\$ -	\$ -	\$ 2,949	\$ (40)	\$ 40
August 2021	3,420	-	3,420	-	-	3,420	(60)	60
September 2021	3,017	-	3,017	-	-	3,017	(43)	43
October 2021	3,017	-	3,017	-	-	3,017	(70)	70
November 2021	3,420	-	3,420	-	-	3,420	(83)	83
December 2021	5,036	36	5,000	-	-	5,000	(45)	45
January 2022	4,632	32	4,600	-	-	4,600	(35)	35
February 2022	4,632	26	4,606	-	-	4,606	(48)	48
March 2022	5,440	26	5,414	-	-	5,414	(75)	75
April 2022	4,632	56	4,575	-	-	4,575	-	-
May 2022	5,036	107	4,929	-	-	4,929	(78)	78
June 2022	5,036	85	4,951	-	-	4,951	(59)	59
Total:	\$ 50,333	\$ 435	\$ 49,897	\$ -	\$ -	\$ 49,897	\$ (635)	\$ 635
Contract specifications	\$ 58,813	\$ 2,941	\$ 55,872					
Over (under) contract requirements	\$ (8,480)	\$ (2,506)	\$ (5,975)					
Operating Costs (A+E)	\$ 50,333							
ICTC Marketing*	140							
Depreciation*	(1,633)							
Adjusted Operating Costs	\$ 48,840							
Farebox Ratio Actual**		2.19%						
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, 2022

IVT Ride El Centro Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 45,681	\$ 915	\$ 44,766	\$ -	\$ -	\$ 44,766	\$ (205)	\$ 205
August 2021	45,491	958	44,533	-	3,202	47,735	(273)	273
September 2021	44,279	873	43,407	-	4,100	47,507	(218)	218
October 2021	44,755	906	43,848	-	2,325	46,174	(239)	239
November 2021	43,068	779	42,289	-	3,606	45,895	(299)	299
December 2021	45,016	725	44,291	-	-	44,291	(293)	293
January 2022	43,068	668	42,400	-	-	42,400	(235)	235
February 2022	41,856	690	41,166	-	2,325	43,492	(328)	328
March 2022	46,702	839	45,864	-	2,325	48,189	(489)	489
April 2022	44,755	1,205	43,549	-	-	43,549	-	-
May 2022	44,279	1,276	43,003	-	-	43,003	-	-
June 2022	45,491	1,303	44,188	-	-	44,188	-	-
Total:	<u>\$ 534,441</u>	<u>\$ 11,135</u>	<u>\$ 523,306</u>	<u>\$ -</u>	<u>\$ 17,884</u>	<u>\$ 541,190</u>	<u>\$ (2,576)</u>	<u>\$ 2,576</u>
Contract specifications	<u>\$ 992,907</u>	<u>\$ 99,291</u>	<u>\$ 893,616</u>					
Over (under) contract requirements	<u>\$ (458,466)</u>	<u>\$ (88,156)</u>	<u>\$ (370,310)</u>					
Operating Costs (A+E)	\$ 552,325							
ICTC Marketing*	1,815							
Depreciation*	(21,230)							
Adjusted Operating Costs	<u>\$ 532,910</u>							
Farebox Ratio Actual**		2.57%						
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, 2022

IVT Ride Heber Service Line								
	A	B	C= (A-B)	D	E	F= (C+E)		
Date	Base Cost	Farebox	Net Subsidy	Fuel Escalator	First Transit Marketing	Net Cost & Total Paid to First Transit	Free Rides - Reimburse Client	Free Rides - Client Sponsored
July 2021	\$ 9,059	\$ 270	\$ 8,789	\$ -	\$ -	\$ 8,789	\$ (21)	\$ 21
August 2021	9,439	338	9,101	-	-	9,101	(25)	25
September 2021	9,059	350	8,709	-	-	8,709	(2)	2
October 2021	8,679	224	8,455	-	-	8,455	(54)	54
November 2021	8,109	256	7,853	-	-	7,853	(54)	54
December 2021	8,584	210	8,374	-	-	8,374	(84)	84
January 2022	7,919	151	7,768	-	-	7,768	(75)	75
February 2022	7,586	208	7,378	-	-	7,378	(47)	47
March 2022	8,916	315	8,601	-	-	8,601	(74)	74
April 2022	7,919	251	7,667	-	-	7,667	-	-
May 2022	8,251	341	7,910	-	-	7,910	-	-
June 2022	8,584	282	8,302	-	-	8,302	-	-
Total:	<u>\$ 102,101</u>	<u>\$ 3,195</u>	<u>\$ 98,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,906</u>	<u>\$ (436)</u>	<u>\$ 436</u>
Contract specifications	<u>\$ 992,907</u>	<u>\$ 99,291</u>	<u>\$ 893,616</u>					
Over (under) contract requirements	<u>\$ (890,806)</u>	<u>\$ (96,096)</u>	<u>\$ (794,710)</u>					
Operating Costs (A+E)	\$ 102,101							
ICTC Marketing*	279							
Depreciation*	(3,266)							
Adjusted Operating Costs	<u>\$ 99,114</u>							
Farebox Ratio Actual**		3.66%						
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, 2022

Date	Farebox Accounting - Per Monthly Invoice/Reporting	Daily Fare Collections - Per Daily Fare Collection Report	Variance
April 2022			
Brawley			
19	\$ 6.00	\$ 6.00	-
20	7.49	7.49	-
21	3.00	3.00	-
23	8.00	8.00	-
25	6.00	6.00	-
26	2.75	2.75	-
27	3.00	3.00	-
28	6.00	6.00	-
29	6.00	6.00	-
Calexico			
20	\$ 21.00	\$ 21.00	-
21	23.01	23.01	-
23	10.00	10.00	-
25	24.00	24.00	-
26	24.00	24.00	-
27	25.00	25.00	-
28	29.00	29.00	-
29	20.90	20.90	-
30	8.00	8.00	-
Imperial			
19	\$ 8.25	\$ 8.25	-
20	5.50	5.50	-
25	9.80	9.80	-
26	8.25	8.25	-
27	11.00	11.00	-
29	5.50	5.50	-
30	13.25	13.25	-
El Centro			
20	\$ 14.10	\$ 14.10	-
21	26.75	26.75	-
23	24.32	24.32	-
25	27.60	27.60	-
26	26.65	26.65	-
27	26.88	26.88	-
28	32.63	32.63	-
29	11.20	11.20	-
30	15.50	15.50	-
Heber			
19	\$ 4.25	\$ 4.25	-
20	5.00	5.00	-
21	6.25	6.25	-
25	9.80	9.80	-
26	1.65	1.65	-
27	4.50	4.50	-
28	2.75	2.75	-
West Shores			
26	10.00	10.00	-
May 2022			
West Shores			
3	\$ 16.28	\$ 16.28	-
10	16.25	16.25	-
17	15.00	15.00	-
19	4.00	4.00	-
24	12.00	12.00	-
June 2022			
West Shores			
7	\$ 20.00	\$ 20.00	-
9	4.00	4.00	-
21	15.00	15.00	-

VI. ACTION CALENDAR

VI. ACTION CALENDAR

- A. Imperial County Transportation Commission Fiscal Audit for FY 2021-22
 - 1. Receive and file the fiscal audit for the Imperial County Transportation Commission, for FY 2021-22.
 - 2. 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 9, 2023

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

SUBJECT: ICTC Fiscal Audit for FY 2021-22

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 2021-22, 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 California Transit Security Grant Program (CTGSP) and the Low Carbon Transit Operations Program (#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, 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)

The audit team and staff will be presenting this item.

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

The ICTC Management Committee met on March 8, 2023, and forward 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 2021-22.
2. Direct staff to transmit the fiscal audit to the State Controller's Office.

Sincerely,

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

David Aguirre
Executive Director

DA/

Attachments

Imperial County Transportation Commission

El Centro, California

Financial Statements and Independent Auditors' Reports

For the Year Ended June 30, 2022



DRAFT 03.17.2023

Imperial County Transportation Commission
For the Year Ended June 30, 2022

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**Imperial County Transportation Commission
For the Year Ended June 30, 2022**

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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, 2022, 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, 2022, 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 8, 2023 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.

San Diego, California
March 8, 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, business-type activities, and each major fund of the Imperial County Transportation Commission ("the Commission"), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 8, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

Compliance and Other Matters

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

Purpose of this Report

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

San Diego, California
March 8, 2023

**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, 2022.

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, 2022.

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 City 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.

San Diego, California
March 8, 2023

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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, 2022

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 21,739,198	\$ 23,658,753	\$ 45,397,951
Receivables			
Accounts receivable	4,084,081	-	4,084,081
Interest receivable	56,198	52,314	108,512
Due from other governments	494,974	2,922,507	3,417,481
Internal balances	-	-	-
Total current assets	26,374,451	26,633,574	53,008,025
Non-current assets:			
Capital assets:			
Nondepreciable	-	-	-
Depreciable, net of accumulated depreciation	-	4,457,187	4,457,187
Total capital assets, net	-	4,457,187	4,457,187
Total non-current assets	-	4,457,187	4,457,187
Total assets	26,374,451	31,090,761	57,465,212
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	175,469	372,871	548,340
Total deferred outflows of resources	175,469	372,871	548,340
LIABILITIES			
Current liabilities:			
Accounts payable	4,757,825	663,791	5,421,616
Accrued payroll	8,688	22,624	31,312
Unearned revenues	2,481,054	-	2,481,054
Compensated absences, due within one year	21,033	47,676	68,709
Total current liabilities	7,268,600	734,091	8,002,691
Long-term liabilities:			
Compensated absences, due in more than one year	1,487	-	1,487
Net pension liability	19,452	41,336	60,788
Total long-term liabilities	20,939	41,336	62,275
Total liabilities	7,289,539	775,427	8,064,966
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	248,262	527,556	775,818
Total deferred inflows of resources	248,262	527,556	775,818
NET POSITION			
Net investment in capital assets	-	4,457,187	4,457,187
Restricted	19,012,119	25,703,462	44,715,581
Unrestricted (deficit)	-	-	-
Total net position	\$ 19,012,119	\$ 30,160,649	\$ 49,172,768

Imperial County Transportation Commission
Statement of Activities
For the Year Ended June 30, 2022

Function/Programs	Program Revenues				Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 11,809,043	\$ -	\$ -	\$ -	\$ -
Professional services	551,398	-	-	-	-
Transit and transportation	5,460,910	82,669	2,559,001	9,762,568	12,404,238
Total governmental activities	17,821,351	82,669	2,559,001	9,762,568	12,404,238
Business-type Activities:					
Transportation services	10,239,404	622,519	11,519,684	-	12,142,203
Total business-type activities	10,239,404	622,519	11,519,684	-	12,142,203
Total primary government	\$ 28,060,755	\$ 705,188	\$ 14,078,685	\$ 9,762,568	\$ 24,546,441

Imperial County Transportation Commission
Statement of Activities (Continued)
For the Year Ended June 30, 2022

Function/Programs	Net (Expense) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Totals
Governmental Activities:			
General government	\$ (11,809,043)	\$ -	\$ (11,809,043)
Professional services	(551,398)	-	(551,398)
Transit and transportation	6,943,328	-	6,943,328
Total governmental activities	(5,417,113)	-	(5,417,113)
Business-type Activities:			
Transportation services	-	1,902,799	1,902,799
Total business-type activities	-	1,902,799	1,902,799
Total primary government	(5,417,113)	1,902,799	(3,514,314)
General revenues:			
Transportation Development Act sales taxes	7,672,018	-	7,672,018
Investment income	161,032	159,807	320,839
Other miscellaneous revenue	15,267	-	15,267
Total general revenues	7,848,317	159,807	8,008,124
Transfers:	(4,080,625)	4,080,625	-
Changes in net position	(1,649,421)	6,143,231	4,493,810
Net Position:			
Beginning of year	20,661,540	24,017,418	44,678,958
End of year	<u>\$ 19,012,119</u>	<u>\$ 30,160,649</u>	<u>\$ 49,172,768</u>

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FUND FINANCIAL STATEMENTS

Imperial County Transportation Commission
Balance Sheet
Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Transportation Development Act Fund	State Transit Assistance Fund	Prop 1B Fund	State of Good Repair Fund
ASSETS				
Cash and investments	\$ 13,479,793	\$ 5,067,309	\$ 2	\$ 1,212,382
Receivables:				
Accounts receivable	1,475,304	-	30	50,424
Interest receivable	30,990	10,704	-	2,661
Due from other governments	-	494,974	-	-
Total assets	<u>\$ 14,986,087</u>	<u>\$ 5,572,987</u>	<u>\$ 32</u>	<u>\$ 1,265,467</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 171,539	\$ 1,496,420	\$ -	\$ -
Accrued payroll	-	-	-	-
Unearned revenues	-	1,215,587	-	1,265,467
Total liabilities	<u>171,539</u>	<u>2,712,007</u>	<u>-</u>	<u>1,265,467</u>
Fund Balances:				
Restricted	14,814,548	2,860,980	32	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>14,814,548</u>	<u>2,860,980</u>	<u>32</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 14,986,087</u>	<u>\$ 5,572,987</u>	<u>\$ 32</u>	<u>\$ 1,265,467</u>

Imperial County Transportation Commission
Balance Sheet (Continued)
Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 541,222	\$ 23	\$ 1,438,467	\$ 21,739,198
Receivables:				
Accounts receivable	2,521,234	903	36,186	4,084,081
Interest receivable	8,569	2	3,272	56,198
Due from other governments	-	-	-	494,974
Total assets	<u>\$ 3,071,025</u>	<u>\$ 928</u>	<u>\$ 1,477,925</u>	<u>\$ 26,374,451</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,087,491	\$ 902	\$ 1,473	\$ 4,757,825
Accrued payroll	8,300	-	388	8,688
Unearned revenues	-	-	-	2,481,054
Total liabilities	<u>3,095,791</u>	<u>902</u>	<u>1,861</u>	<u>7,247,567</u>
Fund Balances:				
Restricted	-	26	1,476,064	19,151,650
Unassigned (deficit)	(24,766)	-	-	(24,766)
Total fund balances	<u>(24,766)</u>	<u>26</u>	<u>1,476,064</u>	<u>19,126,884</u>
Total liabilities and fund balances	<u>\$ 3,071,025</u>	<u>\$ 928</u>	<u>\$ 1,477,925</u>	<u>\$ 26,374,451</u>

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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, 2022

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

Fund balances of governmental funds	\$ 19,126,884
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	175,469
Net pension liability	(19,452)
Pension related deferred inflows of resources	(248,262)
Compensated absences liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	<u>(22,520)</u>
Net position of governmental activities	<u><u>\$ 19,012,119</u></u>

Imperial County Transportation Commission
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Transportation Development Act Fund	State Transit Assistance Fund	Prop 1B Fund	State of Good Repair Fund
Revenues:				
State allocations	\$ -	\$ 1,743,238	\$ -	\$ -
Federal allocations	-	-	-	-
TDA sales taxes	7,672,018	-	-	-
Investment income	95,350	24,800	-	-
Membership revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>7,767,368</u>	<u>1,768,038</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
TDA disbursements	3,735,349	1,749,069	-	-
General and administrative	644,131	-	-	-
Professional services	75,000	-	-	-
Total expenditures	<u>4,454,480</u>	<u>1,749,069</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>3,312,888</u>	<u>18,969</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(3,998,663)	(81,962)	-	-
Total other financing sources (uses)	<u>(3,998,663)</u>	<u>(81,962)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(685,775)</u>	<u>(62,993)</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Beginning of year	15,500,323	2,923,973	32	-
End of year	<u>\$ 14,814,548</u>	<u>\$ 2,860,980</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, 2022

	Special Revenue Funds			Total
	Regional Planning and Programs Fund	Regional Collaborations Fund	SAFE Fund	Governmental Funds
Revenues:				
State allocations	\$ 542,391	\$ -	\$ 211,625	\$ 2,497,254
Federal allocations	9,762,568	61,747	-	9,824,315
TDA sales taxes	-	-	-	7,672,018
Investment income	29,642	12	11,228	161,032
Membership revenues	82,669	-	-	82,669
Other revenues	15,267	-	-	15,267
Total revenues	10,432,537	61,759	222,853	20,252,555
Expenditures:				
Current:				
TDA disbursements	-	-	-	5,484,418
General and administrative	11,107,100	13	57,799	11,809,043
Professional services	150,479	62,220	263,699	551,398
Total expenditures	11,257,579	62,233	321,498	17,844,859
Excess of revenues over (under) expenditures	(825,042)	(474)	(98,645)	2,407,696
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(4,080,625)
Total other financing sources (uses)	-	-	-	(4,080,625)
Net change in fund balance	(825,042)	(474)	(98,645)	(1,672,929)
Fund Balances:				
Beginning of year	800,276	500	1,574,709	20,799,813
End of year	<u>\$ (24,766)</u>	<u>\$ 26</u>	<u>\$ 1,476,064</u>	<u>\$ 19,126,884</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, 2022

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

Net change in fund balances of governmental funds	\$ (1,672,929)
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.	280,532
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	(56,894)
Pension-related deferred inflows of resources	(201,390)
Changes in compensated absences do not use current financial resources and, therefore are not reported as an expenditure in governmental funds.	<u>1,260</u>
Change in net position of governmental activities	<u><u>\$ (1,649,421)</u></u>

Imperial County Transportation Commission
Statement of Net Position
Proprietary Funds
June 30, 2022

	Enterprise Funds		
	Transit Planning and Programs Management Fund	SB 325 Funds for Article 8c Fund	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 23,658,753	\$ -	\$ 23,658,753
Receivables:			
Due from other governments	2,922,507	-	2,922,507
Interest receivable	52,314	-	52,314
Total current assets	26,633,574	-	26,633,574
Noncurrent Assets:			
Depreciable, net of accumulated depreciation	4,457,187	-	4,457,187
Total noncurrent assets	4,457,187	-	4,457,187
Total assets	31,090,761	-	31,090,761
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	372,871	-	372,871
Total deferred outflows of resources	372,871	-	372,871
LIABILITIES			
Current Liabilities:			
Accounts payable	663,791	-	663,791
Accrued payroll	22,624	-	22,624
Compensated absences, due within one year	47,676	-	47,676
Total current liabilities	734,091	-	734,091
Long-term liabilities:			
Net pension liability	41,336	-	41,336
Total long-term liabilities	41,336	-	41,336
Total liabilities	775,427	-	775,427
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	527,556	-	527,556
Total deferred inflows of resources	527,556	-	527,556
NET POSITION			
Net investment in capital assets	4,457,187	-	4,457,187
Restricted	25,703,462	-	25,703,462
Total net position	\$ 30,160,649	\$ -	\$ 30,160,649

Imperial County Transportation Commission
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds		
	Transit Planning and Programs Management Fund	SB 325 Funds for Article 8c Fund	Totals
Operating Revenues:			
Passenger fares	\$ 622,519	\$ -	\$ 622,519
Total operating revenue	<u>622,519</u>	<u>-</u>	<u>622,519</u>
Operating Expenses:			
Purchased transportation services	7,583,838	-	7,583,838
Professional services	561,367	-	561,367
General administration	955,238	-	955,238
Capital contributions	13,634	-	13,634
Maintenance	279,640	-	279,640
Depreciation	845,687	-	845,687
Total operating expenses	<u>10,239,404</u>	<u>-</u>	<u>10,239,404</u>
Operating income (loss)	<u>(9,616,885)</u>	<u>-</u>	<u>(9,616,885)</u>
Nonoperating Revenues (Expenses):			
State transit revenues	5,254,529	-	5,254,529
Federal grant revenues	5,776,933	-	5,776,933
ICTC reimbursements	488,222	-	488,222
Interest income	159,807	-	159,807
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>11,679,491</u>	<u>-</u>	<u>11,679,491</u>
Income (loss) before transfers	<u>2,062,606</u>	<u>-</u>	<u>2,062,606</u>
Transfers:			
Transfers in	4,080,625	-	4,080,625
Total transfers	<u>4,080,625</u>	<u>-</u>	<u>4,080,625</u>
Change in net position	<u>6,143,231</u>	<u>-</u>	<u>6,143,231</u>
Net Position:			
Beginning of year	24,017,418	-	24,017,418
End of year	<u>\$ 30,160,649</u>	<u>\$ -</u>	<u>\$ 30,160,649</u>

Imperial County Transportation Commission
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds		
	Transit Planning and Programs Management Fund	SB 325 Funds for Article 8c Fund	Totals
Cash flows from operating activities:			
Passenger fares	\$ 875,370	\$ -	\$ 875,370
Payments to vendors	(8,402,041)	-	(8,402,041)
Payments to employees	(1,005,716)	-	(1,005,716)
Net cash (used in) operating activities	(8,532,387)	-	(8,532,387)
Cash flows from noncapital financing activities:			
Cash received from other funds	4,080,625	-	4,080,625
Non-operating grants received	9,601,595	-	9,601,595
Net cash provided by noncapital financing activities	13,682,220	-	13,682,220
Cash flows from investing activities:			
Interest received	144,963	-	144,963
Net cash provided by investing activities	144,963	-	144,963
Net increase in cash and cash equivalents	5,294,796	-	5,294,796
Cash and cash equivalents, beginning of year	18,363,957	-	18,363,957
Cash and cash equivalents, end of year	\$ 23,658,753	\$ -	\$ 23,658,753
Reconciliation of operating (loss) to net cash provided by operating activities			
Operating (loss)	\$ (9,616,885)	\$ -	\$ (9,616,885)
Adjustment to reconcile operating loss to net cash provided by operating activities:			
Depreciation	845,687	-	845,687
Change in assets and liabilities:			
Accounts receivable	252,851	-	252,851
Pension-related deferred outflows of resources	120,901	-	120,901
Accounts payable	36,438	-	36,438
Accrued payroll	(347)	-	(347)
Compensated absences	(2,856)	-	(2,856)
Net pension liability	(596,130)	-	(596,130)
Pension-related deferred inflows of resources	427,954	-	427,954
Total adjustments	1,084,498	-	1,084,498
Net cash used in operating activities	\$ (8,532,387)	\$ -	\$ (8,532,387)

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Imperial County Transportation Commission

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

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, 2022

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.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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.

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 Fund – This fund was established by the Commission in order to administer funds derived from ¼ cent of the local general sales tax collected statewide. The state Board of Equalization returns the ¼ cent to each county according to the amount of tax collected. Disbursements from the TDA fund are made to the County of Imperial and the cities located within the County.

State Transit Assistance 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 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 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 Fund - This fund was established in order to administer regional transportation programs and services.

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

SAFE 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, 2022

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 are 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 funds:

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.

SB 325 for Article 8c Fund - This fund was established through five contracts with outside vendors. They are held with First Transit, Inc. to provide the Imperial Valley Transit fixed route service, the IVT ACCESS which provides paratransit service exclusively for disabled persons under the Americans with Disabilities Act (ADA), IVT-RIDE an intra city dial-a-ride service for senior and persons with disabilities within Brawley, Calexico, El Centro, Heber, Imperial and the West Shores, and IVT MedTrans which provide nonemergency transportation to medical facilities in San Diego in order to administer regional transportation programs and services. This fund tracks amounts that the Commission claims on its Article 8c form towards transit operations.

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.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Cash and Cash Equivalents (Continued)

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.

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	80,000 to 95,000 miles
Buildings	40 years
Improvements	Remaining useful life
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

GASB Statement No. 16, *Accounting for Compensated Absences*, provides specific guidance on how the leave liability should be calculated. 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, 2022

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, 2022.

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. 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.

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.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Fund Balance Classifications (Continued)

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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Cash and Investments

At June 30, 2022, cash and investments are classified in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 21,739,198	\$ 23,658,753	\$ 45,397,951

At June 30, 2022, cash and investments consisted of the following:

Deposits with financial institutions	\$ 386,068
Imperial County investment pool	45,011,883
Total	\$ 45,397,951

Demand Deposits

At June 30, 2022, the carrying amount of the Commission's deposits were \$386,068 and bank balances were \$386,068. 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.

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 \$38,835,853 in the Imperial County Treasury at June 30, 2022. 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, 2022, 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.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Federal, State, and Local Grants

Federal Assistance – The Commission receives Federal operating assistance funds through the U.S. Department of Transit Grant (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 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, 2022 was \$9,293,173.

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.

	<u>Required</u>	<u>Actual</u>
IVT	17%	6.94%
IVT Access	10%	1.77%
IVT Ride	10%	1.25%
MedTrans	10%	3.03%

Proposition 1B - The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund and California Transit Security Grant Program (CTSGP) 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 CTSGP as of June 30, 2022 are \$0 and \$88,085, respectively at June 30, 2022.

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, 2022 was \$2,481,053.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

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, 2022 was \$1,265,467.

STIP-PPM Program – During the fiscal year ended June 30, 2022, the Commission applied for and received proceeds of \$202,000 from the State of California STIP-PPM Program. As of June 30, 2022, Category A, B, and C proceeds have been fully expended.

Schedule III - STIP-PPM Category A	
Salaries & Benefits	\$ 76,036
Professional & Special Services	3,964
Sutotal category A	<u>80,000</u>
Schedule IV - STIP-PPM Category B	
Salaries & Benefits	69,457
Professional & Special Services	10,544
Sutotal category B	<u>80,001</u>
Schedule V - STIP-PPM Category C	
Salaries & Benefits	33,155
Professional & Special Services	-
Travel	8,845
Sutotal category C	<u>42,000</u>
Total	<u>\$ 202,001</u>

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, 2022, the Commission has spent \$445,362 of the awarded proceeds on the project.

Note 5 – Interfund Transactions

A. Transfers

Interfund transfers consisted of the following for the year ended June 30, 2022:

	Transfers Out				Total
	Transportation Development Act Governmental Fund	State Transit Assistance Governmental Fund	Prop 1B Governmental Fund	Transit Planning and Programs Management Enterprise Fund	
Transfers In					
Enterprise Funds:					
Transit Planning and Programs Management Fund	\$ 3,998,663	\$ 81,962	\$ -	\$ -	\$ 4,080,625
Total	<u>\$ 3,998,663</u>	<u>\$ 81,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,080,625</u>

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, 2022

Note 6 – Capital Assets

A summary of changes in capital assets for the business-type activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities:				
Depreciable assets:				
Furniture	\$ 14,045	\$ -	\$ -	\$ 14,045
Transit equipment	11,066,420	-	-	11,066,420
Total depreciable assets	11,080,465	-	-	11,080,465
Less: accumulated depreciation				
Furniture	(14,045)	-	-	(14,045)
Transit equipment	(5,763,546)	(845,687)	-	(6,609,233)
Total accumulated depreciation	(5,777,591)	(845,687)	-	(6,623,278)
Business-type activities capital assets, net	\$ 5,302,874	\$ (845,687)	\$ -	\$ 4,457,187

Depreciation expense for the year ended June 30, 2022 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	\$ 845,687
Total business-type activities depreciation	<u>\$ 845,687</u>
Transportation services	<u>\$ 845,687</u>

Note 7 – Compensated Absences

Changes in compensated absences for the year ended June 30, 2022, were as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due in One Year
Governmental Activities:					
Compensated absences	\$ 23,780	\$ 27,105	\$ (28,365)	\$ 22,520	\$ 21,033
	<u>\$ 23,780</u>	<u>\$ 27,105</u>	<u>\$ (28,365)</u>	<u>\$ 22,520</u>	<u>\$ 21,033</u>
Business-type Activities:					
Compensated absences	\$ 50,532	\$ 61,438	\$ (64,294)	\$ 47,676	\$ 47,676

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, 2022

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, 2021 measurement date, plan membership consisted of the following:

Active employees	10
Retired employees and beneficiaries	1
Total	<u>11</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 PEPPRA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPPRA) 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 PEPPRA 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, 2022

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 2021 is equal to \$151,549 (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 PEPRAs general member or PEPRAs 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, 2021 for 2020-2021 (based on the June 30, 2019 valuation) was 24.53% 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, 2021 for 2020-2021 (based on the June 30, 2019 valuation) was 13.26% of compensation.

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2021 and was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. In particular, the following actuarial assumption were applied in the June 30, 2021 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, 2020 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%
	<u>100.00%</u>	

Imperial County Transportation Commission
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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, 2021 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, 2021 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% (6.00%)	Current Discount Rate (7.00%)	Discount Rate + 1% (8.00%)
\$ 1,079,540	\$ 60,788	\$ (612,567)

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, 2022, the Commission reported a liability of \$937,450 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 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, 2021 measurement date, the Commission's proportionate share of net pension liability was 0.477%. This is a .025% increase from the previous year.

For the year ended June 30, 2022, the Commission recognized pension expense of \$110,470. 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, 2022

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, 2021.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2020). 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, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-2021).
- (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 ("EARSLS") 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 EARSLS for risk pool for 2020-2021 measurement period is 6.74 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, 2022

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, 2022, 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	\$ 141,167	\$ -
Difference between expected and actual experience	24,865	(93,798)
Changes of assumptions	285,440	-
Net difference between projected and actual earning on pension plan investments	-	(654,644)
Adjustment due to differences in proportions	96,868	(27,376)
Total	<u>\$ 548,340</u>	<u>\$ (775,818)</u>

\$141,167 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	-
	<u>\$ -</u>

At June 30, 2022, 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, 2022

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, 2022, the Commission allocated \$417,999 of LTF funds to local agencies as shown below.

Local Agency	Bicycles and Pedestrians	Benches and Shelters	Total
City of Brawley	\$ 26,542	\$ 61,382	\$ 87,924
City of Calexico	34,650	41,962	76,612
City of Calipatria	1,208	1,519	2,727
City of El Centro	37,061	88,620	125,681
City of Holtville	13,842	2,643	16,485
City of Imperial	22,039	28,283	50,322
County of Imperial	31,242	14,616	45,858
City of Westmorland	11,416	974	12,390
Total allocations	<u>\$ 178,000</u>	<u>\$ 239,999</u>	<u>\$ 417,999</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:

Insurance	Amount
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, 2022

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, 2022, the Commission did not have significant outstanding commitments.

Note 12 – Other Required Disclosures

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures</u>
Transportation Development Act Fund	TDA disbursements	\$ 3,735,349
Regional Planning and Programs Fund	General and administrative	11,107,100
SAFE Fund	General and administrative	57,799
	Professional services	263,699

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Prop 1B Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues:				
State allocations	\$ 530,143	\$ 530,143	\$ -	\$ (530,143)
Investment income	-	-	-	-
Total revenues	<u>530,143</u>	<u>530,143</u>	<u>-</u>	<u>(530,143)</u>
Expenditures:				
Current:				
PTMISEA projects	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>530,143</u>	<u>530,143</u>	<u>-</u>	<u>(530,143)</u>
Other Financing Sources:				
Transfers out	(530,413)	(530,143)	-	530,143
Total other financing sources	<u>(530,413)</u>	<u>(530,143)</u>	<u>-</u>	<u>530,143</u>
Net change in fund balance	<u>\$ (270)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:				
Beginning of Year			32	
End of Year			<u>\$ 32</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Transportation Development Act Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues:				
TDA sales taxes	\$ 5,274,005	\$ 5,274,005	\$ 7,672,018	\$ 2,398,013
Investment income	-	-	95,350	95,350
Total revenues	<u>5,274,005</u>	<u>5,274,005</u>	<u>7,767,368</u>	<u>2,493,363</u>
Expenditures:				
Current:				
TDA disbursements	-	-	3,735,349	(3,735,349)
STA projects	-	-	-	-
General and administrative	-	-	644,131	(644,131)
Total expenditures	<u>-</u>	<u>-</u>	<u>4,454,480</u>	<u>(4,454,480)</u>
Excess of revenues over (under) expenditures	<u>5,274,005</u>	<u>5,274,005</u>	<u>3,312,888</u>	<u>(1,961,117)</u>
Other Financing Sources:				
Transfers out	-	-	(3,998,663)	(3,998,663)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(3,998,663)</u>	<u>(3,998,663)</u>
Net change in fund balance	<u>\$ 5,274,005</u>	<u>\$ 5,274,005</u>	<u>(685,775)</u>	<u>\$ (5,959,780)</u>
Fund Balance:				
Beginning of Year			15,500,323	
End of Year			<u>\$ 14,814,548</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - State Transit Assistance Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues:				
State allocations	\$ -	\$ -	\$ 1,743,238	\$ 1,743,238
Investment income	-	-	24,800	24,800
Total revenues	-	-	1,768,038	1,768,038
Expenditures:				
Current:				
STA projects	-	-	-	-
Total expenditures	-	-	1,749,069	(1,749,069)
Excess of revenues over (under) expenditures	-	-	18,969	18,969
Other Financing Sources:				
Transfers out	-	-	(81,962)	(81,962)
Total other financing sources	-	-	(81,962)	(81,962)
Net change in fund balance	\$ -	\$ -	(62,993)	\$ (62,993)
Fund Balance:				
Beginning of Year			2,923,973	
End of Year			\$ 2,860,980	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Regional Planning and Programs Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues:				
State allocations	\$ -	\$ -	\$ 542,391	\$ 542,391
Federal allocations	-	-	9,762,568	9,762,568
Investment income	-	-	29,642	29,642
Membership revenues	-	-	82,669	82,669
Other revenues	-	-	15,267	15,267
Total revenues	-	-	10,432,537	10,432,537
Expenditures:				
Current:				
General and administrative	-	-	11,107,100	(11,107,100)
Professional services	-	-	150,479	(150,479)
Total expenditures	-	-	11,257,579	(11,257,579)
Excess of revenues over (under) expenditures	-	-	(825,042)	(825,042)
Other Financing Sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	(825,042)	\$ (825,042)
Fund Balance:				
Beginning of Year			800,276	
End of Year			<u>\$ (24,766)</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Regional Collaborations Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues:				
State allocations	\$ 340,631	\$ 340,631	\$ -	\$ (340,631)
Federal allocations	-	-	61,747	61,747
Investment income	-	-	12	12
Total revenues	<u>340,631</u>	<u>340,631</u>	<u>61,759</u>	<u>(278,872)</u>
Expenditures:				
Current:				
General and administrative	-	-	13	(13)
Professional services	-	-	62,220	(62,220)
Total expenditures	<u>-</u>	<u>-</u>	<u>62,233</u>	<u>(62,233)</u>
Net change in fund balance	<u>\$ 340,631</u>	<u>\$ 340,631</u>	<u>(474)</u>	<u>\$ (341,105)</u>
Fund Balance:				
Beginning of Year			500	
End of Year			<u>\$ 26</u>	

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - SAFE Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues:				
State allocations	\$ -	\$ -	\$ 211,625	\$ 211,625
Investment income	-	-	11,228	11,228
Other revenues	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>222,853</u>	<u>222,853</u>
Expenditures:				
Current:				
General and administrative	-	-	57,799	(57,799)
Professional services	-	-	263,699	(263,699)
Total expenditures	<u>-</u>	<u>-</u>	<u>321,498</u>	<u>(321,498)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(98,645)</u>	<u>\$ (98,645)</u>
Fund Balance:				
Beginning of Year			1,574,709	
End of Year			<u>\$ 1,476,064</u>	

Imperial County Transportation Commission
Required Supplementary Information
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2022

Budget and Budgetary Accounting

ICTC establishes accounting control through formal adoption of an annual budget for all of its funds. The Overall Work Plan and Budget is developed by ICTC staff and Executive Director and demonstrates a comprehensive agency-wide budget that conveys the work to be performed by the Commission. Staff has the on-going 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, 2022

Last Ten Fiscal Years¹

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

Fiscal Year Ended June 30, Measurement Date	2022 June 30, 2021	2021 June 30, 2020	2020 June 30, 2019	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015
Proportion of the net pension liability	0.68200%	0.50200%	0.42200%	0.40800%	0.36600%	0.35800%	0.34100%
Proportionate share of the net pension liability	<u>\$ 60,788</u>	<u>\$ 613,149</u>	<u>\$ 588,681</u>	<u>\$ 546,878</u>	<u>\$ 491,187</u>	<u>\$ 317,478</u>	<u>\$ 200,453</u>
Covered payroll	<u>\$ 698,009</u>	<u>\$ 715,480</u>	<u>\$ 599,646</u>	<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>8.71%</u>	<u>85.70%</u>	<u>98.17%</u>	<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>81.98%</u>	<u>87.76%</u>	<u>86.20%</u>	<u>85.31%</u>	<u>83.39%</u>	<u>88.78%</u>	<u>88.78%</u>

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

Imperial County Transportation Commission
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions
For the Year Ended June 30, 2022

Last Ten Fiscal Years¹

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

	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 141,167	\$ 145,001	\$ 101,098	\$ 92,719	\$ 85,263	\$ 80,762	\$ 71,167
Contributions in relation to the actuarially determined contributions	(141,167)	(145,001)	(101,098)	(92,719)	(85,263)	(80,762)	(71,167)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 698,009	\$ 715,480	\$ 599,646	\$ 542,755	\$ 483,874	\$ 452,450	\$ 431,290
Contributions as a percentage of covered payroll	20.22%	20.27%	16.86%	17.08%	17.62%	17.85%	16.50%

¹ Historical information is presented only for measurement periods for which GASB No. 68 is available for periods after GASB 68 implementation in 2014. Additional years of information will be displayed as it becomes available.

Notes to Schedule:

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

Imperial County Transportation Commission

El Centro, California

Single Audit and Independent Auditors' Reports

For the Year Ended June 30, 2022



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Imperial County Transportation Commission
Single Audit Report
For the Year Ended June 30, 2022
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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 notes to financial statements of the Imperial County Transportation Commission ("Commission"), as of and for the year ended June 30, 2022, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 8, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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*.

Management's Response to Findings

The Commission's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Commission's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

San Diego, California
March 8, 2023

**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

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, 2022. The Commission's major federal programs are identified in the Summary of the Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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, 2022.

Report on Internal Control Over Compliance

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

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

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

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, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2023, 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.

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

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.

San Diego, California
March 8, 2023

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Imperial County Transportation Commission
Single Audit Report
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
<i>Direct Programs:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	CML-6471(014)	\$ 249,029
	Highway Planning and Construction Cluster Total		<u>249,029</u>
Federal Transit Cluster:			
Urbanized Area Formula Program, Section 5307 - CARES	20.507	CA-2020-099 CARES	4,664,599
Urbanized Area Formula Program, Section 5307 - CARES	20.507	ARPA 2021-031	385,507
	Federal Transit Cluster Total		<u>5,050,106</u>
<i>Passed Through California Department of Transportation:</i>			
Formula Grants for Rural Areas, Section 5311 - CARES	20.509	2 64VO20-1320 CARES	<u>372,521</u>
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5310	20.513	SA64AM19-01181	<u>171,207</u>
	Transit Services Cluster Total		<u>171,207</u>
Better Utilizing Investments to Leverage Development (BUILD) Grant	20.509	BUILD L6471(017)	<u>8,248,442</u>
	Total U.S. Department of Transportation		<u>14,091,305</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Direct Programs:</i>			
Brownfields Assessment and Cleanup Grant Program	66.818	99T62101	<u>58,785</u>
	Total U.S. Environmental Protection Agency		<u>58,785</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 14,150,090</u>

Imperial County Transportation Commission
Single Audit Report
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

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 of Expenditures of Federal Awards (“Schedule”) 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* (“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, 2022.

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, 2022

Section I – Summary of Auditor’s 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? No
- 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	CFDA Number(s)	Expenditures
Federal Transit Cluster	20.507	\$ 5,050,106
Better Utilizing Investments to Leverage Development (BUILD) Grant	20.933	8,248,442
Total Expenditures of All Major Federal Programs		\$ 13,298,548
Total Expenditures of Federal Awards		\$ 14,150,090
Percentage of Total Expenditures of Federal Awards		93.98%

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? No

**Imperial County Transportation Commission
Single Audit Report
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022**

Section II – Financial Statement Findings

A. Current Year Financial Statement Findings

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

B. Prior Year Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 2021.

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, 2022.

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, 2021.

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VI. ACTION CALENDAR

VI. ACTION CALENDAR

- B. Callexico East Port of Entry Bridge Widening Project – Contract Change Order No 2 Supplement 1
1. Approve Change Order No. 2 Supplement 1 to Hazard Construction Company for the Callexico East Port of Entry Bridge Widening Project in the amount of \$110,991.08 modifying the total contract value to \$20,160,242.61.
 2. Authorize the Executive Director to sign Change Order No. 2 Supplement 1.



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

March 9, 2023

Mike Goodsell, 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. 2 - Supplement 1

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	\$20,049,252
Construction Management/Resident Engineering – Jacobs Engineering	\$2,956,458
Material Testing – Atlas/Sierra Material Testing	<u>\$557,683</u>
Total Project Cost	\$23,563,393

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.

ICTC previously approved Change Order No. 2, which consisted of additional design efforts for additional improvements and relocated facilities. The additional design efforts were related to the relocation of the existing pedestrian crossing metal canopy, relocation of the electrical panel within the existing pedestrian crossing, installation of new cameras at the pedestrian crossing, installation of swing gates at the new pedestrian crossing, and installation of new lighting infrastructure along the east bridge barrier.

The proposed change order is a supplement to Change Order No. 2. Supplement No. 1 to Change Order No. 2 consists of construction efforts associated with the installation of the new lighting infrastructure along the east bridge barrier. The following are the items that are included in Supplement No. 1 to Change Order No. 2.

1. Install six (6) Type 15 Poles, with 12-foot mast arms and lighting.

ICTC and Hazard construction negotiated the cost for the change order and agreed to the recommended cost increase of \$110,991.08. ICTC has forwarded the proposed change order to FHWA for approval and concurrence.

The total revised amount for the design/build contract would be \$20,160,242.61. The proposed change order fee has been budgeted in ICTC FY 22/23 Budget. The proposed change order cost is within the existing funding threshold and no additional financial impact is anticipated.

The ICTC Management Committee met on March 8, 2023, and forward this item to the ICTC Commission for their review and approval after public comment, if any.

1. Approve Change Order No. 2 Supplement 1 to Hazard Construction Company for the Calexico East Port of Entry Bridge Widening Project in the amount of \$110,991.08 modifying the total contract value to \$20,160,242.61.
2. Authorize the Executive Director to sign Change Order No. 2 Supplement 1.

Sincerely,



David Aguirre
Executive Director



CONTRACT CHANGE ORDER NO. 2 SUPPL. NO 1
PROJECT Calexico East Port of Entry Bridge Widening Project SHEET 1 of 1
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:

Provide labor, equipment and material to furnish and install Type 15 Poles, 12-foot mast arm and LED roadway lighting mounted on the easterly concrete barrier. Due to the widening of the bridge, it was recommended that additional roadway lighting mounted on the easterly concrete barrier be considered for installation.

Estimated Cost of Extra Work at Agreed Lumpsum**\$110,991.08**

Estimated Cost: Decrease: \$ _____ Increase: \$ 110,991.08

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

Submitted By: Irfan Patel Digitally signed by Irfan Patel
DN: cn=Irfan Patel, c=US, o=Jacobs, ou=Jacobs PMCM, email=irfan.patel@jacobs.com
Date: 2023.02.15 16:29:29 -08'00' Date: 02/15/2023
Irfan Patel, Resident Engineer

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

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

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: 2/16/23 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

- A. ICTC EXECUTIVE DIRECTOR
- B. SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
- C. CALTRANS - DISTRICT 11
- D. COMMISSION MEMBER REPORTS (IF ANY)



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

Memorandum

Date: March 22, 2023
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 22, 2023.

- 1) **FY 2023-24 Unmet Transit Needs Survey:** The Imperial County Transportation Commission is collecting public feedback on public transportation needs. This involves funding for various public transit services. You are invited to provide your feedback by completing our survey before 5:00 PM on March 03, 2023. ICTC had previously posted an online survey and physical surveys available on our vehicles for passengers to complete. The public hearing is scheduled for April 6, 2023, at 3 p.m. at the ICTC offices and via zoom meeting. ICTC respectfully request members of the commission to attend the public hearing and one member of the commission to facilitate the public hearing. The public hearing is typically facilitated by the Chair of the commission, but the role can be delegated.
- 2) **2022 Long Range Transportation Plan:** The ICTC in its capacity as the Regional Transportation Planning Agency is responsible to lead 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 consultant team continues to work on the existing conditions technical memorandum. 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

The Consultant has completed drafts of the Existing Conditions technical memorandum and Transportation Issues and Strategies technical memorandum. To access the documents, please visit the project website located at <https://ictc-lrtp2023.org/new-page-2>. The Consultant team has draft listing of Projects and Program listing and has conducted one-on-one meetings with local agencies for input. The draft list Projects and Programs were reviewed by the Steering Committee on Tuesday, December 13, 2022. *Project list evaluation has been initiated by the Consultant and additional project follow-up is being conducted by the lead agency.*

Spring outreach activities for the Long Range Transportation Program have been scheduled in conjunction with community events for the following days:

- *El Centro Annual Air Show: March 11, at 8:30 a.m. 2024 Bennet Road, El Centro*
- *Children's and Family Health Fair: Wednesday, March 15, at 1:30 p.m. Grace Smith School Gym, 9 East 4th Street, Niland*
- *Calexico Wellness Center Health Fair: March 22, 2023, at 10:00 a.m. 420 Heffernan Avenue, Calexico*
- *Cesar Chavez Celebration Festival: Thursday, March 30, at 2 p.m. Rockwood Avenue Promenade in Downtown Calexico*
- *42nd Annual Children's Fair: Saturday, April 1, at 10 a.m. Bucklin Park, 8th Street and Ross Avenue, El Centro*

A steering committee meeting is scheduled for March 30, 2023 with Caltrans, County of Imperial, SCAG and ICTC staff. A technical advisory committee meeting with all City, County, IID and Caltrans staff in mid-late April 2023.

- 3) **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 150 passengers per day since the removal of the free fares and has been well received.*
- 4) **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 will be held at the ICTC offices on Wednesday, March 29, 2023, at 9 a.m.*
- 5) **Imperial Mexicali Binational Alliance (IMBA):** *The February 9, 2023, IMBA meeting was held in the City of El Centro at the ICTC offices. The meeting included updates on Calexico East Port of Entry Bridge Widening project, Calexico West Port of Entry Phase 2A and 2B, education updates by IVC, SDSU Imperial Valley Campus and Mexicali partners. Presentations on the Gateway of the America's were provided by developers. The next IMBA meeting is scheduled for April 13, 2023, in the City of Mexicali. The meeting will be available via Zoom and in-person.*
- 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 is anticipated to be completed in mid-2023. Approximately 80% of construction efforts have been completed. A ribbon cutting ceremony is anticipated to take place in the May/June timeframe. The project is temporarily on hold due to the issuance of the presidential permit to relocate the border fence.*

- 7) **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 has 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. ICTC, CBP and AECOM recently conducted a job walk of the project site and to discuss various project design items.

- 8) **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.*
- 9) **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.
- 10) **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)*

- 11) **Surface Transportation Block Grant Program (STBG) and Congestion Mitigation and Air Quality Program (CMAQ) 2022 Call for Projects – FFY 2022/2023 to FFY 2024/2025:** The STBG and CMAQ Call for Projects began on November 18, 2021. The approved 2022 CMAQ & STBG Guidelines are posted on the ICTC website at <http://www.imperialetc.org/call-for-projects/>. Applications were submitted on Friday, February 25, 2022 to ICTC office. All agencies submitted with the exception of the City of Westmorland and IID. A total of 10 STBG and 11 CMAQ applications were received by ICTC. Funding requests exceed the CMAQ and STBG amounts available for the three (3) fiscal years.

Program	Total Amount Available	Amount Requested by All Applicants
CMAQ	\$5,222,306	\$9,136,697
STBG	\$7,706,117	\$16,640,508

Technical staff representing all the cities and county participated in a scoring and ranking meeting on March 17, 2022, at the ICTC offices. This item was approved by the Commission on April 27, 2022. ICTC staff worked with local agency staff and programmed all approved projects in the Federal Transportation Improvement Program (FTIP). Additionally, in response to the Federal Highway Administration (FHWA) corrective action of future CMAQ and STBG funds, ICTC staff has worked with member agency staff and completed a mini call for projects for FFY 2025/26 CMAQ and STBG funds. On Thursday, October 6th all member agencies reviewed and ranked projects submitted for FFY2025/26 funding. *Project list recommendation was reviewed and approved by Management Committee and Commission on November 9, 2022.*

- 12) **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.*
- 13) **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. Staff recommendations were approved at the January Commission meeting. See the table below for further information. *Next steps include approval of the projects by SCAG and ultimately the California Transportation Commission during their June 2023 meeting.*

TABLE 2		
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

- 14) **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 the City of Calexico's private transit operators, taxis and farm labor buses. ICTC received a Congestion Mitigation and Air Quality federal program fund to complete the environmental and design plans of the new Calexico ITC. ICTC staff is in the process of completing the contract award for a consultant firm that will complete the environmental and design phase. Currently, ICTC staff is completing the Caltrans award review process with multiple Caltrans' departments. The ICTC Board adopted the agreement with Psomas on September 26, 2018. The environmental phase has been completed. *Design was completed in the month of April 2022 and Right of Way Acquisition is underway. The city of Calexico Council approved the commencement of the eminent domain process for two of the required properties. ICTC is exploring funding opportunities to complete the required construction efforts and to complete Right of Way acquisition.*
- 15) **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. *A survey will be shared to San Diego and Imperial County stakeholders on March 20, 2023.*
- 16) **Potential Bus Stop in Calipatria:** ICTC has evaluated all of its fixed route service routes to attempt to provide service to the east side of Calipatria. Staff conducted time trials as well utilized several types of buses to verify buses would not have issues with other existing stops within proposed routes. Potential stops for the area include a stop along Commercial Avenue and potentially another stop near Alexandria Street. Staff is proposing to utilize its IVC Express route to potentially service the area. ICTC and City staff have begun coordination to implement infrastructure associated with the bus stop(s). *ICTC has begun utilizing the IVC Express route to service both bus stops along the east side (intersection of Bonita Place and Commercial Avenue) and (intersection of Alexandria Street and Brown Avenue) of Calipatria. The City of Calipatria has engaged its engineering team to review applicable infrastructure needs. ICTC has received a proposed cost to complete the infrastructure improvements. ICTC has forwarded proposed concepts for bus stop improvements at the two locations to the city staff. Further coordination is required.*
- 17) **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 of its transit programs. ICTC is currently working on program rollout and is currently developing a new grant application to expand the program.*
- 18) **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 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. Phase 2 of the project is anticipated to be completed in the April/May 2023 timeframe.*

19) **State and Federal Local funding Obligations:** Projects 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).

20) **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

21) **State Legislation for Transportation Funding – SB 1 Local Partnership Program (LPP):** *Local Partnership Program is comprised of formulaic program and competitive programs. The Local Partnership Formulaic Program (LPFP) funds share distributions for Cycle 3 are in the amount of \$1,549,000. Cycle 3 LPFP funds must be programmed and allocated in FY 2022-2023 and before June 30, 2023. The Program guidelines require a 50% match, project nomination forms must be collected by ICTC and submitted to the California Transportation Commission (CTC) for programming approval. Subsequently, the cities/county must submit allocation request to the CTC for use of funds. A one-time extension is allowed for allocation approval by the CTC for up to 12 months. If both programming, allocation, and/or time extension is approved by June 30, 2023, funds will lapse.*

ICTC staff is preparing to initiate the funding distribution discussion with member agency staff at the TAC meeting on August 25, 2022. Upon review and recommendations received by TAC members, project nomination forms will be gathered and presented to the ICTC Management and Commission in the September or October meetings.

The following is the link to the 2019 Local Partnership Program guidelines:

http://catc.ca.gov/programs/sb1/lpp/docs/062719+Amended_LPP%20Guidelines.pdf

22) **Partnerships with IVEDC:**

- **Southern Border Broadband Consortium (SBBC):** SBBC continues to work with local stakeholders to identify, prioritize and advance broadband infrastructure and improvement projects; facilitate and promote broadband education community wide using survey data; work with the Boys and Girls Club of IV and the Workforce Development Board to create Digital Literacy Centers throughout Imperial County; The SBBC has participated in the development of a Digital Equity Best Practices Checklist and Imperial County

Broadband Priority Routes. *The grant Cycle 1 has one (1) pending invoice waiting for approval. Budget Recap:*

Cycle 1: 2017-2020

Original Grant Amount: \$450,000.00

Total Reimbursements Received to Date: \$233,070

- **The Brawley Transit Corridor Brownfield Assessment:** ICTC in partnership with IVEDC received a U.S. Environmental Protection Agency (EPA) Brownfields Communitywide Assessment Grant award of \$300,000 from the Environmental Protection Agency's Brownfields Assessment Program. This assessment is focused along the transit circulator route within the 13-mile Imperial Valley Transit's (IVTs) Brawley Gold Line Transit Route and the Brawley Transit Center that serves as the IVTs North Imperial County transfer terminal. The commercial corridors in the target assessment area include over 100 known commercial properties and suspected historical gas station sites with known or suspected underground tanks in the target area. ICTC is the fiscal agent and has developed an MOU which will define roles and responsibilities (Audits, Administration and Project Management) of ICTC and IVEDC. SCS Engineers Tasks include the Quality Assurance Project Plan (QAPP) and project management plan as required by EPA. *As of February 3, 2023, there is a remaining grant balance of \$44,639. Of the \$49,398, \$38,908 is the remaining contract balance for SCS Engineers. IVEDC Staff provided an update at the Commission meeting on September 28, 2022.*

23) Meetings attended on behalf of ICTC:

- Various Weekly Reoccurring Calexico East POE Bridge Widening Project Meetings
- Various Weekly Project Specific Meetings
- February 22, 2023 – ICTC Commission and LTA meetings at the ICTC offices and via zoom meeting
- February 23, 2023 – ICTC TAC Meeting at the ICTC offices and via zoom meeting
- February 23, 2023 – IVRMA TAC Meeting at the ICTC offices and via zoom meeting
- February 24, 2023 – SANDAG Borders Committee via zoom meeting
- March 1, 2023 – ICTC Social Services Transportation Advisory Council (SSTAC) Meeting at the ICTC offices and via zoom meeting
- March 2, 2023 – SCAG Regional Council Meeting via zoom meeting
- March 6-7, 2023 – CalCOG Regional Leadership Forum in Riverside County (attended by Mike Goodsell)
- March 8, 2023 – ICTC Management Committee Meeting in the City of Imperial
- March 11, 2023 – Long Range Transportation Plan outreach at the NAF El Centro Naval Air Show
- March 15, 2023 – Long Range Transportation Plan outreach at the 20th Annual Children's and Families Health Fair
- March 17, 2023 – IVT Services outreach at the IVC Transition Fair in Imperial



NOTICE OF PUBLIC HEARING

Section 99238.5 of the California Public Utilities Code states that a public hearing be held at a minimum of once annually, to receive testimony on whether or not there are public transit needs which can be reasonably met by public funds provided by the Transportation Development Act (TDA).

The Imperial County Transportation Commission (ICTC) must make a determination, as to whether there are needs that can be reasonably met with public funds, before it can allocate these funds to projects other than public transit.

The determination on transit needs will be made by ICTC, from a review of the written testimonies received, and, after receiving comments from the Imperial County Social Services Transportation Advisory Council. This hearing will be concerned with funding for the Fiscal Year 2023-24.

Comments are solicited relevant to the need for public transit throughout Imperial County and the incorporated cities. Testimony related to streets and roads, will not be accepted.

The public hearing will be conducted on:

Thursday, April 6, 2023 at 3:00 PM
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

Public comments can also be made through Zoom at:

<https://us06web.zoom.us/j/87394684668?pwd=ckFQT1h1bmhjMXF5SUFJV0FpQ2c5QT09>

Call in # (669) 900-9128
Meeting ID: 873 9468 4668
Passcode: 739278

In addition to presenting received testimonies at the hearing, people are invited to submit written or email comments. Please send your comments on or before 5:00PM on March 31, 2023 to:

Imperial County Transportation Commission
Transit Hearing Coordinator
1503 N. Imperial Ave. Suite 104
El Centro, CA 92243
gustavogomez@imperialctc.org

The Regional Mobility Plan may be reviewed at the offices of the Southern California Association of Governments, 900 Wilshire Blvd. Suite 1700, Los Angeles, CA 90017.

How would you like to get around the Valley?

Come tell us what matters most to you!

**OUR IMPERIAL VALLEY,
OUR FUTURE, OUR GROWTH.**



The Regional Long-Range Transportation Plan

The Imperial County Transportation Commission (ICTC) is preparing an update to the Long-Range Transportation Plan (LRTP). The LRTP will identify transportation priorities, funding, and policies necessary to move Imperial County forward for the next 30 years.



*Stay informed
by visiting the
project page!*

ALL EVENTS ARE FREE TO ATTEND!



El Centro Annual Air Show Saturday, March 11, 2023

Gates open at 8:30 a.m. Events until 4:00 p.m.
2024 Bennett Road, El Centro, CA



Children's and Family Health Fair Wednesday, March 15, 2023

1:30 to 3:00 p.m.
Grace Smith School Gym
9 East 4th Street, Niland, CA



Cesar Chavez Celebration Festival Thursday, March 30, 2023

2:00 to 7:00 p.m.
Rockwood Avenue Promenade
Downtown Calexico



42nd Annual Children's Fair Saturday, April 1, 2023

10:00 a.m. to 2:00 p.m.
Bucklin Park
8th Street and Ross Avenue
El Centro, CA



For more information, contact:
Virginia Mendoza, Program Manager
Tel. (760) 592-4494
virginiamendoza@imperialctc.org

¿Como le gustaría movilizarse por el Valle?

¡Venga y díganos qué es lo más importante para usted!

La Comisión de Transporte del Condado Imperial (ICTC, por sus siglas en inglés) está preparando una actualización del Plan de Transporte a Largo Plazo (LRTP, por sus siglas en inglés). El LRTP identificará las prioridades de transporte, la financiación y las políticas necesarias para hacer avanzar al Condado Imperial durante los próximos 30 años.



*¡Manténgase
informado
visitando la
página web del
proyecto!*

**NUESTRO VALLE IMPERIAL, NUESTRO
FUTURO, NUESTRO CRECIMIENTO.**



El Plan Regional de Transporte a Largo Plazo

¡LA ENTRADA A TODOS LOS EVENTOS ES GRATIS!

🌀 **Exhibición Aérea Anual de El Centro
Sábado, 11 de marzo de 2023**

Las puertas se abrirán a las 8:30 a. m. Eventos
hasta las 4:00 p. m.
2024 Bennett Road, El Centro, CA

🌀 **Feria de Salud Infantil y Familiar
Miércoles, 15 de Marzo, 2023**

1:30 a 3:00 p. m.
Gimnasio de la Escuela Grace Smith
9 East 4th Street, Niland, CA

🌀 **Festival de Celebración de
César Chávez**

Jueves, 30 de Marzo, 2023
2:00 a 7:00 p. m.
Paseo de la Avenida Rockwood
Centro de Calexico

🌀 **42a Feria Anual de los Niños
Sábado, 1 de Abril, 2023**

10:00 a. m. a 2:00 p. m.
Bucklin Park
8th Street y Ross Avenue
El Centro, CA



Para más información, contacte:

Virginia Mendoza, Gerente de Programas
Tel. (760) 592-4494
virginiamendoza@imperialctc.org

Memorandum

Date: March 22, 2023
To: ICTC Committee 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 meeting for the month of March 2023.

- 1. 2023 REGIONAL CONFERENCE & GENERAL ASSEMBLY:** On May 4-5, local leaders from throughout Southern California will convene for SCAG's 58th annual Regional Conference and General Assembly at the JW Marriott Desert Springs Resort & Spa in Palm Desert, CA. This conference brings together state and local elected officials, CEOs, business and civic leaders, transportation and environmental stakeholders, local government staff, and others.
More information about our General Assembly will follow up shortly. Stay tuned!
- 2. 2023 SCAG General Assembly (GA) Delegate Appointments:** Please be advised that the 2023 SCAG GA delegate selection notice has been sent to all SCAG member city clerks and managers. Some agencies have appointed delegates as part of their regular reorganization processes. Those member cities who have not selected delegates will need to take action to appoint their respective official delegate and alternate to the 2023 SCAG General Assembly. Please feel free to contact SCAG Government Affairs Officer David Salgado with any questions.
- 3. Regional Council Approves Programs to Accelerate Transformative Housing (PATH) Guidelines**
The Regional Council approved the REAP 2.0 PATH Program application and authorized its Call for Applications. The PATH program, formerly named the Housing Supportive Infrastructure Program, is one of the three major funding areas in SCAG's REAP 2.0 Program Development Framework. The program guidelines outline the program's components, requirements, eligibility and application process, and staff recommendation to set aside \$88.835 million of SCAG's REAP 2.0 funding to support the program.

The PATH program supports actions that accelerate infill development that facilitates housing supply,

choice and affordability; affirmatively furthers fair housing; and reduces vehicle miles traveled. Funding opportunities in this program are designed to bring housing production to scale across the Southern California region to meet the 6th Cycle Regional Housing Needs Allocation.

SCAG anticipates releasing Calls for Applications for the Notice of Funding Availability (NOFA) and Housing Infill on Public and Private Lands (HIPP) programs in April 2023, following state approval of SCAG's REAP 2.0 application. The Call for Applications for the Regional Utilities Supporting Housing (RUSH) program is anticipated to be released in Summer 2023.

For more information on REAP 2.0, visit scag.ca.gov/reap2021.

4. DRAFT FY 2023-24 OVERALL WORK PROGRAM - Public Review and Comment Period

SCAG welcomes your comments on its Fiscal Year 2023-24 Draft Overall Work Program. All written comments must be submitted no later than 5:00 p.m. on April 3, 2023 and addressed to:

SCAG
Attn: Kana Sato-Nguyen
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

Comments may be submitted by e-mail to nguyenk@scag.ca.gov.

5. REGIONAL COUNCIL APPROVES THE SUSTAINABLE COMMUNITIES PROGRAM – CIVIC ENGAGEMENT, EQUITY AND ENVIRONMENTAL JUSTICE (SCP CEEEJ) PROGRAM GUIDELINES

On Jan. 5, SCAG's Regional Council approved the SCP CEEEJ program guidelines and authorized staff to release the Call for Applications, upon approval of SCAG's Regional Early Action Planning Grant (REAP 2.0) full application to the State Interagency Partners.

This competitive Call for Applications includes \$5 million through a mix of two funding sources, including REAP 2.0 and Senate Bill 1 funds. SCP CEEEJ is one of the Early Action Initiatives of SCAG's larger REAP 2.0 program, which was approved by the EAC on behalf of the RC on Nov. 30, 2022. SCP CEEEJ funds eligible transportation and land use projects, with a focus on funding projects that provide direct benefit to Priority Populations (underserved and under-resourced areas across the region) and encourages co-applicant partnerships between community-based partners and government agencies.

SCAG anticipates opening the Call in the coming months, following the State’s approval of SCAG’s full REAP 2.0 application. SCAG expects evaluation will occur in the spring, with project recommendations in the summer.

6. **SCAG Regional Council (RC) District #1- Election Results!:** Upon the conclusion of the SCAG Regional Council District 1 Special Election Brawley City Councilmember Gil Rebollar was successful in securing the Regional Council seat by a vote of his peers. RC member Rebollar will serve in his role until the next election cycle which will occur in 2025. Congratulations Councilmember Rebollar.
7. **Calexico “Project Roll-Out” Rockwood Promenade:** As part of a SCAG Sustainability Grant award the City of Calexico is working to implement the Calexico Rockwood Ave. Promenade closure. A consultant team worked to conduct outreach and develop designs to close Rockwood Ave. between First and Second Streets in downtown Calexico to create an inviting walkable space. The project will be implemented over the coming weeks highlighting the benefits of providing an accessible safe space to convene. In addition to the promenade the City of Calexico was successful in securing a grant from Bloomberg to create incorporate an “artistic” component to the closure. The city painted a resurfaced street using a design derived from a competitive process. The promenade is set to be in place for 6 months once fully implemented.
8. **SCAG 2022 YEAR IN REVIEW**

With 2022 coming to an end, we extend a sincere thank you on behalf of everyone at SCAG. As we continue to work together to achieve our unified goals, the region is looking toward a brighter future because of our collaboration.

To reach our regional goals, we need a holistic plan to elevate the Southern California region. We kicked off the process for Connect SoCal 2024 – the 2024-2050 Regional Transportation Plan/Sustainable Communities Strategy in 2022. **Three new subcommittees were formed to support plan development: Next Generation Infrastructure, Resilience and Conservation and Racial Equity and Regional Planning.** These subcommittees comprise elected officials who are members of SCAG’s Regional Council and Policy Committees and bring unique and valuable perspectives to provide guidance on priorities and strategies for Connect SoCal 2024. SCAG also began the process to prepare the draft Connect SoCal 2024 Program Environmental Impact Report (PEIR), with the release of the Notice of Preparation for the PEIR in October 2022.

A strong plan allows us to achieve attainable solutions to address some of the region’s biggest challenges. In 2022, several steps have been taken to improve mobility in Southern California. We

approved the 2023 Federal Transportation Improvement Program, which contains approximately 2,000 projects in the SCAG region, programed at \$35.9 billion over a six-year period. **SCAG also advocated for an increase in funds from California’s Active Transportation Program and succeeded in increasing the share of funding that we will administer to regional programs from \$138 million to \$361 million.** Our Go Human campaign promoted safe communities as well as low-emissions transportation options with the Go Human Safety Pledge and projects and partners through the community mini-grants.

Another major hurdle our region is facing is the housing shortage. This past year, we gained critical momentum for our efforts to address the housing crisis through innovative solutions to reduce barriers to creating housing. **Through the ongoing \$47 million Regional Early Action Planning (REAP) 1.0 grant program SCAG funded eight cohorts of a Housing Policy Leadership Academy, where stakeholders attended ten monthly sessions that gave an in-depth understanding of the challenges and opportunities of delivering more housing in the region.** The leadership academy was accompanied with four housing policy forums that brought up to 300 people together at each forum to discuss new housing legislation, homeownership, and financing options. In July 2022, our Regional Council approved the REAP 2.0 Program Development Framework, which highlights core objectives, program areas and the schedule for allocating funds for REAP 2.0, which, once approved by the state, will allow SCAG to administer approximately \$246 million across the SCAG region to accelerate housing production. For more information on REAP programs, visit scag.ca.gov/reap2021.

As our region changes each year, we must continue to grow and adapt. In October 2022, **our Regional Council formally affirmed the drought and water shortage emergency in the region and called on jurisdictional partners to join in addressing that crisis by unanimously adopting a resolution committing to work towards a clean, safe, affordable and reliable water supply for Southern California.** SCAG also affirmed our commitment to bridge the digital divide and began work on the Broadband Action Plan, which outlines steps we will take to provide digital accessibility and in turn foster an equitable, prosperous and resilient region for all residents. This plan is expected to be released in early 2023 and will be available at scag.ca.gov/broadband.

Regional challenges can’t be addressed without action. In 2022, SCAG advocated for the needs of Southern California’s diverse and growing communities. This includes 15 meetings with our State and Federal Legislative Delegation to discuss budget and legislative asks for the region. From these meetings, there were several legislative and budgetary victories – through our advocacy partnerships we helped secure \$575 million in funding for the Infill Infrastructure Grant Program and \$1.05 billion for the Active Transportation Program. SCAG’s efforts also provided additional flexibility for local

cities and counties working to complete their Housing Element updates and secured a federal earmark to conduct a comprehensive highways to boulevards study for our region. For more information on SCAG'S legislation and advocacy work, visit scag.ca.gov/legislation.

A robust inventory of tools can help when tackling challenges. **In February 2022, we launched the Regional Data Platform, a revolutionary system for collaborative data sharing that levels the playing field for local jurisdictions by supporting transparent and collaborative community planning.** A number of new regional reports and toolkits debuted in 2022. For instance, the REAP funded Other to Residential Toolkit – a step-by-step guide for policymakers and agency staff on innovating and expanding housing options through converting underutilized sites into residential – and the Development Streamlining Guidelines – guidance materials that provide technical assistance to jurisdictions seeking to streamline the entitlement and approval process of housing development. Additionally, SCAG published the Racial Equity Baseline Conditions Report, which identifies long-standing regional inequities to help us plan for a healthier, more sustainable and economically resilient region.

Most importantly, 2022 was a year of gatherings. We convened in-person for the first time in three years at the 57th Annual Regional Conference and General Assembly to work together to get to the heart of how we can foster change in Southern California communities. We hosted our 33rd Annual Demographic Workshop virtually, where a lineup of leading experts weighed in on what's in store for post-COVID Southern California. Later in the year, we met again in person at our 13th Annual Southern California Economic Summit where the SCAG Regional Briefing Book, a comprehensive understanding of our economic landscape and the SoCal Economic Trends Tool [beta], an interactive display of key economic indicators, were released.

None of these accomplishments would be possible without our partners. Thank you for a great year, and we look forward to working with you in 2023. Happy New Year from all of us at SCAG!

California Department of Transportation



To: ICTC Commission

Date: March 2023

From: GUSTAVO DALLARDA
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 mid-November. The construction of Stage 2 (westbound SR-98 from SR-111 to Ollie Ave) is underway and estimated to be completed by late-April. The total project cost is estimated at \$8.2 million.
2. **SR-111 Niland Geyser/Mud Pot:** The SR-111 Niland Geyser/Mud Pot continues to be active. Another smaller active caldera appeared a few feet to the north-east of the original and is expanding in size. Water from the original caldera, continues to erode the edge of the existing SR-111. Water from the Mud Pot continues free-flowing through the remaining subsurface drainage installed in 2019. The original temporary detour road was opened to traffic in August of 2020. Due to the Mud Pot's unpredictable change in direction, a revised detour was required. The revised detour was completed on April 30, 2021. The detour will remain in place as the mud pot moves beyond the original freeway. <https://www.youtube.com/watch?v=Ek1buV2HA68>
3. **I-8 Colorado River Bridge Rehab:** This project is located near the Arizona border on I-8. The scope includes replacement of bearing pads, portions of the concrete pavement on the bridge deck and approach slabs. Part of workfootprint straddles the California/Arizona border. Detours are expected and will be announced prior to commencement of work. Construction started in February 2023 and estimated completion is early 2024. The total project cost is estimated at \$11.1 million.

4. **I-8, SR-78 Bridge Rehab at Various Locations:** The project scope 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. The project has been awarded with construction estimated to start in March 2023. Total estimated cost is \$13.2 million.
5. **I-8 Roadside Safety Improvements:** This project will be 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 is expected to start in June 2023 and estimated completion is spring 2024. The total project cost is estimated at \$4.6 million.

PROJECT DELIVERY

1. **Middle Mile Broadband Initiative:** In July 2021, Governor Gavin Newsom signed into law Senate Bill 156 to create an open-access middle-mile network to bring equitable high-speed broadband service to all Californians. Caltrans D11 is working with the California Department of Technology (CDT) to deliver middle mile broadband projects in Imperial County along state routes. Currently, CDT has approved segments on SR78, SR86, SR111 and SR115 totaling in 178 miles of middle mile broadband deployment. Caltrans has begun design work for these segments. The total capital cost for construction is estimated at \$62.3 million and target completion date is December 2026.
2. **Clean California Projects:** District 11 will be delivering projects funded by the Clean California Grant Program. They include bus shelter improvements in Niland(SR111), and bus shelter installations in Calipatria(SR111), Brawley(SR86) and Holtville(SR115). 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 projects are expected to be completed by July 2023. Below is a conceptual rendering of the gateway sign.



3. **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. Project Milestones: Project Approval/Environmental Clearance 12/2024.
The Anticipated funding fiscal year for construction is 2027/28.

MAINTENANCE AND TRAFFIC OPERATIONS

1. El Centro Traveled Way Crew – Sweeping I-8/SR111, joint sealing SR111, storm damage repair I-8, crack sealing SR98



2. El Centro Functional/Marking Crew – Sign/landscape maintenance, striping and sign maintenance on I-8



3. Midway Traveled Way Crew – Crack sealing SR98, storm response/repairs, fence repair I-8, asphalt patching at agricultural inspection station



4. Brawley Traveled Way Crew – Sweeping/brush control, SR78 clearing washes, crack sealing on SR78, AC patching SR86



5. El Centro Clean CA Crew – Litter control/landscaping activities SR111



6. **SR-86/Customs & Border Protection Checkpoint Expansion:** AECOM has submitted a revised concept plan with a standard acceleration lane from the secondary inspection facility and it has been approved. AECOM is expected to submit revised design plans with the approved concept soon. The environmental studies are being prepared by ICTC and will soon be sent for review. Caltrans will assist ICTC in coordinating upcoming meetings.

An environmental document as well all other appropriate studies will be needed to finalize the project. 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 that is within Caltrans ROW.

PLANNING AND LOCAL ASSISTANCE

1. **Project Study Report: Forrester Road Improvements** - This study will propose improvements to Forrester Road from I-8 to the SR 78 intersection in the City of Westmorland. This is a critical goods movement corridor that handles a high volume of interregional and local agricultural trucks and anticipated volumes will continue to increase. Caltrans and ICTC are preparing a PSR spearheaded by a Technical Working Group (TWG) that includes the County of Imperial, the Imperial Irrigation District (IID), and the cities of El Centro, Westmorland, Imperial, and Brawley. To address the needs of this corridor,

likely improvements will include shoulder widening, passing lanes, intersection improvements, multimodal elements, and a bypass to the city of Westmorland.

2. **Local Assistance:**

Clean California Local Grant Program Cycle 2 – **Applications due April 28**

The California Department of Transportation (Caltrans) developed the Clean California Local Grant Program through which funds will go to local communities to beautify and improve local streets and roads, tribal lands, parks, pathways, and transit centers to clean and enhance public spaces. A *Cycle 2 call for projects was announced on February 14, 2023 – **Application deadline is April 28, 2023***

<https://cleancalifornia.dot.ca.gov/local-grants/local-grant-program>

Reconnecting Communities: Highways to Boulevards Pilot Program

Projects will fund the conversion of key underutilized highways in the State into multi-modal corridors to reconnect communities divided by transportation infrastructure. These legacy impacts will be addressed through community-based transportation planning, design, demolition, and/or reconstruction of city streets, parks, or other infrastructure. *A call for projects and further details will be posted soon via this link –*

<https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/rc-h2b>

California Transportation Commission (CTC) Allocation and Approval Requests

Please review the attached schedule of meetings and prepare requests for California Transportation Commission (CTC) approval accordingly. *Caltrans District 11 needs all documents at least two months before the CTC meets. Friday, April 28, 2023 – deadline for the next CTC meeting (June 28-29, 2023)*

Local agencies must comply with all Title VI requirements (LAPM Section 9.2). *Title VI compliance is subject to review at any time.*

www.dot.ca.gov/programs/local-assistance/guidance-and-oversight/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, estimated completion 2026. (#11 on Status Map)
2. **SR-86** from Countryside Dr to Treshill Rd. Relinquishment to City of El Centro, estimated completion 2026. (#12 on Status Map)

IMPERIAL COUNTY

STATUS OF TRANSPORTATION PROJECTS



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
4. Middle Mile Broadband Initiative, SR-78, SR-86, SR-111, SR-115	Construction start early 2024
CONSTRUCTION	
5. I-8 Colorado River Viaduct	Begin Construction Feb 2023
6. Bridge Rehab Projects on I-8 and SR-78	Begin Construction early 2023
7. Calexico East POE Bridge Widening	Design/Build Begin Mar 2021; Complete June 2023
8. SR-86/Dogwood Road Intersection Improvements County Permit*	
9. SR-98 Widening Phase 1C Ollie Ave to Rockwood Ave	Complete summer 2023
RELINQUISHMENT	
10. SR-86 Relinquishment to County of Imperial	Date Estimate 2026
11. SR-86 Relinquishment to City of El Centro	Date Estimate 2026

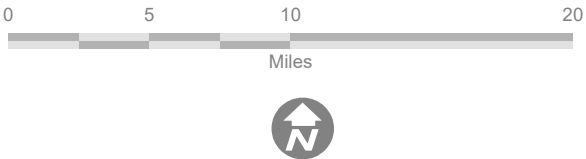
* The California Department of Transportation (Caltrans) is a partner in this study/projects, although not the lead agency.

Environmental

Design

Construction

Relinquishment



:Project funded by Senate Bill 1

Abbreviations:

GSA: General Services Administration

POE: Port of Entry

Portions of this map contain geographic information copyrighted by the Imperial County GIS program. All rights reserved. The data provided is "as is" without warranty of any kind.

Questions can be directed to (619) 688-6699
ct.public.information.d11@dot.ca.gov

Date:01/19/2023



2023 MEETING SCHEDULE
CALIFORNIA TRANSPORTATION COMMISSION

Adopted June 29, 2022

~~**JANUARY 25(W) – JANUARY 26(TH), 2023 – ROCKLIN**~~

FEBRUARY 2023 – NO REGULARLY SCHEDULED COMMISSION MEETING

~~**MARCH 22(W) – 23(TH), 2023 – LOS ANGELES AREA**~~

APRIL 2023 – NO REGULARLY SCHEDULED COMMISSION MEETING

April 12(W) & 13(TH) – Town Hall Meeting – Redding

TBD – Joint CTC/CARB/HCD Meeting — TBD

~~**MAY 17(W) – 18(TH), 2023 – BAY AREA**~~

JUNE 28(W) – 29(TH), 2023 – SACRAMENTO

JULY 2023 – NO REGULARLY SCHEDULED COMMISSION MEETING

AUGUST 16(W) – 17(TH), 2023 – SAN DIEGO

SEPTEMBER 2023 – NO REGULARLY SCHEDULED COMMISSION MEETING

September 20(W) & 21(TH) – Town Hall Meeting – San Benito

OCTOBER 18(W) – 19(TH), 2023 – CENTRAL VALLEY

TBD – Tri-State Meeting –

NOVEMBER 2023 – NO REGULARLY SCHEDULED COMMISSION MEETING

TBD – Joint CTC/CARB/HCD Meeting – TBD

DECEMBER 6(W) – 7(TH), 2023 – RIVERSIDE



CLEAN CALIFORNIA

Local Grant Program

Project Selection Criteria

For Cycle 2, Caltrans has refined the project selection criteria to further support:

- Community need
- Potential to enhance and beautify public space
- Potential for greening to provide shade, reduction of the urban heat island effect, and use of native drought-tolerant plants
- Potential to improve access to public space
- Public engagement in the project proposal that reflects community priorities
- Benefit to underserved communities

These funds shall not be used to displace people experiencing homelessness.

Cycle 2 Milestones	Dates
Call for Projects	February 14, 2023
Project Application Deadline	April 28, 2023, by 5:00 PM PDT
Project Award Announcement	August/September 2023
Project Completion Date	June 30, 2026



Eel River Trail Project and Rio Dell Gateway Beautification Project, City of Rio Dell, Cycle 1 Awardee



South of Market (SoMa) Transit Gardens Connection Project, San Francisco Municipal Transportation Agency, Cycle 1 Awardee

Start Preparing Your Cycle 2 Application(s) Now!

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VIII. PRESENTATION CALENDAR

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A. Imperial County Strategic Plan

Presentation by Susan Giller, Reliance Public Relations, Inc.



Imperial County Transportation Commission

1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

Imperial County Transportation Commission Members:

Thank you in advance for considering our request for your participation in the development of a Strategic Plan to guide Imperial County for the next five years. Imperial County contracted Reliance Public Relations to assist in developing a comprehensive plan that reflects the unique needs and concerns of the various areas in the region. That is why meeting with a group like yours is vital to this planning process.

We ask to meet with ICTC at your March meeting to ensure we have a chance to capture your experiences, insights, and understanding of issues affecting your communities so they can be included in the strategic planning process. We will invite you to share your thoughts on numerous topics, including, but not limited to, lithium development.

The facilitated session will be dynamic and collaborative.

Below are the kinds of questions we will invite you to consider during the strategic planning session. In addition, we will provide idea worksheets and surveys that we would like to collect at the end of the session.

1. List 5 main strengths of Imperial County.
2. List 5 major challenges your community faces today or you expect to face in the future.
3. List 5 major challenges facing the region.
4. Describe three changes you would like to see in the next five years to improve your communities significantly.

We will be happy to answer any questions or provide additional information that you request. We look forward to working with you.

Sincerely,

William A. Gay

Susan Giller

Encuesta De La Visión De La Comunidad Del Condado Imperial

Reliance Public Relations has been retained to assist Imperial County in drafting a 5-year strategic plan that includes community input. How important do you think the following factors are to the future of Imperial County?

Reliance Public Relations se ha contratado para ayudar al condado de Imperial a redactar un plan estratégico de 5 años que incluye aportes de la comunidad. ¿Qué tan importantes cree que son los siguientes factores para el futuro del Condado de Imperial?

Please rate all below on a scale 1 (least important) to 5 (most important). Add comments below.

Por favor califique todo a continuación en una escala de 1 (menos importante) a 5 (más importante). Agregue comentarios a continuación.

IMPORTANCE • <i>IMPORTANCIA</i>	Least Menos				Most Más
Health Issues/ Healthcare/Hospitals • <i>Problemas de salud/ Atención médica/ Hospitales</i>	1	2	3	4	5
Lithium Valley, Lithium Development • <i>Valle de Litio, Desarrollo de Litio</i>	1	2	3	4	5
Jobs/Economic Development • <i>Empleos/Desarrollo Económico</i>	1	2	3	4	5
Transportation/Roads/Traffic / <i>Transporte/Carreteras/Tráfico</i>	1	2	3	4	5
Affordable Housing/Homelessness • <i>Vivienda accesible/personas sin hogar</i>	1	2	3	4	5
Law Enforcement/Public Safety • <i>Cumplimiento de la ley/Seguridad pública</i>	1	2	3	4	5
Internet Access / <i>Acceso a Internet</i>	1	2	3	4	5
Civil Public Discourse/Voting • <i>Discurso Público Civil/Votación</i>	1	2	3	4	5
Job Training • <i>Formación profesional</i>	1	2	3	4	5
Cooperation With Other Agencies • <i>Cooperación con otras agencias</i>	1	2	3	4	5
Recreational Opportunities/Quality of Life • <i>Oportunidades Recreativas/Calidad de Vida</i>	1	2	3	4	5
Tourism • <i>Turismo</i>	1	2	3	4	5
County Image • <i>Imagen del condado</i>	1	2	3	4	5
Customer Service at County Offices • <i>Atención al cliente en las oficinas del condado</i>	1	2	3	4	5
Public Transportation • <i>Transporte público</i>	1	2	3	4	5
Immigration Issues • <i>Problemas de inmigración</i>	1	2	3	4	5
Colorado River/Drought • <i>Río Colorado/Sequía</i>	1	2	3	4	5
Equity/Fairness • <i>Equidad/Justicia</i>	1	2	3	4	5
Water Conservation • <i>Conservación del agua</i>	1	2	3	4	5
Salton Sea Restoration • <i>Restauración del mar de Salton</i>	1	2	3	4	5

ADD COMMENTS ON SECOND SHEET • AGREGAR COMENTARIOS EN LA SIGUIENTE PÁGINA

Comments • Comentarios

Imperial County Strategic Plan Worksheet

Hoja de Trabajo del Plan Estratégico del Condado Imperial

Thank you for taking the time to contribute your thoughts to help develop a plan for the region's future. Please give brief responses to the following questions. Continue on the back of the form if more space is needed.

Gracias por tomarse el tiempo para contribuir con sus ideas para ayudar a desarrollar un plan para el futuro de la región. Por favor dé respuestas breves a las siguientes preguntas. Continúe en el reverso del formulario si necesita más espacio.

Please give brief responses to the following questions. • Por favor, responda brevemente a las siguientes preguntas.

1. List five strengths of your community • *Enumere cinco fortalezas de su comunidad*

2. List five main strengths of Imperial County • *Enumere cinco fortalezas principales del condado de Imperial*

3. List five key challenges your community faces now or that you expect in the future • *Enumere cinco desafíos clave que enfrenta su comunidad ahora o que espera en el futuro*

4. List five major challenges you think Imperial County must act on • *Enumere cinco desafíos importantes en los que cree que el Condado Imperial debe actuar*

5. Give three changes you would like to see to improve your community in the next five years. • *Indique tres cambios que le gustaría ver para mejorar su comunidad en los próximos cinco años.*

Your name • *Su nombre:* _____

City/town you reside • *Ciudad/Pueblo donde Ud. reside:* _____

Comments • *Comentarios*

For more information about the Imperial County Strategic Plan now being drafted, email 2023Strategicplan@gmail.com

Para obtener más información sobre el Plan Estratégico del Condado Imperial que se está redactando, envíe un correo electrónico 2023Strategicplan@gmail.com