



**Board of Directors
Regular Meeting Agenda**

December 6, 2017

1:30 PM

Ukiah

**Ukiah Valley Conference Center
200 South School Street
Chenin Blanc Room**

Video-Conferenced with:

Fort Bragg

**Diana Stuart Fort Bragg Division
190 East Spruce
Conference Room**

AGENDA ITEMS

1. Call to Order:

Moment of Silence: In memory of Benj Thomas who passed away on November 14, 2017. Mr. Thomas served on the Ukiah City Council and the MTA Board of Directors. He was committed to his community and will be missed by all.

Public Comment: Anyone is welcome to attend MTA Board meetings to address items that are on the agenda, or to bring other transit related matters to the attention of the Board. The time limit is 3 minutes per speaker.

CONSENT CALENDAR

2.	Minutes of October 25, 2017 Board Meeting <u>Information</u>	1
3.	Service Performance Report: July – October 2017 <u>Information</u>	7
4.	Financial Report: <u>Information:</u> Progress Report	9
5.	Board Meeting Dates and Locations <u>Information</u>	13

- | | | |
|----|--|----|
| 6. | Capital Program: Update/Progress Report
<u>Information</u> | 15 |
| 7. | MTA Board/Staff Strategic Work Plan
<u>Information:</u> Staff is working on Work Plans, to be presented at the January, 2017 meeting. | - |

ACTION & DISCUSSION

- | | | |
|-----|--|------|
| 8. | Unmet Needs – Ukiah
<u>Action:</u> Solicit Public Input | 17 |
| 9. | Review and approve MTA to request Amendment of Joint Powers Agreement to parties.
<u>Action:</u> Approve Resolution: 2017-14 | 21 |
| 10. | Review and authorize General Manager to apply for SB1 STA State of Good Repair Funds
<u>Action:</u> Approve Resolution: 2017-15 | 51 |
| 11. | Management Reports | oral |
| 12. | Matters from Directors | oral |

ADJOURN Anticipated adjournment is 3:30 pm

Americans With Disabilities Act (ADA) Compliance

The Mendocino Transit Authority complies with ADA requirements and, upon request, will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternative formats (pursuant to Government Code Section 54953.2). Anyone requiring reasonable Interpreter services are available for the meeting by calling 707-462-5765, with seven (7) day advance notice.

Mendocino Transit Authority

Board of Directors Meeting

October 25, 2017

1:30p.m.

MINUTES

Willits City Hall

111 E. Commercial Street

Chamber Room

CALL TO ORDER

1. Chair Mastin called the meeting to order at 1:34p.m.

ROLL CALL:

Directors Present: Rodriguez, Tarbell, Gjerde, Chair mastin

Directors Present via Video Conference: None

Directors Absent: Peters, Scalamini, Cross

Staff Present: Carla Meyer, General Manager
Bob Butler, Maintenance Manager
John Pegan, Human Resource Manager
Rosalind Marshall, Finance Manager
Jacob King, Operations Supervisor
Jan Michele, Recording Secretary

Others: Loretta Ellard, MCOG Representative

PUBLIC COMMENT None

CONSENT CALENDAR

2. Minutes of September 27, 2017
Information
3. Service Performance Report: July – September 2017
Information
4. Financial Report: MTA Financial Position
Information To be presented at Board of Directors Meeting
5. Board Meeting Dates and Locations
Information
6. Capital Program: Update/Progress Report
Information

Chair Mastin asked if there were any questions regarding Consent Calendar.

General Manager Meyer asked that items 3 and 4 be pulled from the Consent Calendar for further discussion and clarification.

Upon Motion by **Director Tarbell**, and seconded by **Director Gjerde**, Consent Calendar items 3 and 4 were accepted as presented after a brief discussion .

AYES: Tarbell, Rodriguez, Gjerde, Chair Mastin

NO: None

ABSTAIN: None

ABSENT: Peters, Cross, Scalamini

ACTION & DISCUSSION

7. **Unmet Needs - Willits**

Director Rodriguez initiated discussion regarding CalTrans, Willits community member's difficulties getting to medical appointments and possible route ideas for the Brooktrails area.

General Manager Meyer answered that there is an 'Unmet Needs Committee' that will address these issues. That is an MCOG function. MTA continues to solicit input from drivers (as they hear directly almost daily from passengers) and staff as well as the public and these monthly components of the Board meeting.

MCOG representative Loretta Ellard shared that the MCOG 'Unmet Needs Committee' hearing will be held on the first Monday in December (12/04/17).

Action: Attend MCOG meeting, continue soliciting information from drivers, others, share with MCOG.

8. Review and Adoption of Resolution 2017-12 Approving an MTA ADA Policy

Director Gjerde initiated a discussion of service animals on the buses in context of the ADA Policy, regarding what proof do we have that the animal is truly a service animal.

General Manager Meyer indicated that under Federal law we cannot ask for verification. We can only ask “what is the animal for?”. We operate prudently by erring on the side of caution. Only if the animal is disruptive can we take issue. GM Meyer pointed out that regarding ADA accessibility and service compliance with our buses, they have been built according to ADA specifications under the Feral Motor Vehicle Code. ADA is a Federal civil rights law not a law relating to public safety.

Manager Butler added that any improvements we make to bus stops are brought up to ADA standards.

Upon Motion by **Director Gjerde**, seconded by **Director Tarbell**, the Board Adopted Resolution # 2017 -12 ADA – Approving an MTA Americans with Disabilities Act policy.

AYES: Tarbell, Rodriguez, Gjerde, Chair Mastin

NO: None

ABSTAIN: None

ABSENT: Peters, Cross, Scalamini

9. Review and Adoption of Resolution 2017 – 13 Approving an MTA Morale, Health and Welfare Policy.

General Manager Meyer indicated that there has been a practice established at MTA to improve morale, health and welfare, such as honoring time in service with MTA. She has prepared a brief policy regarding morale to formalize the practice. The policy is formatted similarly to the County’s Retirement Board policy that was forwarded to **General Manager Meyer** by **Director Gjerde**.

Upon Motion by **Director Rodriguez**, seconded by **Director Tarbell**, the Board Adopted Resolution # 2017 – 13 Approving an MTA Morale, Health and Welfare Policy.

AYES: Tarbell, Rodriguez, Gjerde, Chair Mastin

NO: None

ABSTAIN: None

ABSENT: Peters, Cross, Scalamini

10. Review of MTA Board/Staff Strategic Work Plan

General Manager Meyer reported that excellent ideas came from the Board retreat day and that goals will match up with our mission statement.

Action: The Finance Department is in the process of streamlining processes and updating software and a Human Resources Department has been created. Personnel policies and practices are being reviewed. Additionally, we want to establish MTA as a community partner. We now have an MTA representative attending the OES meetings.

11. Management Reports

Supervisor Jacob King reported that his area is running smoothly and that HR has been providing applicants to interview for position vacancies.

Manager Bob Butler reported that the Mechanic's Helper position is filled. The person will start November 3, 2017. He and his crew have been installing conduit and are finishing up the requirements for ATT to install fiber optic lines. The lines will be in the new building. Three large vans will be completed in December with delivery in January. We will be able to have six wheelchairs on the van at one time. The tie-downs will be easier to use as well.

Manager Ros Marshall reports that for FY 2018 the ledger will be part of the general budget. Reclassifying items in the ledger will occur. The bank implementation is technically done. She will visit El Dorado Transit and model our financial processes off of theirs. A review of their cost accounting system will be beneficial. El Dorado Transit can also share timelines on which reports have to be filed and corresponding deadlines. She shared an Operating and Capital Cash Position report (chart) with the Board.

General Manager Meyer indicated that her intention to get grants in well ahead of deadlines. She enjoys excellent communications with CalTrans, allowing access to allocated funding. MTA is financially solvent. She added that she will be presenting a Prudent Reserve Policy to the Board.

Manager John Pegan reports that we will utilize social media to post jobs. MTA is close to filling all of the current position vacancies. Driver interviews are going well. A review of a new position, full-time administrative assistant (finance department) is underway. We had an open enrollment for our benefit plans. An extension of the enrollment period was offered to ensure employees time for decision making. The HR Department worked with Finance to get a consolidated employee data base. We will create a spreadsheet for Employee Performance Evaluations. We will evaluate software (HRO). The EAP (Employee Assistance Program) is up and running. With the FSA (Flexible Savings Account) the employee decides on the amount of pretax dollars they would like to set aside for eligible expenses.

Director Gjerde asked if it is seen as an advantage or disadvantage not to be a part of Social Security (making contributions). He further added that almost all CalPers are not covered by Social Security. Can we design our own retirement plan? PEPR plan. What if we adopted a less expensive plan for employees hired after 2018? - A 457 plan.

General Manager Meyer mentioned that the topic of Social Security is on the agenda every time we negotiate. It appears to be a concern. She mentioned the 30 years of employment needed in Social Security to avoid the Windfall Prevention law, which negatively impacts a retiree's Social Security payment when the Agency does not contribute to Social Security. General Meyer stated it would cost the Agency more, but might attract more applicants, and that MTA could investigate more thoroughly the issue and get back to the Board.

General Manager Meyer reported that they are beginning the Senior Center Contract 'Meet and Greet' sessions. Candy Lodge (south coast) will join us at the Coastal Seniors center. GM Meyer met with community member Harm Wilkenson from the south coast. The MTA training day is coming up on Friday, November 10, 2017. We will have an extensive and scrumptious breakfast prepared by management staff. There will be invited guest speakers as well as informative videos. We will have gift cards and drawings for prizes. Our drivers will be receiving new driver bags which will contain; revamped SOP (Standard Operating Procedures), laminated what-to-do in emergency cards, flashlight, hand sanitizer, insulated coffee cup and tissue. The management evaluations have begun. The first evaluation was of the operations supervisor.

Supervisor Jacob King mentioned that he met with OES (Office of Emergency Services) manager Richard Elhart and MTA has a seat at the table.

12. Statements from Directors:

Director Rodriguez offered that it was great to have an opportunity to get to know everyone at the Board retreat the other day.

Chair Mastin echoed the sentiment adding, his appreciation of the continued effort by MTA staff.

13. Adjournment

Chair Mastin adjourned the meeting at 3:05 p.m.

Jim Mastin, Chair

Jan Michele, Recording Secretary

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FY 17-18 RIDERSHIP PERFORMANCE BY ROUTE

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	2017-18 YTD	2016-17 YTD	# Change	% Change
01 - Willits Local	978	1288	859	1061									4186	4806	171	13%
03 - Ukiah - DAR	1450	710	882	1222									4264	7267	1450	41%
04 - Fort Bragg - DAR	1142	705	604	1033									3484	5268	1784	34%
05 - BraggAbout	1478	1591	1490	1544									6103	6511	408	6%
07 - Jitney	126	215	257	208									806	982	176	18%
08 - Ukiah Evening	621	861	830	710									3022	4202	1180	28%
09 - Ukiah Local	9145	9790	10513	10424									39872	48675	8803	18%
20 - Willits - Ukiah	2274	3035	3303	3009									11621	12510	889	7%
60 - Coaster	935	858	967	1106									3866	4633	767	17%
64 - Ukiah to Fort Bragg	390	489	473	385									1737	270	1467	543%
65 - CC Rider	1083	982	944	1077									4086	4539	453	10%
65A - New Route 65	636	723	738	736									2833	848	1985	234%
74 - Saturday Gualala-Ukiah	106	78	118	101									403	409	6	1%
75 - M-F Gualala to Ukiah	483	649	830	900									2862	2798	-64	-2%
95 - Pt. Arena to Santa Rosa	482	509	537	388									1916	1931	15	1%
97 - Redwood Coast Regional	260	300	289	321									1170	1274	104	8%
Monthly Totals	21589	22783	23634	24225	0	0	0	0	0	0	0	0	92231	106923	16352	14%

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STATUS UPDATE ON THE FINANCIAL TRANSITION

1. **General Ledger Conversion:** The general ledger conversion from the Pacioli system to Quickbooks.

Status and accomplishments: The current status and accomplishments are as follows:

- a) The Pacioli system of accounting has been dismantled.
- b) The audited fiscal year 2015-2016 balances have been input to QuickBooks and balanced.
- c) Fiscal year 16-17 beginning balances are being reconciled and a recommended 'material' adjustment proposal will be available for Board and auditor review at the next Board meeting in January. For this purpose the CPA firm of Terrie Y Prod'hon has been retained. This firm is the auditor/advisor to the Eldorado Transportation Commission and Eldorado County Transit Authority. The CPA handling these transactions is also a Quickbooks Pro Advisor.
- d) The fiscal year 16-17 is being rebuilt from scratch including; A/P, A/R, Cash, Bank Reconciliation, payroll, Prepaids, inventory, etc. It is planned to close July 2016 this week and to continue forward at a rapid pace from there
- e) A systematic system of balancing bank statements has been implemented and will be part of the process going forward.
- f) The office has been redesigned to accommodate the planned efficiencies in work flow processes.
- g) A Financial Procedures Manual is being compiled as procedures are reengineered to accommodate system and process enhancements.
- h) Payroll interface to GL system of accrual has been implemented in the rebuilding effort in Quickbooks.
- i) FY17-18 A/R, A/P and Cash have been implemented in Quickbooks.

2. **System of Reporting (Cost Accounting):** The cost accounting and financial system of reporting statistical performance data is being rebuilt. In the last report the decision to 'dismantle' and recreate cost accounting system was based on the inaccuracies of the existing Lotus 123 system.

Accomplishments:

- a. El Dorado County Transit Authority has been unwavering in their support for this agency and has shared their cost accounting system with MTA for modification

for the specific agency requirements. The FM from MTA went to El Dorado for a 3 day session with their CFO. Additionally, the CFO came here for an additional 3 day session that focused on the system of allocation and payroll interface with Quickbooks. El Dorado has a similar system of accounting to that of MTA including Paychex as a payroll service, Quickbooks GL, and treasury management services of Umpqua Bank.

- b. Only 1 Lotus 123 spreadsheet remains. This spreadsheet is for Payroll and will be replaced by January 1.
- c. The reporting requirements of local, state and federal agencies are being rebuilt in Excel as an ongoing process as needed.
- d. Reports and Processes converted:
 1. Senior center reporting
 2. Personnel databases for internal use, State Controllers Payroll evaluation, Other payroll reporting and conversions.
 3. Tax accounting for Board of Equalization filing
 4. Full RouteMatch and GL implementation is underway.
 5. Underway: Ridership statistics and analysis for Grant reporting requirements, state and local reporting have been streamlined and minimalized currently to cover all requirements.

Note:

a) Historical comparisons should continue to be suspended until the general ledger and where appropriate RouteMatch implementations are completed. The first comparison will be reported as the GL is closed for prior year transactions.

3. Catch Up. Status report on catch up reported previously:

- a. Sonoma Transit billing – **Status: Caught up to June 2017**
- b. Redwood Coast billing – **Status: Current up to November 2017**
- c. Cash receipts – FY 17-18 deposit processes implemented. FY 16-17 part of the general ledger implementation.
- d. Tax filing – Quarterly tax filings. **Status: Current thru June 2017, FY17-18 going out in December.**
- e. Bank Statement Reconciliation – FY 16-17 planned completion December 2017.
- f. State Controllers and other reporting for the calendar year ending December 2016 completed.
- g. Restructure of the physical accounting department. **Status: Complete. completed. Future:** A record retention and destruction company will be retained to ensure compliance in record retention and archiving are met on all levels.
- h. **Financial calendar:** A financial calendar has been created to ensure that deadlines on all levels, especially those for state, federal and local reporting are met. **Status: Created. Ongoing updates required.**

- i. **Financial Procedures Manual: Status:** Documentation of processes and procedures is currently underway and will be made available by the end of GL implementation.

4. Additional observations and recommendations:

a) **Payroll. Status:** Movement to a calendar month for payroll has been turned down by the Union. A philosophy of consistent assumptions has been implemented in the new cost accounting system going forward to track statistical performance data by route.

b) **Banking. Status:** BofA has left the region. A Treasury Management Relationship has been implemented with Umpqua Bank. The system of remote data capture, merchant services, account analysis, corporate card processing, A/P processing has saved this agency time and fees.

c) **County.** In January, we received and in July we paid an invoice to the County Auditor-Controller in the amount of \$40,210 of which \$30,039 is labeled information services. This amount is attributed to 14/15 costs of running the controller's function in the county and is transaction based. Our transaction for the fiscal year 2017 were 1,258. The amount per transaction for check writing, debits and credits then were billed at \$23.84 per transaction.

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Board of Directors Meeting Schedule

Last Wednesday of every month - 1st Wednesday of the month in December

Subject to Change

Date	Time	Location	Video Conference With	Major Agenda Items
2017				
July 26	4:30	Willits	only	<i>Cancelled due to lack of quorum</i> 2018/19 Transit Needs: Willits
August 30	4:30	Point Arena	only	<i>Rescheduled to Ukiah 9-7-17</i> 2018/19 Transit Needs: Point Arena
September 7	1:30	Ukiah	Ft. Bragg	<i>Special Mtg. due due previous two cancellations</i>
September 27	1:30	Point Arena	only	2018/19 Transit Needs: Pt. Arena
October 25	1:30	Willits	only	2018/19 Transit Needs: Willits
November	no meeting scheduled			
December 6	1:30	Ukiah	Fort Bragg	2018/19 Transit Needs: Ukiah
2018				
January 31	1:30	Fort Bragg	Ukiah	2019/20 Transit Needs: Ft Bragg 2019/20 Transit Needs: Willits
February 28	1:30	Willits	only	Initial 2018/19 Budget Discussion 2019/20 Transit Needs: Ukiah
March 28	1:30	Ukiah	Fort Bragg	DRAFT 2018/19 Budget & Claim
April 25	1:30	Point Arena	only	2019/20 Transit Needs: Point Arena
May 30	1:30	Fort Bragg	Ukiah	General Manager Evaluation General Manager Contract
June 27	1:30	Ukiah	Fort Bragg	FINAL 2018/19 Budget

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To: MTA Board of Directors
From: Carla Meyer, General Manager
Date: December 6, 2017
Subj: Capital Program: Progress Report

This report is consistent with the capital budget dated June 2017/18

2016-17 Projects – Cont.

Two-way Radio Replacement incl. Dispatch Console (Prop 1B and STA) \$451,635

Action: Video project was carried over to FY16/17 and is now complete.

The radio project continues to be problematic due to issues at repeater sites. At the October, 2016 Board of Directors meeting, the Board unanimously agreed to reprogram pending Safety and Security funds to purchase CAD Dispatch software and pursue funding for radios at a later date. Potential funding source is FY 15-16 Safety and Security grant funds.

Problems: Significant delay from Fisher Wireless converting tower sites to digital. Delayed project implementation.

2-22-17: Fisher has been moving ahead on tower conversion to digital. However, Route Match (demand-response CAD) has a push to talk option on the tablets to be installed for Dial-A-Ride. MTA is delaying conversion of radio/dispatch console until further investigation of this option.

5-31-17: Project still delayed by Fisher Communications and pending Board Decision to pursue alternative software options or patchwork existing system.

6-26-17: Project presented to the MCOG Transit Performance Committee for review and comment. Sent on to MCOG for approval of use of one-time excess LTF funds for purchase of RouteMatch AVL and Push to Talk software which will eliminate the need for continued work with Fisher Communications.

7-25-17: The MCOG Board of Directors unanimously voted to provide one-time excess LTF funds in the amount of \$380,000 to supplement the MTA purchase of Fixed Route AVL.

8-10-17: Contract for MTA and RouteMatch signed, project commences. Hopeful operational date within 120 days.

9-20-17: RouteMatch Fixed Route AVL, Push to Talk Kickoff meeting completed; RouteMatch staff to arrive at MTA second week in October for initial fleet assessment and installation process begins.

10-12-17: RouteMatch staff on-site for fleet assessment and data entry for fixed route assessment.

12-6-17: RouteMatch staff is being installation of equipment in MTA Fixed Route Fleet.

Three Large Cutaway Buses \$330,000

Action: Due to PTIMSEA Bond Sale schedules, MTA is receiving \$87,606.70 within 30 days, with the remaining balance of \$219,236.30 after the Spring Bond Sale. While MTA had anticipated receiving all of the funding at once, waiting until the Spring Bond Sale moves the award from \$268,000 to \$304,833. Preliminary vehicle purchase P . 15remments have begun, project will rollover to

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2017-18 UNMET NEEDS REQUESTS

Date	City	Requestor	Service Requested
6/28/2017	Willits	Saprina Rodrigues	Brooktrails Service
6/28/2017	Ukiah	Lindsey Guthrie	Potter Valley for MCAVHN clients
6/28/2017	Ukiah	Maureen Mulheren	Smaller buses in City of Ukiah
9/7/2017	Ukiah	Willie West	App for people to book their own DAR trips
9/7/2017	Ukiah	Dan Gjerde	Smaller mirrors that are not hazards to bikes
9/7/2017	Ukiah	Maureen Mulheren	Design more shuttle routes that remove parking downtown and well as increase housing; with smaller buses that people would ride.
9/7/2017	Pt. Arena	Lloyd Cross	Add one-day round-trip from Ukiah to Pt. Arena
9/27/2017	Pt. Arena	Harm Wilkinson	Redwood Coast Medical Services: Requesting meeting to collaborate volunteer senior transportation with MTA.
9/27/2017	Pt. Arena	Kenny Jowers	Requesting support from MTA Board for cyclist safety from CalTrans and alternative crossing for the Navarro River when flooded.
9/27/2017	Pt. Arena	Lloyd Cross	Shuttle on South Coast (Sea Ranch to Gualala/Manchester).
9/27/2017	Pt. Arena	Candy Lodge	Mendocino Coast Parks and Recreation shuttle for orth activities and service to public pool in Gualala.
9/27/2017	Willits	Saprina Rodrigues	Service to Willits Pool and High School

FY 2017/18.

2-23-17: MTA received \$87,606.70 of the allocated revenues. Remaining funds are due to arrive to MTA within the next 30-60 days.

6-19-17: Advised by CalTrans, remaining \$219,236 to be sent out on 6/23/17.

6-29-17: Funds have been received, Purchase Order has been issued and vehicles are on order.

12-6-2017: Buses are going onto production line, Maintenance Supervisor Bob Butler to fly to Indiana next week for oversight.

RouteMatch Demand Response Software

\$80,000

Action: **5-18-17:** Approval for project change from Cal-OES.

5-19-17: Contracts signed

6-16-17: Kickoff Meeting with Project Manager

6-20-17: Project Manager Daniel Mulkey at MTA to fully assess current operation and start design of MTA IT system.

7-1-17: System design completed, equipment has been ordered. After arrival at RouteMatch, they will enter data into software. Staff Training is being scheduled.

8-2/3-17: Staff training completed.

8-15-17: Dispatch/Bus Operator Go Live

10-10-17: Conditional Acceptance Signed

Additional Trolley Purchase

\$175,139

Action: The original reason for purchasing an additional trolley was to have a Trolley available at Christmas for both Ukiah and Fort Bragg. At this time staff is delaying purchase until completion of Draft FY 2017/18 Budget. At that staff will make a recommendation to the Board of Directors regarding purchase of additional trolley.

6-19-2017: At this time, both the General Manager and Maintenance Manager agree that purchase of an additional trolley for charter purposes is not advisable. However, until complete transition of the current financials are completed into QuickBooks and Capital funding accounts are clearly defined, recommendation to the Board of Directors will be delayed until FY 18/19

Problems: Funding resources.

2017-18 Projects

Managed IT Care

\$80,437

Action: The MTA IT system was currently developed by in-house staff and local Vendors. The original server is at maximum capacity is now being backed up by an external hard drive. Estimated 6 months longevity. Through application for Prop 1B Safety and Security funds, MTA has contracted for a complete revamp of the IT network to include non-existing firewalls, off-site backup of data and utilization of fiber optp . 18

Problems: Awaiting MCOG Board Resolution approval for access to the funds on October 2, 2017, delaying implementation. However, with the project already approved, it is hoped that after receipt of the resolution, funding will be expedited.

10-02-17: MCOG Board of Directors approved allocation of Prop1B Safety and Security funds.

10-09-17: Receipt of signed resolutions; grant documents mailed to Cal-OES

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Agenda Item #9

To: MTA Board of Directors
From: Carla A. Meyer, General Manager
Date: December 6, 2017
Subject: Draft Amendments to JPA

In the State of California, Joint Powers Agreement organizations are decreed via CA Government Code 6500-6539.

When MTA was formed as a Joint Powers Agreement (JPA) organization in 1976, as was common in rural transit, the option to utilize Section 6505.5, use of the County Auditor as the "Auditor/Controller" of the agency funds was selected in the JPA. This was very successful, as small startup transit systems were understaffed and not capable of retaining qualified Financial Officer's at that time. For many years, this relationship has been successful.

However, with the passage of time, growth of the agency and increased costs, it is no longer the most efficient use of taxpayer funds. Some rural agencies have amended their Joint Powers Agreements to utilize Section 6505.6 of the Joint Powers mandate to utilize their own staffs in the position of 'Auditor/Controller' for efficiency and provision of modern services now available to the public.

Current status of utilizing Section Government Code 6505.5, County Auditor:

- Annual fees to MTA in excess of \$40,000 per year.
- Use of in-house accounting system and Mendocino County Munis accounting system; necessitating double entry for each and every AP/AR.
- Up to a two-week turnaround for processing of AP/AR, sometimes creating late fees.
- MTA staff person must manually count each and every quarter, nickel, dime, penny and dollar bill from bus farebox faults before weekly deposit with the County.
- Merchant Services available to public for debit/credit card processing is cost prohibitive.
- No remote access for check processing.
- South Coast and Fort Bragg supervisor collect bus fare vaults and transport to Ukiah base weekly for hand counting of fares collected to be deposited at the County.
- Corporate credit cards through WestAmerica at 22%-24% interest if payments late.

MTA requested a RFB for banking services in August, 2017. Umpqua Bank presented the best banking package to MTA. Following are the benefits to MTA by amending the JPA to utilizing Section Government Code 6505.6:

- No fees for check processing
- Local Branch has agreed to count all bus fares, eliminating the staff time to manually do so. (Local Branch also agreed to allow drop of all coin and bills, eliminating the need for Brinks services at approximately \$600 per week.)
- Remote deposit processing: South Coast and Fort Bragg Supervisor deposit bus fares at various banks. The funds are swept into the MTA account nightly.
- Merchant Services: Provides ability for MTA to provide debit/credit card services at its local office for no individual transaction fee. In addition, their Gateway System provides a shopping cart on the MTA webpage to allow purchase of bulk ticket sales to our various providers; eliminating their need to come physically to the MTA office with checks.
- Streamlining of payroll account allowing CalPERS, Health Care, Union Dues, garnishments and other benefit accounts to be paid promptly electronically from the MTA Benefits Account.
- Immediate access to individual fund transfers and deposits.
- Monthly banking fees with \$600,000 minimum is \$150 per month.
- Corporate credit cards at negotiated at 0% interest as part of the Treasury Management services.
- Eliminates need for additional Finance Staff personnel to handle double entry accounting and fare box cash counting.

MTA has a qualified Chief Financial Officer to oversee its Finance Division and a General Manager experienced with in-house accounting services. This amendment will save \$40,000 of taxpayer funds expended to the Auditors office for check processing and eliminate the need for MTA to hire additional staff to maintain a double accounting system, manual counting of cash bus fare receipts and moves MTA in the modern century for customer services that can be provided at the office and on it's webpage.

Recommendation: Review, approve and adopt Resolution 17-14, Draft #1 Amendment as recommended by Renne, Sloan, Holtzman and Sakai, LLC, to Joint Powers Agreement; authorize General Manager to distribute to JPA members for county and city parties' adoption.

GOVERNMENT CODE - GOV
TITLE 1. GENERAL [100 - 7914]

(Title 1 enacted by Stats. 1943, Ch. 134.)

DIVISION 7. MISCELLANEOUS [6000 - 7599.2]

(Division 7 enacted by Stats. 1943, Ch. 134.)

CHAPTER 5. Joint Exercise of Powers [6500 - 6599.3]

(Chapter 5 added by Stats. 1949, Ch. 84.)

ARTICLE 1. Joint Powers Agreements [6500 - 6539]

(Article 1 added by Stats. 1949, Ch. 84.)

6505.5.

If a separate agency or entity is created by the agreement, the agreement shall designate the treasurer of one of the contracting parties, or in lieu thereof, the county treasurer of a county in which one of the contracting parties is situated, or a certified public accountant to be the depository and have custody of all the money of the agency or entity, from whatever source.

The treasurer or certified public accountant so designated shall do all of the following:

- (a) Receive and receipt for all money of the agency or entity and place it in the treasury of the treasurer so designated to the credit of the agency or entity.
- (b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all agency or entity money so held by him or her.
- (c) Pay, when due, out of money of the agency or entity held by him or her, all sums payable on outstanding bonds and coupons of the agency or entity.
- (d) Pay any other sums due from the agency or entity from agency or entity money, or any portion thereof, only upon warrants of the public officer performing the functions of auditor or controller who has been designated by the agreement.
- (e) Verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement the amount of money he or she holds for the agency or entity, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

The officer performing the functions of auditor or controller shall be of the same public agency as the treasurer designated as depository pursuant to this section. However, where a certified public accountant has been designated as treasurer of the entity, the auditor of one of the contracting parties or of a county in which one of the contracting parties is located shall be designated as auditor of the entity. The auditor shall draw warrants to pay demands against the agency or entity when the demands have been approved by any person authorized to so approve in the agreement creating the agency or entity.

The governing body of the same public entity as the treasurer and auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the treasurer and auditor. However, where a certified public accountant has been designated as treasurer, the governing body of the same public entity as the auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the auditor.

(Amended by Stats. 1999, Ch. 83, Sec. 65. Effective January 1, 2000.)

6505.6.

In lieu of the designation of a treasurer and auditor as set forth in Section 6505.5, the agency or entity may appoint one of its officers or employees to either or both of such positions. Such offices may be held by separate officers or employees or combined and held by one officer or employee. Such person or persons shall comply with the duties and responsibilities of the office or offices as set forth in subdivisions (a) to (d), inclusive, of Section 6505.5.

In the event the agency or entity designates its officers or employees to fill the functions of treasurer or auditor, or both, pursuant to this section, such officers or employees shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505.

(Added by Stats. 1979, Ch. 276.)

DRAFT #1

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**FIRST AMENDMENT TO
JOINT POWERS AGREEMENT
CONTINUING THE
MENDOCINO TRANSIT AUTHORITY**

THIS FIRST AMENDMENT TO JOINT POWERS AGREEMENT CONTINUING THE MENDOCINO TRANSIT AUTHORITY (the "Amendment") is made effective as of the [REDACTED] day of [REDACTED], 2018, by and among the COUNTY OF MENDOCINO, a political subdivision of the State of California, the CITY OF UKIAH, a municipal corporation organized and existing under the laws of the State of California, the CITY OF FORT BRAGG, a municipal corporation organized and existing under the laws of the State of California, the CITY OF WILLITS, a municipal corporation organized and existing under the laws of the State of California, and the CITY OF POINT ARENA, a municipal corporation organized and existing under the laws of the State of California.

Recitals

A. WHEREAS, effective July 1, 1993, the parties hereto entered into that certain Joint Powers Agreement Continuing the Mendocino Transit Authority (the "Agreement"); and

B. WHEREAS, the parties now desire to amend the Agreement to allow the MTA Board Directors to appoint the MTA Treasurer and Auditor.

Amendment

NOW THEREFORE, the parties hereto agree as follows:

1. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Agreement.

2. Section 11 of the Agreement is hereby amended to read as follows:

“11. CUSTODY OF FUNDS.

(a) Except as provided in Subsection (b), below, the treasurer and auditor of the County of Mendocino, respectively, are designated the treasurer and auditor of MTA with the powers, duties, and responsibilities specified in the Joint Exercise of Powers Act (California Government Code Section 6500 *et seq.*), including,

without limitation, sections 6505 and 6505.5 thereof.

- (b) In lieu of the designations in Subsection (a), above, the MTA Board of Directors may appoint one or more of MTA's officers or employees to either or both of the positions of treasurer or auditor as provided in the Joint Exercise of Powers Act, including, without limitation, section 6505.6 thereof.
- (c) The treasurer and auditor shall perform all of the duties required by the Joint Exercise of Powers Act, including without limitation the duties prescribed by Government Code Sections 6505 and 6505.5, and shall comply with the allocation instructions of MCOG, if any."

3. This Amendment may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

4. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

**COUNTY OF MENDOCINO, a political
subdivision of the State of California**

**CITY OF UKIAH,
a municipal corporation**

By: _____
Chairperson, Mendocino County
Board of Supervisors

By: _____
City Manager

ATTEST:

ATTEST:

Clerk of the Board of Supervisors

City Clerk

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

County Counsel

City Attorney

**CITY OF FORT BRAGG,
a municipal corporation**

**CITY OF WILLITS,
a municipal corporation**

By: _____
City Manager

By: _____
City Manager

ATTEST:

City Clerk

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

APPROVED AS TO LEGAL FORM:

City Attorney

**CITY OF POINT ARENA,
a municipal corporation**

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

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**FIRST AMENDMENT TO
JOINT POWERS AGREEMENT
CONTINUING THE
MENDOCINO TRANSIT AUTHORITY**

THIS FIRST AMENDMENT TO JOINT POWERS AGREEMENT CONTINUING THE MENDOCINO TRANSIT AUTHORITY (the "Amendment") is made effective as of the [REDACTED] day of [REDACTED], 2018, by and among the COUNTY OF MENDOCINO, a political subdivision of the State of California, the CITY OF UKIAH, a municipal corporation organized and existing under the laws of the State of California, the CITY OF FORT BRAGG, a municipal corporation organized and existing under the laws of the State of California, the CITY OF WILLITS, a municipal corporation organized and existing under the laws of the State of California, and the CITY OF POINT ARENA, a municipal corporation organized and existing under the laws of the State of California.

Recitals

- A. WHEREAS, effective July 1, 1993, the parties hereto entered into that certain Joint Powers Agreement Continuing the Mendocino Transit Authority (the "Agreement"); and
- B. WHEREAS, the parties now desire to amend the Agreement to allow the MTA Board Directors to appoint the MTA Treasurer and Auditor.

Amendment

NOW THEREFORE, the parties hereto agree as follows:

1. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Agreement.
2. Section 11 of the Agreement is hereby amended to read as follows:

"11. CUSTODY OF FUNDS.

 - (a) The MTA Board of Directors shall appoint one or more of MTA's officers or employees to either or both of the positions of treasurer or auditor as provided in the Joint Exercise of Powers Act, including, without limitation, section 6505.6 thereof.

- (b) The treasurer and auditor shall perform all of the duties required by the Joint Exercise of Powers Act, including without limitation the duties prescribed by Government Code Sections 6505 and 6505.5, and shall comply with the allocation instructions of MCOG, if any.”

3. This Amendment may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

4. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

**COUNTY OF MENDOCINO, a political
subdivision of the State of California**

**CITY OF UKIAH,
a municipal corporation**

By: _____
Chairperson, Mendocino County
Board of Supervisors

By: _____
City Manager

ATTEST:

ATTEST:

Clerk of the Board of Supervisors

City Clerk

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

County Counsel

City Attorney

**CITY OF FORT BRAGG,
a municipal corporation**

**CITY OF WILLITS,
a municipal corporation**

By: _____
City Manager

By: _____
City Manager

ATTEST:

ATTEST:

City Clerk

City Clerk

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

City Attorney

City Attorney

**CITY OF POINT ARENA,
a municipal corporation**

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

**SECOND AMENDMENT TO
JOINT POWERS AGREEMENT
CONTINUING THE
MENDOCINO TRANSIT AUTHORITY**

THIS FIRST AMENDMENT TO JOINT POWERS AGREEMENT CONTINUING THE MENDOCINO TRANSIT AUTHORITY (the “Amendment”) is made effective as of the [REDACTED] day of [REDACTED], 2018, by and among the COUNTY OF MENDOCINO, a political subdivision of the State of California, the CITY OF UKIAH, a municipal corporation organized and existing under the laws of the State of California, the CITY OF FORT BRAGG, a municipal corporation organized and existing under the laws of the State of California, the CITY OF WILLITS, a municipal corporation organized and existing under the laws of the State of California, and the CITY OF POINT ARENA, a municipal corporation organized and existing under the laws of the State of California.

Recitals

- A. WHEREAS, effective July 1, 1993, the parties hereto entered into that certain Joint Powers Agreement Continuing the Mendocino Transit Authority (the “Agreement”); and
- B. WHEREAS, the parties now desire to amend the Agreement to allow the MTA Board Directors to appoint the MTA Treasurer and Auditor.

Amendment

NOW THEREFORE, the parties hereto agree as follows:

1. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Agreement.
2. Section 11 of the Agreement is hereby amended to read as follows:

“11. CUSTODY OF FUNDS.

(a) The MTA Board of Directors shall appoint one or more of MTA’s officers or employees to either or both of the positions of treasurer or auditor as provided in the Joint Exercise of Powers Act, including, without limitation, section 6505.6 thereof.

”

(b) The treasurer and auditor shall perform all of the duties required by the Joint Exercise of Powers Act, including without limitation the duties prescribed by Government Code Sections 6505 and 6505.5, and shall comply with the allocation instructions of MCOG, if any.”

3. This Amendment may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

4. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

**COUNTY OF MENDOCINO, a political
subdivision of the State of California**

**CITY OF UKIAH,
a municipal corporation**

By: _____
Chairperson, Mendocino County
Board of Supervisors

By: _____
City Manager

ATTEST:

ATTEST:

Clerk of the Board of Supervisors

City Clerk

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

County Counsel

City Attorney

**CITY OF FORT BRAGG,
a municipal corporation**

**CITY OF WILLITS,
a municipal corporation**

By: _____
City Manager

By: _____
City Manager

ATTEST:

City Clerk

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

APPROVED AS TO LEGAL FORM:

City Attorney

**CITY OF POINT ARENA,
a municipal corporation**

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

DRAFT #3

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**THIRD AMENDMENT TO
JOINT POWERS AGREEMENT
CONTINUING THE
MENDOCINO TRANSIT AUTHORITY**

THIS FIRST AMENDMENT TO JOINT POWERS AGREEMENT CONTINUING THE MENDOCINO TRANSIT AUTHORITY (the "Amendment") is made effective as of the [REDACTED] day of [REDACTED], 2018, by and among the COUNTY OF MENDOCINO, a political subdivision of the State of California, the CITY OF UKIAH, a municipal corporation organized and existing under the laws of the State of California, the CITY OF FORT BRAGG, a municipal corporation organized and existing under the laws of the State of California, the CITY OF WILLITS, a municipal corporation organized and existing under the laws of the State of California, and the CITY OF POINT ARENA, a municipal corporation organized and existing under the laws of the State of California.

Recitals

A. WHEREAS, effective July 1, 1993, the parties hereto entered into that certain Joint Powers Agreement Continuing the Mendocino Transit Authority (the "Agreement"); and

B. WHEREAS, the parties now desire to amend the Agreement to allow the MTA Board Directors to appoint the MTA Treasurer and Auditor.

Amendment

NOW THEREFORE, the parties hereto agree as follows:

1. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Agreement.

2. Section 11 of the Agreement is hereby amended to read as follows:

"11. CUSTODY OF FUNDS. The MTA Board of Directors shall appoint a treasurer and auditor as follows:

(a) The treasurer appointed by the Board of Directors shall be one of the following:

(i) the treasurer of one of the Parties to the Agreement;

- (ii) an officer or employee of MTA; or
 - (iii) a certified public accountant.
- (b) The auditor appointed by the Board of Directors shall be:
- (i) an employee of the same Party to the Agreement as the treasurer, if the treasurer is the treasurer of one of the Parties to the Agreement; or
 - (ii) an officer or employee of MTA, if the treasurer is an officer or employee of MTA; provided that the officer or employee holding the office of treasurer may also hold the office of auditor; or
 - (iii) the auditor of one of the Parties to the Agreement, if the treasurer is a certified public accountant. (Government Code Sections 6505.5 & 6505.6.)

The treasurer and auditor shall perform all of the duties required by the Joint Exercise of Powers Act, including without limitation the duties prescribed by Government Code Sections 6505 and 6505.5, and shall comply with the allocation instructions of MCOG, if any.”

3. This Amendment may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

4. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

**COUNTY OF MENDOCINO, a political
subdivision of the State of California**

**CITY OF UKIAH,
a municipal corporation**

By: _____
Chairperson, Mendocino County
Board of Supervisors

By: _____
City Manager

ATTEST:

ATTEST:

Clerk of the Board of Supervisors

City Clerk

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

County Counsel

City Attorney

**CITY OF FORT BRAGG,
a municipal corporation**

**CITY OF WILLITS,
a municipal corporation**

By: _____
City Manager

By: _____
City Manager

ATTEST:

City Clerk

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

APPROVED AS TO LEGAL FORM:

City Attorney

**CITY OF POINT ARENA,
a municipal corporation**

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

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Agenda Item #10

To: MTA Board of Directors
From: Carla A. Meyer, General Manager
Date: December 6, 2017
Subject: State of Good Repair

On April 29, 2017 Governor Brown signed Senate Bill (SB) 1 known as the Road Repair and Accountability Act of 2017. Senate Bill 1 will provide over \$50 billion in new transportation funding over the next decade to repair highways, bridges, local roads and to improve transit service. SB 1 will provide approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects. This investment in public transit is referred to as State of Good Repair (SGR) Program.

Public Utilities Code (PUC) Section 99312.1 continuously appropriates revenues received for the State Transit Assistance (STA) Program to the State Controller's Office (SCO). The SGR Program is funded from the transportation improvement fee portion of this revenue. As previously stated the current revenue projection is \$105 million, however, future budget forecasts may include new revenue estimates.

The SGR Program is one of two programs that allocate SB 1 funds to transit agencies through the State Transit Assistance formula. The original program augments the base of the STA program by an estimated \$175 million in 2017-18 and \$274 million in 2018-19. MTA's STA program will provide MTA with an increase from approximately \$325,000 to \$575,000, less than the previously forecasted \$700,000. The SGR estimate available to MTA is projected as \$128,995 in FY 2017-18.

Prior to receiving an apportionment of SGR funds in a given fiscal year, recipient agencies must submit a list of projects proposed to be funded to CalTrans. Each proposal must include a description and location of the project, a proposed schedule for the project's completion and the estimate useful life of the improvement. MTA is proposing to utilize these funds as match for the completion of the Administration Solar Modernization Project. After the initial securement of the funds received quarterly, MTA staff will prepare an RFP for final building design and blueprints. The remaining revenues will be held as match for a federal grant to complete the final phase of the Solar Modernization Project.

SB1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for SGR funding, eligible agencies must comply with various reporting requirements.

Recommendation: Review, approve and adopt Resolution 17-15, Authorization for the execution for the Certifications and Assurances for the California State of Good Repair Program.



Authorized Agent

The following individual(s) are hereby authorized to execute for and on behalf of the named Regional Entity/Transit Operator, and to take any actions necessary for the purpose of obtaining State Transit Assistance State of Good Repair funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. This form is valid at the beginning of Fiscal Year 2017-2018 until the end of the State of Good Repair Program. If there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself.

Carla A. Meyer, General Manager

(Name and Title of Authorized Agent)

AS THE Director

(Chief Executive Officer / Director / President / Secretary)

OF THE Mendocino Transit Authority

(Name of County/City Organization)

Jim Tarbell

(Print Name)

Vice-Chairman, MTA Board of Directors

(Title)

(Signature)

Approved this 6th day of December, 2017

State Transit Assistance State of Good Repair Program

Recipient Certifications and Assurances

Recipient: Mendocino Transit Authority

Effective Date: December 6, 2017

In order to receive State of Good Repair Program (SGR) funds from the California Department of Transportation (Department), recipients must agree to following terms and conditions:

A. General

- (1) The recipient agrees to abide by the State of Good Repair Guidelines as may be updated from time to time.
- (2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects proposed to be funded by the SGR program. The project list should include the estimated SGR share assigned to each project along with the total estimated cost of each project..
- (3) The recipient must submit a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution authorizing the agent.

B. Project Administration

- (1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that each project approved for SGR funding comply with Public Resources Code § 21100 and § 21150.
- (2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the estimated useful lives of the assets or improvements.
- (3) The recipient certifies that it has the legal, financial, and technical capacity to deliver the projects, including the safety and security aspects of each project.

- (4) The recipient certifies that there is no pending litigation, dispute, or negative audit findings related to any SGR project at the time an SGR project is submitted in the annual list.
- (5) Recipient agrees to notify the Department immediately if litigation is filed or disputes arise after submission of the annual project list and to notify the Department of any negative audit findings related to any project using SGR funds.
- (6) The recipient must maintain satisfactory continuing control over the use of project equipment and/or facilities and will adequately maintain project equipment and/or facilities for the estimated useful life of each project.
- (7) Any and all interest the recipient earns on SGR funds must be reported to the Department and may only be used on approved SGR projects or returned to the Department.
- (8) The recipient must notify the Department of any proposed changes to an approved project list by submitting an amended project list.
- (9) Funds will be expended in a timely manner.

C. Reporting

- (1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:
 - a. Annual Expenditure Reports within six months of the close of the fiscal year (by December 31st) of each year.
 - b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of each fiscal year in which SGR funds have been received or expended.

D. Cost Principles

- (1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall

comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The recipient agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a

project for audits, examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.

- (3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) Recipient acknowledges that if a project list is not submitted timely, the recipient forfeits its apportionment for that fiscal year.
- (2) Recipients with delinquent expenditure reports may risk future eligibility for future SGR funding.
- (3) Recipient acknowledges that the Department shall have the right to perform an audit and/or request detailed project information of the recipient's SGR funded projects at the Department's discretion from SGR award through 3 years after the completion and final billing of any SGR funded project. Recipient agrees to provide any requested project information.

I certify all of these conditions will be met.

MENDOCINO TRANSIT AUTHORITY

BY: _____

Carla A. Meyer
General Manager

ATTACHMENT I

RESOLUTION #2017-15

**AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES
FOR THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM**

*(The following is sample language that could be included in your Board Resolution,
necessary for execution of Certification and Assurances)*

WHEREAS, the Mendocino Transit Authority is an eligible project sponsor and may receive State Transit Assistance funding from the State of Good Repair Account (SGR) now or sometime in the future 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 1 (2017) named the Department of Transportation (Department) as the administrative agency for the SGR; and

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

WHEREAS, the Mendocino Transit Authority wishes to delegate authorization to execute these documents and any amendments thereto to the General Manager; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mendocino Transit Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all SGR funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Manager be authorized to execute all required documents of the SGR program and any Amendments thereto with the California Department of Transportation.

AGENCY BOARD DESIGNEE:

BY: _____

Jim Tarbell, Vice-Chairman, MTA Board of Directors

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