



Regular Meeting of the Board of Directors

Tuesday, November 28, 2017

10:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

AGENDA

For record keeping purposes, and if staff may need to contact you, we request that a speaker card, located at the Community Room entrance, be completed and deposited with the AVTA Clerk of the Board. This will then become public information. Please note that you do not have to complete this form or state your name to speak. A three-minute time limit will be imposed on all speakers other than staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Clerk of the Board at (661) 729-2206 at least 72 hours prior to the scheduled Board of Directors meeting.

Translation services for Limited English Proficiency (LEP) persons are also available by contacting the Clerk of the Board at least 72 hours prior to the meeting.

Please turn off, or set to vibrate, cell phones, pagers, and other electronic devices for the duration of this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL:

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Steve Hofbauer, Director Austin Bishop, Director Angela Underwood-Jacobs, Director Michelle Flanagan

APPROVAL OF AGENDA

PUBLIC BUSINESS – AGENDIZED AND NON-AGENDIZED ITEMS:

If you would like to address the board on any agendized or non-agendized items, you may present your comments at this time. Please complete a speaker card (available as you enter the Community Room) and provide it to the Clerk of the Board. Speaking clearly, state and spell your name for the record. **State law generally prohibits the Board of Directors from taking action on or discussing non-agenda items; therefore, your matter will be referred to the Authority's Executive Director/CEO for follow-up.** Each speaker is limited to three (3) minutes.

SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP): During this portion of the meeting, staff will present information not normally covered under regular meeting items. This information may include, but is not limited to budget presentations, staff conference presentations, or information from outside sources that relates to the transit industry. **Staff will seek direction as is necessary from the Board with regard to the following item(s).**

- SRP 1 RECOGNITION OF TRANSDEV OPERATOR LATASHA GILLESPIE FOR HER COURAGE AND HEROISM IN PREVENTING A POSSIBLE CHILD ABDUCTION ON NOVEMBER 5, 2017 – NORM HICKLING
- SRP 2 RECOGNITION OF BRIAN KUHN FOR HIS SERVICE AS AN AVTA TRANSIT ADVISORY COMMITTEE MEMBER FOR THE CITY OF PALMDALE – LEN ENGEL
- SRP 3 RECOGNITION OF TROLIS NIEBLA FOR HIS SERVICE AS AN AVTA TRANSIT ADVISORY COMMITTEE MEMBER FOR THE CITY OF LANCASTER – LEN ENGEL
- SRP 4 PRESENTATION OF TRANSDEV OPERATOR AND EMPLOYEE OF THE MONTH FOR OCTOBER 2017 – HECTOR FUENTES, TRANSDEV
- SRP 5 LEGISLATIVE REPORT FOR NOVEMBER 2017 – JUDY FRY
- SRP 6 FISCAL YEAR 2017/2018 (FY18) FIRST QUARTER MAINTENANCE KEY PERFORMANCE INDICATORS (KPI) REPORT (JULY 1 – SEPTEMBER 30, 2017) – MARK PERRY

Recommended Action: Receive and file the FY18 First Quarter Maintenance KPI Report for the period covering July 1 through September 30, 2017.

- SRP 7 FY18 FIRST QUARTER SYSTEM-WIDE KPI REPORT (JULY 1 – SEPTEMBER 30, 2017) – NORM HICKLING

Recommended Action: Receive and file the FY18 First Quarter System-Wide KPI Report for the period covering July 1 through September 30, 2017.

CONSENT CALENDAR (CC): Items 1 through 5 are consent items that may be received and filed and/or approved by the board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF OCTOBER 18 AND OCTOBER 24, 2017 – KAREN DARR

Recommended Action: Approve the Board of Directors Regular Meeting Minutes of October 18 and October 24, 2017.

CC 2 FINANCIAL REPORTS FOR SEPTEMBER AND OCTOBER 2017 – COLBY KONISEK

Recommended Action: Fiscal Year-to-Date Budget versus Actual report dated September 30, 2017; Interim, unaudited Financial Statements for the three months ended September 30, 2017; Treasurer’s Report and Cash flow Projection for the month ended September 30, 2017; Payroll History Report for the three months ended October 31, 2017; Cash Disbursements Report for the month ended October 31, 2017.

CC 3 FY18 FIRST QUARTER CAPITAL RESERVE REPORT (JULY 1 – SEPTEMBER 30, 2017) – COLBY KONISEK

Recommended Action: Receive and file the FY18 First Quarter Capital Reserve Report for the period covering July 1 through September 30, 2017.

CC 4 GRANT STATUS REPORT THROUGH OCTOBER 30, 2017 – JUDY FRY

Recommended Action: Receive and file the Grant Status Report through November 6, 2017.

CC 5 REDEFINE AGE REQUIREMENT OF A SENIOR PASSENGER FROM 65 YEARS OF AGE OR OLDER TO 62 YEARS OF AGE OR OLDER

Recommended Action: Adopt Resolution No. 2017-007, a resolution of the Board of Directors of the Antelope Valley Transit Authority, redefining the age requirement of a senior passenger from 65 years of age or older to 62 years of age or older.

NEW BUSINESS (NB):

NB 1 DRAFT AUDITED FINANCIAL STATEMENTS WITHIN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND SINGLE AUDIT OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2017 – COLBY KONISEK/TOM HUEY, PARTNER, WINDES, INC.

Recommended Action: Approve the Draft CAFR and Single Audit Report of Federal Awards for the year ended June 30, 2017.

NB 2 AWARD CONTRACT #2018-05 TO RALLY AUTO GROUP, INC. FOR THREE REPLACEMENT FULL-SIZED LOW ROOF PASSENGER VANS – LYLE BLOCK

Recommended Action: Authorize the Executive Director/CEO to execute Contract #2018-05 for three replacement full-sized low roof passenger vans to Rally Auto Group, Inc., Palmdale, CA, for the amount of \$88,548.35, plus applicable sales tax.

CONTINUED BUSINESS (CB):

CB 1 CONTRACT EXTENSION FOR CONTRACT #2011-032 WITH TRANSDEV, INC. FOR FIXED ROUTE TRANSIT OPERATIONS AND MAINTENANCE SERVICES – LEN ENGEL

Recommended Action: Authorize the Executive Director/CEO to negotiate and execute an extension to Contract #2011-032 with Transdev for fixed route operations and maintenance services effective January 1, 2018. The contract will be extended the remaining two, two-year options.

CB 2 VANPOOL PROJECT OPTIONS – LEN ENGEL

Recommended Action: Authorize the Executive Director/CEO to develop a proposed budget and administrative framework for a vanpool/carpool/carshare operation within AVTA structure.

CLOSED SESSION (CS):

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a)

Pending Litigation: Clark v. AVTA, LASC Case No. MC026036

Pending Litigation: Sabina M. Andrade v. AVTA

Pending Litigation: Marsh v. AVTA USDC case No. 2:16-cv-0937-PSG

CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)

Significant exposure to litigation (one potential case)

CS 3 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)

Consideration of whether to initiate litigation (one potential case)

CS 4 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(D)(4)

Consideration of initiation of litigation (one potential case)

CS 5 Public Employee Performance Evaluation – Pursuant to Government Code Sections 54954.5 (e) and 54957(b))
Title: Executive Director/CEO

RECESS TO CLOSED SESSION

RECONVENE TO PUBLIC SESSION

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

REPORTS AND ANNOUNCEMENTS (RA):

RA 1 Report by the Executive Director/CEO

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

During this portion of the meeting, Board Members may address non-agenda items by briefly responding to statements made or questions posed by the public, asking a question for clarification, making a brief announcement, or making a brief report on their own activities. **State law generally prohibits the AVTA Board of Directors from taking action on or discussing items not on the agenda.** Matters will be referred to the Executive Director/CEO for follow-up.

ADJOURNMENT:

Adjourn to the Regular Meeting of the Board of Directors on January 23, 2018 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

The agenda was posted by 5:00 p.m. on November 21, 2017 at the entrance to the Antelope Valley Transit Authority, 42210 6th Street West, Lancaster, CA 93534.

Copies of the staff reports and attachments or other written documentation relating to each proposed item of business on the agenda presented for discussion by the Board of Directors are on file in the Office of the Executive Director/CEO. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the AVTA to the Board of Directors less than 72 hours prior to that meeting are on file in the Office of the Executive Director/CEO. These documents are available for public inspection during regular business hours at the Customer Service window of the AVTA at 42210 6th Street West, Lancaster or by contacting the Clerk of the Board at (661) 729-2206.



Special Meeting of the Board of Directors – Strategic Planning Workshop

Wednesday, October 18, 2017

9:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

UNOFFICIAL MINUTES

CALL TO ORDER:

Chairman Crist called the meeting to order at 9:05 a.m.

PLEDGE OF ALLEGIANCE:

Director Hofbauer led the Pledge of Allegiance.

ROLL CALL:

Present

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Steve Hofbauer, Director Austin Bishop, Director Angela Underwood-Jacobs, Director Michelle Flanagan

AVTA Staff in Attendance:

Len Engel, Executive Director/CEO; Norm Hickling, Chief Operating Officer; Colby Konisek, Chief Financial Officer; DeeAnna Cason, Executive Assistant; Judy Fry, Grants Administrator; James Mannie, Finance Manager; Kelly Miller, Outreach Community Specialist; Geraldina Romo, Transit Analyst; Nate Pitkin, Communications/Media Production; Francynn Tobar, Records Management Technician

Other Attendees:

City of Lancaster – Mark Bozigian, City Manager; Trolis Niebla, City Engineer; Tammie Holladay, Treasury Manager

City of Palmdale – Jim Purtee, City Manager; Brian Kuhn, Traffic Engineer; Sayne Redifer, Senior Management Analyst

County of Los Angeles – Jordan Catanese, Assistant Transit Analyst

Transdev – Hector Fuentes, General Manager; Mike Sorensen, Operations Manager

Moore and Associates – Jim Moore, Planning Consultant

M. Greene Planning & Resource Development – Melanie Greene, Consultant

APPROVAL OF AGENDA:

Motion: Approve the agenda as presented.

Moved by Director Hofbauer, seconded by Director Underwood-Jacobs

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Bishop, Underwood-Jacobs, Flanagan

Nays: None

Abstain: None

Absent: None

PUBLIC BUSINESS – AGENDIZED AND NON-AGENDIZED ITEMS:

There were no public business items presented.

STRATEGIC PLANNING WORKSHOP:

DISCUSSION ITEMS:

DI 1 REQUIREMENT FOR “ENHANCED” SERVICE WITH MEASURE M FUNDS

Executive Director/CEO Len Engel presented the staff report. He reported AVTA should receive about \$2 million in November 2017. The funds can be used only for supplementing existing transit programs and services such as vanpool services, increased frequency, additional buses, and new routes. The funds cannot be used for operator wages. Ms. Fry further clarified the stipulations regarding the usage of Measure M funds. The Board discussed existing service levels and when AVTA could use Measure M funds.

DI 2 ANTICIPATED FUNDS FROM SENATE BILL (SB) 1: TRANSPORTATION FUNDING

Jim Moore presented information included in the Sustainable Community Planning grant application that will be submitted on October 20, 2017. The grant tasks include evaluating routes, future transportation demands, and identifying service standards for residential and commercial developments. The Board discussed transportation requirements in commercial and residential development projects, drafting a transportation policy, and partnerships with the jurisdictions.

Mr. Fuentes provided an update regarding the operators’ strike and contract negotiations. He stated that Transdev’s Chief Operating Officer and the Teamsters Local 848 representative Eric Tate are meeting the week of October 23, 2017 to continue contract negotiations. The Board discussed AVTA’s strategy to ensure transportation needs are met during contract negotiations, the cost of relief drivers, and the joint employer issue. Mr.

Engel will meet with the public relations' consultants to develop a public message regarding the joint employer issue.

The Board took a break at 10:15 a.m. and resumed at 10:25 a.m.

The Board continued discussing potential reductions or changes to existing service levels, fiscal impact to AVTA, and the impact strike activity has had on transportation needs and expenditures. Mr. Engel will provide a proposal regarding downgrading existing service, proposed service, the number of operators that would be laid off, the effect on veterans, seniors, disabled, and student riders, and Title VI implications.

The Board discussed the status of the electric bus project, positive feedback from other transportation agencies, potential revenue sources, partnering with Kern County on a grant application, obtaining advanced jurisdictional payments to cover operational costs, and revising the jurisdictional cost allocation formula to increase Los Angeles County's contribution to match the other two jurisdictions.

Staff will provide a report regarding revisions to the jurisdictional cost allocation formula at the November 28, 2017 Board meeting. If approved by the Board, staff will revise the Joint Exercise of Powers Agreement for approval by the jurisdictions' board and councils.

Mr. Engel stated he and Ms. Fry recently met with the Transit and Intercity Rail Capital Program (TIRCP) representatives regarding received and potential grant funds. Staff will provide an update at the November 28, 2017 Board meeting regarding existing and pending grant applications and request capital reserve funds from the jurisdictions for the fiscal year they had a "holiday".

DI 5 OPTIONS FOR COMMUTER VANPOOL SERVICE PROVIDER WITH ZERO EMISSION FLEET

Mr. Engel stated that AVTA will receive \$400,000 in the TIRCP II grant, which is allocated for the purchase of ten battery-electric vehicles. The Board discussed: 1) various uses such as assigning vehicles to Lancaster and Palmdale's park and ride sites, local hotels, and commuters traveling to Edwards Air Force Base or Mojave Spaceport; 2) partnering with the Antelope Valley Air Quality Management District for the required infrastructure; 3) cost of the vehicles; and 4) other transit agencies that provide vanpool services. Mr. Moore provided a summary of the information in the Commuter Vanpool Program white paper.

ADJOURNMENT:

Chairman Crist adjourned the meeting at 11:30 a.m. to the Regular Meeting of the Board of Directors to October 24, 2017 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

PASSED, APPROVED, and ADOPTED this 28th day of NOVEMBER 2017

Marvin Crist, Chairman

ATTEST:

Karen S. Darr, Clerk of the Board

Audio recordings of the Board of Directors Meetings are maintained in accordance with state law and AVTA's Records Retention Policy. Please contact the Clerk of the Board at (661) 729-2206 to arrange to review a recording.



**Regular Meeting of the Board of Directors
Tuesday, October 24, 2017
10:00 a.m.**

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

UNOFFICIAL MINUTES

CALL TO ORDER:

Chairman Crist called the meeting to order at 10:10 a.m.

PLEDGE OF ALLEGIANCE:

Director Bishop led the Pledge of Allegiance.

ROLL CALL:

Present

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Steve Hofbauer, Director Austin Bishop, Director Angela Underwood-Jacobs, Director Michelle Flanagan

APPROVAL OF AGENDA:

Motion: Approve the agenda as comprised.

Moved by Director Bishop, seconded by Vice Chair Knippel

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Bishop, Underwood-Jacobs, Flanagan

Nays: None

Abstain: None

Absent: None

PUBLIC BUSINESS – AGENDIZED AND NON-AGENDIZED ITEMS:

Jerel Arbaugh – Thanked and complimented staff for quickly correcting the destination numbers on the Route 98 bus stop signs and destination and line number announcements on the Route 52.

SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP):

SRP 1 PRESENTATION OF AVTA EMPLOYEE OF THE FIRST QUARTER FISCAL YEAR 2017/2018 (FY18) (JULY 1 – SEPTEMBER 30, 2017)

Chief Financial Officer Colby Konisek presented the AVTA Employee of the Quarter award to Accounting Technician Gloria Delgado.

SRP 2 PRESENTATION OF TRANSDEV OPERATOR AND EMPLOYEE OF THE MONTH FOR SEPTEMBER 2017

Trandev General Manager Hector Fuentes presented plaques to the Operator of the Month Terrence Cloud and the Employee of the Month Neqael Jones.

SRP 3 LEGISLATIVE REPORT FOR OCTOBER 2017

Grants Administrator Judy Fry provided an update regarding the Bus and Bus Facilities, Transportation Investment Generating Economic Recovery, Transit and Intercity Rail Capital Program, and Caltrans discretionary grants. She added that the Air Resources Board will vote on December 14, 2017 to increase funding for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).

She stated AB-17: Reduced-Fare Transit Passes for Students was vetoed by Governor Brown on October 15, 2017 and he vetoed AB-1479: Civil liabilities for violations of the California Public Records Act on October 13, 2017. The Board discussed the Caltrans grant. Director Hofbauer stated that he attends the Southern California Association of Government meetings and offered to assist staff with the Caltrans grant.

CONSENT CALENDAR (CC):

The Board pulled CC 3 for discussion.

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF SEPTEMBER 26, 2017
Approve the Board of Directors Regular Meeting Minutes of September 26, 2017.

CC 2 FINANCIAL REPORTS FOR AUGUST AND SEPTEMBER 2017
Receive and file the financial reports for August and September 2017.

CC 3 FY18 FIRST QUARTER LOS ANGELES COUNTY SHERIFF'S DEPARTMENT (LASD) REPORT (JULY 1 – SEPTEMBER 30, 2017)

Receive and file the FY18 First Quarter LASD report for the period covering July 1 through September 30, 2017.

The Board discussed LASD's response when the operators' safety is in jeopardy. Executive Director/CEO Len Engel stated that staff is managing this issue and will include any findings in future reports. Chief Operating Officer Norm Hickling added that Deputy Maselli speaks to the operators daily to obtain information regarding safety issues.

Addressing the Board on this item

Charlotte Baxter – Stated she has witnessed verbal exchanges among passengers and agrees it needs to be addressed.

CC 4 BOARD OF DIRECTORS AND TRANSIT ADVISORY COMMITTEE 2018 MEETINGS CALENDAR

Approve the 2018 meetings calendar for the Board of Directors and Transit Advisory Committee.

Motion: Approve the Consent Calendar.

Moved by Director Bishop, seconded by Director Hofbauer

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Bishop, Underwood-Jacobs, Flanagan

Nays: None

Abstain: None

Absent: None

NEW BUSINESS (NB):

NB 1 SENIOR SUBSIDY GRANT PROGRAM FY18

Executive Director/CEO Len Engel presented the staff report.

The Board discussed the grant from the Antelope Valley Air Quality Management District (AVAQMD), the different balances for the cities of Lancaster and Palmdale, Metro Subsidy Program, and actual usage by participants.

Motion: Approve the Senior Subsidy Grant Program for FY18 and redefine “senior” as an individual 62 years of age or older. Approval will be conditional based on agreement from the cities of Lancaster (\$20,250) and Palmdale (\$2,375).

Moved by Director Bishop, seconded by Director Hofbauer

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Bishop, Underwood–Jacobs, Flanagan

Nays: None

Abstain: None

Absent: None

NB 2 VANPOOL PROJECT OPTIONS

Mr. Engel presented the staff report. The Board discussed AVTA performing this service in-house versus using an outside vendor, and if the grant funds received from the Transit and Intercity Rail Capital Program could be used for other projects.

General Counsel Allison Burns was directed to provide an opinion regarding the legal advantages and disadvantages and liability issues if the service was performed in-house. The Board directed staff to draft a proposal that itemizes the costs, performing the service in-house versus using an outside vendor, how long it would take to start the project and information from other vanpool operators. Staff will provide the information at the November 28, 2017 Board meeting.

Motion: Authorize the Executive Director/CEO to research all options, as directed, for a vanpool/carpool/carshare operation and provide a recommendation at the November 28, 2017 Board meeting.

Moved by Director Hofbauer, seconded by Vice Chair Knippel

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Bishop, Underwood–Jacobs, Flanagan

Nays: None

Abstain: None

Absent: None

CLOSED SESSION (CS):

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

- CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a)
Pending Litigation: Clark v. AVTA, LASC Case No. MC026036
Pending Litigation: Sabina M. Andrade v. AVTA
Pending Litigation: Marsh v. AVTA USDC case No. 2:16-cv-0937-PSG
- CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)
Significant exposure to litigation (one potential case)
- CS 3 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)
Consideration of whether to initiate litigation (one potential case)
- CS 4 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(D)(4)
Consideration of initiation of litigation (one potential case)
- CS 5 Public Employee Performance Evaluation – Pursuant to Government Code Sections 54954.5 (e) and 54957(b))
Title: Executive Director/CEO

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 10:46 a.m.

RECONVENE TO PUBLIC SESSION

The Board reconvened to Public Session at 11:55 a.m.

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

General Counsel Burns stated the Board discussed CS 3 and CS 5 and provided direction to legal counsel and staff. There was no reportable action.

NB 3 CONTRACT EXTENSION FOR CONTRACT #2011-032 FOR FIXED ROUTE TRANSIT OPERATIONS AND MAINTENANCE SERVICES

Chairman Crist tabled this item until the November 28, 2017 Board meeting.

REPORTS AND ANNOUNCEMENTS (RA):

RA 1 Report by the Executive Director/CEO Len Engel

- Recognized Customer Service Supervisor Carlos Lopez for recently becoming a United States citizen.
- Congratulated Colby Konisek for his weight loss achievement.
- Stated he and his wife Pat celebrated 30 years of marriage.

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

Vice Chair Knippel provided a report regarding her attendance at the Annual American Public Transportation Association Expo in Atlanta, GA October 8-11. She noted that conference attendees mentioned the accomplishments AVTA has made with its electric bus project and conversion to solar power. Chief Operating Officer Norm Hickling reported on the mobility aspect of the conference.

ADJOURNMENT:

Chairman Crist adjourned the meeting at 12:00 p.m. to the next Regular Meeting of the Board of Directors on November 28, 2017 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

PASSED, APPROVED, and ADOPTED this 28th day of NOVEMBER 2017

Marvin Crist, Chairman

ATTEST:

Karen S. Darr, Clerk of the Board

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DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: Financial Reports for September and October 2017

RECOMMENDATION

Fiscal Year-to-Date Budget versus Actual report dated September 30, 2017 (Attachment A); Interim, unaudited Financial Statements for the three months ended September 30, 2017 (Attachment B); Treasurer's Report and Cash Flow Projection for the month ended September 30, 2017 (Attachment C); Payroll History Report for the three months ended October 31, 2017 (Attachment D); Cash Disbursements Report for the month ended October 31, 2017 (Attachment E).

FISCAL IMPACT

The Financial Statements for the 3 months ended September 30, 2017 are unaudited and subject to change.

Payroll: The October payroll of \$201,109 is lower than the trailing 6 month average for payroll expense by \$16,993 or 8.44%.

Cash Disbursements: \$1,897,314.

Interim, unaudited Financial Statements (accrual basis): Change in Net Position: \$4,259,127 (the figure includes accrual of \$6.4 million for TIRCP; the cash was received in October) which includes YTD depreciation expense of \$1,001,683.

BACKGROUND

To comply with the provisions required by Sections 37202, 37208 and 6505.5 of the Government Code, the Chief Financial Officer prepares the Budget versus Actual report, Interim Financial Statements, Treasurer's Report, Payroll History Report, and the Cash Disbursements Report, and submits them to the Executive Director/CEO and Treasurer

who certifies the availability of funds for all the reports presented herein. These reports are hereby submitted to the Board of Directors for ratification.

AVTA's gross payroll for employees for the month of September 2017, exclusive of benefits, payroll taxes and service charges, is shown below.

Payroll Period	Amount	Journal #
10/14/17	\$98,797.98	PYPKT01016
10/14/17	168.66	PYPKT01017
10/28/17	102,141.91	PYPKT01020
Gross Pay, October 2017	\$201,108.55	

The Register of Demands authorized the issuance of warrants in the following amount:

Register Date	Amount
10/01/17-10/31/17	\$1,897,314

Large items include:

Transdev, Inc. (September, 2017)	\$1,162,064
Pinnacle Petroleum (fuel - September/October 2017)	172,814
IntelliRide (Dial-A-Ride services for September, 2017)	115,169
Medallion Contracting Inc. - Count room/roof construction	34,216
Ollivier Corporation - New count room security cameras/additions	42,398
R.C. Becker and Son Inc. - Bus Stop Imp. Project (35 th St East)	170,378
Windes - (Annual audit - partial payment)	35,000
California Choice (group health insurance - November 2017)	34,182
Total of large item selection	\$1,766,221

These items comprise 93.1% of total expenditures for the month.

Operating Cash

Major cash components as of September, 2017:

Cash per general ledger	\$17,262,909
Less restricted funds	(16,744,359)
Projected net cash inflows/(outflows) for the following month	9,525,809
Projected cash available for operations in the following month	\$10,044,358

The projected cash available will cover 3 months of operating expenses based on the Authority's average monthly operating cash requirements of \$1.8 million.

BUDGET TO ACTUAL SUMMARY NARRATIVE

Attachment A – Budget to Actual Report shows the unaudited interim results for the one month ended September 30, 2017.

Operating income/(loss) (net of depreciation) was unfavorable to budget (\$829K).

Revenues were unfavorable to budget by (\$1,193K).

Timing differences: Fare revenue less than budget; timing differences for FTA expected to catch up in November/December.

Expenses were favorable to budget by \$364K.

Operating contract categories, fuel, and general and administrative expenses were less than budget. Timing differences: IT maintenance & software, wages & benefits were less than budget.

I, Len Engel, Executive Director and CEO of AVTA, declare that the attached reports are accurate and correct.

Prepared by:

Submitted by:

Colby Konisek
Chief Financial Officer

Len Engel
Executive Director/CEO

Attachments:

- A – Budget versus Actual Report as of YTD September 30, 2017
- B – Interim Financial Statements for the three months ended September 30, 2017
- C – Treasurer’s Report and Cash Flow Projection for the month of September 30, 2017
- D – Payroll History Report for the three months ended October 31, 2017
- E – Cash Disbursements Report for the month ended October 31, 2017

ANTELOPE VALLEY TRANSIT AUTHORITY
BUDGET VS. ACTUALS - OPERATING INCOME STATEMENT
For the 3 months ended 9/30/2017

DESCRIPTION	YEAR-TO-DATE		
	BUDGET	ACTUAL	VARIANCE
REVENUE			
FARE REVENUE	1,375,000	1,211,217	(163,783)
MTA FUNDS	2,181,488	2,720,734	539,246
FTA FUNDS	1,643,750	88,535	(1,555,215)
JURISDICTIONAL CONTRIBUTIONS	844,271	826,541	(17,730)
OTHER REVENUE	40,550	44,819	4,269
TOTAL REVENUE	6,085,059	4,891,847	(1,193,212)
EXPENSES			
CONTRACT SERVICES	4,022,625	3,850,667	171,958
FUEL & ELECTRICITY FOR OPERATIONS	575,279	555,218	20,061
OTHER OPERATING EXPENSES	83,603	67,291	16,312
WAGES	646,042	671,346	(25,303)
BENEFITS	246,417	220,955	25,462
LEGAL	56,138	27,466	28,672
CONSULTING	27,258	38,785	(11,527)
ADVOCACY	67,755	66,369	1,386
TRAVEL	17,281	22,967	(5,686)
IT MAINTENANCE & LICENSES	154,259	50,473	103,787
UTILITIES	44,726	35,481	9,245
GENERAL & ADMINISTRATION EPXENSES	276,391	246,620	29,771
TOTAL EXPENSES	6,217,773	5,853,637	364,136
OPERATING INCOME/(LOSS)	(132,714)	(961,789)	(829,076)

Reconciliation:

Total Expenses per Tyler Download
(Adjust: Less Depr'n not included in BvsA...should be \$0
Adjusted Expense Figure net of Depr'n
Report Total Above
Variance

5,853,637

-

5,853,637

5,853,637

-

ANTELOPE VALLEY TRANSIT AUTHORITY
EXPENDITURES BY DEPARTMENT
For the 3 months ended 9/30/2017

DESCRIPTION	YEAR-TO-DATE		
	BUDGET	ACTUAL	VARIANCE
TOTAL REVENUE	6,085,059	4,891,847	(1,193,212)
EXPENDITURES BY DEPARTMENT			
EXECUTIVE SERVICES	565,196	505,936	59,260
OPERATIONS & MAINTENANCE	5,108,573	4,817,683	290,889
FINANCE	303,531	364,159	(60,628)
CUSTOMER SERVICE	231,482	165,859	65,624
ALLOCATIONS	8,991	0	8,991
TOTAL EXPENSES	6,217,773	5,853,637	364,136
OPERATING INCOME/(LOSS)	(132,714)	(961,789)	(829,076)

ANTELOPE VALLEY TRANSIT AUTHORITY
VARIANCES BY DEPARTMENT
For the 3 months ended 9/30/2017

DEPARTMENT	T/P	COMMENTS (\$000's)
REVENUE	P	Fare Revenue (\$164)
	T	Operating Contributions (\$18)
	T	Advertising Revenue(\$10)
	T	MTA Revenues \$539
	T	5307 Funds (PM & Operating Support) (\$1555)
EXECUTIVE SERVICES	T	Wages & Benefits \$12
	T	Legal \$29
	T	Marketing \$20
	T	Website Maintenance\$20
	T	Memberships \$18
	T	Consulting (\$12)
	T	Travel, Training & Meetings (\$6)
OPERATIONS & MAINTENANCE	T	Professional Development \$14
	T	Wages & Benefits \$30
	T	Contract Services (Transdev/IntelliRide) \$172
	T	Fossil Fuel for Fleet Operations \$44
	T	I.T. Categories (incl Software Licensing) \$104
	T	Utilities \$9
FINANCE	T	Grantable PM & Operating Support\$18
	T	Wages & Benefits \$24
CUSTOMER SERVICE	T	Wages & Benefits \$33
ALLOCATIONS (NET OF DEPRECIATION)	T	Employer Benefits & GASB Adjustments \$9

P = Permanent difference
T = Timing difference



STATEMENT OF NET POSITION

	As of September 30, 2017 <i>Unaudited</i>	As of September 30, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,262,909	\$ 21,059,424
Due from other governments	10,064,892	3,513,463
Other receivables	115,052	473,703
Inventory	282,354	229,528
Prepaid items	341,920	262,160
Total Current Assets	28,067,126	25,538,279
NONCURRENT ASSETS		
Capital assets, net of depreciation	53,815,081	50,169,153
Total Assets	81,882,208	75,707,432
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan contributions	888,674	405,595
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	1,684,917	1,592,071
Accrued payroll and related	104,497	(628)
Compensated absences	367,958	404,747
Deferred Revenue - Prop 1B	2,395,496	1,099,676
Other Liabilities	333,795	181,395
Total Current Liabilities	4,886,662	3,277,260
NONCURRENT LIABILITIES		
Net pension plan liability	880,874	639,229
Total Liabilities	5,767,536	3,916,489
Deferred inflows of resources		
Net pension plan assumption differences	142,398	318,465
Unearned Revenue	6,500	10,000
Total deferred inflows of resources	148,898	328,465
NET POSITION		
Invested in Capital Assets	53,815,081	50,169,153
Restricted for Capital Acquisition	6,364,809	5,386,633
Unrestricted	16,674,556	16,312,286
Total Net Assets	\$ 76,854,447	\$ 71,868,073



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
GOVERNMENT AUDITING STANDARDS PRESENTATION
(INCLUDING DEPRECIATION EXPENSE)

	For the 3 Months ending September 30, 2017 <i>Unaudited</i>	For the 3 Months ending September 30, 2016
OPERATING REVENUES		
Charges for services:		
Passenger fares	\$ 1,211,217	\$ 1,277,733
Total operating revenues	<u>1,211,217</u>	<u>1,277,733</u>
OPERATING EXPENSES		
Purchased transportation services:		
Outside transit contract	3,850,667	3,807,277
Fuel	532,604	455,825
Other operating costs	209,646	206,569
General and administrative	1,260,719	1,307,763
Total operating expenses, net of depreciation	<u>5,853,637</u>	<u>5,777,434</u>
Operating gain/(loss), net of depreciation	(4,642,419)	(4,499,701)
Depreciation	<u>1,001,683</u>	<u>998,178</u>
Total operating expenses	<u>6,855,319</u>	<u>6,775,613</u>
Operating gain/(loss)	<u>(5,644,102)</u>	<u>(5,497,880)</u>
NONOPERATING REVENUES/(EXPENSES)		
Interest Income	21,119	7,559
Local grants - MTA	2,720,734	2,155,413
Federal non-capital grants	88,535	584,234
Member agency contributions	826,541	823,953
Grantable expenses	(313,851)	(102,016)
Gain/(Loss) on sale of capital assets	-	-
Other	23,700	42,979
Total nonoperating revenues and expenses	<u>3,366,779</u>	<u>3,512,122</u>
Gain/(Loss) before capital contributions	<u>(2,277,323)</u>	<u>(1,985,758)</u>
CAPITAL CONTRIBUTIONS		
Capital grants	6,421,227	415,072
Member agency contributions	115,223	91,279
Total capital contributions	<u>6,536,451</u>	<u>506,351</u>
CHANGE IN NET POSITION	4,259,127	(1,479,406)
NET POSITON, BEGINNING OF PERIOD	<u>72,595,321</u>	<u>73,347,480</u>
NET POSITION, END OF PERIOD	<u>\$ 76,854,447</u>	<u>\$ 71,868,073</u>

**STATEMENT OF CASH FLOWS**

	For the 3 Months ending September 30, 2017 <i>Unaudited</i>	For the 3 Months ending September 30, 2016 <i>Unaudited</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	1,211,217	1,277,733
Non-operating miscellaneous revenue received	23,700	42,979
Cash payments to suppliers for goods and services	(4,684,460)	(6,714,878)
Cash payments to employees for services	(776,553)	(798,494)
Net cash used in operating activities	<u>(4,226,096)</u>	<u>(6,192,660)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	957,234	8,789,345
Contributions received from member agencies	971,689	966,949
Net cash provided by non-capital financing activities	<u>1,928,923</u>	<u>9,756,294</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	-	(37,804)
Proceeds received from sale of capital assets	-	-
Capital grants received	-	829,078
Capital expenses	(313,851)	(102,016)
Capital contributions received from member agencies	115,223	91,279
Net cash used in capital and related financing activities	<u>(198,628)</u>	<u>780,537</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest received	21,119	7,559
Net cash provided by investing activities:	<u>21,119</u>	<u>7,559</u>
Net increase/(decrease) in cash and cash equivalents	(2,474,682)	4,351,730
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>19,737,590</u>	<u>16,707,694</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>17,262,909</u></u>	<u><u>21,059,424</u></u>



STATEMENT OF CASH FLOWS

	For the 3 Months ending September 30, 2017	For the 3 Months ending September 30, 2016
	<i>Unaudited</i>	
Reconciliation of operating income (loss) to net cash used in operating activities (Indirect Method):		
Operating Loss	(5,644,102)	(5,497,880)
Adjustments to Net Cash used in Operating Activities		
Depreciation	1,001,683	998,178
Miscellaneous income	23,700	42,979
(Increase) decrease in other receivables	(20,303)	(113,899)
(Increase) decrease in inventory	-	-
(Increase) decrease in prepaid items	30,097	28,814
(Increase) decrease in deferred outflows of resources	-	-
Increase (decrease) in accounts payable	191,396	(1,539,908)
Increase (decrease) in due to Federal Transit Administration	-	-
Increase (decrease) in accrued payroll	105,470	(716)
Increase (decrease) in compensated absences payable	5,052	-
Increase (decrease) in other liabilities	288,576	1,200
Increase (decrease) in deferred revenue/(Prop 1B)	-	-
Increase (decrease) in net pension liability	-	-
Increase (decrease) in deferred inflows of resources	(207,665)	(111,429)
Net Cash used in operating activities	<u>(4,226,096)</u>	<u>(6,192,660)</u>

Notes

- 1 This set of basic financial statements is prepared on an interim basis and is unaudited.
- 2 Please see the Cash Flow Projection Report for additional highlights on cash & equivalents, payroll and expenditures.

ANTELOPE VALLEY TRANSIT AUTHORITY
Treasurer's Report and Cash Flow Projection
For the Month Ended September 30, 2017

Investment Type	Description	Beginning Balance	Deposits	Disbursements	Interest	Ending Balance
Cash and Investments Under the Direction of the Treasurer						
Local Agency Investment Fund (LAIF) - Capital Reserve (Interest earned quarterly)		\$6,364,214	\$0.00	\$0	\$17,226	\$6,381,440
Proposition 1B Restricted Fund* (Interest earned for the month)		2,403,198	97	0	304	2,403,598
Union Bank - LCTOP		159,533	0	0	6	159,539
* Deferred revenue, recorded as liability until associated expense incurred.						
TOTAL CAPITAL RESERVE AND RESTRICTED FUNDS		8,926,945	97	-	17,536	8,944,578
Wells Fargo - Staging		275	0	10	0	265
Wells Fargo - Operating Reserves - CD's		1,747,863	0	250,000	0	1,497,863
Wells Fargo - Money Market Fund		1,048,084	250,000	0	3,570	1,301,654
TOTAL OPERATING RESERVE & INVESTMENTS		2,796,222	250,000	250,010	3,570	2,799,782
General, Payroll & Payable Accounts		5,972,446				
Union Bank Operating Accounts Analysis						
	Cash Fares & Related Inflows		605,705			
	FTA & JARC		14,767			
	Jurisdictional Contributions		118,305			
	Other Revenue Sources					
	Trade Payable Payments			1,883,956		
	Payroll Expenses			245,246		
	Bank Fees			974		
	Net Operating Funds	5,972,446	1,675,530	2,130,176	0	5,517,800
	Petty Cash Balance	750	-	-	-	750
TOTAL CASH AND INVESTMENTS		\$17,696,363	\$1,925,626	\$2,380,186	\$21,106	\$17,262,909

I hereby certify that the investment portfolio of AVTA complies with its investment policy and the California Government Code Sections pertaining to the investment of local agency funds, Union Bank and Wells Fargo Bank. Pending any future actions by the AVTA Board or any and unforeseen occurrences, AVTA has cash flow adequate to meet its expenditure requirements for the next three months.

Prepared by:

Submitted by:

James Mannie
Finance Supervisor

Colby Konisek
Chief Financial Officer

ANTELOPE VALLEY TRANSIT AUTHORITY
Treasurer's Report and Cash Flow Projection
For the Month Ended September 30, 2017

Descriptions	\$ Subtotal	\$ Total
Balance fom the Report		\$ 17,262,909
Less Restricted Funds		
Capital Reserve (LAIF)		(6,381,440)
Proposition 1B/LCTOP (Deferred Revenue)		(2,563,138)
Operating Reserve (Wells Fargo)		(1,498,128)
Investments (Wells Fargo)		(1,301,654)
Reserve for BYD Bus Deliveries		(4,000,000)
Restricted for Operations		(1,000,000)
RESTRICTED CASH		(16,744,359)
UNRESTRICTED CASH		\$ 518,550

NET RECEIVABLE AND PAYABLE FOR THE MONTH ENDED MAY 31, 2017

Add Accounts receivable:

FTA Funds	\$ 1,446,207	
MTA Revenue	1,977,283	
Pass Sales	115,052	
TIRCP Funds	6,626,908	
CalTrans	0	
Jurisdiction Contributions	0	
Other	0	10,165,450

Less Payables & Payroll:

Accounts Payable & Accrued Invoices	(438,533)	
Payroll & Related	(201,109)	(639,641)

NET INFLOW/(OUT FLOW) OF CASH --- A/R, A/P **9,525,809**

PROJECTED CASH AVAILABLE IN THE NEXT 30 DAYS: **\$ 10,044,358**

OPERATING CASH REQUIRED MONTHLY - AVERAGE **\$ 1,800,000**

Operating Cash Coverage per Monthly Average: **5.6**

**ANTELOPE VALLEY TRANSIT AUTHORITY
PAYROLL HISTORY REPORT
AUGUST - OCTOBER 2017**

	August Total	September Total	October Total
Number of Pay <u>Periods</u> :	2	3	2
<u>EARNINGS</u>			
Regular Pay	\$ 172,904.36	\$ 260,456.29	\$ 186,290.55
Overtime Pay	1,212.50	1,777.54	1,133.78
Vacation Pay	10,950.78	14,206.71	6,786.65
Double Time Pay	-	-	-
Sick Pay	9,330.34	9,077.54	4,695.17
Final Pay	-	-	-
Bereavement Pay	1,016.40	-	-
Holiday Pay	-	10,781.00	-
Bonus Pay	-	-	-
Floating Holiday Pay	93.96	1,596.48	645.22
Retroactive Pay	110.10	5,307.12	-
TOTAL, ALL PAY CATEGORIES	\$ 195,618.44	\$ 303,202.68	\$ 199,551.37
Vacation Cash Out	1,442.80	11,966.40	-
Floater Cash Out	1,073.01	353.16	-
Deferred Income 457	909.68	1,364.52	909.68
Stipend --- Cell phone reimbursements	565.00	877.50	647.50
TOTAL PAYROLL	\$ 199,608.93	\$ 317,764.26	\$ 201,108.55
Inc(Dec)-Curr month over prev month		\$ 118,155.33	\$ (116,655.71)
% Inc(Dec)-Curr month over prev month		59.2%	(36.7%)



Antelope Valley Transit Authority

Cash Disbursements Report CC 2.E

By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V1237 - AC Overhead Garage Door Co., Inc.				
22868	10/24/2017	Repair roll-up door (#9)	100-2FF-5-G1-9401038	2,808.00
Vendor V1237 - AC Overhead Garage Door Co., Inc. Total:				2,808.00
Vendor: V0261 - Admit One Product				
22869	10/24/2017	5000 Dial-A-Ride Tickets	100-1EX-5-G1-9501018	304.30
Vendor V0261 - Admit One Product Total:				304.30
Vendor: V0944 - AGILITY RECOVERY SOLUTIONS INC.				
22802	10/04/2017	Agility Recovery Services	100-2FF-5-G1-9401012	230.00
Vendor V0944 - AGILITY RECOVERY SOLUTIONS INC. Total:				230.00
Vendor: V0753 - American Heritage Life Ins.				
22803	10/04/2017	Employee Paid Extended Benefits	100-000-2-B1-4011019	641.08
Vendor V0753 - American Heritage Life Ins. Total:				641.08
Vendor: V0249 - Antelope Valley Board of Trade				
22841	10/12/2017	Membership-FY 18	100-1EX-5-G1-9501006	275.00
Vendor V0249 - Antelope Valley Board of Trade Total:				275.00
Vendor: V1192 - Antelope Valley College				
22804	10/04/2017	CPOS Blanket Reimbursement	100-3FS-5-G1-9501037	50.00
Vendor V1192 - Antelope Valley College Total:				50.00
Vendor: V0135 - Aramark Uniform Services				
22825	10/12/2017	uniform services through June 2018	100-2FF-5-G1-9401038	191.25
22825	10/12/2017	uniform services through June 2018	100-2FF-5-G1-9401038	186.06
22870	10/24/2017	uniform services	100-2FF-5-G1-9401038	203.76
Vendor V0135 - Aramark Uniform Services Total:				581.07
Vendor: V0244 - AT&T Mobility				
22871	10/24/2017	Mobility, 9/7/17-10/6/17	100-2FF-5-G1-9501017	248.56
22871	10/24/2017	Fleet wi-fi, 09/07/17-10/06/17	100-2FF-5-G1-9201011	197.95
Vendor V0244 - AT&T Mobility Total:				446.51
Vendor: V0013 - AV Press				
22826	10/12/2017	Advertisement of Procurement Notices	100-3FS-5-G1-9501002	736.92
22826	10/12/2017	IT Recruitment	100-3FS-5-G1-9501026	301.45
Vendor V0013 - AV Press Total:				1,038.37
Vendor: V1217 - Bartel Associates, LLC				
22848	10/18/2017	Completion of GASB 68 report	100-3FS-5-G1-9501020	1,200.00
Vendor V1217 - Bartel Associates, LLC Total:				1,200.00
Vendor: V0217 - Board of Equalization- Sales (Use) Tax				
22849	10/18/2017	Use tax-July -Sept 2017	100-2FF-5-G1-9201005	124.00
Vendor V0217 - Board of Equalization- Sales (Use) Tax Total:				124.00
Vendor: V0582 - Board of Equilization- Fuel Taxes Division				
22850	10/18/2017	Fuel tax, July-September 2017	100-2FF-5-G1-9201005	2,080.00
Vendor V0582 - Board of Equilization- Fuel Taxes Division Total:				2,080.00
Vendor: V0762 - Boot Barn				
22872	10/24/2017	Protective footwear	100-2FF-5-G1-9401038	135.18
Vendor V0762 - Boot Barn Total:				135.18
Vendor: V0149 - Brinks Incorporated				
22827	10/12/2017	Transportation Service-July 2017-June 2018	100-3FS-5-G1-9501024	5.32
22827	10/12/2017	Transportation Service-July 2017-June 2018	100-3FS-5-G1-9501024	551.59
Vendor V0149 - Brinks Incorporated Total:				556.91
Vendor: V0132 - Bulbs.com				
22873	10/24/2017	lights for the facility	100-2FF-5-G1-9401036	179.82
22873	10/24/2017	lights for the facility	100-2FF-5-G1-9401038	109.80
22873	10/24/2017	lights for the facility	100-2FF-5-G1-9401038	281.40
Vendor V0132 - Bulbs.com Total:				571.02



Antelope Valley Transit Authority

Cash Disbursements Report CC 2.E

By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V1139 - California Choice				
22805	10/04/2017	Group Health Insurance (EE)- Nov 2017	100-000-2-B1-4011013	6,159.30
22805	10/04/2017	Group Health Insurance (ER)- Nov 2017	100-1ZZ-5-G1-9701612	28,021.96
Vendor V1139 - California Choice Total:				34,181.26
Vendor: V1253 - Cardinal Tracking Inc.				
22806	10/04/2017	trimble nomad computers	100-2FF-5-G1-9401038	3,829.22
Vendor V1253 - Cardinal Tracking Inc. Total:				3,829.22
Vendor: V0024 - City of Lancaster				
22874	10/24/2017	Permit Review Plan Check Fees	600-1XX-5-J1-9909059	4,084.50
Vendor V0024 - City of Lancaster Total:				4,084.50
Vendor: V0894 - Colby Konisek				
22851	10/18/2017	Reimb-APTA Annual Conference	100-1EX-5-G1-9501019	81.00
Vendor V0894 - Colby Konisek Total:				81.00
Vendor: V0812 - DeeAnna Cason				
22890	10/24/2017	Prints for plans	100-000-2-B1-4051003	79.70
22890	10/24/2017	Caltrans project-paint to survey	100-000-2-B1-4051003	12.95
22890	10/24/2017	parking-union station	100-1EX-5-G1-9501019	8.00
22890	10/24/2017	SCAH workshop	100-1EX-5-G1-9501019	33.00
22890	10/24/2017	on-site meeting	100-1EX-5-G1-9501019	39.04
22890	10/24/2017	Parking-metro	100-1EX-5-G1-9501019	8.00
22890	10/24/2017	Keith's retirement lunch	100-1EX-5-G1-9501019	28.43
22890	10/24/2017	strategic planning workshop	100-1EX-5-G1-9501019	62.49
Vendor V0812 - DeeAnna Cason Total:				271.61
Vendor: V0646 - DSL Extreme				
22828	10/12/2017	1000/384Kbps DSL Service	100-2FF-5-G1-9401012	52.83
Vendor V0646 - DSL Extreme Total:				52.83
Vendor: V1225 - Duke Engineering				
22829	10/12/2017	topographical survey for OMP (WAVE)	600-1XX-5-J1-9909085	1,900.00
22829	10/12/2017	Topographic survey for PTC (WAVE)	600-1XX-5-J1-9909085	1,900.00
Vendor V1225 - Duke Engineering Total:				3,800.00
Vendor: V1263 - Earth Systems Southern California				
22807	10/04/2017	Compaction Testing-Count room Modifications	600-1XX-5-J1-9909068	1,524.00
Vendor V1263 - Earth Systems Southern California Total:				1,524.00
Vendor: V1123 - Eastside Checks Cashed				
22830	10/12/2017	CPOS Blanket Reimbursement	100-3FS-5-G1-9501037	50.00
Vendor V1123 - Eastside Checks Cashed Total:				50.00
Vendor: V1266 - Edwards Civilian-Military Support Group				
22875	10/24/2017	EAFB CIV-MIL Installation Dinner	100-5CS-5-G1-9501039	500.00
Vendor V1266 - Edwards Civilian-Military Support Group Total:				500.00
Vendor: V0676 - Employment Screening Resources				
22808	10/04/2017	Facilities maint Tech	100-3FS-5-G1-9501027	71.60
22852	10/18/2017	Employment screening-IT Analyst	100-3FS-5-G1-9501027	71.60
Vendor V0676 - Employment Screening Resources Total:				143.20
Vendor: V0046 - Federal Express				
22842	10/12/2017	shipping charges	100-3FS-5-G1-9501010	75.03
Vendor V0046 - Federal Express Total:				75.03
Vendor: V0176 - First Place Awards				
22809	10/04/2017	1 trophy	100-3FS-5-G1-9501009	21.85
Vendor V0176 - First Place Awards Total:				21.85
Vendor: V0194 - Frontier Communications				
22876	10/24/2017	Telephone, 10/13/17-11/12/17	100-2FF-5-G1-9401025	457.05
Vendor V0194 - Frontier Communications Total:				457.05



Antelope Valley Transit Authority

Cash Disbursements Report CC 2.E

By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V1255 - Geraldina Romo				
22853	10/18/2017	Reimb-APTA Annual Conference	100-1EX-5-G1-9501019	223.91
Vendor V1255 - Geraldina Romo Total:				223.91
Vendor: V0125 - Grainger				
22877	10/24/2017	15A fuses	100-2FF-5-G1-9401038	192.70
22877	10/24/2017	Architect bolt	100-2FF-5-G1-9401038	115.81
22877	10/24/2017	Pnuematic exhaust muffler	100-2FF-5-G1-9401038	37.56
22877	10/24/2017	repair parts for bus wash and fuel island vacuum	100-2FF-5-G1-9401038	26.41
22877	10/24/2017	repair parts for bus wash and fuel island vacuum	100-2FF-5-G1-9401038	142.46
22877	10/24/2017	repair parts for bus wash and fuel island vacuum	100-2FF-5-G1-9401038	14.27
22877	10/24/2017	repair parts for bus wash and fuel island vacuum	100-2FF-5-G1-9401038	88.16
Vendor V0125 - Grainger Total:				617.37
Vendor: V1231 - Hanka Advisor LLC				
22810	10/04/2017	Federal Advocacy Consulting Services-Oct 2017	100-1EX-5-G1-9501015	5,000.00
Vendor V1231 - Hanka Advisor LLC Total:				5,000.00
Vendor: V1057 - IntelliRide				
22811	10/04/2017	August 2017 DAR adjustment	100-2FF-5-G1-9001014	2,514.90
22811	10/04/2017	July 2017 DAR Adjustment	100-2FF-5-G1-9001014	2,190.37
22854	10/18/2017	Sept 2017 ETP Service	100-2FF-5-G1-9401031	7,993.79
22854	10/18/2017	Sept 2017 DAR Fare Coupons	100-000-4-D1-6001400	1,927.00
22854	10/18/2017	Dial-a-ride Service, September 2017	100-000-4-D1-6001400	(9,024.01)
22854	10/18/2017	Dial-a-ride Service, September 2017	100-2FF-5-G1-9001014	109,567.24
Vendor V1057 - IntelliRide Total:				115,169.29
Vendor: V0057 - Interior Plant Designs				
22855	10/18/2017	Plant maintenance/services	100-2FF-5-G1-9401005	220.00
Vendor V0057 - Interior Plant Designs Total:				220.00
Vendor: V0997 - Johnstone Supply				
22878	10/24/2017	Hot plate ignighters for heating and A/C units	100-2FF-5-G1-9401036	143.40
Vendor V0997 - Johnstone Supply Total:				143.40
Vendor: V0846 - Judy Vaccaro-Fry				
22856	10/18/2017	Reimb-CalSTA Meeting	100-1EX-5-G1-9501019	265.45
Vendor V0846 - Judy Vaccaro-Fry Total:				265.45
Vendor: V1262 - Kray Industries				
22824	10/05/2017	Mobility device priority placards	100-2FF-5-G1-9401038	1,522.95
Vendor V1262 - Kray Industries Total:				1,522.95
Vendor: V0250 - L.A. County Waterworks				
22879	10/24/2017	Utilites- Water, 8/14/17-10/16/17	100-2FF-5-G1-9401024	295.20
22879	10/24/2017	Utilites- Water, 8/14/17-10/16/17	100-2FF-5-G1-9401024	656.72
22879	10/24/2017	Utilites- Water, 8/14/17-10/16/17	100-2FF-5-G1-9401024	992.36
Vendor V0250 - L.A. County Waterworks Total:				1,944.28
Vendor: V1007 - Lancaster West Rotary				
22831	10/12/2017	19th Annual golf tournament-sponsor and cart signs	100-5CS-5-G1-9501029	2,500.00
Vendor V1007 - Lancaster West Rotary Total:				2,500.00
Vendor: V0889 - Len Engel				
22847	10/16/2017	Reimb-APTA Annual Conference	100-1EX-5-G1-9501019	2,206.30
22847	10/16/2017	Reimb-CalSTA Sacramento, CA	100-1EX-5-G1-9501019	625.33
Vendor V0889 - Len Engel Total:				2,831.63
Vendor: V1265 - M. Greene Planning & Resource Department				
22880	10/24/2017	Consulting-CalTrans Sustainable Comm Grant Appl	100-1EX-5-G1-9501013	2,975.00
Vendor V1265 - M. Greene Planning & Resource Department Total:				2,975.00
Vendor: V0720 - Mail America 2- Palmdale				
22857	10/18/2017	Duplicated check#21567 reported LOST for 9/16 CPOS	100-000-1-A1-0201005	(50.00)
22857	10/18/2017	RR Coupons-Sept 17	100-3FS-5-G1-9501037	132.00
Vendor V0720 - Mail America 2- Palmdale Total:				82.00



Antelope Valley Transit Authority

Cash Disbursements Report CC 2.E

By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V1212 - Master's Refreshment Services				
22858	10/18/2017	Coffee Supplies - Master's Refreshments	100-3FS-5-G1-9501009	387.04
Vendor V1212 - Master's Refreshment Services Total:				387.04
Vendor: V0928 - Matrix Audio Visual Designs, Inc.				
22881	10/24/2017	Service Labor - On-Site	100-2FF-5-G1-9401012	280.00
22881	10/24/2017	Travel, Fuel, and Truck Surcharge	100-2FF-5-G1-9401012	115.28
22881	10/24/2017	Additional charges-Service labor on site/fuel,etc	100-2FF-5-G1-9401012	216.12
Vendor V0928 - Matrix Audio Visual Designs, Inc. Total:				611.40
Vendor: V1143 - McKeon Group				
22812	10/04/2017	Federal Advocacy Consulting Services-October 2017	100-1EX-5-G1-9501015	5,000.00
Vendor V1143 - McKeon Group Total:				5,000.00
Vendor: V1248 - Medallion Contracting Inc.				
22813	10/04/2017	New Roofing Count Room Contract 2018-18	600-1XX-5-J1-9909068	4,223.81
22813	10/04/2017	Count Room Construction Agreement No: 2017-17	600-1XX-5-J1-9909068	29,991.97
Vendor V1248 - Medallion Contracting Inc. Total:				34,215.78
Vendor: V0626 - Moore & Associates				
22832	10/12/2017	On-going Consulting Contract 2017-37	100-1EX-5-G1-9501013	7,193.04
Vendor V0626 - Moore & Associates Total:				7,193.04
Vendor: V0714 - Norman Hickling				
22882	10/24/2017	Reimb-APTA Annual Conference	100-1EX-5-G1-9501019	254.11
Vendor V0714 - Norman Hickling Total:				254.11
Vendor: V1054 - Ollivier Corporation				
22859	10/18/2017	Security Access and Video Upgrades	600-1XX-5-J1-9909068	31,127.96
22859	10/18/2017	Change order#1-adding multi view cameras	600-1XX-5-J1-9909068	11,269.86
Vendor V1054 - Ollivier Corporation Total:				42,397.82
Vendor: V0987 - OPSEC Specialized Protection				
22833	10/12/2017	Opsec Security for FY 2018	100-5CS-5-G1-9501034	4,220.08
Vendor V0987 - OPSEC Specialized Protection Total:				4,220.08
Vendor: V0688 - Our Weekly Publications				
22834	10/12/2017	Advertisement of Procurement Notices	100-3FS-5-G1-9501002	234.50
Vendor V0688 - Our Weekly Publications Total:				234.50
Vendor: V1238 - Passantino Andersen Communications LLC				
22814	10/04/2017	Public Relations Contract 2017-31	100-1EX-5-G1-9501013	3,995.00
Vendor V1238 - Passantino Andersen Communications LLC Total:				3,995.00
Vendor: V0078 - Pinnacle Petroleum Inc				
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	19,868.56
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	19,863.56
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	7,773.22
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	7,759.67
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	19,955.20
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	20,208.42
22815	10/04/2017	Fuel, September 2017	100-2FF-5-G1-9201003	20,054.71
22860	10/18/2017	Fuel, October 2017	100-2FF-5-G1-9201003	19,872.80
22860	10/18/2017	Fuel, October 2017	100-2FF-5-G1-9201003	19,129.84
22860	10/18/2017	Fuel, October 2017	100-2FF-5-G1-9201003	18,328.14
Vendor V0078 - Pinnacle Petroleum Inc Total:				172,814.12
Vendor: V0755 - Pitney Bowes Inc				
22861	10/18/2017	Postage machine quarterly lease	100-3FS-5-G1-9501010	165.24
Vendor V0755 - Pitney Bowes Inc Total:				165.24
Vendor: V1006 - Proactive Work Health				
22883	10/24/2017	Employment screening	100-3FS-5-G1-9501027	110.00
Vendor V1006 - Proactive Work Health Total:				110.00
Vendor: V0958 - R.C. Becker and son, Inc.				
22835	10/12/2017	AVTA/Caltrans Project Contract 2017-40	600-1XX-5-J1-9909059	170,378.06
Vendor V0958 - R.C. Becker and son, Inc. Total:				170,378.06



Antelope Valley Transit Authority

Cash Disbursements Report CC 2.E

By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V0701 - Signal Campus				
22816	10/04/2017	Antelope College Campus Kiosk (13)mo. - Library	100-1EX-5-G1-9501003	336.00
22816	10/04/2017	Antelope College Campus Kiosk (13)mo. - SW/F Bs.Ed	100-1EX-5-G1-9501003	315.00
22836	10/12/2017	Antelope College Campus - Library. E/F	100-1EX-5-G1-9501003	336.00
22884	10/24/2017	Antelope College Campus Kiosk (13)mo. - SW/F Bs.Ed	100-1EX-5-G1-9501003	315.00
Vendor V0701 - Signal Campus Total:				1,302.00
Vendor: V0649 - Sinclair Printing & Litho., Inc.				
22862	10/18/2017	Local Transit Brochures - reorder	100-1EX-5-G1-9501018	3,274.22
Vendor V0649 - Sinclair Printing & Litho., Inc. Total:				3,274.22
Vendor: V0403 - Southern California Edison				
22817	10/04/2017	2 Primary meter cabinets-EV Load-Sept 2017	100-2FF-5-G1-9201012	5,653.35
22817	10/04/2017	Electricity, 08/18-09/19/17	100-2FF-5-G1-9401021	8,234.42
22817	10/04/2017	Electricity-Owens park, Lancaster	100-2FF-5-G1-9201006	290.94
22863	10/18/2017	E-bus energy consumption-PTC	100-2FF-5-G1-9201006	525.53
Vendor V0403 - Southern California Edison Total:				14,704.24
Vendor: V0493 - Standard Insurance Company				
22818	10/04/2017	Vision Insurance Premium (EE)- Oct 2017	100-000-2-B1-4011016	126.85
22818	10/04/2017	Vision Insurance Premium (ER)-Oct 2017	100-1ZZ-5-G1-9701616	492.67
22818	10/04/2017	Dental Insurance Premium (EE)- Oct 2017	100-000-2-B1-4011014	861.85
22818	10/04/2017	Dental Insurance Premium (ER)- Oct 2017	100-1ZZ-5-G1-9701614	3,040.99
Vendor V0493 - Standard Insurance Company Total:				4,522.36
Vendor: V1170 - Stradling Yocca Carlson & Rauth, A Professional Corporation				
22843	10/12/2017	General services-August 2017	100-1EX-5-G1-9501005	4,148.08
22843	10/12/2017	Special Litigation-August 17	100-1EX-5-G1-9501005	705.00
22843	10/12/2017	Union Matters-August 2017	100-1EX-5-G1-9501005	4,143.00
22843	10/12/2017	Employment Personnel-Aug 2017	100-1EX-5-G1-9501005	861.00
22843	10/12/2017	Battery Electric Vehicle Alliance, Inc	100-1EX-5-G1-9501005	679.00
Vendor V1170 - Stradling Yocca Carlson & Rauth, A Professional Corporation Total:				10,536.08
Vendor: V0103 - TCW Systems, Inc.				
22819	10/04/2017	Radio repeater services (Transit)	100-2FF-5-G1-9401038	500.00
22837	10/12/2017	antennas for 60ft	100-2FF-5-G1-9401038	188.67
Vendor V0103 - TCW Systems, Inc. Total:				688.67
Vendor: V0505 - The Customer Service Experts				
22838	10/12/2017	CPOS Blanket Reimbursement	100-3FS-5-G1-9501037	50.00
Vendor V0505 - The Customer Service Experts Total:				50.00
Vendor: V0405 - The Gas Company				
22885	10/24/2017	Utilities-Gas,09/15/17-10/16/17	100-2FF-5-G1-9401022	1,367.06
Vendor V0405 - The Gas Company Total:				1,367.06
Vendor: V1203 - The YGS Group-A/R Media Division				
22886	10/24/2017	APTA, Passenger Transport, Full Page ad, October	100-1EX-5-G1-9501003	3,375.00
Vendor V1203 - The YGS Group-A/R Media Division Total:				3,375.00
Vendor: V0904 - Time Warner/Spectrum Business				
22844	10/12/2017	Internet service-10/13/17-11/12/17	100-2FF-5-G1-9401025	1,365.00
22844	10/12/2017	Cable service, 10/11/17-11/10/17	100-2FF-5-G1-9401025	250.66
Vendor V0904 - Time Warner/Spectrum Business Total:				1,615.66
Vendor: V1169 - Town Square Publications, LLC				
22887	10/24/2017	Palmdale Chamber Community Resource Guide	100-5CS-5-G1-9501003	1,295.00
Vendor V1169 - Town Square Publications, LLC Total:				1,295.00
Vendor: V0252 - Transdev, Inc.				
22888	10/24/2017	Travel training-Sept 17	100-5CS-5-G1-9401035	195.55
22888	10/24/2017	BYD Electric buses, Routes 1,97-Bus#4371&4370-9/17	100-2FF-5-G1-9001016	23,614.62
22888	10/24/2017	MetroLink Assistance-Sept 2017	100-2FF-5-G1-9001013	319.14
22888	10/24/2017	Commuter Recovery STAND BY-Sept 2017	100-2FF-5-G1-9001013	927.13
22888	10/24/2017	Local and Commuter Maint and Service, Sept 2017	100-2FF-5-G1-9001013	1,115,894.34
22888	10/24/2017	JARC Commuter Hours-785-786-787-Sept 2017	100-2FF-5-G1-9001015	17,662.08
22888	10/24/2017	Commuter Recovery-Sept 2017	100-2FF-5-G1-9001013	3,451.07
Vendor V0252 - Transdev, Inc. Total:				1,162,063.93



Antelope Valley Transit Authority

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By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V0189 - United Parcel Service				
22845	10/12/2017	Shipping charges	100-3FS-5-G1-9501010	103.20
Vendor V0189 - United Parcel Service Total:				103.20
Vendor: V0297 - United Rentals Northwest, Inc				
22864	10/18/2017	Man lift	100-2FF-5-G1-9401038	960.49
Vendor V0297 - United Rentals Northwest, Inc Total:				960.49
Vendor: V0353 - UNUM Life Insurance Co of Amer				
22889	10/24/2017	Long Term Care (EE)	100-000-2-B1-4011024	123.90
22889	10/24/2017	Long Term Care (ER)	100-1ZZ-5-G1-9702618	435.90
Vendor V0353 - UNUM Life Insurance Co of Amer Total:				559.80
Vendor: V0302 - US Bank				
22820	10/04/2017	Membership renewal for windows uodate guide	100-1EX-5-G1-9501006	25.00
22820	10/04/2017	Airfare-CTA Federal Lobby Day	100-1EX-5-G1-9501015	421.36
22820	10/04/2017	Palmdale Chamber luncheon meeting	100-1EX-5-G1-9501019	25.00
22820	10/04/2017	AV Hispanic monthly luncheon meeting	100-1EX-5-G1-9501019	20.00
22820	10/04/2017	Photoprint pack for CS printer`	100-1EX-5-G1-9501019	179.88
22820	10/04/2017	Sheraton-C Konisek-cancelled meeting-transparency	100-1EX-5-G1-9501019	276.05
22820	10/04/2017	Refund-transparency in Govt Account-C Konisek	100-1EX-5-G1-9501019	(895.00)
22820	10/04/2017	GAVEA Luncheon	100-1EX-5-G1-9501019	20.00
22820	10/04/2017	Registration-D Knippel-APTA Annual Conf	100-1EX-5-G1-9501019	220.00
22820	10/04/2017	Lodging-D Knippel APTA Annual Conf	100-1EX-5-G1-9501019	255.17
22820	10/04/2017	Airfare to Dallas, TX-N Hickling	100-1EX-5-G1-9501019	329.98
22820	10/04/2017	Airfare-D Knippel-APTA Annual Conf	100-1EX-5-G1-9501019	495.40
22820	10/04/2017	Autumn Conf-CALACT-L Engel	100-1EX-5-G1-9501019	470.00
22820	10/04/2017	AVBOT meeting/luncheon	100-1EX-5-G1-9501019	40.00
22820	10/04/2017	1 and 1 virtual server XL-CEO use	100-2FF-5-G1-9401012	32.99
22820	10/04/2017	2 desktop computer stands	100-3FS-5-G1-9501009	863.08
22820	10/04/2017	Award for 1st Operator of 60 articulated bus	100-3FS-5-G1-9501009	273.13
22820	10/04/2017	All Hands meeting-9/21/2017	100-3FS-5-G1-9501029	261.39
22820	10/04/2017	Credit card charges	100-1EX-5-G1-9501019	100.00
22820	10/04/2017	IT S/W-Microsoft 2016 professional full version	100-2FF-5-G1-9401012	1,224.00
22820	10/04/2017	lever guard, Cross shaft kit, front end kit	100-2FF-5-G1-9401038	1,201.25
Vendor V0302 - US Bank Total:				5,838.68
Vendor: V0550 - Waste Management				
22865	10/18/2017	Waste services	100-2FF-5-G1-9401023	1,066.60
Vendor V0550 - Waste Management Total:				1,066.60
Vendor: V0457 - Waxie Enterprises Inc.				
22839	10/12/2017	perf paper towels	100-2FF-5-G1-9401038	59.06
22839	10/12/2017	medium vinyl gloves	100-2FF-5-G1-9401038	40.54
22839	10/12/2017	bowl cleaner	100-2FF-5-G1-9401038	115.50
22839	10/12/2017	xl vinyl goves	100-2FF-5-G1-9401038	121.61
22839	10/12/2017	small vinyl gloves	100-2FF-5-G1-9401038	40.54
22839	10/12/2017	roll towels	100-2FF-5-G1-9401038	416.71
22839	10/12/2017	multisurface cleaner	100-2FF-5-G1-9401038	20.30
22839	10/12/2017	liquid hand soap	100-2FF-5-G1-9401038	97.73
22839	10/12/2017	33 x39 can liners	100-2FF-5-G1-9401038	106.32
22839	10/12/2017	40 x 46 can liners	100-2FF-5-G1-9401038	777.94
22839	10/12/2017	citrus cleaner	100-2FF-5-G1-9401038	67.48
22839	10/12/2017	premium tissue	100-2FF-5-G1-9401038	895.62
22839	10/12/2017	sprayer soap	100-2FF-5-G1-9401038	88.34
22839	10/12/2017	small can liners	100-2FF-5-G1-9401038	76.23
22839	10/12/2017	seat covers	100-2FF-5-G1-9401038	36.43
Vendor V0457 - Waxie Enterprises Inc. Total:				2,960.35
Vendor: V1154 - Weideman Group Inc.				
22822	10/04/2017	Advocacy Consulting Services-Oct 2017	100-1EX-5-G1-9501015	10,000.00
Vendor V1154 - Weideman Group Inc. Total:				10,000.00
Vendor: V0112 - Western Exterminators				
22846	10/12/2017	Exterminator-sept 2017	100-2FF-5-G1-9401005	102.00
Vendor V0112 - Western Exterminators Total:				102.00



Antelope Valley Transit Authority

Cash Disbursements Report CC 2.E

By Vendor Name

Payment Dates 10/01/2017 - 10/31/2017

Payment Number	Payment Date	Description (Item)	Account Number	Amount
Vendor: V0744 - Windes				
22866	10/18/2017	Windes-FS audit as of 6/30/2017	100-3FS-5-G1-9501020	35,000.00
Vendor V0744 - Windes Total:				<u>35,000.00</u>
Vendor: V0124 - Witts				
22823	10/04/2017	Office Supplies	100-3FS-5-G1-9501009	227.59
22867	10/18/2017	Office Supplies - Witts Blanket P.O.	100-3FS-5-G1-9501009	116.73
Vendor V0124 - Witts Total:				<u>344.32</u>
Grand Total:				<u><u>1,897,314.12</u></u>



DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: FY18 First Quarter Capital Reserve Report (July - September 30, 2017)

RECOMMENDATION

That the Board of Directors receive and file the attached FY18 First Quarter Capital Reserve Report for the period covering July 1 through September 30, 2017.

FISCAL IMPACT

Total Capital Reserve contributions for FY18 were budgeted at \$460,896; contributions for Lancaster, Palmdale and LA County for the first quarter have been received.

BACKGROUND

The Capital Reserve account was established to set aside a capital contribution from each jurisdiction in an amount sufficient to provide local match funds of 20% of the replacement cost of heavy-duty transit and commuter coaches. Current practice is to spend reserve account funds only for the matching requirements. The Capital Reserve account segregates the assets reserved for bus purchases and is used only when approved by the AVTA Board of Directors.

As of the report date, the Capital Reserve account has an accumulated cash balance of \$6,497,258 held in accounts with the Local Agency Investment Fund (LAIF) and Union Bank. The total contributed fund balance is \$6,311,702 plus \$185,556.58 in interest earned. Lancaster, Palmdale and LA County contribution payments have been received for the first quarter ended September 30, 2017.

During the eight-year reporting period to date, the AVTA purchased 15 hybrid transit buses, 2 electric transit buses and 9 commuter coaches. The hybrid transit buses and 6 of the commuter coaches were delivered by September 30, 2012, the electric buses were received in September 2014, and the 3 remaining commuter coaches were received in December 2014. There were no reserve requirements for the 2 electric buses, as they were purchased with local funds provided by Los Angeles County. The match funds required for the remaining 24 buses totaling \$1,911,491 were replaced in total by FTA 5307 Formula Fund and 5316 JARC Fund Toll Credits - \$574,714, Antelope Valley Air Quality Management District - \$225,110; and Prop 1B PTMISEA - \$1,111,667.

Delivery for the three local transit buses originally scheduled for FY14, and 2 commuter buses were received during the Quarter of Fiscal Year 2016. The local transit buses were purchased using toll credits for the local match portion. The two expansion commuter coaches were funded in total by Job Access Reverse Commute (JARC) funds.

AVTA's FY18 proposed 5-Year Capital Improvement Plan assumes the purchase of 16 commuter coaches, thirteen 60' articulated local transit buses, and ten 40' local transit buses. (39 total) during the fiscal year. This purchasing plan will be facilitated in part by the Transit and Intercity Rail Capital Program grant awarded to AVTA from the State of California's Cap & Trade program. A total of 79 buses (75 replacements and 4 expansion buses) will be acquired as funding is received.

Even with these inflows, the purchases will require the use of capital reserve funds for local match requirements; the use of the funds is assumed in the 5-Year Plan Capital Spending Plan for FY18.

Please see the attached Capital Reserve Summary covering activity through September 30, 2017 and the Combined Jurisdiction Reconciliation Report for additional information.

Prepared by:

Submitted by:

Colby Konisek
Chief Financial Officer

Len Engel
Executive Director/CEO

Attachments: A – Capital Reserve Summary Report through September 30, 2017
A.1 – Combined Jurisdiction Detailed Reconciliation Report



CAPITAL RESERVE CONTRIBUTION BALANCES

September 30, 2017

Jurisdictional Member	Accumulated Balance at 6/30/08	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Balance, as of Sept 30, 2017
Lancaster	\$1,737,723	\$0	\$183,500	\$191,871	\$190,765	\$ 191,519.31	\$ 47,879.31	\$2,543,258
Palmdale	1,655,307	-	162,896	174,587	173,804	173,598	43,399	2,383,591
LA County	959,862	-	114,500	94,440	96,327	95,779	23,945	1,384,853
TOTAL	\$4,352,892	\$0	\$460,896	\$460,898	\$460,896	\$460,896	\$ 115,223.31	\$6,311,702
Interest received to date:								185,557
\$6,497,258								

**ANTELOPE VALLEY TRANSIT AUTHORITY
CAPITAL RESERVE & OPERATING SUPPORT TRACKING**

Updated through: **September 30, 2017**

	LANCASTER			PALMDALE			LOS ANGELES COUNTY			TOTALS					
FY 2018	<i>Note NO change in Jurisdictional %'s for FY18...</i>														
Annual Due		(1,498,670.34)	(1,307,151.03)	(191,519.31)		(1,358,429.50)	(1,184,831.96)	(173,597.54)		(749,487.65)	(653,708.51)	(95,779.14)	(3,606,587.49)	(3,145,691.50)	(460,896.00)
First Quarter Payments	7/20/17	374,666.34	326,787.03	47,879.31	8/24/17	339,607.00	296,208.00	43,399.00	9/28/17	187,372.00	163,427.00	23,945.00	901,645.34	786,422.03	115,223.31
Interest				7,157.26				6,488.91				3,579.49			17,225.66
Second Quarter Payments		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Interest				0.00				0.00				0.00			0.00
Third Quarter Payments		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Interest				0.00				0.00				0.00			0.00
Fourth Quarter Payments		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Interest				0.00				0.00				0.00			0.00
Contributions for FY2018		374,666.34	326,787.03	47,879.31		339,607.00	296,208.00	43,399.00		187,372.00	163,427.00	23,945.00	901,645.34	786,422.03	115,223.31
Interest for FY2018				7,157.26				6,488.91				3,579.49			17,225.66
		(1,124,004.00)	(980,364.00)	(143,640.00)		(1,018,822.50)	(888,623.96)	(130,198.54)		(562,115.65)	(490,281.51)	(71,834.14)	(2,704,942.15)	(2,359,269.47)	(345,672.69)
Net Assets															
Capital Reserve Balance to Date				2,543,257.61				2,383,590.94				1,384,853.14			6,311,701.70
Interest to Date				79,350.93				71,180.21				35,025.44			185,556.58
Total Balances as of 09/30/2017				2,622,608.54				2,454,771.15				1,419,878.58			6,497,258.28

* Receipts for the Lancaster UAV/AVC Service and the Palmdale Bus Stop Maintenance Contract are not included in this report.



DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: Fiscal Year 2017/2018 Grant Status Report through October 30, 2017

RECOMMENDATION

That the Board of Directors receive and file the attached FY18 Grant Status Report through October 30, 2017.

FISCAL IMPACT

Grants approved after the annual budget adoption may require reallocation of funds, which will be addressed during the mid-year budget adjustments.

BACKGROUND

The attached Grant Status Report reflects all grant applications submitted on behalf of the AVTA and all grants submitted and awarded to the AVTA through October 30, 2017. AVTA continues to pursue potential grant opportunities.

The annual allocation formula grant is pending a transfer agreement between AVTA and the recipient agency for the buses being replaced. This grant contains funds for electric buses to replace existing diesel buses that have not reached their useful life. In order for FTA to advance AVTA's grant application to the Department of Labor for approval, they require proof of the vehicle transfer plan between AVTA and the intended federal recipient. We expect to finalize this agreement by the end of 2017 and the grant application can continue to move through the approval process, and anticipate award by early spring 2018.

We are awaiting two FTA award announcements: Bus & Bus Facilities, submitted August 2017, and TIGER, submitted in October 2017. We anticipate announcements by the end of 2017.

Prepared by:

Submitted by:

Judy Fry
Grants Administrator

Len Engel
Executive Director/CEO

Attachment: A – Grant Status Report

GRANT STATUS REPORT

Discretionary Opportunities

Grant Program	Project	Amount Applied For	Date Submitted	Status	Amount Awarded	Next Round of Funding
Transportation Investment Generating Economic Recovery Grant ("TIGER") - FTA	AVTA's "SOLution" Property + Energy Collection and a Battery Storage System	\$11,564,720	October 16, 2017	<i>Pending</i>	\$0	Not announced
Sec. 5339 Bus & Bus Facilities	Health Care Connect Transit Centers	\$2,563,135	August 25, 2017	<i>Pending</i>	\$0	Not announced
Antelope Valley Air Quality Management District (AVAQMD)	Electric Bus replacement + infrastructure	\$250,000	October 10, 2017	<i>Pending</i>	\$0	Not announced
Low or No Emission Vehicle Deployment Program (LoNo) - FTA	5 Transit Buses	\$3,661,736	June 25, 2017	Grant Funds awarded 9/2017	\$705,347	Not announced
Low Carbon Transit Operations Program (LCTOP) – Cap & Trade	1 Transit Bus	\$54,831	June 12, 2017	Grant Funds awarded 7/2017	\$54,831	2018
Low or No Emission Vehicle Deployment Program (LoNo) - FTA	10 Transit + 7 Commuter Electric Buses	\$14,857,761	May 11, 2016	No funds awarded to AVTA	\$0	April 2017
Transit and Intercity Rail Capital Program – Cap & Trade	Zero emission bus transit and commuter Vanpool expansion project.	\$10,531,000	April 5, 2016	Grant funds awarded 8/2016	\$6,840,000	Fall 2017
Transportation Investment Generating Economic Recovery Grant ("TIGER") - FTA	AVTA's "SOLution" Property + Energy Collection and a Battery Storage System	\$10,284,000	April 29, 2016	No funds awarded to AVTA	\$0	Fall 2017
	TOTAL DISCRETIONARY OPPORTUNITIES PENDING:	\$14,377,855		TOTAL GRANT AWARDS:	\$7,600,178	

Annual Formula Allocations

Grant Program	Project	Amount Pending	Date Submitted	Status	Amount Awarded
FTA Annual 5307 + 5337 Allocation - FTA	Capital + Operating	\$14,551,668	<i>Pending</i>	<i>Pending</i>	\$0
FTA Annual 5339 Allocation - FTA	Bus and Bus Facilities	\$2,368,446	June 2016	Grant funds awarded 9/27/2016	\$2,368,446
FTA Annual 5307 Allocation - FTA	Capital Improvement Program	\$12,115,000	June 2016	Grant funds awarded 9/27/2016	\$12,115,000
	TOTAL ANNUAL FORMULA ALLOCATIONS PENDING:	\$14,551,668		TOTAL GRANT AWARDS:	\$14,483,446



DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: Redefine age requirement of a "senior" passenger from 65 years of age or older to 62 years of age or older

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 2017-007, a resolution of the Board of Directors of the Antelope Valley Transit Authority authorizing the Executive Director/CEO to modify all applicable documents to reflect redefining the age requirement of a senior passenger from 65 years of age or older to 62 years of age or older.

FISCAL IMPACT:

No significant fiscal impact. The proposed modification has been developed to be cost neutral.

BACKGROUND:

AVTA's current fare policy defines a "senior" as an individual 65 years of age or older. At the October 24, 2017 Board of Directors meeting, the Board approved the Senior Subsidy Grant Program for Fiscal Year 2017/2018 and redefining a "senior" as an individual 62 years of age or older to be more consistent with other transit agencies in the county and attract new riders. Adopting Resolution No. 2017-007 formalizes the Authority's request to redefine a "senior" passenger.

Prepared and submitted by:

Len Engel
Executive Director/CEO

Attachment: A – Resolution No. 2017-007

BOARD OF DIRECTORS

ANTELOPE VALLEY TRANSIT AUTHORITY

RESOLUTION NO. 2017-007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO MODIFY ALL REQUIRED DOCUMENTS TO REFLECT REDEFINING THE AGE REQUIREMENT OF A SENIOR PASSENGER FROM 65 YEARS OF AGE OR OLDER TO 62 YEARS OF AGE OF OLDER

WHEREAS, AVTA’s current fare policy defines a “senior” as an individual 65 years of age or older; and

WHEREAS, at the October 24, 2017 Board of Directors meeting, the Board approved the Senior Subsidy Grant Program for Fiscal Year 2017/2018 and redefined a “senior” as an individual 62 years of age or older to be more consistent with other transit agencies in the county and attract new riders.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the Antelope Valley Transit Authority authorizes the Executive Director/CEO to amend all references to “seniors” in the Authority’s public documents from 65 years of age or older to 62 years of age or older.

PASSED, APPROVED and ADOPTED this 28th day of November, 2017 by the following vote:

AYES: _____ NOES: _____

ABSTAIN: _____ ABSENT: _____

Marvin Crist, Chairman

ATTEST:

Approved as to form:

Karen Darr, Clerk of the Board

Allison Burns, General Counsel



DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: Draft Audited Financial Statements within the Comprehensive Annual Financial Report (CAFR) and Single Audit Report of Federal Awards for the Year Ended June 30, 2017

RECOMMENDATION

That the Board of Directors approve the Draft Comprehensive Annual Financial Report (CAFR) and Single Audit Report of Federal Awards (Single Audit Report) for the Year Ended June 30, 2017.

FISCAL IMPACT

None.

BACKGROUND

Representatives from Windes Inc., the Authority's external audit firm, will attend the November 28, 2017 Board meeting to present the audit results and respond to any questions or concerns.

Based on the draft results, it is anticipated that there will be no exceptions to the audited financial statements, and no findings or questioned costs reported in the Single Audit Report.

As a recipient of federal, state, and local funding, the Authority is required to have an annual audit conducted by independent auditors in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. These audited financial statements are required to be completed within six months of the close of the preceding fiscal year.

On June 24, 2014, the Authority's Board of Directors awarded a five-year contract for audit services to Windes Inc., CPAs. The contract requires Windes to review and present the Authority's Draft Financial Statements (Attachment B) and Single Audit Report (Attachment C) to the Board of Directors.

The audit expresses an opinion as to whether the financial statements prepared by management are presented fairly in all material respects and in conformity with U.S. generally accepted accounting principles.

The Finance staff prepared the supporting documentation, draft financial statements and other materials required for a CAFR, and provided the information required for the Single Audit Report. Staff provided assistance and complied in providing all information requested by the Windes team conducting the audit fieldwork.

Windes has issued the Draft Financial Statements with an unmodified ("clean") opinion, with no findings or questioned costs.

Prepared by:

Submitted by:

Colby Konisek
Chief Financial Officer

Len Engel
Executive Director/CEO

Attachments: A – Windes letter to Board of Directors
 B – Draft Financial Statements as of June 30, 2017 and 2016
 C – Single Audit Report on Federal Awards (June 30, 2017)

November 28, 2017

To the Board of Directors of
Antelope Valley Transit Authority

We have audited the financial statements of Antelope Valley Transit Authority for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 21, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Antelope Valley Transit Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2017. We noted no transactions entered into by Antelope Valley Transit Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We will be requesting certain representations from management that are included in the management representation letter dated November 28, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Antelope Valley Transit Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Antelope Valley Transit Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of Board of Directors and management of Antelope Valley Transit Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Winder, Inc.

AVTA

Financial Statements as of June 30, 2017 and 2016

DRAFT

STATEMENTS OF NET POSITION

	ASSETS	
	June 30,	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 19,727,227	\$ 19,737,591
Due from other governments (Note 3)	2,726,858	6,992,536
Other receivables	605,368	346,710
Inventory	282,354	262,453
Prepaid items	<u>402,704</u>	<u>469,639</u>
	<u>23,744,511</u>	<u>27,808,929</u>
NONCURRENT ASSETS		
Capital assets, depreciated, net (Note 5)	<u>54,815,693</u>	<u>49,276,272</u>
TOTAL ASSETS	<u>78,560,204</u>	<u>77,085,201</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan contributions	<u>888,674</u>	<u>626,044</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	3,022,786	1,609,445
Accrued payroll	42,597	38,515
Unearned revenue - Prop 1B (Note 4)	2,395,496	1,099,676
Unearned Revenue – Other	6,500	-
Compensated absences (Note 6)	<u>31,836</u>	<u>28,266</u>
Total Current Liabilities	<u>5,499,215</u>	<u>2,775,902</u>
NONCURRENT LIABILITIES		
Noncurrent compensated absences	331,070	376,481
Net pension plan liability	<u>880,874</u>	<u>629,016</u>
	1,211,944	1,005,497
DEFERRED INFLOWS OF RESOURCES		
Pension plan assumption differences	<u>142,398</u>	<u>296,364</u>
NET POSITION		
Invested in capital assets	54,815,693	49,276,272
Restricted for capital acquisition	6,364,214	5,862,873
Unrestricted	<u>11,415,414</u>	<u>18,494,337</u>
TOTAL NET POSITION	<u>\$ 72,595,321</u>	<u>\$ 73,633,482</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For the Year Ended	
	June 30,	
	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services:		
Passenger fares	\$ 5,041,398	\$ 5,317,988
Total operating revenues	<u>5,041,398</u>	<u>5,317,988</u>
OPERATING EXPENSES		
Purchased transportation services:		
Outside transit contract	15,191,275	14,517,282
Fuel	1,882,075	1,676,397
Other operating costs	837,546	714,042
General and administrative	4,720,280	4,503,107
Depreciation	<u>4,022,844</u>	<u>5,795,184</u>
Total operating expenses	<u>26,654,020</u>	<u>27,206,012</u>
Operating loss	(21,612,622)	(21,888,024)
NONOPERATING REVENUES (EXPENSES)		
Interest income	46,215	27,091
Local operating grants – LA Metro	8,859,197	8,629,203
Federal operating grants	6,784,749	6,540,102
Member agency contributions	3,371,198	3,294,929
Capital related expenses	(104,511)	(166,198)
Other	<u>121,024</u>	<u>421,765</u>
Total nonoperating revenues and expenses	<u>19,077,872</u>	<u>18,746,892</u>
Loss before capital contributions	(2,534,750)	(3,141,132)
CAPITAL CONTRIBUTIONS		
Capital grants	1,035,693	3,588,011
Member contributions	<u>460,896</u>	<u>460,898</u>
Total capital contributions	<u>1,496,589</u>	<u>4,048,909</u>
NET CHANGE IN NET POSITION	(1,038,161)	907,777
NET POSITION, BEGINNING OF YEAR	<u>73,633,482</u>	<u>72,725,705</u>
NET POSITION, END OF YEAR	<u>\$ 72,595,321</u>	<u>\$ 73,633,482</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

	For the Year Ended	
	June 30,	
	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 5,041,398	\$ 5,321,974
Nonoperating miscellaneous received	343,930	409,888
Cash payments to suppliers for goods and services	(16,744,438)	(18,383,372)
Cash payments to employees for services	(3,585,200)	(3,456,424)
Net Cash Used In Operating Activities	<u>(14,944,310)</u>	<u>(16,107,934)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	19,555,786	15,135,474
Contributions received from member agencies	<u>3,352,352</u>	<u>3,314,248</u>
Net Cash Provided By Noncapital Financing Activities	<u>22,908,138</u>	<u>18,449,722</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(9,905,478)	(4,827,691)
Proceeds from sale of capital assets	120,305	-
Capital grants received	1,408,381	4,625,176
Grantable expenses	(104,511)	(166,198)
Capital contributions received from member agencies	<u>460,896</u>	<u>504,546</u>
Net Cash Provided By/ (Used In) Capital and Related Financing Activities	<u>(8,020,407)</u>	<u>135,833</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	<u>46,215</u>	<u>27,091</u>
Net Cash Provided By Investing Activities	<u>46,215</u>	<u>27,091</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,364)	2,504,712
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>19,737,591</u>	<u>17,232,879</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 19,727,227</u>	<u>\$ 19,737,591</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
Continued

	For the Year Ended	
	June 30,	
	<u>2017</u>	<u>2016</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH		
USED FOR OPERATING ACTIVITIES:		
Operating loss	(\$ 21,612,622)	(\$ 21,888,024)
Adjustments to net cash used in operating activities:		
Depreciation	4,022,844	5,795,184
Miscellaneous income	343,930	421,765
(Increase) in other receivables	(258,658)	(85,123)
(Increase) in inventory	(19,901)	(22,119)
Decrease / (increase) in prepaid items	66,934	(133,440)
(Increase) in deferred outflows or resources	(262,630)	(220,449)
(Decrease) / increase in accounts payable	1,413,340	(139,122)
(Decrease) / increase in accrued payroll	4,082	(48,476)
(Decrease) / increase in compensated absences payable	(41,841)	79,677
Increase in unearned revenue	1,302,320	164,507
(Decrease)/ increase in net pension liability	251,858	(10,213)
(Decrease) in deferred inflow of resources	(<u>153,966</u>)	(<u>22,101</u>)
Net Cash Used In Operating Activities	(<u>\$ 14,944,310</u>)	(<u>\$ 16,107,934</u>)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

There were no noncash investing, capital or financing activities during the fiscal years ended June 30, 2017 and 2016.

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 – Summary of Significant Accounting Policies

The Reporting Entity

The Antelope Valley Transit Authority (AVTA) is located in southern California approximately 70 miles northeast of Los Angeles. AVTA was formed to provide and administer public transportation services in the Antelope Valley, including local passenger bus service, a commuter bus service, and a Paratransit service.

AVTA is a public entity organized on July 1, 1992 pursuant to Section 6506 of the Government Code of the State of California. AVTA is governed by a Joint Powers Agreement (JPA) whose members consist of the County of Los Angeles (a political subdivision of the State of California), the City of Palmdale, and the City of Lancaster (each a municipal corporation of the State of California). The JPA provides a cost sharing agreement among its members who jointly fund their jurisdictional share of transportation services provided to the Antelope Valley. AVTA operates under a Board of Directors/Manager form of government, with the Board being comprised of two Directors appointed from each participating member's jurisdiction.

AVTA accounts for its financial transactions in accordance with the policies and procedures of the State of California - Uniform System of Accounts for Special Districts. The accounting policies of AVTA conform to accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

AVTA, for financial purposes, includes all operations of AVTA. The Board of Directors has governance responsibilities over all activities related to AVTA. AVTA receives funding from local, county, state and federal government sources and must comply with requirements of these entities.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

AVTA is accounted for as an enterprise fund (proprietary fund type) using the economic resources measurement focus and the accrual basis of accounting. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. Revenues are recognized when earned and expenses are recognized as they are incurred.

Classification of Revenues and Expenses

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal operations. The principal operating revenues of AVTA consist of transit fees. Nonoperating revenues consist of federal, state and county operating grants, investment income, and jurisdictional member contributions designated for use for operating and capital purposes. Operating expenses include outside transit contracts, which provide transportation and maintenance services, fuel expenses, administrative expenses and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

When both restricted and unrestricted resources are available for use, it is AVTA's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of nine months or less.

Budgetary Information

Although AVTA prepares and approves an annual budget, budgetary information is not presented because AVTA is not required to present a budget.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Inventory and Prepaid Items

Inventory consists of fuel in storage held for consumption and a part used for the maintenance of transportation equipment and facilities and is valued at cost using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the accompanying financial statements.

Capital Assets

It is AVTA's policy to capitalize all capital assets with a cost of more than \$5,000. Depreciation of all exhaustible property, plant and equipment used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Transportation equipment	3-12
Vehicles	4-6
Buildings	34
Computer equipment	3
Furniture and fixtures	3-10
Equipment – other	3-12

Federal, State and Local Grants

Federal, state and local governments have made various grants available to AVTA for operating assistance and acquisition of capital assets. Grants for operating assistance, or for the acquisition of equipment or other capital outlays, are not formally recognized as revenue until the grant becomes a valid receivable. This occurs as a result of AVTA complying with appropriate grant requirements. Operating assistance grants are included in nonoperating revenues in the year in which the grant is applicable. Revenues earned under capital grants are included in capital contributions when the related expenses are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is AVTA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Upon termination, an employee will be paid for any unused vacation. Sick leave is payable when an employee is unable to work because of illness. Upon termination, AVTA employees are not paid for unused sick pay. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows. This separate financial statement element represents a disposition of net position that applies to future periods and will not be recognized as expense until that time.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time.

Use of Estimates

The preparation of the accompanying basic financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenditures, as well as to make disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The principal area requiring the use of estimates includes the determination of the useful lives of capital assets.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 – Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
Cash on hand	\$ 750	\$ 750
Deposits with financial institutions	13,362,263	14,327,667
Local Agency Investment Fund (LAIF)	<u>6,364,214</u>	<u>5,409,174</u>
Total cash and cash equivalents	<u>\$ 19,727,227</u>	<u>\$ 19,737,591</u>

The table below identifies the investment types that are authorized for AVTA by the California Government Code (or AVTA's investment policy, whichever is more restrictive). The table also identifies certain provisions of the California Government Code (or AVTA's investment policy, whichever is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Authorized By Investment Policy</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer*</u>
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	1 year	50%	None
U.S. Agency Securities	No	N/A	N/A	N/A
Banker's Acceptances	Yes	180 days	15%	30%
Commercial Paper	Yes	180 days	10%	10%
Negotiable Certificates of Deposit	Yes	1 year	25-50%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Medium-Term Notes	No	N/A	N/A	N/A
Mutual Funds	No	N/A	N/A	N/A
Money Market Mutual Funds	Yes	N/A	15%	10%
Mortgage Pass-through Securities	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None

* Based on State law requirements or investment policy requirements, whichever is more restrictive.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 – Cash and Cash Equivalents (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees, are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or AVTA's investment policy. AVTA did not have any investments held by bond trustees as of June 30, 2017 and 2016.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Information about the sensitivity of the fair value of AVTA's investments to market interest rate fluctuations is provided by the following table that shows the distribution of AVTA's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>12 Months or Less</u>
Local Agency Investment Fund (LAIF)	<u>\$ 6,364,214</u>	<u>\$ 6,364,214</u>
Total	<u>\$ 6,364,214</u>	<u>\$ 6,364,214</u>

Funds invested with the State Treasurer's LAIF may have maturities longer than 90 days; however, LAIF functions as a demand deposit account. Therefore, AVTA considers LAIF as cash equivalents.

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

As of June 30, 2017 and 2016, AVTA did not have any investments whose fair values are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of that investment. This is measured by the assignment of a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 – Cash and Cash Equivalents (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude to AVTA's investment in a single issue or instrument. AVTA's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2017 and 2016, except for its investment in LAIF, AVTA did not have any investments in any one issuer that represented 5% or more of its total investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and AVTA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investment, other than for the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the local government unit. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 – Cash and Cash Equivalents (Continued)

Investment in State Investment Pool

AVTA is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of AVTA's investment in this pool is reported in the accompanying financial statements at amounts based upon AVTA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, and are recorded on an amortized cost basis. Included in LAIF's investment portfolio are mortgage-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes. LAIF is not rated by a recognized statistical rating organization.

NOTE 3 – Due From Other Governments

Due from other governments consisted of the following:

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
Federal grants	\$ 2,070,881	\$ 6,494,878
Local grants - MTA	637,131	497,658
Operating contribution City of Lancaster	<u>18,846</u>	<u>-</u>
Total due from other governments	<u>\$ 2,726,858</u>	<u>\$ 6,992,536</u>

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 4 – Unearned Revenue

The Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Fund is a 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 PTMISEA fund, \$3.6 billion of which was made available to fund grants to project sponsors in California for approved 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. It is AVTA’s practice to record as unearned revenue any funds received prior to the incurrence of eligible expenses. PTMISEA activity during the fiscal years ended June 30, 2017 and 2016 was as follows:

Unspent PTMISEA funds as of July 1, 2015	\$ 935,169
PTMISEA funds received during the fiscal year ended June 30, 2017	625,903
PTMISEA expenses incurred during the fiscal year ended June 30, 2017	<u>(461,396)</u>
Unspent PTMISEA cash receipts as of June 30, 2016	1,099,676
PTMISEA funds received during the fiscal year ended June 30, 2017	1,389,404
PTMISEA expenses incurred during the fiscal year ended June 30, 2017	<u>(93,584)</u>
Unspent PTMISEA cash receipts as of June 30, 2017	<u>\$ 2,395,496</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 5 – Capital Assets

A schedule of changes in capital assets for the year ended June 30, 2017 is shown below:

	<u>Balance at July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2017</u>
Capital assets, not being depreciated:				
Land	\$ 1,816,616	-	-	\$ 1,816,616
Construction-in-progress	<u>1,944,535</u>	<u>\$ 8,894,295</u>	<u>(\$ 553,000)</u>	<u>10,285,830</u>
Total capital assets, not being depreciated	<u>3,761,151</u>	<u>8,894,295</u>	<u>(553,000)</u>	<u>12,102,446</u>
Capital assets being depreciated:				
Buildings	34,078,928	780,035	-	34,858,963
Equipment	11,776,300	115,888	(108,724)	11,783,464
Transportation equipment	<u>48,234,901</u>	<u>593,737</u>	<u>(3,897,186)</u>	<u>44,931,452</u>
Total capital assets, being depreciated	<u>94,090,129</u>	<u>1,489,660</u>	<u>(4,005,910)</u>	<u>91,573,879</u>
Less accumulated depreciation:				
Buildings	(8,564,206)	(1,102,331)	-	(9,666,537)
Equipment	(9,568,073)	(648,606)	108,724	(10,107,955)
Transportation, equipment	<u>(30,442,729)</u>	<u>(2,271,907)</u>	<u>3,628,496</u>	<u>(29,086,140)</u>
Total accumulated depreciation	<u>(48,575,008)</u>	<u>(4,022,844)</u>	<u>3,737,220</u>	<u>(48,860,632)</u>
Total capital assets, being depreciated, net	<u>45,515,121</u>	<u>(2,533,184)</u>	<u>(286,690)</u>	<u>42,713,247</u>
Capital assets, net	<u>\$ 49,276,272</u>	<u>\$ 6,361,111</u>	<u>(\$ 821,690)</u>	<u>\$ 54,815,693</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 5 – Capital Assets (Continued)

A schedule of changes in capital assets for the year ended June 30, 2016 is shown below:

	<u>Balance at July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2016</u>
Capital assets, not being depreciated:				
Land	\$ 1,816,616	-	-	\$ 1,816,616
Construction-in-progress	<u>474,575</u>	<u>\$ 2,111,559</u>	<u>(\$ 641,599)</u>	<u>1,944,535</u>
Total capital assets, not being depreciated	<u>2,291,191</u>	<u>2,111,559</u>	<u>(641,599)</u>	<u>3,761,151</u>
Capital assets being depreciated:				
Buildings	33,627,782	451,146	-	34,078,928
Equipment	11,235,185	541,115	-	11,776,300
Transportation equipment	<u>45,862,555</u>	<u>2,372,346</u>	<u>-</u>	<u>48,234,901</u>
Total capital assets, being depreciated	<u>90,725,522</u>	<u>3,364,607</u>	<u>-</u>	<u>94,090,129</u>
Less accumulated depreciation:				
Buildings	(7,503,925)	(1,060,281)	-	(8,564,206)
Equipment	(8,208,994)	(1,359,079)	-	(9,568,073)
Transportation, equipment	<u>(27,060,029)</u>	<u>(3,375,824)</u>	<u>(6,876)</u>	<u>(30,442,729)</u>
Total accumulated depreciation	<u>(42,772,948)</u>	<u>(5,795,184)</u>	<u>(6,876)</u>	<u>(48,575,008)</u>
Total capital assets, being depreciated, net	<u>47,952,574</u>	<u>(2,430,577)</u>	<u>(6,876)</u>	<u>45,515,121</u>
Capital assets, net	<u>\$ 50,243,765</u>	<u>(\$ 319,018)</u>	<u>(\$ 648,575)</u>	<u>\$ 49,276,272</u>

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 6 – Compensated Absences

A schedule of changes in compensated absences for the year ended June 30, 2017 is shown below:

	<u>Balance at July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2017</u>	<u>Amount due Within One Year</u>
Compensated absences	\$ 404,747	\$ 362,906	\$ 404,747	\$ 362,906	\$ 31,836

A schedule of changes in compensated absences for the year ended June 30, 2016 is shown below:

	<u>Balance at July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2016</u>	<u>Amount due Within One Year</u>
Compensated absences	\$ 325,070	\$ 404,747	\$ 325,070	\$ 404,747	\$ 28,266

NOTE 7 – Defined Benefit Pension Plan (CalPERS)

During the fiscal year ended June 30, 2015, AVTA implemented GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB 27*, and recorded a net pension liability associated with CalPERS.

Plan Description

AVTA contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing, multiple-employer, public employee defined benefit pension plan. CalPERS provides retirement, disability, and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. CalPERS issues a publicly available financial report that includes financial statements and all required supplementary information for the cost sharing plans that they administered.

Copies of CalPERS' annual financial reports may be obtained by writing to the following address: CalPERS, 400 "P" Street, Sacramento, California 95814.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 – Defined Benefit Pension Plan (CalPERS) (Continued)

A summary of principal actuarial assumptions used are as follows:

Actuarial cost method	Entry age normal
Actuarial assumptions	
Discount rate	7.65%
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of Return	7.65% net of investment and administrative expenses
Mortality tables	Derived from CalPERS' data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The asset allocation shown below reflects the CalPERS' fund in total and expected rate of return as of June 30, 2016:

<u>Asset Class</u>	<u>Current Allocation</u>	<u>Current Target Allocation</u>
Global equity	51.9%	51.0%
Private equity	9.0%	10.0%
Global fixed income	20.3%	20.0%
Real Assets	10.8%	12.0%
Liquidity	1.5%	1.0%
Inflation Assets	6.0%	6.0%
Absolute Return Strategies	0.1%	-
Total Plan Level	0.4%	-

(a) Source: CalPERS Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 – Defined Benefit Pension Plan (CalPERS) (Continued)

AVTA has reported the following pension related amounts as deferred outflows and deferred inflows of resources on the Statement of Net Position for the year ended June 30, 2017:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,449	\$ 1,707
Changes of Assumptions		70,472
Net difference between projected and actual earnings on plan investments	366,782	
Change in employer's proportion	152,362	70,219
Differences between the employer's contributions and the employer's proportionate share of contributions	135,324	
Pension Contributions subsequent to measurement date	<u>226,757</u>	<u>-</u>
	<u>\$ 888,674</u>	<u>\$ 142,398</u>

The \$226,757 reported as deferred outflows of resources are related to contributions made by AVTA subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources will be amortized into pension expense as follows:

Fiscal year ending <u>June 30,</u>	
2018	\$ 138,447
2019	120,545
2020	165,526
2021	<u>95,001</u>
	<u>\$ 519,519</u>

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 – Defined Benefit Pension Plan (CalPERS) (Continued)

AVTA has reported the following pension related amounts as deferred outflows and deferred inflows of resources on the Statement of Net Position for the year ended June 30, 2016:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,174	\$ -
Changes of Assumptions		153,019
Net difference between projected and actual earnings on plan investments		76,710
Change in employer's proportion	237,008	66,635
Differences between the employer's contributions and the employer's proportionate share of contributions	164,406	
Pension Contributions subsequent to measurement date	<u>208,456</u>	<u>-</u>
	<u>\$ 626,044</u>	<u>\$ 296,364</u>

The \$208,456 reported as deferred outflows of resources are related to contributions made by AVTA subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 – Defined Benefit Pension Plan (CalPERS) (Continued)

The following table provides the components of pension expense for the plan recognized during the year ended June 30, 2017.

Miscellaneous risk pool collective pension expense	\$ 396,802,310
Proportion applicable to pension expense	<u>0.061460%</u>
Allocated share of pension expense	243,875
Recognition of employer-specific amounts - Change in proportion	32,587
Difference between actual contributions and proportionate share of total contributions	88,534
Difference proportions	
Total employer-specific expense	<u>(302,977)</u>
Total pension expense	<u>\$ 62,019</u>

The following table provides the components of pension expense for the plan recognized during the year ended June 30, 2016.

Miscellaneous risk pool collective pension expense	\$ 169,012,986
Proportion applicable to pension expense	<u>0.085790%</u>
Allocated share of pension expense	144,996
Recognition of employer-specific amounts - Change in proportion	47,626
Difference between actual contributions and proportionate share of total contributions	72,466
Difference proportions	
Total employer-specific expense	<u>(354,844)</u>
Total pension income	<u>\$ (89,756)</u>

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 – Defined Benefit Pension Plan (CalPERS) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net position liability of the plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.65%) or 1% higher (8.65%).

	Discount rate minus 1% (6.65%)	Current discount rate (7.65%)	Discount rate plus 1% (8.65%)
Net pension liability	\$ 1,538,162	\$ 880,874	\$ 337,657

NOTE 8 – Risk Management

AVTA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and natural disasters. AVTA protects itself against such losses by a balanced program of risk retention, risk transfers and the purchase of commercial insurance. Loss exposures retained by AVTA are treated as normal expenditures and include any loss contingency not covered by AVTA’s purchased insurance policies.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. AVTA maintains workers’ compensation insurance policies covering claims up to \$5,000,000. An excess coverage insurance policy covers individual claims in excess of \$5,000,000. AVTA does not have any liabilities for unpaid claims as of June 30, 2017. Settled claims have not exceeded insurance coverage limits during the fiscal years ended June 30, 2017 and 2016.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 9 – Commitments and Contingencies

Litigation

AVTA contracts its transportation services. As part of this contract, the contractor operates and maintains all vehicles. The contract provides that the operator indemnify AVTA for all claims and litigation relating to the operation of AVTA vehicles. While AVTA has been named in several matters of litigation, the contract operator is responsible for defense and payment of any unfavorable settlement.

AVTA is subject to various legal proceedings and claims arising in the ordinary course of its business. While the ultimate outcome of these matters is difficult to predict, management believes that the ultimate resolution of these matters will not have a material adverse effect on AVTA's financial position or activities.

Federal and Local Grants

AVTA receives federal and county funds for specific purposes that are subject to audit by the granting agencies. Although the outcome of any such audits cannot be predicted, it is management's opinion that these audits would not have a material effect on AVTA's financial position or changes in financial position.

NOTE 10 – Restricted Net Position for Capital Acquisition

Restricted net position consists of member contributions, which are designated for capital acquisitions. Contributions from each member are as follows:

	June 30,	
	2017	2016
County of Los Angeles	\$ 1,360,908	\$ 1,265,129
City of Palmdale	2,340,192	2,166,594
City of Lancaster	2,495,378	2,303,859
Interest earned on reserve balances	<u>167,736</u>	<u>127,291</u>
	<u>\$ 6,364,214</u>	<u>\$ 5,862,873</u>

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

**ANTELOPE VALLEY TRANSIT AUTHORITY
SINGLE AUDIT REPORT ON FEDERAL AWARDS
JUNE 30, 2017**

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

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**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

**INDEPENDENT AUDITORS' 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***

To the Board of Directors of
Antelope Valley Transit Authority

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 Antelope Valley Transit Authority, which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated [REPORT DATE].

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Antelope Valley Transit Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Antelope Valley Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Antelope Valley Transit Authority'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.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antelope Valley Transit Authority's 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

Long Beach, California
[REPORT DATE]

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Antelope Valley Transit Authority

Report on Compliance for Each Major Federal Program

We have audited Antelope Valley Transit Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Antelope Valley Transit Authority's major federal programs for the year ended June 30, 2017. Antelope Valley Transit Authority's major federal programs are identified in the summary of auditors' 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 Antelope Valley Transit Authority'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 Antelope Valley Transit Authority'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 Antelope Valley Transit Authority's compliance.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

Opinion on Each Major Federal Program

In our opinion, Antelope Valley Transit Authority 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, 2017.

Report on Internal Control over Compliance

Management of Antelope Valley Transit Authority 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 Antelope Valley Transit Authority'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 Antelope Valley Transit Authority'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.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Antelope Valley Transit Authority, as of and for the year ended June 30, 2017, and have issued our report thereon dated [REPORT DATE], which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, 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 financial statements and certain additional 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 financial statements as a whole.

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.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

Long Beach, California
[REPORT DATE]

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

ANTELOPE VALLEY TRANSIT AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/Pass Through Grantor</u>	<u>Federal Domestic Assistance Number</u>	<u>Grant Number</u>	<u>Federal Financial Assistance Expenditures</u>	<u>Total Expenditures</u>
<u>U.S DEPARTMENT OF TRANSPORTATION:</u>				
Direct Assistance:				
Federal Transit Cluster:				
Federal Transit - Formula Grants	20.507	CA-90-Y799	\$ 33,992	\$ 42,491
Federal Transit - Formula Grants	20.507	CA-90-Y875	470,121	496,451
Federal Transit - Formula Grants	20.507	CA-90-Y968	302,395	302,395
Federal Transit - Formula Grants	20.507	CA-90-Z059	29,082	29,082
Federal Transit - Formula Grants	20.507	CA-90-Z129	53,815	53,815
Federal Transit - Formula Grants	20.507	CA-90-111	1,800	1,800
Federal Transit - Forumla Grants	20.507	CA-90-5307/FTA	<u>6,550,139</u>	<u>14,820,198</u>
Total Federal Transit Cluster			<u>7,441,345</u>	<u>15,746,233</u>
Pass Through Assistance from:				
Los Angeles County Metropolitan Transportation Authority				
Job Access Reverse Commute Grant	20.516		<u>404,708</u>	<u>404,708</u>
Total Expenditures of Federal Awards			<u>\$ 7,846,052</u>	<u>\$ 16,150,941</u>

See accompayning notes to the schedule of expenditures of federal awards.

PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW

ANTELOPE VALLEY TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Antelope Valley Transit Authority (AVTA) that are reimbursable under programs of federal agencies providing financial awards. For the purposes of this schedule, financial awards include federal awards received directly from a federal agency, as well as federal funds received indirectly by AVTA from a non-federal agency or other organizations. The portions of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum reimbursement authorized or the portion of the program expenditures that were funded with other state, local or other non-federal funds are included in the accompanying schedule under total expenditures. The information in this 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). Because the Schedule presents only a selected portion of the operations of AVTA, it is not intended to and does not present the financial position, changes in net position, or cash flows of AVTA.

Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized when incurred. Expenditures reported include any property or equipment acquisitions incurred under the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

AVTA has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Subrecipients

AVTA did not disburse any funds to subrecipients during the fiscal year ended June 30, 2017.

ANTELOPE VALLEY TRANSIT AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

The auditors' report expressed an unmodified opinion on whether the financial statements of Antelope Valley Transit Authority were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – None reported
3. Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – None reported
3. Type of auditors' report issued on compliance for major programs? – Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No
5. Identification of major programs: Federal Transit Cluster Program (20.507)
6. Dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
7. Auditee qualified as low-risk auditee? – Yes

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT

None

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

PROPOSITION 1B COMPLIANCE AUDIT

**INDEPENDENT AUDITORS' 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 AND CALIFORNIA GOVERNMENT CODE §8879.50***

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 and California Government Code §8879.50, the financial statements of Antelope Valley Transit Authority (AVTA), which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated [REPORT DATE].

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Antelope Valley Transit Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Antelope Valley Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Antelope Valley Transit Authority'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.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antelope Valley Transit Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of California Government Code §8879.50 et seq., noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our compliance testing included testing whether Proposition 1B funds allocated to and received by AVTA were expended in conformance with the applicable statutes, rules and regulations of the California Government Code. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW**

Long Beach, California
[REPORT DATE]

**PRELIMINARY DRAFT
SUBJECT TO CHANGE
FOR MANAGEMENT REVIEW
ANTELOPE VALLEY TRANSIT AUTHORITY**

**SCHEDULE OF PROPOSITION 1B FUNDS RECEIVED AND EXPENDED
FOR THE YEAR ENDED JUNE 30, 2017**

Unspent funds as of June 30, 2016	\$ 1,099,676
Funds received	1,389,404
Expenses incurred	(<u>93,584</u>)
 Unspent funds as of June 30, 2017	 <u>\$ 2,395,496</u>



DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: Award Contract #2018-05 to Rally Auto Group, Inc. for Three Replacement Full-Sized Low Roof Passenger Vans

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to execute Contract #2018-05 for three replacement full-sized low roof passenger vans to Rally Auto Group, Inc., Palmdale, CA, for the amount of \$88,548.35, plus applicable sales tax.

FISCAL IMPACT

Sufficient funds have been included in the FY18 Business Plan to pay for these vehicles.

BACKGROUND

AVTA's fleet is replaced at varying intervals in accordance with FTA's guidelines listed in Code of Federal Regulations (CFR), Title 49, Volume 7, Parts 614.101 - Transportation Infrastructure Management, and the agency's approved replacement plan. These units have reached the end of their useful life in accordance with FTA regulations and are scheduled for replacement. Staff created specifications for this purchase and included FTA's "Buy America Policy" requirements as shown in CFR Title 49, Part 661.13 - Grantee Responsibility. The replacement of these vehicles will require less maintenance and aid our agency in lowering overall operational costs.

AVTA released an Invitation for Bids (IFB) on September 19, 2017. The solicitation documents were posted to AVTA's procurement website and advertisements were placed in the *Antelope Valley Press* and the *Our Weekly Lancaster* newsletter. Prior to issuance of the IFB, Board and TAC members were notified and asked to submit any recommendations for potential vendors. The local Chambers of Commerce and

the Antelope Valley Board of Trade were notified via email. Six Antelope Valley car dealerships (AV Chevrolet, AV Ford Lincoln, Honda Lancaster, Hunter Dodge Chrysler Jeep Ram, Rally Auto Group/GMC, Toyota of Lancaster) were notified in person with nine additional car dealerships being notified via email with the IFB attached. The additional nine firms are as follows: one each from Anaheim, Carson, Chino, Glendale, Healdsburg, Los Angeles, Orange, Placentia, and San Bernardino.

Staff conducted an optional pre-bid conference on October 5, 2017 with no firm(s) attending. The IFB opened on October 26, 2017. Of the 15 firms that received the IFB, two bids were submitted, which met all minimum requirements.

The responding firms and respective bid amounts are listed in the table below.

Firm	Location	Contract Amount
Rally Auto Group, Inc.	Palmdale, CA	\$88,548.35, plus sales tax
Fairway Ford	Placentia, CA	\$95,217.00, plus sales tax

Under FTA procurement requirements, an IFB must be awarded to the lowest responsive and responsible bidder (per FTA Circular 4220.1F - Third Party Contracting Guidance, Chapter VI - Procedural Guidance for Open Market Procurements).

Rally Auto Group's bid response was evaluated and pricing was found to be fair and reasonable. Based on the bid received and the review of requisite documents submitted, staff is recommending the Board approve a contract with Rally Auto Group, Inc., of Palmdale, CA.

Prepared by:

Submitted by:

Lyle A. Block, CPPB
Procurement and Contracts Officer

Len Engel
Executive Director/CEO



DATE: November 28, 2017

TO: BOARD OF DIRECTORS

SUBJECT: Contract Extension for Contract #2011-032 with Transdev for Fixed Route Transit Operations and Maintenance Services

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to negotiate and execute an extension to Contract #2011-032 with Transdev for fixed route operations and maintenance services effective January 1, 2018. The contract will be extended the remaining two, two-year options.

FISCAL IMPACT

The contract value for fixed route operations and maintenance is approximately \$27,062,337 from January 1, 2018 through December 31, 2019 and \$28,711,046 from January 1, 2020 to December 31, 2021. The four year total would be \$55,773,383. Because the contract reimburses based on an agreed-upon cost per vehicle revenue hour, actual costs will vary depending on service levels. The price per year is based on 165,468 revenue hours effective January 1, 2012 (the beginning of the base contract). The cost per vehicle revenue hour (VRH) may not increase more than 3% per year or CPI, but will in no case exceed the bid amount.

YEAR #	TOTAL COSTS	COST PER REVENUE HOUR
7	\$13,330,875	\$80.56
8	\$13,731,462	\$82.99
9	\$14,143,030	\$85.47
10	\$14,568,016	\$88.04
TOTAL	\$55,773,383	\$84.27

Contract Extension for Contract #2011-032 for Fixed Route Transit Operations and Maintenance Services

November 28, 2017

Page 2

Sufficient funds for the remainder of the fiscal year are included in the FY18 Business Plan – Operations and Maintenance. This contract will be supported through budgeted federal 5307 operating and preventive maintenance funds with Proposition A and C Discretionary funds applied as local match.

BACKGROUND

Procurement Process: The AVTA Board of Directors authorized staff to release a Request for Proposals for Fixed Route Transit Services on May 24, 2011.

AVTA received four proposals for fixed route services. All proposers were invited to submit Best and Final Offers (BAFOs). Pricing was scored separately and not considered during evaluation of the performance factors identified in the process. While the scores were reasonably close, Transdev (Veolia) was the highest ranked competitor.

Prepared and Submitted by:

Len Engel
Executive Director/CEO



DATE: November 28, 2017
TO: BOARD OF DIRECTORS
SUBJECT: Vanpool Project Options

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to develop a proposed budget and administrative framework for a vanpool/carpool/carshare operation within AVTA structure.

FISCAL IMPACT

AVTA was awarded \$400,000 in the second Transit and Intercity Rail Capital Program grant to start a vanpool/carshare program. Using the initial grant, staff would develop a program that would be self-sustaining. Initially, a minimal amount of Measure M funds could be used to kickstart the program.

BACKGROUND

In recent months, AVTA management has been in discussions with representatives from both Edwards Air Force Base and the Mojave Air & Space Port with the goal of enhancing commute options for Base and Space Port employees residing in the Antelope Valley. While implementation of a commuter bus service is the preferred solution, AVTA management has identified vanpools as an interim solution.

The proposed vanpool program could benefit AVTA in at least four ways:

1. Expand AVTA's role as a mobility agent.
2. Contribute to reduction in greenhouse gases and Vehicle Miles Traveled (VMT).
3. Increase ridership and fare revenue.
4. Serve as a test bed for the expansion of AVTA's commuter bus program.

The federal government defines a vanpool as a commuter highway vehicle, which is further defined as "any vehicle seating at least six adults (not including the driver) with at least 80 percent of its mileage being used for transporting commuters between their residences and their place of employment."

In 2016 AVTA was awarded a TCRIP grant which included \$400,000 for the acquisition of battery-electric vans. Tesla offers its Model X sport utility vehicles, which when equipped with a seven-seat interior meets the IRS definition of a "commuter highway vehicle." The Model X sells for between \$75,000 and \$140,000 per unit. However,

given the current production challenges Tesla is facing, it is unknown when sufficient vehicles would be available. BYD currently manufactures a five-passenger electric vehicle (e6) and a passenger minivan (M3 or Shang). Of the two, only the e6 is available in the United States. However, it does not meet the federal government's definitions of a "commuter highway vehicle."

Given the above challenges, AVTA management has been in discussions with Enterprise Rideshare re possible leasing of alternative fuel (CNG/propane) vans as an interim solution. The preliminary thinking is AVTA would lease a fleet of vans from Enterprise to allow implementation of a vanpool program for Antelope Valley residents commuting to either Edwards AFB or the Mojave Air & Space Port. As AVTA's battery-electric commuter bus fleet expands, depending upon actual demand, the vanpools could be replaced with battery-electric commuter buses.

In mid-2017 AVTA conducted a survey of persons employed at Edwards AFB to quantify demand for public transportation options between the Base and Lancaster and Palmdale. Nearly 200 survey respondents indicated a strong interest in a vanpool program. An additional 200 respondents expressed interest in home-to-work commute options (including vanpools). AVTA management concludes sufficient demand exists to support implementation of an AVTA-sponsored vanpool program.

In early November, AVTA management met with representatives from The Spaceship Company (TSC) and the Mojave Air & Space Port to discuss commute options between the Space Port and Lancaster and Palmdale. As a result, AVTA is currently conducting a survey to quantify demand for home-to-work commute options. There are presently upwards of 2,500 persons employed at the Space Port. TSC and Space Port representatives estimate 1,000 to 1,200 employees commute daily between the Space Port and Lancaster and Palmdale.

Given the preceding, staff proposes to develop a business plan (inclusive of financial projections) supporting the possible implementation of vanpools and/or commuter bus services linking Edwards AFB and the Mojave Air & Space Port with Lancaster, Palmdale, and unincorporated communities of the AVTA service area. Said plan could be presented for the Board's consideration at its January 2018 regular meeting.

A whitepaper (Attachment A) developed for AVTA by Moore & Associates provides background into how the program would function.

Prepared and Submitted by:

Len Engel
Executive Director/CEO

AVTA Commuter Vanpool Program White Paper

Introduction

The broad definition of a vanpool is a form of ridesharing using a van to transport participants. The federal government defines a vanpool as a commuter highway vehicle, which is further defined as “any vehicle seating at least six adults (not including the driver) with at least 80 percent of its mileage being used for transporting commuters between their residences and their place of employment.”¹

With respect to AVTA’s proposed program, a vanpool consists of a van-style vehicle that is used to transport commuters from their home locations in Palmdale and Lancaster to key work locations such as Edwards Air Force Base, Plant 42, and/or the BYD facility.

Goals

AVTA’s vanpool program has three primary goals:

- Expand AVTA’s role as mobility agent,
- Increase ridership/fare revenue, and
- Serve as a test bed for future commuter bus services.

The program will also further cement AVTA as a leader in electric vehicle deployment through the use of battery-electric vans.

Operational models

There are two primary types of vanpool programs currently being operated in the United States:

1. **Directly operated.** In this program type, the owner of the vanpool (whether it is an individual, employer, transit organization, or another agency) also operates the program directly. The owner of the program is responsible for procuring vehicles, filling seats, screening drivers, and processing rider payments. The owner also provides insurance, maintenance, and often fuel. Directly operated programs are most likely to be those sponsored by a transit agency or employer.
2. **Contracted.** In this program type, the owner of the vanpool contracts with a third-party operator to provide the vans and manage the program. The owner of the program funds the program, while the third-party contractor is responsible for procuring vehicles, filling seats, screening drivers, and processing rider payments, as well as providing insurance, maintenance, and fuel.

Examples of vanpool programs operated by transit organizations

While many vanpool programs are similar in their structure, there are some different strategies in how agencies manage in-house programs. Some programs from throughout the country are described in full or part below.

Northern Arizona Intergovernmental Public Transportation Authority (Flagstaff, AZ). NAIPTA contracts with vRide to provide vanpool services. NAIPTA offers a \$400 subsidy per vanpool per month. Riders

¹ Title 49, U.S. Code, Section 5323[i].

split the remaining lease cost plus the cost of fuel. Each contract has a monthly mileage allowance of 1,000 miles. Some of these miles are reserved for the personal use of the driver. The monthly lease with vRide includes all routine maintenance, unscheduled repairs, 24 hour roadside assistance/towing, loaner vans (if necessary), \$1,000,000 liability insurance coverage, and an emergency-ride-home program. vRide is responsible for managing the vanpool program. Lease agreements are for 30 days.

[Pierce Transit \(Tacoma, WA\)](#). Pierce Transit operates an in-house vanpool program. Pierce Transit with a fleet of more than 300 vans. Drivers must be at least 25 years old with five years of recent driving history and have a valid Washington driver license, safe driving record, and proof of insurability. Drivers are required to take the online *Coaching the Van Driver* defensive driving course before they can begin driving. The driver's responsibilities include arranging for maintenance (provided by Pierce Transit), van cleaning, and fueling. The driver is not charged a fare, provided there are at least five paying riders. Monthly fares are based on the number of riders, and may fluctuate from month to month if riders join or leave the vanpool.

Fares are collected by a vanpool bookkeeper, who quotes and collects fares, records ridership and mileage, and ensures that vanpool reports and fares are delivered to Pierce Transit by the 10th of the month. Fare payments can also be paid online. Pierce Transit pays for fuel using a Voyager gas card, for which the driver has an individualized PIN. Vanpools are insured through the Washington State Transit Insurance Pool, which provides coverage for the van and all authorized occupants. Pierce Transit also purchases uninsured motorist coverage. Vanpool agreements are on a month-to-month basis, and the agency asks for no less than five day notification if leaving the vanpool.

Vanpools are provided with numerous resources, including an accident kit, recruitment tools, and a vanpool manual. Incentives include "5 Free to Go," which allows new, qualifying users up to five free vanpool rides to try out the program. New vanpoolers joining an existing vanpool can receive a \$50 gift code. New vanpools can receive the first month free or a \$100 gift card. Riders can also earn \$50 gift codes by referring new program participants. Pierce County's rideshare program (PierceTrips) also offers participants the chance to log their vanpool trips and qualify to win prizes.

[Charlotte Area Transit System \(Charlotte, NC\)](#). CATS vanpools are operated directly by the agency. However, each vanpool is equipped with Lynx Telematics technology that allows CATS to monitor and track the vehicles. The Telematics system monitors speed, vehicle idling, seat belt use, harsh braking, hard acceleration, and hard-turning, which can help CATS identify potential fuel savings, unsafe driver behavior, and opportunities to be environmentally friendly. A retail version of this product is called LynxSafe (www.lynxsafe.com) and can be installed on a personal vehicle to monitor new drivers, etc.

[Piedmont Authority for Regional Transportation \(Greensboro, NC\)](#). PART requires each vanpool that is formed to put down a \$300 deposit before taking possession of the van. Assuming the van is returned in the same condition it is provided, the deposit will be returned. Unlike Pierce Transit, the driver is responsible for not only maintenance, cleaning, and fueling, but also collecting fares and submitting monthly reports. PART does offer an online payment mechanism. Late fees (\$25) are assessed against the driver if payments or reports are received late.

[Dallas Area Rapid Transit \(Dallas, TX\)](#). DART's vanpool program is contracted with vRide. DART offers a flat rate of \$450 per month for 15-passenger vans and \$425 per month for eight-passenger vans. Drivers participate for free, and the monthly cost per passenger is highly dependent upon the number of riders.

Fuel is not included in the lease fee. The lease fee does include insurance and emergency ride home. DART encourages additional employer subsidies.

[Potomac and Rappahannock Transportation Commission \(Woodbridge, VA\)](#). PRTC does not operate vanpools, but provides funding for its VanStart and VanSave programs. Qualifying vanpools must be non-profit operations and have the appropriate commercial insurance. The VanStart program provides financial assistance on a temporary basis to new vanpools starting to build ridership. The VanSave program provides assistance to vanpools experiencing a loss of ridership that threatens the survival of the vanpool arrangement. PRTC also participates in a regional program called Vanpool Alliance which provides a monthly stipend of \$200 to vanpools that report ridership data.

Other examples of in-house vanpool operations:

- Ben Franklin Transit (Richland, WA),
- Eastern Sierra Transit Authority (Bishop, CA),
- Mountain Metro (Colorado Springs, CO), and
- RiverCities Transit (Longview, WA).

Other examples of contracted vanpool operations:

- Denton County Transportation Authority (Denton, TX) – Enterprise;
- Lextran (Lexington, KY) – Enterprise;
- Los Angeles County Metropolitan Transportation Authority (Los Angeles, CA) – Enterprise, vRide, and CalVans;
- Orange County Transportation Authority (Orange, CA) – Enterprise;
- San Joaquin Regional Transit District (Stockton) – CalVans;
- Space Coast Area Transit (Brevard County, FL) – vRide;
- SunLine Transit Agency (Thousand Palms, CA) – Enterprise and CalVans;
- Tompkins Consolidated Area Transit (Ithaca, NY) – vRide;
- VIA Metropolitan Transit (San Antonio, TX) – Enterprise; and
- Wichita Transit (Wichita, KS) – Enterprise.

Vehicles

A vanpool is defined by the Internal Revenue Service as a “commuter highway vehicle” seating at least six adult passengers not including the driver. Most standard vans meeting this definition, with minivans seating seven passengers (including the driver) and larger van seating up to 15 passengers (including the driver). Larger vehicles, such as cutaways that seat more than 15 passengers (including the driver) require a Class C commercial drivers license for operation, and cannot be driven by a standard driver applicant.

Tesla offers its Model X sport utility vehicle, which when equipped with a seven-seat interior meets the IRS definition of a “commuter highway vehicle.” Each vehicle can travel up to 295 miles on a single charge. The vehicle comes standard with active safety features including automatic emergency braking, side collision warning, and lane departure warning. It is also equipped with a medical-grade HEPA cabin air filtration system. As with all Tesla vehicles, the Model X includes the hardware needed for future self-driving capabilities. The vehicles come with an eight-year, infinite mile battery and drive unit warranty and a four-year, 50,000 mile limited warranty. The Model X sells for between \$75,000 and \$140,000 per unit. However, given the current production challenges Tesla is currently facing, it is unknown as to when sufficient vehicles will be available for delivery.

BYD currently manufactures a five-passenger electric vehicle (e6) and a passenger minivan (M3, or Shang). The e6 has a range of 250 miles and sells for approximately \$50,000 per unit. The range of the Shang is unknown, though the similar T3 cargo van model has a range of approximately 200 miles. Only the e6 is currently available in the United States. The e6 would not qualify as a “commuter highway vehicle” (given it only seats five including the driver), though the Shang would. However, it is unclear when the Shang would become commercially available in the United States.

Nissan also has an electric van, the e-NV200, that is not yet available in the United States. However, the concept design for the U.S. features only seating for five, which means it would not qualify as a “commuter highway vehicle.” This vehicle is currently available in the U.K. with seating for seven. Should it become available in the U.S. with third-row seating to seat two or more additional passengers, it would meet this requirement.

Procurement will likely need to take place through a competitive bid process, following AVTA’s established procurement policies.

Ten vanpools will need ten dedicated charging stations at the Palmdale and Lancaster locations, as all vans will need to charge during the same period (presumably overnight). Each van should be assigned a specific charging station. Should additional vehicles be added to the fleet, more charging stations will be required. The need for a dedicated charging station per vehicle is not because the vehicles will take all night to charge, but because the drivers need to be able to plug the vehicles in when they return to the Antelope Valley.

Maintenance

As the owner of the vans, AVTA will be required to provide ongoing maintenance. The maintenance can either be done in-house using a mechanic trained to work on electric vans, or it can be contracted out. The challenge with contracting out maintenance is finding a locally qualified mechanic that does not require the vehicles to be taken more than an hour away for the work to be completed/performed.

As with transit vehicles, vans require preventive maintenance as well as maintenance in response to a problem. Electric vehicles have an advantage over some systems in gasoline-powered vehicles, as they do not need oil, spark plugs, or air/fuel filter changes. Brakes tend to wear out slower. However, tires, wiper blades, and other fluids will need to be checked regularly. In addition, the battery system tends to lose efficiency over time and will ultimately have to be replaced.

Other more involved maintenance may be required should the vehicle be involved in an accident or something unexpected go wrong. Body work or other major repairs will take a vehicle out of commission for some time, as it will likely require the vehicle being transported out of the Antelope Valley for repairs.

With the anticipated purchase of ten vans, it is likely one qualified full-time mechanic will be able to provide an appropriate level of maintenance. However, AVTA should also consider the following:

1. Designate at least one vanpool vehicle as a spare. This vehicle can be swapped out with leased vehicles to ensure they receive the appropriate maintenance (thereby allowing AVTA’s mechanic to work during regular operating hours) or used as a replacement should a vehicle need to be pulled out of service for a longer period.

2. Phase in vanpools over several weeks or months. Given many of the vans will initially be traveling the same distance for each commute, concurrent vanpool launches will result in all the vehicles coming due for maintenance at the same time. Staggering the launch of the vanpools will stagger the times at which they are due for regular maintenance.
3. Should additional vehicles be added to the fleet, it will likely become necessary to add capacity by hiring another qualified mechanic. AVTA should plan for one full-time mechanic for every ten vanpool vehicles.

Another consideration is notifying drivers that their vehicles are due for maintenance. Some kind of system will need to be established by which the vanpool mechanic notifies drivers that their vehicles are due, and arranges for a substitute vehicle if necessary.

California Vehicle Code

According to the California Vehicle Code, Division 14.8, Safety Regulations, Section 34509, vanpools are required to meet the following requirements with respect to safety and maintenance:²

- (a) *The vanpool vehicle shall be equipped with an operable fire extinguisher which is of the dry chemical or carbon dioxide type with an aggregate rating of at least 4-B:C and which is securely mounted and readily accessible.*
- (b) *The vanpool vehicle shall be equipped with a first aid kit, conforming to the minimum requirements for school buses. First aid kits shall be readily visible, accessible, and plainly marked "First Aid Kit."*
- (c) *The vanpool vehicle shall be regularly and systematically inspected, maintained, and lubricated in accordance with the manufacturer's recommendations, or more often if necessary to ensure the safe operating condition of the vehicle. The maintenance shall include, as a minimum, an in-depth inspection of the vehicle's brake system, steering components, lighting system, and wheels and tires, to be performed at intervals of not more than every six months or 6,000 miles, whichever occurs first.*
- (d) *Operators of vanpool vehicles shall document each systematic inspection, maintenance, and lubrication and repair performed for each vehicle under their control. Required records shall include services performed, the person performing the service, the date, and the mileage on the vehicle at the time of the repair. The records shall be maintained with the vehicle for one year, and shall be presented upon demand to any authorized representative of the California Highway Patrol.*
- (e) *Vanpool vehicles being operated pursuant to the exemptions specified in this section shall display, upon the rear and sides of the vehicle, a sign or placard, clearly visible and discernable for a distance of not less than 50 feet, indicating that the vehicle is being used as a vanpool vehicle.*

²https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=VEH&division=14.8.&title=&part=&chapter=&article=

Insurance

Insurance protection specifically designed to cover vanpools must be obtained by AVTA. It should be a commercial auto liability policy that may cover general liability, physical damage, and bodily injury and property damage liability. AVTA should consult with its insurance broker to determine what coverage is required and what level of coverage is desired.

The California Joint Powers Insurance Authority was formed as a municipal self-insurance pool to provide California cities with appropriate liability protection. This may be one source of additional insurance to specifically cover vanpools.

Operations

Prior to launching the vanpool program, all procurement, policies, and procedures must be established, along with ensuring the program is appropriately staffed and supported by technology (i.e., online payment capabilities). Below is a punch list of operational considerations that would be required to launch an in-house vanpool program:

- Identify program funding;
- Conduct vehicle procurement;
- Construct and activate charging stations;
- Brand vehicles;
- Equip vehicles with required safety equipment (i.e., first aid kit, fire extinguisher);
- Develop program policies and guidelines, including;
 - Rider and driver applications,
 - Driver manual,
 - Driver logs and reporting guidelines,
 - Payment guidelines,
 - Program pricing;
 - Emergency/accident procedures;
 - Guaranteed ride home program; and
 - Participation guidelines (including requirements regarding notification when a rider or driver wishes to leave their vanpool).
- Hire and/or designate staff:
 - Full-time mechanic qualified to work on battery-electric vehicles, and
 - Part-time program coordinator to manage applications, payments, and serve as a point of contact (could be integrated into an existing customer service position);
- Secure appropriate insurance;
- Develop protocol for maintenance notification;
- Determine how service will be implemented (phased or as demand warrants; certain initial locations or open to the Antelope Valley as a whole depending upon demand);
- Create and distribute marketing materials;
- Promote program and solicit participation;
- Process driver and rider applications (including appropriate background checks for driver applicants);
- Make vanpool assignments based on work schedules and locations;
- Assign vehicles to vanpools;
- Establish a start date for each vanpool; and
- Process initial monthly payments.

Once the program has been established and the vans are in service, the following will need to be done on an ongoing basis:

- Preventive and as-needed maintenance of the vehicles,
- Process of monthly payments;
- Process new rider applications and assignment to a vehicle as appropriate; and
- Process driver logs (for reporting purposes) on a monthly basis.

Driver qualification

Being the driver of a vanpool does not require a commercial driver's license. However, the California Vehicle Code does stipulate that the driver must meet the same medical requirements that would be required for a Class B commercial license and keep a statement in the vehicle that he/she has not been convicted of reckless driving, drunk driving, or a hit-and-run offense in the prior five years.

Per to the California Vehicle Code, Division 6, Drivers' Licenses, Article 3, Section 12804.9:³

A driver of a vanpool vehicle may operate with a Class C license but shall possess evidence of a medical examination required for a Class B license when operating vanpool vehicles. In order to be eligible to drive the vanpool vehicle, the driver shall keep in the vanpool vehicle a statement, signed under penalty of perjury, that he or she has not been convicted of reckless driving, drunk driving, or a hit-and-run offense in the last five years.

NTD reporting

As long as its vanpools are open to the public (and not restricted to a particular employers), AVTA must report vanpool (VP) data to the NTD in addition to motor bus (MB), commuter bus (CB), and demand-response (DR) data. For an in-house program, the data would be reported as a directly operated vanpool (VP-DO). The required data includes total capital and operating costs, program revenue, vehicle miles traveled, number of passengers (including the driver), passenger miles traveled, and incidents (crashes or criminal activity).

Cost data should include vehicle operations (fuel and insurance), maintenance, general administration, and capital costs. For an in-house program, these costs should be straightforward to capture. Program revenues must also be reported. Operating data should be collected on a daily basis by the vanpool driver, and reported on a monthly basis to AVTA. AVTA would then report the data to the NTD as part of its regular reporting cycle.

The NTD requires transit agencies to complete and submit to the FTA a questionnaire before beginning to report vanpool service. This questionnaire is provided in the 2017 NTD Policy Manual, which is available online.⁴ The NTD Policy Manual provides detailed instruction for vanpool reporting.

³http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=VEH§ionNum=12804.9.&article=3.&highlight=true&keyword=vanpool

⁴ https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/ntd/57981/2017-ntd-policy-manual_2.pdf

Pricing

Typically vanpool pricing assumes the cost of the van amortized over its useful life, plus the costs for administration, insurance, maintenance, and fuel, is used as the basis for calculating the monthly cost of the vanpool. This cost is then split among all the riders participating in the vanpool (excluding the driver). If mileage is taken into consideration with respect to the pricing, then that would affect the monthly rate. Otherwise the monthly rate is considered a flat rate that becomes less expensive per person when more people join the vanpool. Dallas Area Rapid Transit is one agency that offers a flat-rate vanpool lease, but it does not include fuel.

Some agencies place a cap on the mileage that can be traveled for a particular rate (i.e., 1,000 miles per month). Others base pricing on the daily distance traveled. For example, Valley Metro (Phoenix, AZ) offers different pricing scales for every 10 commute miles traveled per day. Seven passengers sharing a 20-mile daily roundtrip commute would pay approximately \$61 per month, while seven passengers sharing a 50-mile daily roundtrip commute would pay approximately \$100 per month.

Program management

Application

Each individual wishing to participate in the vanpool program will need to complete an application form and return it to AVTA. Vanpool applications should be processed on a first-come, first-served basis with respect to vanpool assignments. Potential drivers will also need to complete a driver application, which goes into much greater detail regarding driving history and insurability. Draft rider and driver applications are provided in the Appendix.

Payment

An online mechanism should be established for payment of vanpool fares. We recommend utilizing automatic billing which can debit a participant's credit card or bank account for the monthly fare or accept single payments. It should have the capacity to offer credits or refunds should the need arise, as well as to apply multiple payments to the same fare (i.e., where an employer pays part of the fare and the rider pays the balance). The payment system must be able to accept employer pre-tax payments for vanpool fares, as well as the Federal government's Transportation Incentive Program card.

Departure

It is anticipated that each van would depart from its charging station in Palmdale or Lancaster. Each vanpool should have an established departure time from the charging station as well as a scheduled departure time from the workplace for the return trip. AVTA should set those departure times based on vanpool composition at the time the vanpool is initially created. It is important for AVTA to document scheduled departure times so that new riders can be added to the vanpool after it is established.

Federal pre-tax benefits

The federal government allows commuters to claim pre-tax transportation fringe benefits under Section 132(f) of the IRS Code. These benefits can either be contributions by the employer or simply pre-tax deductions from the employee's wages. A description of each type of benefit is shown below.⁵

⁵ Best Workplaces for Commuters, "Vanpool Benefits," 2005. Updated to reflect 2017 tax benefit information.

Option	Employer Tax Benefit	Employee Tax Benefit
Employers give their employees up to \$225 per month to commute via vanpool.	Employer receives tax deduction. Employer can deduct cost of benefit from corporate income for purposes of calculating corporate income taxes.	Employee receives up to \$225 per month tax-free. The employee does not pay any taxes on the value of the benefit.
Employers allow employees to use pre-tax income to pay for vanpooling.	Employer saves on payroll taxes (at least 7.65% savings). No payroll taxes are paid on the income that is set aside by the employee.	Employee saves on income tax and payroll taxes. The amount of income set aside for vanpooling (up to \$225 per month) is no longer treated as taxable salary.

In order for vanpooling to be considered an eligible transportation fringe benefit, the vehicle used to provide the vanpool is considered a “commuter highway vehicle” and must meet the following criteria:

- Seats at least six adults (not including the driver), and
- At least 80 percent of the mileage use can reasonably be expected to be for transporting employees between their homes and workplace, with employees occupying at least one-half of the vehicle’s seats (not including the driver).

These criteria mean that the vanpool vehicle must have the capacity to seat at least seven people (including the driver) and have no less than half occupancy (three riders for a seven-passenger vehicle) in order to be considered a vanpool and be eligible for the transportation fringe benefits.

Federal/Department of Defense transportation benefits

Executive Order 13150 (2000) required Federal agencies to establish a transportation incentive program in order to reduce Federal employees’ contributions to traffic congestion and air pollution and to expand their commuting alternatives. The purpose of the program is to encourage commuting by mass transportation and provide incentives to employees. The United States Air Force (through the Department of Defense) participates in the Mass Transportation Benefit Program (MTBP) formed in 2008 in response to the Executive Order. Edwards Air Force Base is considered to be “outside the National Capital Region” for the purposes of this program. All active-duty military, active Reservists, and Department of Defense civilians are eligible to participate in the Transportation Incentive Program.

Guaranteed Ride Home

A Guaranteed Ride Home program, sometimes called Emergency Ride Home, is a common benefit provided as part of a vanpool or other ridesharing program. It typically offers an alternative means of work-to-home travel in case of illness, a family emergency, or unplanned/unexpected overtime.

Most Guaranteed Ride Home programs offer a voucher or reimbursement for a taxi ride home or one-day car rental for vanpool riders in the case of a qualifying event. The qualifying event could be if the vanpool driver has to depart work early due to illness or a family emergency or stay late for unscheduled overtime, or if a rider has a qualifying event that necessitates going home early or staying late. A Guaranteed Ride Home is never provided for travel to work, even if the vanpool driver is ill or not going to work that day. It can only be used to get riders home.

In general, Guaranteed Ride Home programs are not typically heavily used. As a result, once the program is set up, it does not require significant funding support. The real challenge may be finding a taxi company that will serve Edwards Air Force Base. A voucher program would require a contract with a local taxi company, as well as a point of distribution for the vouchers. However, voucher programs are typically very easy for riders to use and do not require any cash outlay on the part of the rider. A reimbursement program would be a simpler option for AVTA, as the onus is on the rider to arrange and pay for the ride home as well as request a reimbursement for the cost from AVTA. AVTA would need to develop a reimbursement request form and procedure as part of its Guaranteed Ride Home program.

Marketing

It will be necessary to market the vanpool program to solicit riders and drivers. In order for the vanpools to be considered public transit (and reportable to the NTD), they must be open to the public and advertised as openly as AVTA's other transit programs (i.e., dedicated information page on the AVTA website). However, for a limited or phased implementation, marketing and promotion should be targeted to the employers which the vanpools will be serving. For example, if the intent is to serve only Edwards Air Force Base during Phase I, then the focus should be on actively promoting vanpools within Edwards Air Force Base rather than to the general public.

The following marketing/promotional materials are recommended:

- Informational brochure;
- Customized informational materials for key employers (if desired);
- Vehicle branding (vehicles must be clearly identified as vanpools per the California Vehicle Code);
- Driver and rider application forms;
- Dedicated web page on avta.com; and
- Social media content.

In addition, AVTA's customer service staff will need to be trained regarding the vanpool program so as to address any inquiries that are received via phone and email. A dedicated vanpool email account (such as vanpool@avta.com) should be established for inquiries as well as communications from existing riders and drivers. A phone number should also be designated as the emergency contact number for vanpool drivers or riders in the case of an accident or emergency.

Appendix

- Vanpool Rider Application Form
- Vanpool Driver Application Form



For AVTA Use Only

Date received: ___/___/___

Received by: _____

Vanpool Application Form

Thank you for your interest in AVTA's vanpool program. To enroll, complete this form, then either 1) hand it to an AVTA Customer Service Representative, 2) fax it to 661-729-_____, or 3) mail it to AVTA Vanpool Enrollment, 44210 6th St. W., Lancaster, CA 93534.

Name: _____

Phone number: _____

Email address: _____

Employer name: _____

Primary work address: _____

Work phone: _____

Home address: _____

Typical work start time: _____:_____ AM / PM (circle one)

Typical work end time: _____:_____ AM / PM (circle one)

Typical work days: Mo Tu We Th Fr Sa Su (circle all that apply)

I am willing to be: (check all that apply)

- Rider only Primary driver Back-up driver

This application form does not guarantee vanpool assignment and does not serve as an agreement between AVTA and the individual. You will be contacted regarding your vanpool assignment as vanpools are formed or as seats meeting your travel needs become available. Should the number of applicants exceed the number of vanpool openings available, applicants will be placed on a waiting list on a first-come, first-served basis.

Everything stated on this application is both true and correct to the best of my knowledge.

(Signature)

(Date)

ANTELOPE VALLEY TRANSIT AUTHORITY
44210 6th St. W., Lancaster, CA 93534 | 661-945-9445 | avta.com



For AVTA Use Only

Date received: ___/___/___

Received by: _____

Vanpool Driver Application Form

I am interested in being qualified as a: Primary Driver Alternate Driver Either/both

Section 1. Personal Information

Last Name		First Name		Middle Initial
Home: Street Address			City	Zip Code
Contact email			Cell Phone	
Name of Employer			Work Phone	
Work: Street Address			City	Zip Code

Section 2. Driver Information

Drivers License Number	State	Expiration Date	Birthdate
License restrictions	Total years driving experience	Total years licensed in CA	If less than 3 full years in CA, list previous state
Have you had any accidents or moving violations during the last 5 years? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please list with dates.			
How much travel and overtime does your current job require? (average percentage per month)			
How many days of work did you miss last year?			
What experience have you had in carpooling or vanpooling?			
Driver Record Release: The applicant authorizes the Antelope Valley Transit Authority to investigate and research driving records with the State of California and any other state and/or private agency generally used to maintain information pertinent thereto, and agrees to execute any other forms or documents necessary for such investigations.			
Driver Application Signature			Date
X			



**Antelope Valley Transit Authority
Volunteer Vanpool Driver Agreement**

Name: _____ **Van Number:** _____
(Please print – Last, First, MI) **Work Phone:** _____

(Make sure to sign the last two pages)

AGREED TO THIS _____ DAY OF _____, 20_____.

This Agreement between the authorized Volunteer Primary Driver or Alternate Driver (herein called "Driver"), whose signature appears below, and the Antelope Valley Transit Authority (AVTA) shall become effective on the date it is accepted by AVTA, as evidenced by the signature of its authorized representative.

I hereby agree to the following conditions of my participation as a Volunteer Driver in AVTA's Vanpool Program.

1. Driver represents that he/she:
 - A. Has a valid State of California Class A, B, or C driver license, or a valid driver license from another state if a Department of Defense employee, and will possess said license while operating the vehicle. If this license has a restrictive endorsement(s), Driver will comply with the restriction(s).
 - B. Will immediately (within one business day) notify AVTA's Vanpool Program Coordinator if any of the following occur:
 1. Being ticketed for or convicted of:
 - Reckless driving
 - Driving under the influence of drugs or alcohol
 - Hit and run offense
 - Fleeing from police
 - Assault with a motor vehicle
 2. Being involved in any other moving or parking violation.
 3. Being ticketed for any other moving or parking violation.

ANTELOPE VALLEY TRANSIT AUTHORITY
44210 6th St. W., Lancaster, CA 93534 | 661-945-9445 | avta.com



Aforementioned notice to AVTA is required for all driving activated by the Driver, including personal driving.

- C. Understands that he/she will be disqualified from serving as Driver if he/she has been ticketed or convicted of violations listed in 1.B.1 above, or accumulates 3 points for moving violations.
 - D. May also be disqualified if his/her driving practices are deemed unsafe in the opinion of the AVTA Vanpool Program Administrator.
 - E. Will authorize AVTA to obtain his/her driving record (covering the past 5 years) from the State Department of Motor Vehicles.
 - F. Will authorize AVTA to medically evaluate Driver according to State Class B license medical requirements in order to obtain the required valid medical certificate, and will possess said certificate while operating the vehicle. Failure to pass this medical evaluation will result in ineligibility to be a Driver.
 - G. Will sign annually and will possess while operating the vehicle a current sworn statement that Driver has not been convicted of driving under the influence of alcohol and drugs, reckless driving, or a hit-and-run offense in the past 5 years.
 - H. Will be available to participate in initial and periodic basic Driver training/safety awareness orientations administered by AVTA or a designated agent.
 - I. Shall not consent to use of the vanpool vehicle by anyone other than the Primary Driver or Alternate Driver.
2. Driver agrees to use AVTA's commuter van to pick up, transport, and deliver other vanpool participants to and from pre-determined pick-up point(s) and pre-determined drop-off point(s). Driver agrees that use of the van, for the purposes described in this paragraph 2, is not being engaged in transportation as a business. Driver also agrees that no person shall be transported in the van without a valid passenger agreement on file with AVTA.
 3. Driver acknowledges and understands that he/she will only operate and use the assigned vehicle in a safe and prudent manner in accordance with all applicable laws, ordinances, rules and regulations. Any citation or violation of applicable laws and ordinances will be the responsibility of Driver. If the vehicle is involved in a violation for which Driver receives a citation, AVTA must be notified immediately (within one business day). Proof of resolution must be sent to AVTA within 20 days.



4. Driver understands that any vehicle assigned by AVTA to Driver is a contract to permit use of the vehicle only. Driver also understands that all keys for the assigned vanpool vehicle must be relinquished to the AVTA upon his/her withdrawal or disqualification as a Driver.
5. Driver shall return the vehicle to AVTA in the same condition as when delivered; ordinary wear and tear is expected. Upon its delivery and return, Driver and AVTA shall inspect the van and provide a jointly signed report on its condition. Damage to the vehicle, which is not attributable to a reported accident and supported by a written accident report will be the sole responsibility of Driver.
6. Driver agrees to submit monthly vanpool logs to AVTA within the first 3 business days of each month. Driver understands that participation in the vanpool program will be suspended for all Drivers unable to comply with the deadlines and requests made by AVTA.
7. Driver is allowed to use the vanpool vehicle for vanpool-related "business" at no charge. Vanpool "Business Mileage" must be documented on the monthly Vanpool Mileage Log. Vanpool "Business Mileage" will be limited to the following activities: maintenance, including van washing; AVTA-provided training; and fueling. Overtime work on the weekends or after normal operating hours, employer-sponsored training or education, field work, and other business are not valid uses and cannot be logged as vanpool "Business Miles."
8. Driver agrees to maintain a clean vehicle both inside and out. Driver will ensure the vehicle is plugged in at an AVTA charging station following the work-to-home commute so that it is fully charged for its next use.
9. If a vanpool vehicle breaks down or is damaged in an accident, AVTA will credit the vanpool participants on a prorated basis, based upon a 21-workday month, for the period of time that the vehicle is inoperable, or until such time as a back-up vehicle becomes available.
10. Driver agrees to pay all fines, including but not limited to parking tickets, forfeitures and court costs that may be assessed against AVTA and its agents which are due to Driver's unauthorized or negligent operation or misuse of the vehicle, resulting in traffic citation or criminal charges.
11. Driver will notify AVTA immediately (within one business day) of any occurrence which may affect AVTA's interest, including but not limited to: citations for violations of motor vehicle, traffic, or parking laws; suspension, cancellation, or lapse of Driver's license; defects, malfunctions, or breakdowns of the vehicle; termination of Driver's principal employment; or change of home or City worksite address and phone number.
12. Driver will report to AVTA immediately any accident involving bodily injury, death or property damage, pursuant to details included in the Accident Reporting Instructions provided to each van. Driver will complete and file written accident reports with AVTA within 24 hours of any accident. Driver will be responsible for obtaining police reports and other information directly from other participants involved in the accident. AVTA shall be responsible for giving Driver



instructions on obtaining damage estimates. "Accident" shall also include injury to a passenger in which no third party is involved (e.g., injury from a fall inside the vehicle or while entering or leaving the vehicle). Driver shall be required to cooperate fully with AVTA in all accident investigations and settlement. FAILURE TO REPORT AN ACCIDENT IN ACCORDANCE WITH THIS PARAGRAPH WILL CONSTITUTE BREACH OF THIS AGREEMENT.

13. Driver understands that AVTA's liability coverage does not apply to any other vehicle operated by Driver.
14. AVTA shall not be responsible to Driver for any loss of income, inconvenience, or other damage sustained by Driver as a result of an interruption of services to be furnished by AVTA. It is expressly understood that AVTA will not be responsible for any person's property which is lost, stolen, or damaged in or from the vehicle.
15. Driver understands and agrees that if a vehicle is being operated by Driver or with Driver's knowledge and consent under any of the following conditions, hereinafter called "unauthorized use," Driver shall be considered in material breach of this Agreement, and may be subject to disciplinary action. Unauthorized use means:
 - A. Use of the vehicle by any person under the influence of narcotics or intoxicants.
 - B. Driving in any race, speed test, or contest.
 - C. Use of the vehicle to propel or tow any trailer or vehicle.
 - D. Driving other than on a paved public highway or paved or suitable graded private road or driveway, or driving over bridges posted at three tons or less, except in an emergency.
 - E. Carrying passengers for hire or outside the scope of the regular home-to-work commute as described in paragraph 2, or of the business use allowed under Paragraph 7 of this agreement.
 - F. Driving outside the borders of the State of California.
 - G. Use of the vehicle by anyone other than Driver.
 - H. Parking the vehicle overnight other than at the AVTA charging station. The vehicle must be locked and properly secured when not in use.
 - I. Use of the vehicle without making reasonable effort to ensure that all passengers, including Driver, are wearing their seat belts, and that van doors are securely closed.



- J. Transporting formal groups such as a church groups, scout troops, athletic teams, etc.
 - K. Transporting of any property deemed hazardous by reason of being flammable, explosive, fissionable, or corrosive, or contraband material.
 - L. Loading the vehicle beyond the manufacturer's stated seating capacity.
16. Driver will notify AVTA in writing of intent to withdraw from the vanpool and/or Driver responsibilities 30 days before termination as a Driver. This 30-day notice begins once written request is received by AVTA. If Driver fails to give sufficient notice, Driver will pay up to one month's fare unless a new Driver is available immediately.
17. AVTA has the right to end this Agreement for any reason. This Agreement may terminate if there are not sufficient qualified Drivers for the van; the van, in AVTA's sole judgment, is irreparable or unusable; or Driver or Passengers breach their obligations under their respective Agreements. Failure by Driver to comply with any responsibilities or the general provisions of this Agreement or General Rules or other directive issued by AVTA regarding vans or vanpooling shall be grounds for AVTA to discontinue, without advance notice, Driver's participation in the vanpool.
18. Driver agrees that AVTA is providing the vanpool as a service to its Antelope Valley residents and that AVTA shall have no responsibility whatsoever regarding the vanpool other than what is expressly set forth in this Agreement.
19. Upon termination of this Agreement, the vehicle and all documents pertaining to it shall be returned to a location designated by AVTA. This Agreement may not, without prior written consent by AVTA, be assigned or sublet.
20. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof of thereof, or affecting the validity or enforceability of such provisions in any jurisdiction.
21. The Undersigned hereby voluntarily releases, discharges, waives and relinquishes any and all actions or causes of action for personal injury, property damage or wrongful death occurring to him/herself arising as a result of riding in an AVTA vanpool. The Undersigned does for him/herself, his/her heirs, executors, administrators and assigns hereby release, waive, discharge and relinquish any action or cause of action, aforesaid, which may hereafter arise for him/herself and for his/her estate, and agrees that under no circumstance with he/she or his/her heirs, executors, administrators and assigns prosecute, present any claim for personal injury, property damage or wrongful death against the Antelope Valley Transit Authority or any of its officers, agents, servants or employees (hereinafter "Indemnified Parties") for any of said causes of action, whether the same shall arise by the negligence of any of said persons, or otherwise. It is the intention of the Undersigned by this instrument, to exempt and relieve the



Indemnified Parties from liability for personal injury, property damage or wrongful death caused by negligence.

The Undersigned, for him/herself, his/her heirs, executors, administrators or assigns agrees that in the event any claim for personal injury, property damage or wrongful death shall be prosecuted against the Indemnified Parties, he/she shall indemnify and save harmless the same Indemnified Parties from any and all claims or causes of action by whomever made or presented for personal injuries, property damage or wrongful death.

The Undersigned has read and understands that following statutory language of Section 1542 of the California Civil Code: "A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release, which if known by him/her must have materially affected his settlement with the debtor." Having been so apprised, the Undersigned elects to and does assume all risk for claims heretofore or hereafter arising, known or unknown, arising from the subject of this release, and the Undersigned knowingly and voluntarily expressly release the Indemnified Parties from all liability on claims arising out of such matters.

The undersigned acknowledges that he/she has read the foregoing three paragraphs and is fully aware of the legal consequence of signing the within instrument.

22. All notices and/or correspondence shall be addressed to:

- A. DRIVER – at Driver’s home address or work address.
- B. AVTA – Antelope Valley Transit Authority
Vanpool Program Administrator
44210 6th St. W.
Lancaster, CA 93534

Driver’s Signature

Date

AVTA Representative’s Signature

Date



This statement is required by passage of State Assembly Bill 550 (passed 1982, effective 1/1/83) and must be in driver's possession while operating a vanpool vehicle. A copy of this page will be provided to you upon execution of the Vanpool Driver Agreement.

Please Print:

Full Name: _____

Vanpool number: _____

**SWORN STATEMENT*
Safe Driving Record**

Pursuant to Vehicle Code Section 12804.9(j), I certify under penalty of perjury that I have not been convicted of Driving Under the Influence of Drugs or Alcohol, Reckless Driving, or a Hit-and-Run Offense in the past five (5) years.

Driver's Signature

Date

**This statement is to be updated each calendar year.*