



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

Board of Directors Meeting Agenda

Wednesday December 13, 2017

4:00pm

ECCTA Boardroom

801 Wilbur Avenue, Antioch, CA 94509

Available online: www.trideltatransit.com

Please see the last page of this agenda for:

- Public comment guidelines
- Agenda, staff report, and document availability
- Americans with Disabilities Act information
- Anticipated action by the Board of Directors

1. **Call to Order:** Chair Monica Wilson

a. **Roll Call**

2. **Pledge of Allegiance**

3. **Public Comment**

While public comments are encouraged and taken very seriously, State law prevents the Board of Directors from discussing items that are not on the meeting agenda. If appropriate, staff will follow up on public comments. Please see Public Comment Guidelines on Page 4 of this agenda.

4. **Chair's Report:** Chair Monica Wilson

5. **Consent Calendar (ACTION ITEM):** Minutes, Financial Report, and Marketing Activities Report (*see attachment: tab #1*)

- Minutes of the Board of Directors meeting of October 25, 2017
- Financial Report
- Marketing Activities Report

Requested Action: Approve items 5a, 5b, and 5c

6. **CEO's Report:** Jeanne Krieg

- Operations Report** (*see attachment: tab #2*)

Board of Directors:

City of Antioch

Lamar Thorpe
Monica Wilson*

City of Brentwood

Barbara Guise
Robert Taylor

City of Oakley

Doug Hardcastle
Kevin Romick

City of Pittsburg

Merl Craft
Pete Longmire

Contra Costa County

Diane Burgis**
Federal Glover

Member-at-Large

Ken Gray

* Chair: FY 2017-18

** Vice-chair: FY 2017-18

**Board of Directors Meeting Agenda
Wednesday December 13, 2017**

7. ACTION AND DISCUSSION ITEMS

- a. **ACTION ITEM:** Communication System Conversion (*see attachment: tab #3*)
Requested Action: Adopt Resolution 171213a authorizing the CEO to enter into an agreement with Connexionz for an amount not to exceed \$429,406 to install all equipment necessary to convert ECCTA's Automatic Vehicle Location system from a radio platform to a cellular platform.
- b. **ACTION ITEM:** Mobile Emergency Operation Center Communication Service (*see attachment: tab #4*)
Requested Action: Adopt Resolution 171213b authorizing the CEO to enter into an agreement with Mobile Satellite Technologies to purchase and install a satellite communication system on a retired MCI bus, including two years of communications costs, for a price not to exceed \$48,725.
- c. **ACTION ITEM:** Extended Warranty for Charging Station (*see attachment: tab #5*)
Requested Action: Adopt Resolution 171213c authorizing the CEO to purchase a two year extended warranty (total of three years) with Chargepoint for warranty protection for four Chargepoint chargers for an amount not to exceed \$26,336.
- d. **ACTION ITEM:** Microtransit Demonstration Project (*see attachment: tab #6*)
Requested Action: Authorize the CEO to enter into an agreement with TransLoc for a six month Microtransit Demonstration Project for an amount not to exceed \$25,000.
- e. **ACTION ITEM:** Drug and Alcohol Program Update (*see attachment: tab #7*)
Requested Action: Approve updating ECCTA's Drug and Alcohol Policy to list Opioids as a prohibited drug which will now include testing for hydrocodone, hydromorphone, oxycodone, and oxymorphone.
- f. **ACTION ITEM:** Independent Auditor's Report for the year ended June 30, 2017 (*see attachment: tab #4*)
Requested Action: Adopt Resolution 171213d accepting the Independent Auditor's Report for the year ended June 30, 2017.

8. Board of Directors Comments

Under this item, Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to staff, or requesting a report be made at another meeting.

9. Adjourn

Next Meeting: January 24th, 2018 at 4:00pm, 801 Wilbur Avenue, Antioch, CA 94509

Public Comment Guidelines:

- Persons requesting to address the ECCTA Board of Directors are requested to complete a Comment Request form and submit it to the clerk. If possible, please submit the form prior to the start of the meeting. At the appropriate time, the ECCTA chair will call on individuals to comment.
- During the public comment agenda item, the public is permitted to address the ECCTA Board of Directors on items that are on the consent calendar or items not on the agenda. Individuals may also make a request for future agenda items. No action or discussion may take place on any item not appearing on the posted agenda.
- If a person wishes to speak on a specific agenda item, the ECCTA chair will call on the individual when the agenda item is being discussed by the Board of Directors.
- Persons addressing the ECCTA Board of Directors are requested to limit their remarks to three (3) minutes unless an extension of time is granted by the chair, subject to approval of the ECCTA Board of Directors.

Agenda, staff report, and document availability:

Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection the Friday before each regularly scheduled Board of Director's meeting at Tri Delta Transit's front desk located at 801 Wilbur Avenue, Antioch, California. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the Board regarding any item on this agenda after the agenda has been distributed will also be made available for inspection at Tri Delta Transit's front desk at the above referenced address during regular business hours.

Americans with Disabilities Act Information:

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available in the Tri Delta Transit parking lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the CEO's Office at (925) 754-6622 or fax (925) 757-2530. Notification 48 hours prior to the meeting will enable Tri Delta Transit to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II} Please help us accommodate individuals with EI-MSC and refrain from wearing scented products to this meeting. Please turn off any electronic paging device or cell phone.

Anticipated action by the Board of Directors:

The Board of Directors may take action on any item on the agenda, which action may consist of the recommended action, no action or a related action.

TAB 1

Agenda Item 5a, b, c
Consent Calendar (ACTION ITEM): Minutes, Financial Report and
Marketing Activities Report

Board of Directors Meeting

Wednesday December 13, 2017

ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509

EASTERN CONTRA COSTA TRANSIT AUTHORITY
Antioch - Brentwood - Pittsburg - Oakley and Contra Costa County

MINUTES

October 25, 2017

The Eastern Contra Costa Transit Authority (ECCTA) meeting was called to order in the ECCTA Board Room, 801 Wilbur Avenue, Antioch, California by Chair Monica Wilson at 4:00 P.M.

ROLL CALL / CALL TO ORDER

PRESENT: Michael Daugelli, Alternate for Diane Burgis (Contra Costa County/Vice Chair); Merl Craft (Pittsburg); Nancy Parent, Alternate for Federal Glover (Contra Costa County); Ken Gray (Member-at-Large); Barbara Guise (Brentwood); Doug Hardcastle (Oakley); Pete Longmire (Pittsburg); Kevin Romick (Oakley); Robert Taylor (Brentwood); and Monica Wilson (Antioch/Chair)

ABSENT: Lamar Thorpe (Antioch)

STAFF: Jeanne Krieg, Chief Executive Officer (CEO)
Steve Ponte, Chief Operating Officer (COO)
Ann Hutcheson, Director of Administrative Services
Joe Chappelle, Executive Assistant
Ben Stock, Legal Counsel

OTHERS

PRESENT: Susan Hinson, First Transit
Gary Mitchell, First Transit
Hosie Pintily, First Transit
Mark Weinstein, First Transit

PLEDGE OF ALLEGIANCE

Director Craft led the Pledge of Allegiance.

PUBLIC COMMENT

Luna Miller-Parker, Antioch, spoke to Tri Delta Transit's paratransit service and identified some concerns with respect to the use of the system, such as the length of time required to be in transit; delayed pick-ups, both initially and from the point of destination; and a lack of communication and response from paratransit staff.

Chair Wilson advised that CEO Jeanne Krieg would contact Ms. Miller-Parker to address her concerns with the paratransit system.

CHAIR'S REPORT

Chair Wilson highlighted the American Public Transportation Association (APTA) Conference and EXPO in Atlanta, Georgia, and reported that those who had attended had been provided with a lot of good information.

CONSENT CALENDAR

On motion by Director Parent, seconded by Director Longmire, ECCTA Boardmembers adopted the Consent Calendar, as shown, which carried by the following vote:

- A. Minutes of the Board of Directors meeting of September 27, 2017
- B. Financial Report
- C. Marketing Activities Report

AYES: Craft, Daugelli, Gray, Guise, Hardcastle, Longmire, Parent, Romick, Taylor, Wilson

NOES: None

ABSTAIN: None

ABSENT: Thorpe

CHIEF EXECUTIVE OFFICER'S REPORT

- A. Operations Report

Chief Executive Officer (CEO) Jeanne Krieg noted that the APTA Conference and EXPO had been the largest ever and a lot of interesting information had been gathered at that event that could be of use to the Tri Delta Transit system.

Ms. Krieg also reported that as a continuation of Tri Delta Transit's 40th Anniversary celebration of transit service in East County, free rides were being offered on the Tri Delta Transit system every weekend day in November, including Thanksgiving Day and the Friday after, and played the ad promoting that offering. She added that the Board had approved a subsidized fare two-year demonstration project in April 2017, and would soon be ready to move forward, with the first step a selection of 20 volunteers for a four- to six-week soft launch, after which the project would be promoted to all passengers.

Ms. Krieg advised that PG&E had been scheduled to set the transformer for the electric bus charging stations on October 31, and once set Chargepoint would come to the facility to certify both the bus chargers and the car chargers. She noted the first electric buses were scheduled for delivery on December 5, 2017. The facility solar project was proceeding and was expected to be completed by mid-December, employees had been patient with the upheaval in the parking lot, and the VFW had been allowing the use of their lot for Tri Delta Transit parking.

Ms. Krieg advised that one of the large MCI buses scheduled for retirement next year had been removed from service today to start the process of turning it into a mobile emergency operations center (EOC). The mobile EOC would include satellite Internet, satellite television, satellite phones, and bus-to-bus communication in case the repeater on Krieger Peak were to go down. Over the next six to eight months various agenda items associated with the project would be considered by the Board. Most of the work was being done in-house.

Reporting on another meeting with the eBART Operations Manager, Ms. Krieg stated that discussions continued about service to the station along with various scenarios regarding potential bus bridge requirements in the event of system issues. The opening of the eBART line was still expected to be in May 2018.

Mr. Krieg stated that the Metropolitan Transportation Commission (MTC) had conducted a recent meeting with all the transit operators and Congestion Management Agencies (CMAs), called the Partnership Board, about the implementation of the anticipated revenue from SB1. The MTC staff proposal included a complete change in the way future STA funds would be distributed in the Bay Area, which had been met with universal disagreement, especially with respect to the process used to develop it since the partnership rarely met to allow important ideas to be considered and to allow some consensus to be achieved. Given the concern, the transit operators had emphasized the need to meet more often and to be apprised of the proposal to allow discussion.

Speaking to the prior discussion with respect to the Seafood Festival Shuttle and the additional information expected to be provided by the Pittsburg Chamber of Commerce to allow the continued discussion of ridership, Ms. Krieg stated that information had yet to be provided and the item would be placed on the agenda when that information was available.

Ms. Krieg also spoke to the issue of driver shortage and noted the ways being explored to address the issue; stated that fixed route ridership continued to be below historic rates and emphasized the need to evolve from being just buses to being a mobility manager; spoke to programs and ideas being considered by East County jurisdictions; and reported that all financial performance indicators were as expected, with reserves continuing to increase to pre-recession levels.

Director Daugelli verified that travel training continued to be provided by Tri Delta Transit to encourage those able to use fixed route service to do so instead of using paratransit service.

ACTION AND DISCUSSION ITEMS

A. State Safety Oversight and Safety Management System Overview

Ms. Krieg noted comments at the conference related to safety and stated that Joe Chappelle would address the safety program at Tri Delta Transit.

Joe Chappelle, Executive Assistant to the CEO, described the Federal Transit Authority's (FTA's) State Safety Oversight (SSO) and Safety Management System (SMS) programs; identified the inception and purpose of each program related to principal oversight authority for rail transit and the development and maintenance of a safety program; the new rules being implemented by the FTA; and how those programs affected Tri Delta Transit where the State of California's failure to implement the new rules associated with SSO by April 15, 2019 would jeopardize funding for all public transit agencies within the State, and where failure to comply with SMS rules yet to be adopted could do the same. He added that the FTA was currently running an SMS pilot program with the Washington Metropolitan Area Transit Authority to aid in the development of guidance and compliance goals for other transit agencies to follow. In the meantime, ECCTA would make whatever changes were possible to help ease the transition into new SMS requirements.

No action was required of the Board at this time.

B. Paratransit Vehicles

Ms. Krieg reported that Tri Delta Transit had 25 paratransit vehicles that had reached the end of useful life and were in need of replacement. There was also a need for five expansion paratransit vehicles to meet the service needs of Dial-A-Ride passengers. As a result, Tri Delta Transit would purchase 30 paratransit vehicles through the CalACT MBTA Vehicle Purchasing Cooperative Bid. She recommended the approval of the funding to the successful bidder, Creative Bus Sales.

On motion by Director Taylor, seconded by Director Romick, ECCTA Boardmembers adopted Resolution 171025 authorizing the CEO to execute and deliver a purchase order to Creative Bus Sales through the CalACT MBTA Vehicle Purchasing Cooperative Bid for an amount not to exceed \$3,371,000, which includes a 10 percent contingency, for the purchase of 30 paratransit vehicles, which carried by the following vote:

AYES: Craft, Daugelli, Gray, Guise, Hardcastle, Longmire, Parent, Romick, Taylor,
Wilson
NOES: None
ABSTAIN: None
ABSENT: Thorpe

The Board of Directors adjourned into Closed Session at 4:31 P.M.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9)

NAME OF CASE: Megan Beach v. Sheena M. Glover, et al. (Contra Costa County Superior Court Case Number C17-00077)

RETURN TO OPEN SESSION

The Board returned into open session at 4:46 P.M. There was nothing to report.

BOARD OF DIRECTORS COMMENTS

Director Gray thanked Ms. Krieg for attending the Senior Mobility Transportation Forum which had occurred on September 29 when 200 people had attended. Using the recent North Bay fires as an example, he explained that homebound and disabled seniors had been most of the victims of that fire and an effort was being undertaken to better prepare to address those concerns.

Director Parent reported on a number of activities scheduled for October 28 in Pittsburg; a 5K Fun Run in the downtown, a Halloween event for children at Small World Park, and a luncheon hosted by the Pittsburg Women's Community League devoted to literacy, the arts, homeless, and children at the Presbyterian Congregational Church. In other events, a garage sale had been scheduled for November 4 at the intersection of Buchanan Road and Railroad Avenue; Arsenio Hall would entertain at Pittsburg Community Theatre; the Irish Dancing group would return to the Pittsburg California Theatre; and Rocky Horror Picture Show would be presented this weekend when the old organ from the theatre would be used to provide music for that event. Details were available on-line at Pittsburg California Theatre.

Director Romick stated the APTA Conference had been very informative, particularly a session on ride sharing with partners such as Uber, Lyft, and taxis that were working on a phone app and a trip planner that would offer options on how to get to and from certain locations, along with the creation of a phone app for first- and last-mile options to offer another way to improve ridership and work towards mobility management to help people get to and from their location.

Director Daugelli advised that Dave Sanderson, a long-time community and senior advocate, and an integral part of the Antioch Senior Center who had worked with him on Beyond Antioch to help promote transportation to seniors, had passed away. He asked that the meeting be adjourned in Mr. Sanderson's memory.

Director Craft reported that the City of Pittsburg had partnered with the faith-based community and with Antioch's faith-based community for a fundraiser for Puerto Rico after the Fun Run on October 28, at Buckley Square at Sixth and Railroad Avenue in Pittsburg.

Director Taylor also commended the APTA Conference and the assistance from Ms. Krieg and Tri Delta Transit staff throughout the conference, as well as the awards presented by and received by Ms. Krieg. He wished everyone a Happy Thanksgiving.

Director Taylor requested a future agenda item to discuss the make-up of the ECCTA Board of Directors and the potential consequences of a potential reduction in the membership.

Director Longmire thanked Ms. Krieg and staff for arranging the trip to the APTA Conference, which had produced a volume of information that had been most helpful and gave him a deeper understanding of transportation and the challenges and strategies involved to meet the growing need of transportation services.

Chair Wilson reported that the Antioch Police Department would be hosting an October 31 Halloween event in the Community Room.

ADJOURNMENT

Chair Wilson adjourned the meeting of the Eastern Contra Costa Transit Authority at 5:02 P.M. *in memory of Dave Sanderson* to December 13, 2017 at 4:00 P.M. in the ECCTA Administration Facility, 801 Wilbur Avenue, Antioch, California.

Respectfully submitted,

Anita L. Tucci-Smith

TRI DELTA TRANSIT
Income Statement - Comparison to Annual Budget
 As of November 30, 2017
(unaudited)

	YTD Actual			YTD Budget			YTD Variance favorable/(unfavorable)			FY18 Full Year Budget			YTD % of Fiscal Year Budget		
	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR
OPERATING REVENUES															
Passenger Fares	\$ 1,163,420	\$ 877,828	\$ 175,584	\$ 1,260,038	\$ 1,080,979	\$ 179,059	\$ (106,618)	\$ (103,153)	\$ (3,466)	\$ 3,022,000	\$ 2,592,000	\$ 430,000	\$ 38%	\$ 38%	\$ 41%
Other Income	\$ 54,684	\$ -	\$ 54,684	\$ 62,500	\$ -	\$ 62,500	\$ (7,809)	\$ -	\$ (7,809)	\$ 235,000	\$ 85,000	\$ 150,000	\$ 23%	\$ 23%	\$ 36%
	\$ 1,208,114	\$ 977,828	\$ 230,268	\$ 1,322,538	\$ 1,080,979	\$ 241,559	\$ (114,424)	\$ (103,153)	\$ (11,271)	\$ 3,257,000	\$ 2,677,000	\$ 580,000	\$ 37%	\$ 37%	\$ 40%
Total Operating Revenues:															
OPERATING EXPENSES															
Purchased Transportation	\$ 4,930,286	\$ 3,877,740	\$ 1,052,546	\$ 4,923,700	\$ 3,551,300	\$ 1,372,400	\$ (6,586)	\$ (328,440)	\$ 319,854	\$ 11,809,200	\$ 8,615,900	\$ 3,293,300	\$ 42%	\$ 46%	\$ 32%
Materials and Supplies	\$ 1,276,770	\$ 1,030,812	\$ 245,958	\$ 1,252,115	\$ 1,024,765	\$ 227,350	\$ (24,655)	\$ (6,047)	\$ (18,608)	\$ 3,000,000	\$ 2,454,900	\$ 545,100	\$ 43%	\$ 42%	\$ 45%
Salaries & Benefits	\$ 1,608,227	\$ 1,340,296	\$ 267,931	\$ 1,750,000	\$ 1,522,500	\$ 227,500	\$ 143,773	\$ 182,204	\$ (38,431)	\$ 4,200,000	\$ 3,654,000	\$ 546,000	\$ 38%	\$ 37%	\$ 49%
Services	\$ 352,487	\$ 246,498	\$ 105,989	\$ 345,831	\$ 266,250	\$ 79,581	\$ (6,666)	\$ 19,752	\$ (26,418)	\$ 830,000	\$ 639,000	\$ 191,000	\$ 42%	\$ 39%	\$ 55%
Other	\$ 116,564	\$ 105,253	\$ 11,311	\$ 165,700	\$ 159,915	\$ 5,785	\$ 49,136	\$ 54,662	\$ (5,526)	\$ 402,000	\$ 387,900	\$ 14,100	\$ 29%	\$ 27%	\$ 80%
Casualty and liability insurance	\$ 242,125	\$ 225,073	\$ 17,052	\$ 238,975	\$ 222,975	\$ 16,000	\$ (3,150)	\$ (2,098)	\$ (1,052)	\$ 594,000	\$ 499,600	\$ 34,400	\$ 45%	\$ 45%	\$ 50%
Utilities	\$ 57,359	\$ 53,846	\$ 3,513	\$ 112,800	\$ 109,032	\$ 3,768	\$ 55,441	\$ 52,186	\$ 3,255	\$ 240,000	\$ 225,600	\$ 14,400	\$ 24%	\$ 24%	\$ 24%
Taxes	\$ 11,233	\$ 9,055	\$ 2,178	\$ 11,500	\$ 9,800	\$ 1,700	\$ 267	\$ 745	\$ (478)	\$ 23,000	\$ 19,600	\$ 3,400	\$ 49%	\$ 46%	\$ 64%
	\$ 8,593,061	\$ 6,888,573	\$ 1,704,488	\$ 8,800,621	\$ 6,863,537	\$ 1,937,084	\$ 207,580	\$ (25,036)	\$ 232,536	\$ 21,038,200	\$ 16,356,500	\$ 4,641,700	\$ 41%	\$ 42%	\$ 37%
Total Operating Expenses:															
NON-OPERATING REV															
Federal Funds	\$ -	\$ -	\$ -	\$ 321,594	\$ 51,082	\$ 270,512	\$ (321,594)	\$ (51,082)	\$ (270,512)	\$ 949,673	\$ 408,649	\$ 541,024	\$ 29%	\$ 28%	\$ 36%
State Funds	\$ 3,630,830	\$ 2,674,255	\$ 956,575	\$ 6,028,304	\$ 4,820,678	\$ 1,208,626	\$ (2,398,474)	\$ (2,146,423)	\$ (252,051)	\$ 12,326,127	\$ 9,670,829	\$ 2,655,298	\$ 51%	\$ 10%	\$ 98%
Local Funds	\$ 951,581	\$ 106,011	\$ 845,570	\$ 468,951	\$ 252,699	\$ 216,282	\$ 482,630	\$ (146,658)	\$ 629,288	\$ 1,875,804	\$ 1,010,676	\$ 865,128	\$ 54%	\$ 55%	\$ 30%
Inter-Operator Agreements	\$ -	\$ -	\$ -	\$ 656,149	\$ 656,149	\$ -	\$ -	\$ (656,149)	\$ -	\$ 2,624,696	\$ 2,624,696	\$ -	\$ 26%	\$ 26%	\$ -
Interest & Other Misc Income	\$ 2,688	\$ 2,612	\$ 76	\$ 2,085	\$ 1,980	\$ 105	\$ 603	\$ 632	\$ (29)	\$ 5,000	\$ 4,750	\$ 250	\$ 26%	\$ 20%	\$ 44%
	\$ 4,585,089	\$ 2,782,878	\$ 1,802,221	\$ 7,478,063	\$ 5,782,559	\$ 1,695,525	\$ (2,892,984)	\$ (2,898,880)	\$ 106,636	\$ 17,781,200	\$ 13,719,500	\$ 4,061,700	\$ 26%	\$ 20%	\$ 44%
Total Non-operating Revenues:															
EXCESS REV(EXP)															
	\$ (2,799,848)	\$ (3,127,869)	\$ 328,021	\$ -	\$ -	\$ -	\$ (2,799,848)	\$ (3,127,869)	\$ 328,021	\$ -	\$ -	\$ -			

Agenda Item #5b
 Eastern Contra Costa Transit Authority
 Board of Directors Meeting
 December 13, 2017

TRI DELTA TRANSIT
Income Statement - Comparison to Prior Year
 As of November 30, 2017
(unaudited)

	November 2017 YTD Actual			November 2016 YTD Actual			FY18 vs FY17 - YTD			% Change from Previous Year		
	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR	ECCTA	FR	DR
OPERATING REVENUES												
Passenger Fares	\$ 1,153,420	\$ 977,826	\$ 175,594	\$ 1,312,404	\$ 1,127,680	\$ 184,724	\$ (158,984)	\$ (149,854)	\$ (9,130)	-12%	-13%	-5%
Other Income	\$ 54,694	-	\$ 54,694	\$ 53,732	-	\$ 53,732	\$ 962	\$ -	\$ 962	0%	0%	0%
Total Operating Revenues:	\$ 1,208,114	\$ 977,826	\$ 230,288	\$ 1,366,136	\$ 1,127,680	\$ 238,456	\$ (158,022)	\$ (149,854)	\$ (8,168)	-12%	-13%	-3%
OPERATING EXPENSES												
Purchased Transportation	\$ 4,930,286	\$ 3,877,740	\$ 1,052,546	\$ 4,744,355	\$ 3,670,380	\$ 1,073,975	\$ (185,931)	\$ (207,360)	\$ 21,429	-4%	-6%	2%
Materials and Supplies	\$ 1,276,770	\$ 1,030,812	\$ 245,958	\$ 1,151,054	\$ 965,687	\$ 185,367	\$ (125,716)	\$ (65,125)	\$ (60,591)	-11%	-7%	-33%
Salaries & Benefits	\$ 1,606,227	\$ 1,340,296	\$ 265,931	\$ 1,554,091	\$ 1,406,148	\$ 147,943	\$ (52,136)	\$ 65,852	\$ (117,988)	-3%	5%	-80%
Services	\$ 352,497	\$ 246,498	\$ 105,999	\$ 344,218	\$ 272,698	\$ 71,520	\$ (8,279)	\$ 26,200	\$ (34,479)	-2%	10%	-48%
Other	\$ 116,564	\$ 105,253	\$ 11,311	\$ 160,292	\$ 150,666	\$ 9,626	\$ 43,728	\$ 45,413	\$ (1,685)	27%	30%	-18%
Casualty and liability insurance	\$ 242,125	\$ 225,073	\$ 17,052	\$ 234,078	\$ 218,210	\$ 15,868	\$ (8,047)	\$ (6,863)	\$ (1,184)	-3%	-3%	-7%
Utilities	\$ 57,359	\$ 53,846	\$ 3,513	\$ 133,185	\$ 125,950	\$ 7,235	\$ 75,826	\$ 72,104	\$ 3,722	57%	57%	51%
Taxes	\$ 11,233	\$ 9,055	\$ 2,178	\$ 11,563	\$ 9,095	\$ 2,468	\$ 330	\$ 40	\$ 290	3%	0%	12%
Total Operating Expenses:	\$ 8,593,061	\$ 6,888,573	\$ 1,704,488	\$ 8,332,836	\$ 6,818,834	\$ 1,514,002	\$ (260,225)	\$ (69,739)	\$ (190,486)	-3%	-1%	-13%
NON-OPERATING REV												
Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
State Funds	\$ 3,630,830	\$ 2,674,255	\$ 956,575	\$ 4,080,897	\$ 2,978,085	\$ 1,102,812	\$ (450,067)	\$ (303,830)	\$ (146,237)			
Local Funds	\$ 951,581	\$ 106,011	\$ 845,570	\$ 598,175	\$ 331,255	\$ 266,920	\$ 353,406	\$ (225,244)	\$ 578,650			
Inter-Operator Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Interest & Other Misc Income	\$ 2,688	\$ 2,612	\$ 76	\$ 5,748	\$ 2,071	\$ 3,677	\$ (3,060)	\$ 541	\$ (3,601)	-53%	26%	-98%
Total Non-operating Revenues:	\$ 4,585,099	\$ 2,782,878	\$ 1,802,221	\$ 4,684,820	\$ 3,311,411	\$ 1,373,409	\$ (99,721)	\$ (528,533)	\$ 428,812	-2%	-16%	31%
EXCESS REV/(EXP)	\$ (2,799,848)	\$ (3,127,869)	\$ 328,021	\$ (2,281,880)	\$ (2,379,743)	\$ 97,863	\$ (517,968)	\$ (748,125)	\$ 230,158			

OPERATING REVENUES

Passenger Fares
 Other Income

Total Operating Revenues:

OPERATING EXPENSES

Purchased Transportation
 Materials and Supplies
 Salaries & Benefits
 Services
 Other
 Casualty and liability insurance
 Utilities
 Taxes

Total Operating Expenses:

NON-OPERATING REV

Federal Funds
 State Funds
 Local Funds
 Inter-Operator Agreements
 Interest & Other Misc Income

Total Non-operating Revenues:

EXCESS REV/(EXP)


Agenda Item #5b
 Eastern Contra Costa Transit Authority
 Board of Directors Meeting - Nov 2017
 December 13, 2017

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017

Agenda Item: Marketing/Communications Activities – Agenda Item 5c

Lead Staff: Mike Furnary, Marketing Director

Approved: Jeanne Krieg, Chief Executive Officer 

Social Media Marketing Web Page

A dedicated web page focusing on Tri Delta Transit's social media channels and their functions is being developed. When completed, customers will have a better understanding of how service communication efforts are coordinated and the value each social media channel has to their riding experience.

Antioch/Pittsburg Center BART Communications

An online Q&A web page for trideltatransit.com to address increasing questions about bus service changes relating to the opening of the Antioch and Pittsburg Center BART stations is being developed. The web page will provide an advanced look at the new system map and individual route maps. All approved system changes resulted from community outreach meetings.

40th Anniversary Celebration/Promotion

The month-long promotion of Tri Delta Transit's 40th year of service in East County was completed. Promotion provided free rides to customers every weekend in November, resulting in a 10% increase in weekend ridership during the first three weeks of the promotion (available numbers at the time of this report). Additionally, the promotion resulted in a 400% follower increase on Tri Delta Transit's Instagram social media page.

Renewable Fuel Press Release – National & Local Media

A joint press release with Neste was distributed to announce Tri Delta Transit's switch to Neste MY Renewable Diesel. The press release was coordinated with Neste's US Marketing Director to provide both local and national/industry distribution of information.

TNC Program Updated

As of this report, fare structures with all three providers have been finalized. An agreement has been signed for Uber and final agreements from Lyft and United Taxi are expected soon. The next steps prior to launch include:

- Agency staff training
- Test group trial period

Due to holiday schedules, it is anticipated that the test group will start in early January, 2018.

Ongoing Marketing Programs

- Welcome Pack mailing
- Social Media posting and communications
- 2-for-1 tickets on Route 300 (subsidized by 511 Contra Costa)
- Take One on-board newsletter
- Gatekeeper quarterly newsletter

Planned Marketing/Communications Activities

- 2018 advertising campaign launch per 2018-2020 Marketing Plan
- System change (eBART opening) communications materials
- Route 381 launch follow-up direct mail
- Route 300 free trial offer social media follow-up campaign
- Route-specific ridership promotions
- TNC paratransit-alternative program marketing and training

TAB 2

Agenda Item 6a
CEO's REPORT: Operations Report

Board of Directors Meeting

Wednesday December 13, 2017

ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509

Chief Executive Officer's Report

November - December 2017



TRI DELTA TRANSIT

ECCTA Executive Team

Jeanne Krieg
Chief Executive Officer

Steve Ponte
Chief Operating Officer

Tom Harais
Chief Financial Officer

Ann Hutcheson
*Director of
Administrative Services*

Kevin Moody
*Director of
Maintenance*

Mike Furnary
Director of Marketing

Susan Hinson
*First Transit
Director of Operations*

Highlights:

- The bus roof scaffolding, required for maintenance of the electric buses, was delivered and installed.
- Staff met with the paratransit bus manufacturer to finalize the details of the thirty paratransit vehicles approved by the Board of Directors in October.
- I was honored to be elected to a two-year term on the California Transit Association's Executive Committee.
- Staff continued to meet with BART staff to discuss service to the Antioch and Pittsburg eBART stations.
- Tri Delta Transit's 40th anniversary celebration included free rides on all buses on all weekend routes in November. Ridership increased by over 105 and Tri Delta Transit's followers increased by over 400%.
- Work continued on a partnership with Uber, Lyft, and a taxi company. It is anticipated that the program will begin in January.
- Training for the new scheduling software continued. It will go live January 1st.
- Paratransit applications are now available on the Tri Delta Transit website.
- Work is nearly complete on the facility solar project.
- Work in nearly complete on the electric bus and car charging stations.
- The See Something – Say Something Mobile App is available to all members of the public. Reports have been submitted.
- The fuel hedging process continued.

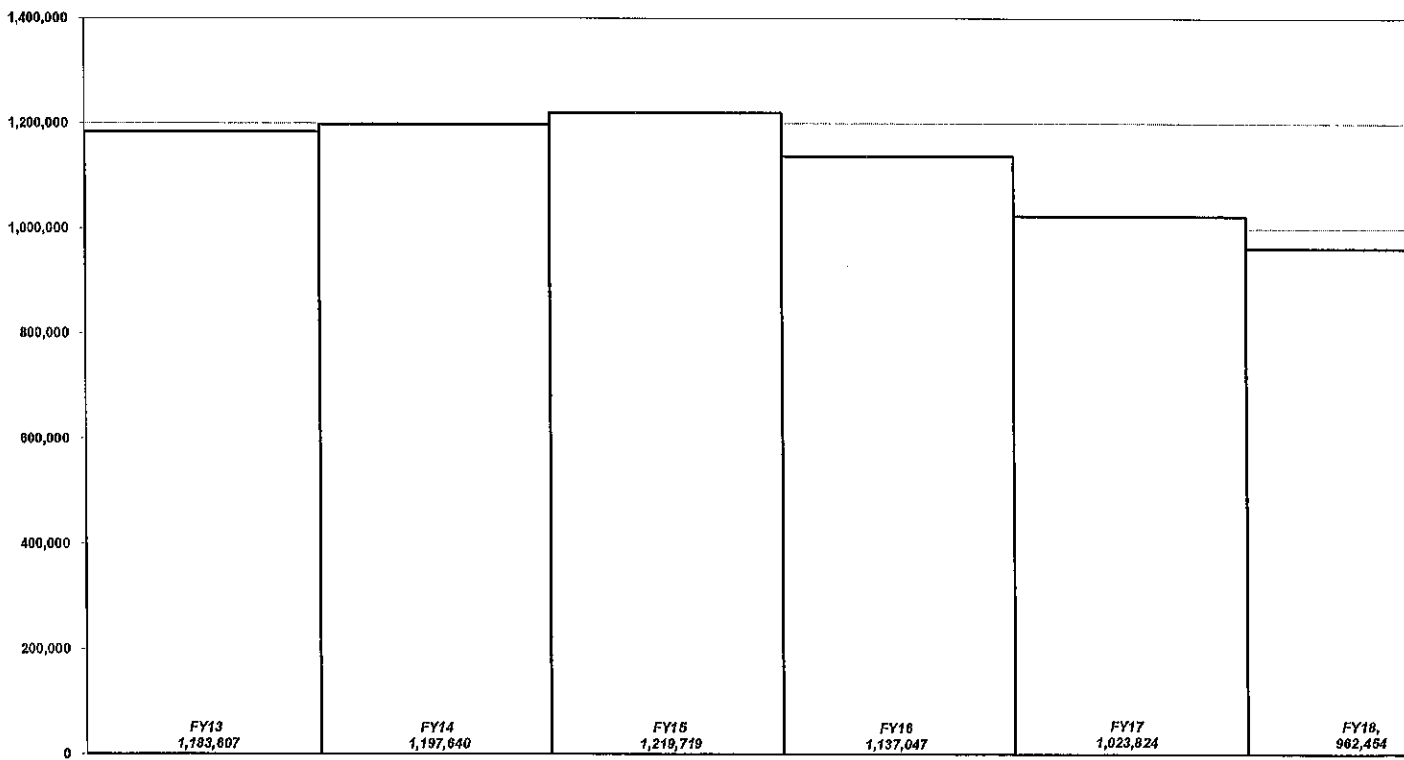
Pending:

- Paratransit vehicle delivery (May 2018)
- 2018 Pittsburg Seafood Festival Shuttle discussion
- Mobile ticketing app implementation (January 2018)
- Senior transportation service issues
- 2018 Triennial Audit (FTA)
- Scheduling software full implementation (1/1/18)
- Subsidized fare project
- Electric bus delivery (early 2018)
- Service to Brentwood LMC campus (August 2018)
- Next generation of Clipper (2020)
- Service to eBART stations in Pittsburg and Antioch (May 2018)
- FTA's Safety Program
- Antioch Park & Ride lot construction
- Oakley Park & Ride lot construction
- Federal grants
- PATH Integrated Dynamic Transit Operations system demonstration project
- Contra Costa County Mobility Management Plan implementation
- Park & Ride lots – land acquisition

Agenda Item #6a
Eastern Contra Costa Transit Authority
Board of Directors Meeting
December 13, 2017

TRI DELTA TRANSIT

COMPARATIVE FIVE MONTH FR RIDERSHIP



**EASTERN CONTRA COSTA TRANSIT AUTHORITY
KEY PERFORMANCE INDICATORS BY SERVICE**

								YTD COMPARISON			
	Actual						Budget	17/18B	Actual		
	12/13	13/14	14/15	15/16	16/17	17/18		% ▲	Nov-16	Nov-17	% ▲
DIAL-A-RIDE											
PASSENGERS											
Total DAR Trips Provided	128,999	131,476	133,769	131,917	133,406	132,000	-1%		54,898	53,922	-2%
Average Weekday Ridership	470	471	487	489	498	496	0%		494	483	-2%
Average Sat Ridership	140	180	153	118	107	102	-5%		102	108	5%
Average Sun/Hol Ridership	72	68	63	49	47	42	-11%		47	50	8%
Average Passengers/Hour (wkdys DAR Only)	2.1	2.3	2.4	2.5	2.9	2.9	0%		2.9	2.8	-3%
CUSTOMER SERVICE											
Ride Refusals / Day	0.0	0.0	0.0	0.0	0.0	0.0	-100%		0.0	0.0	0%
Customer Complaints	0.097%	0.071%	0.103%	0.114%	0.382%	0.326%	-15%		0.337%	0.569%	69%
On Time Performance	87%	89%	87%	85%	81%	85%	5%		85%	70%	-17%
MAINTENANCE											
Gallons of Fuel Consumed	139,678	145,043	138,528	135,809	131,936	130,106	-1%		54,191	55,577	3%
Miles Between Preventable Accidents	328,002	244,390	162,293	159,143	153,397	200,000	30%		382,659	181,092	-53%
Miles Between Road calls	109,568	61,109	139,113	190,963	919,507	100,000	-89%		382,659	120,730	-68%
COST RATIOS											
Farebox Recovery Ratio	11%	10%	10%	10%	11%	9%	-12%		12%	10%	-16%
\$/Gal Fuel	\$ 3.81	\$ 3.67	\$ 3.09	\$ 2.59	\$ 2.57	\$ 2.60	1%		\$ 2.32	\$ 2.80	21%
Operating Cost/Passenger	\$ 33.22	\$ 35.25	\$ 34.18	\$ 34.41	\$ 29.15	\$ 35.16	21%		\$ 27.58	\$ 31.61	15%
Operating Cost/Revenue Hour	\$ 63.52	\$ 68.75	\$ 69.81	\$ 72.26	\$ 73.97	\$ 87.68	19%		\$ 68.70	\$ 82.84	21%
Operating Cost/Revenue Mile	\$ 5.36	\$ 5.76	\$ 5.74	\$ 5.85	\$ 5.18	\$ 6.17	19%		\$ 4.81	\$ 5.65	17%
FIXED ROUTE											
PASSENGERS											
Total FR Trips Provided	2,740,834	2,832,264	2,806,028	2,574,864	2,344,985	2,368,206	1%		1,023,824	962,454	-6%
Average Weekday Ridership	9,616	9,930	9,794	8,999	8,230	8,332	1%		8,626	8,111	-6%
Average Sat Ridership	3,232	3,464	3,498	3,061	2,715	2,777	2%		2,883	2,644	-8%
Average Sun/Hol Ridership	2,788	2,692	2,787	2,501	2,236	2,227	0%		2,344	2,249	-4%
Average Passengers/Hour	17.7	19.0	19.2	17.8	16.1	16.2	0%		17.2	15.4	-10%
CUSTOMER SERVICE											
Customer Complaints	0.012%	0.009%	0.009%	0.009%	0.025%	0.026%	5%		0.027%	0.028%	3%
On Time Performance	86%	92%	92%	92%	82%	85%	4%		79%	82%	5%
MAINTENANCE											
Gallons of Fuel Consumed	562,702	603,013	600,072	606,378	584,879	594,184	2%		253,883	242,988	-4%
Miles Between Preventable Accidents	65,392	110,754	98,066	97,469	117,465	100,000	-15%		85,035	172,353	103%
Miles Between Road calls	42,844	67,684	41,553	27,690	21,084	50,000	137%		20,825	25,853	24%
COST RATIOS											
Farebox Recovery Ratio	18%	18%	18%	18%	16%	16%	0%		17%	14%	-14%
\$/Gal Fuel	\$ 3.95	\$ 3.48	\$ 2.77	\$ 1.96	\$ 2.07	\$ 2.15	4%		\$ 1.96	\$ 2.44	24%
Operating Cost/Passenger	\$ 6.01	\$ 5.58	\$ 5.54	\$ 5.98	\$ 6.93	\$ 6.92	0%		\$ 6.66	\$ 7.16	7%
Operating Cost/Revenue Hour	\$ 106.53	\$ 105.76	\$ 106.36	\$ 106.33	\$ 111.83	\$ 112.11	0%		\$ 114.52	\$ 110.36	-4%
Operating Cost/Revenue Mile	\$ 7.98	\$ 7.71	\$ 7.62	\$ 7.49	\$ 7.98	\$ 8.08	1%		\$ 8.11	\$ 8.02	-1%

**TRI DELTA TRANSIT
COMPARATIVE YTD FR RIDERSHIP BY ROUTE**

TOTAL PASSENGER TRIPS													
ROUTE											YTD COMPARISON		
	12/13	% Chg	13/14	% Chg	14/15	% Chg	15/16	% Chg	16/17	% Chg	Nov-16	Nov-17	% Chg
200	55,322	47%	55,914	1%	54,167	-3%	48,866	-10%	44,467	-9%	19,098	17,921	-6%
201	119,977	8%	124,289	4%	112,116	-10%	116,301	4%	117,839	1%	49,629	48,353	-3%
300	290,313	-4%	328,582	13%	353,802	8%	340,127	-4%	351,131	3%	148,733	145,385	-2%
379	15,232	49%	6,759	-56%	3,223	-52%	3,659	14%	2,407	-34%	857	1,025	20%
380	680,981	16%	682,850	0%	666,704	-2%	608,012	-9%	552,671	-9%	239,568	220,313	-8%
381	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,845	N/A
383	35,031	2%	32,073	-8%	30,200	-6%	25,830	-14%	21,936	-15%	9,775	8,828	-10%
384	8,227	-69%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
385	61,388	68%	70,974	16%	68,013	-4%	66,045	-3%	54,207	-18%	24,383	23,570	-3%
386	2,172	-29%	1,902	-12%	1,583	-17%	1,507	-5%	1,398	-7%	496	481	-3%
387	282,396	23%	264,036	1%	257,944	-2%	233,185	-10%	198,990	-15%	88,523	75,797	-14%
388	366,041	14%	400,190	9%	370,128	-8%	327,585	-11%	287,820	-12%	126,596	113,015	-11%
389	53,255	14%	53,068	0%	51,480	-3%	45,836	-11%	40,557	-12%	17,094	17,640	3%
390	88,564	30%	72,054	5%	71,211	-1%	70,022	-2%	71,431	2%	29,988	31,443	5%
391	370,500	7%	386,640	4%	402,579	4%	360,258	-11%	317,873	-12%	139,398	126,918	-9%
Shuttles	4,941	-48%	3,370	-32%	5,375	59%	13,410	149%	2,956	-78%	2,956	2,027	N/A
392	133,569	19%	142,284	7%	142,650	0%	124,708	-13%	110,687	-11%	50,479	47,875	-5%
393	135,181	21%	133,078	-2%	141,281	6%	126,653	-10%	114,022	-10%	51,614	47,736	-8%
394	71,557	41%	64,904	-9%	63,087	-3%	53,894	-15%	48,389	-10%	21,467	20,657	-4%
395	6,187	100%	9,497	100%	10,485	100%	10,968	100%	6,204	100%	3,170	2,625	-17%
Total Fixed Route	2,740,834	13%	2,832,264		2,806,028	-1%	2,574,864	-8%	2,344,985	-9%	1,023,824	962,454	-6%

AVERAGE PASSENGERS PER REVENUE HOUR													
ROUTE											YTD COMPARISON		
	12/13	% Chg	13/14	% Chg	14/15	% Chg	15/16	% Chg	16/17	% Chg	Nov-16	Nov-17	% Chg
200	12.6	22%	12.5	-1%	12.6	1%	11.5	-9%	9.9	-14%	10.8	9.1	-15%
201	17.8	-10%	17.9	1%	17.0	-5%	16.1	-5%	13.8	-15%	14.6	12.9	-12%
300	15.8	0%	18.6	18%	20.3	10%	19.6	-4%	20.6	5%	20.7	20.9	1%
379	10.7	9%	16.8	57%	26.5	57%	30.6	15%	18.9	-38%	19.0	19.4	2%
380	20.2	16%	20.6	2%	20.2	-2%	18.7	-7%	17.3	-8%	18.3	16.6	-9%
381	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.9	N/A
383	10.2	5%	12.6	23%	13.0	3%	11.6	-11%	10.1	-12%	10.9	9.7	-11%
384	14.6	43%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
385	11.9	7%	12.9	8%	12.3	-4%	11.4	-8%	9.3	-19%	10.2	9.7	-5%
386	3.6	-7%	6.3	74%	6.3	1%	6.6	5%	6.0	-10%	5.6	5.0	-11%
387	22.8	16%	23.7	4%	23.3	-2%	21.7	-7%	18.6	-14%	21.1	16.3	-23%
388	17.1	10%	18.2	7%	17.4	-5%	16.2	-7%	14.3	-12%	15.4	13.4	-12%
389	13.4	-1%	14.4	8%	15.4	7%	14.4	-6%	12.4	-14%	13.2	12.2	-7%
390	18.6	73%	20.8	12%	21.5	3%	21.4	-1%	22.1	3%	23.1	23.0	0%
391	19.6	5%	20.5	4%	21.9	7%	19.7	-10%	17.3	-12%	18.7	16.4	-12%
Shuttles	N/A	N/A	6.4	N/A	30.7	383%	23.6	-23%	15.0	-36%	18.4	17.2	0%
392	17.6	16%	19.1	9%	18.9	-1%	16.7	-12%	14.2	-15%	15.6	13.8	-11%
393	17.5	7%	17.5	0%	18.7	7%	16.8	-10%	15.3	-9%	16.1	14.9	-7%
394	15.0	26%	17.0	13%	15.9	-7%	13.9	-13%	12.9	-7%	13.5	12.7	-6%
395	12.0	N/A	16.2	N/A	16.4	1%	17.1	5%	9.9	-42%	11.7	10.0	-14%
Total Fixed Route	17.7	12%	19.0	7%	19.2	1%	17.8	-7%	16.1	-9%	17.2	15.4	-10%

TAB 3

Agenda Item 7a

ACTION ITEM: Communication System Conversion


Resolution 171213a

Board of Directors Meeting

Wednesday December 13, 2017

**ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509**

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017
Agenda Item: Communication system conversion – Agenda Item #7a
Lead Staff: Steve Ponte, Chief Operating Officer
Approved: Jeanne Krieg, Chief Executive Officer 

Background

ECCTA does not have cellular communication on its fixed route buses. Instead, radio communication is used.

Considerations

- Clipper 2 will require a cellular data link on each bus.
- On-board diagnostics require cellular data.
- ECCTA is working with CCTA on a Dynamic Transit Operation demonstration project that will require cellular communication.
- Mobile hardware for buses has evolved and most of the current communication platforms require cellular data communication.
- ECCTA's current Automatic Vehicle Location (AVL) vendor, Connexionz, offers both cellular and radio technology for communications and can easily change the current radio-based system to a cellular-based system with minimal disruption to the system.

Process

ECCTA staff researched the possibilities of cellular data communication both from a standalone and an integrated approach. The least disruptive and easiest way to switch platforms is to convert the current Connexionz radio platform to a cellular platform. The current AVL vendor, Connexionz, quoted a cost of \$429,406 (\$6,926 per bus) to install the equipment required to convert ECCTA's communication system to cellular.

Requested Action

Adopt Resolution #171213a authorizing the CEO to enter into an agreement with Connexionz to install all equipment required to convert ECCTA's Automatic Vehicle Location system from a radio platform to a cellular platform with the capabilities to add connectivity with the vehicle diagnostics, Clipper 2, and tablet communication for a price not to exceed \$429,406.



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

Resolution #171213a Communication System Conversion

Resolution #171213a authorizes the CEO to enter into an agreement with Connexionz for an amount not to exceed \$429,406 to install all required equipment to convert ECCTA's Automatic Vehicle Location system from a radio platform to a cellular platform.

WHEREAS, ECCTA currently does not have cellular communication on its fixed route buses; and

WHEREAS, Clipper 2 will require a cellular data link on each bus; and

WHEREAS, ECCTA and CCTA are working on a Dynamic Transit Operation demonstration project that requires cellular communication; and

WHEREAS, Mobile hardware for buses has evolved and most of the current communication platforms require cellular data communication; and

WHEREAS, ECCTA's current Automatic Vehicle Location vendor, Connexionz, offers both cellular and radio technology for communications and can easily change the current radio-based system to a cellular-based system with minimal disruption to the system; and

WHEREAS, Connexionz quoted a cost of \$429,406 to convert and install all the required equipment necessary to convert ECCTA's buses to cellular communication; and

WHEREAS, the purchase and installation of the conversion equipment shall be conducted in accordance with all applicable Federal, State, and Local requirements and complies with ECCTA's purchasing procedures.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Contra Costa Transit Authority to adopt Resolution #171213a authorizing the CEO to enter into an agreement with Connexionz to install all the required equipment to convert ECCTA's current communication system from radio to cellular, including connectivity capabilities for vehicle diagnostics, Clipper 2, and tablet communication, for a price not to exceed \$429,406.

PASSED AND ADOPTED THIS 13th day of December 2017, by the following votes:

Eastern Contra Costa Transit Authority

Monica Wilson, Chair

Jeanne Krieg, Chief Executive Officer

AYES:

NOES:

ABSENT:

ABSTENTIONS:

TAB 4

Agenda Item 7b

ACTION ITEM: Mobile Emergency Operation Center Communication Service

Resolution 171213b

Board of Directors Meeting

Wednesday December 13, 2017


**ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509**

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017

Agenda Item: Mobile Emergency Operation Center Communications
Agenda Item #7b

Lead Staff: Steve Ponte, Chief Operating Officer

Approved: Jeanne Krieg, Chief Executive Officer 

Background

The ECCTA boardroom can be converted to an emergency operations center (EOC) with little effort and time. The equipment and supplies needed for the EOC is stored in the closets on the perimeter of the room. Regular emergency preparedness drills and exercises are conducted. The ECCTA EOC is also used during regional emergency preparedness drills.

As reported during the October 2017 board meeting, one of the retired MCI buses will be turned into a mobile emergency operations center that can be used throughout east county (or the Bay Area) or can be used as an EOC in the event the ECCTA facility (and boardroom EOC) is not usable due to damage. ECCTA received a California Transportation Safety Grant Program (CTSGP) grant to fund the first step in this project.

Three quotes for a satellite-based communication system for phone, television, and internet connections were received:

- Mobile Satellite Technologies \$48,725
- AVL Technologies \$56,235
- Skycasters \$55,235

The quotes include all hardware and installation, as well as two years of satellite communication service. ECCTA's California Transportation Safety Grant Program (CTSGP) grant will pay \$47,000 toward the project. The balance of \$1,725 will come from ECCTA's TDA operating costs.

Requested Action

Adopt Resolution #171213b authorizing the CEO to enter into an agreement with Mobile Satellite Technologies to purchase and install a satellite communication system on a retired MCI bus, including two years of communications, costs for a price not to exceed \$48,725.



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

Resolution #171213b Mobile Emergency Operations Center Communications

Resolution #171213b authorizes the CEO to enter into an agreement with Mobile Satellite Technologies to purchase and install a satellite communication system, including two years of communication costs.

WHEREAS, ECCTA is converting a retired MCI transit bus into a mobile Emergency Operations Center (EOC); and

WHEREAS, a mobile EOC could be used throughout east county and the San Francisco bay area, if necessary; and

WHEREAS, a mobile EOC should have satellite communication capabilities, including phone, television and internet communications; and

WHEREAS, ECCTA received a California Transportation Safety Grant Program (CTSGP) for \$47,000 for this project; and

WHEREAS, ECCTA received three quotes for the installation of a satellite communication system, with Mobile Satellite Technologies making the lowest offer at \$48,725; and

WHEREAS, the purchase and installation of the communication equipment shall be conducted in accordance with all applicable Federal, State, and Local requirements and complies with ECCTA's purchasing procedures.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Contra Costa Transit Authority to adopt Resolution #171213b authorizing the CEO to enter into an agreement with Mobile Satellite Technologies to purchase and install a satellite communication system, which would include two years of communication costs, onto a retired MCI bus that would be used for the purposes of having a mobile EOC for a price not to exceed \$48,725.

PASSED AND ADOPTED this 13th day of December 2017, by the following votes:

Eastern Contra Costa Transit Authority

Monica Wilson, Chair

Jeanne Krieg, Chief Executive Officer

AYES: _____
NOES: _____
ABSENT: _____
ABSTENTIONS: _____

TAB 5

Agenda Item 7c

ACTION ITEM: Extended Warranty for Charging Station

Resolution 171213c

Board of Directors Meeting

Wednesday December 13, 2017


**ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509**

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017

Agenda Item: Charging Station Extended Warranty
Agenda Item #7c

Lead Staff: Steve Ponte, Chief Operating Officer

Approved: Jeanne Krieg, Chief Executive Officer 

Background

ECCTA installed electric car and bus charging stations at the facility. Two chargers will be open to the public. The decision whether to charge a fee to use the public chargers has not been discussed by the Board of Directors yet. Staff intends to wait to make a recommendation based on usage. The Chargepoint charging stations included a one year warranty.

Considerations

- Chargepoint offers an extended warranty that will upgrade the first year of the warranty and extend the warranty program to a total of three years.
- The extended warranty will allow ECCTA to convert the public chargers from free to a fee-based system (if that decision is made by the Board of Directors), cover all accidents and damage to the public chargers, and provide detailed reports of all routine maintenance.
- The warranty for the bus chargers does not include damage and accidents and is limited to damage caused by manufacturer defects or improper use.
- The extended warranty can only be purchased by the owner (ECCTA) once the stations are installed and cannot be purchased by the contractor.

Requested Action

Adopt Resolution #171213c authorizing the CEO to purchase a two year extended warranty (total of three years) with Chargepoint for warranty protection for four Chargepoint chargers for an amount not to exceed \$26,336.



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

Resolution #171213c Chargepoint Chargers Extended Warranty

Resolution #171213c authorizes the CEO to enter into a two year extended warranty with Chargepoint for warranty protection for ECCTA’s four Chargepoint chargers.

WHEREAS, ECCTA recently purchased and installed two Chargepoint electric car charging stations and two Chargepoint electric bus charging stations, currently under a one year warranty; and

WHEREAS, Chargepoint has offered ECCTA the option to purchase an extended two year warranty in addition to the current one year warranty, bringing the total warranty length to three years; and

WHEREAS, this two year extended warranty would allow ECCTA to convert the electric car chargers from free-to-use to pay-to-use, allow for detailed reports of usage, cover all accidents and damage costs; and cover all routine maintenance costs; and

WHEREAS, this two year extended warranty would cover damage and accident costs to the electric bus chargers resulting from manufacturer defects or improper use, cover all routine maintenance costs, and allow for detailed reports of usage.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Contra Costa Transit Authority to adopt Resolution #171213c authorizing the CEO to enter into a two year extended warranty with Chargepoint for warranty protection for the four Chargepoint chargers for a price not to exceed \$26,336.

PASSED AND ADOPTED this 13th day of December 2017, by the following votes:

Eastern Contra Costa Transit Authority

Monica Wilson, Chair

Jeanne Krieg, Chief Executive Officer

AYES: _____
NOES: _____
ABSENT: _____
ABSTENTIONS: _____

TAB 6

Agenda Item 7d

ACTION ITEM: Microtransit Demonstration Project


Board of Directors Meeting

Wednesday December 13, 2017

ECCTA Boardroom

801 Wilbur Avenue, Antioch, CA 94509

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017
Agenda Item: Microtransit Demonstration Project
Agenda Item #7d
Lead Staff: Steve Ponte, Chief Operating Officer
Approved: Jeanne Krieg, Chief Executive Officer 

Background

To address changing travel demands, it is critical that Tri Delta Transit evolve from being an agency that provides just buses to becoming a mobility manager. Mobile ticketing, new scheduling software, new run-cutting software, real-time information, contracting with TNCs and taxis, van-pools, and offering on-line reservation services are a few of the options being tried. During APTA's annual meeting, ECCTA staff met with TransLoc, who offers an intriguing option to efficiently meeting demand. Called "Microtransit", it is an innovative program that is a cross between carpool, Uber, and fixed route buses.

Because it is so different from anything we have done and it is a relatively new product, we asked the firm to present a proposal for a six month demonstration project. The price for this is \$25,000. If approved, staff will present regular status reports on the program.

The PowerPoint proposal is attached to this memo. Additional information will be presented during the board meeting.

Requested Action

Authorize the CEO to enter into an agreement with TransLoc for a six month Microtransit demonstration project for an amount not to exceed \$25,000.



PROPOSAL PRESENTATION

TRI DELTA TRANSIT

TRANSLOC

- Founded in 2004
- Fastest growing microtransit partner for public agencies
- Lead industry with 11 microtransit pilots with public transit agencies
 - CA Agencies:
 - County Connection, Concord, CA
 - San Joaquin RTD, Stockton, CA
 - Orange County Transportation Authority, Orange, CA
 - Sacramento RTD, Sacramento, CA
 - SunLine Transit Agency, Thousand Palms, CA



TRI DELTA TRANSIT

Use Cases

- **Pilot use case:** Microtransit service in Discovery Bay to Brentwood Park & Ride and Community Center
- Mid-day on-demand service for under-utilized fixed-routes
- Improve inefficient demand/response service
- Serve near-term community college campus

Rider impact

- Equitable access to service
- Convenient on-demand service
- Improved communication

Agency-owned needs

- Own and operate your service
- Vet drivers and fleet
- Flexible to fit with your operations

PILOT FRAMEWORK

1

Microtransit
Simulator

Transit Planning

Marketing
Guidance

Pilot Team

- Dedicated 5 person team
- Understand nuances of your goals
- Develop custom approach

SERVICE DESIGN

Simulating Inputs

- Agency-customized rider demand and service design parameters
- Can be customized based on info provided by agencies and publicly available data
- Ex: # and types of vehicles in a fleet; ride requests; hours of service; vehicle capacity

Simulating Service

- Schedules produced as though the service were actually running
- Uses the same scheduling algorithm at the core of our OnDemand product
- Comes very close to showing us what would happen if service were actually running

PILOT FRAMEWORK

2

Software
Turn-Key Set-up

Dispatch and Driver
Training

Executive Training
on Reports

Implementation

- Kick-off call
- Data science scoping call
- Simulation results delivered
- Build service area
- On-site training

PILOT FRAMEWORK

3

On-going 24/7
Support

On-going Pilot
Optimization

On-going Marketing
Guidance

Pilot Launch

- Pilot team on-site
- Up to 10 active vehicle software licenses
- On-going weekly call with Pilot Team to analyze service data and monitor key performance indicators

PILOT PRICING

Pilot Term		6 Months	
Quantity (hours or task)		Unit Cost	Total Cost
Product Costs			
1	Transit-specific Ride Sharing Algorithm	0	Included
1	Smartphone Application	0	Included
1	Reporting Suite	0	Included
Total Product Costs			\$0
Direct Labor Costs			
20	Marketing Support	\$125	\$2,500
1	24/7 Customer Support	\$5,000	\$5,000
30	Onsite Training	\$75	\$2,250
80	Engineering and Setup	\$150	\$12,000
Total Direct Labor Costs			\$21,750
Other Direct Costs			
1	Microtransit Simulation Model	\$5,000	\$5,000
1	Marketing Collateral	\$3,500	\$3,500
1-10	Software License (per vehicle per month)	\$500	\$30,000
Total Other Direct Costs			\$38,500
Profit and Management Fee			\$3,925
Pilot Discount			(\$89,175)
Total Price of Pilot			\$25,000

TAB 7

Agenda Item 7e

ACTION ITEM: Drug and Alcohol Program Update


Board of Directors Meeting

Wednesday December 13, 2017

ECCTA Boardroom

801 Wilbur Avenue, Antioch, CA 94509

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017
Agenda Item: Drug and Alcohol Program Update – Agenda Item #7e
Lead Staff: Ann Hutcheson, Director of Administrative Services
Approved: Jeanne Krieg, Chief Executive Officer 

Background

As a recipient of Federal Transit Administration (FTA) funds, ECCTA must comply with the Department of Transportation Workplace Drug Testing Program, 49 CFR Part 40, for safety-sensitive employees. The current list of prohibited drugs includes:

- Marijuana
- Cocaine
- Amphetamines
- PCP
- Opiates

Effective January 1, 2018, Opioids will replace Opiates on the list of prohibited drugs so that the following drugs are included:

- Hydrocodone
- Hydromorphone
- Oxycodone
- Oxymorphone

This change means hydrocodone, hydromorphone, oxycodone and oxymorphone (i.e. painkillers such as Norco, Vicodin, Percodan, Oxycontin and Fentanyl) are now included as prohibited drugs and will be tested for in all required drug tests. ECCTA must make the appropriate changes to the current Drug & Alcohol Program policy to reflect the addition of these prohibited drugs.

Requested Action

Approve updating ECCTA's Drug and Alcohol Policy to list Opioids as a prohibited drug which will now include testing for hydrocodone, hydromorphone, oxycodone and oxymorphone.

TAB 8

Agenda Item 7f

**ACTION ITEM: Independent Auditor's Report
for the year ended June 30, 2017**

Resolution 171213d

Board of Directors Meeting

Wednesday December 13, 2017


**ECCTA Boardroom
801 Wilbur Avenue, Antioch, CA 94509**

Staff Report to ECCTA Board of Directors

Meeting Date: December 13, 2017

Agenda Item: Independent Auditor's Report for the year ended June 30, 2017
Agenda Item 7f

Lead Staff: Tom Harais, Chief Financial Officer

Approved: Jeanne Krieg, Chief Executive Officer 

Background

ECCTA is required to have an annual certified fiscal audit conducted by an outside independent firm.

Process

Per the contract between ECCTA and Maze & Associates, an audit of the fiscal year ending June 30, 2017 was conducted.

Results

The Authority's financial statements were found to fairly present the financial condition of the Authority in accordance with GAAP standards. There were no material findings or questioned costs. The Authority was found to be compliant with the requirements of OMB circular A-133, and the regulations regarding expenditures funded with Transportation Development Act and the Public Transportation, Modernization of Service and Enhancement Account funds.

Requested Action

Adopt Resolution #171213d accepting the Independent Auditor's Report for the year ended June 30, 2017.

Attached

- Proposed Resolution
- Independent Auditor's Report



TRI DELTA TRANSIT

Eastern Contra Costa Transit Authority
801 Wilbur Avenue • Antioch, California 94509
Phone 925.754.6622 Fax 925.757.2530

RESOLUTION #171213d INDEPENDENT AUDITOR'S REPORT

Resolution 171213d accepts the EASTERN CONTRA COSTA TRANSIT AUTHORITY Independent Auditor's Report for the year ended June 30, 2017.

WHEREAS, ECCTA is required by PUC 99245 to have an annual certified fiscal audit conducted by an outside entity; and

WHEREAS, the independent audit performed was designed to express an opinion on the FY 2017 financial statements and address current statutory and regulatory requirements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and

WHEREAS, the Independent Auditor's Report for the year ended June 30, 2017 shows no significant issues.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Contra Costa Transit Authority to adopt resolution #171213d accepting the Independent Auditor's Report.

PASSED AND ADOPTED THIS 13th day of December 2017, by the following votes:

EASTERN CONTRA COSTA TRANSIT AUTHORITY

Monica Wilson, Chair

Jeanne Krieg, CEO

AYES: _____
NOES: _____
ABSENT: _____
ABSTENTIONS: _____

**EASTERN CONTRA COSTA
TRANSIT AUTHORITY
ANTIOCH, CALIFORNIA**

BASIC FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

PREPARED BY THE FINANCE DEPARTMENT

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EASTERN CONTRA COSTA TRANSIT AUTHORITY

BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Eastern Contra Costa Transit Authority
Antioch, California

Report on Financial Statements

We have audited the accompanying basic financial statements of Eastern Contra Costa Transit Authority (Authority) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Authority as of June 30, 2017 and 2016, and changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Pleasant Hill, California
November 21, 2017

Management's Discussion and Analysis

Introduction

This discussion and analysis of the Eastern Contra Costa Transit Authority's financial performance provides an overview of the Authority's financial activities for Fiscal Year 2017 including comparisons to the prior year. This information should be considered in conjunction with the statements and notes contained in the Financial Section.

Overview of the Financial Statements

The Financial Section of this report presents the Authority's financial statements including the basic financial statements and the notes to those financial statements. It also includes the Independent Auditor's Report on those financial statements as well as certain grant activities.

Basic Financial Statements

The *Statement of Net Position* presents information about the assets, liabilities and deferred inflows of resources and the difference between them as *net position*. The change in net position over time can indicate whether the Authority's financial position is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* indicates how net position has changed during the fiscal year as well as compares operating revenues and operating expenses between the current and prior fiscal year. The operating revenues and expenses shown here are the financial activities related to the Authority's mission of providing public transportation services in Eastern Contra Costa County. The revenues and expenses reported include fares and advertising revenues along with the cost of passenger services, administration & operation of those services and the depreciation of fixed assets. All other revenues and expenses not included within these categories are reported as non-operating revenues and expenses.

The *Statement of Cash Flows* reports the inflow and outflow of cash at the Authority. Such activity is classified into four major components:

- *Cash flows from operating activities* including transactions reported as components of operating income in the statement of revenues, expenses and changes in net position.
- *Cash flows from investing activities* include interest and similar returns on funds invested while held by the Authority.
- *Cash flows from non-capital financing activities* includes operating grant funding received as well as operating payments from third parties and non-operating items.
- *Cash flows from capital and related financing activities* come from the procurement of capital assets and the proceeds of capital grants.

Notes to the Financial Statements

The Notes to Basic Financial Statements immediately following are intended to provide additional information that is essential for the reader to gain a full understanding of the information provided within the financial statements.

Analysis of ECCTA's Overall Financial Position

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>%</u>
Assets:				
Current Assets	\$9,027	\$10,055	(\$1,028)	-10%
<u>Non-current Assets</u>	<u>\$27,455</u>	<u>\$18,248</u>	<u>\$9,207</u>	<u>50%</u>
Total Assets:	\$36,482	\$28,303	\$8,179	29%
Liabilities:				
Current Liabilities	\$5,318	\$5,254	\$64	1%
<u>Non-Current Liabilities</u>	<u>\$371</u>	<u>\$329</u>	<u>\$42</u>	<u>13%</u>
Total Liabilities:	\$5,689	\$5,583	\$106	2%
Deferred Inflows of Resources:	<u>\$100</u>	<u>\$0</u>	<u>\$100</u>	<u>100%</u>
Net Position:	\$30,693	\$22,720	\$7,973	35%

The Authority's net capital assets increased 50% from FY16 to FY17 due substantively to the acquisition of twenty new, fixed route coaches at a total cost of more than \$7M along with expenditures for the procurement of eleven more fixed route coaches anticipated to be delivered in early 2018.

During FY17 the Authority began using a hedging strategy for diesel fuel consumption. The new, derivative instrument non-current asset and deferred inflows of resources represent the fair market value of the hedging account over the Authority's net investment.

The increase in the non-current liabilities is a direct effect of the Authority's continued annual accrual for post employment medical benefits in retirement as proscribed by GASB 45.

The 35% increase in the Authority's net position in FY17 is due to the items described above.

Capital Activity:

The Authority expended \$10.8M of available capital funds during FY17 on various projects:

Revenue Vehicles	\$ 10,466
A&E for Future Park and Ride Lot	240
Facilities & Equipment	<u>63</u>
Total	\$ 10,769

Revenue vehicles remain the major component of the Authority's net capital assets and will do so going forward.

Operating Activity:

Comparison to Budget

	<u>FY17 Actual</u>	<u>FY17 Budget</u>	<u>Variance</u>
Operating Revenues	\$3,294	\$3,332	(\$38)
Operating Expenses	\$20,235	\$20,838	(\$603)
Non-Operating Revenues	\$16,841	\$17,506	(\$665)

Prior Year Comparison

	<u>FY17 Actual</u>	<u>FY16 Actual</u>	<u>Difference</u>
Operating Revenues	\$3,294	\$3,603	(\$309)
Operating Expenses	\$20,235	\$19,956	\$279
Non-Operating Revenues	\$16,841	\$16,353	\$488

During FY17, the Authority budgeted for 233 thousand billable service hours and actually provided 228 thousand billable hours of service through an operations contractor.

While the Authority anticipated providing 2.7M passenger trips in FY17, the actual number of passenger trips at 2.5M fell short of plan. The shortfall was a direct result of a 9% drop in fixed route passengers from the previous year. Declining ridership has been an industry wide trend for several years and must be recognized and accommodated in service planning by all public transit agencies.

Material variances from budget during FY17 for the Authority included \$303 thousand savings on salaries and benefits due to leaving positions unfilled and turnover. We realized a \$247 thousand favorable variance in materials and supplies. There was another \$120 thousand savings against budget in purchased transportation costs due to more efficient Dial-a-Ride scheduling during FY17. There were no material cost overages in any expense line item during FY17.

Fuel costs remain 10% of the Authority's annual budget. The Authority entered into fuel hedging contracts as a way of avoiding fuel price volatility effects on service planning and provision.

The Authority has contracted for purchase four, battery electric buses that will begin operations during FY18. These coaches operate solely on electricity and should cost less to power than traditional diesel powered units and are expected touted as having lower maintenance costs than fossil fuel powered vehicles.

The Authority is in the process of installing a 392kW solar voltaic power system that should substantially lower the Authority's electric costs over the next 25 years providing a substantive ROI. Additionally, between the solar panels and the Authority's backup generator, the agency has positioned itself for reliable operation of its Emergency Operations Center if necessary. The Authority was approved for a 1% interest loan from CalEPA for this purpose but has not executed it within FY17.

KEY PERFORMANCE INDICATORS BY SERVICE

	BUDGET		ANNUAL COMPARISON		
	<i>Jun-17</i>	<i>16/17B % ▲</i>	<i>Actual Jun-16</i>	<i>Jun-17</i>	<i>% ▲</i>
PARATRANSIT					
PASSENGERS					
Total DAR Trips Provided	132,000	0%	131,917	133,406	1%
Average Weekday Ridership	487	0%	489	498	2%
Average Sat Ridership	124	5%	118	107	-9%
Average Sun/Hol Ridership	51	3%	49	47	-4%
Average Passengers/Hour <i>(weekdays regular paratransit only)</i>	2.5	2%	2.5	2.9	16%
CUSTOMER SERVICE					
Ride Refusals / Day	0.0	0%	0.0	0.0	0%
Customer Complaints	0.109%	-5%	0.114%	0.382%	235%
On Time Performance	90%	6%	85%	81%	-5%
MAINTENANCE					
Gallons of Fuel Consumed	142,880	5%	135,809	131,936	-3%
Miles Between Preventable Accidents	200,000	26%	159,143	153,397	-4%
Miles Between Road calls	100,000	0%	190,963	919,507	382%
COST RATIOS					
Farebox Recovery Ratio	10%	0%	10%	11%	10%
\$/Gal Fuel	\$ 2.75	6%	\$ 2.59	\$ 2.57	-1%
Operating Cost/Passenger	\$ 35.46	3%	\$ 34.41	\$ 29.12	-15%
Operating Cost/Revenue Hour	\$ 74.35	3%	\$ 72.26	\$ 73.90	2%
Operating Cost/Revenue Mile	\$ 5.98	2%	\$ 5.85	\$ 5.17	-12%

KEY PERFORMANCE INDICATORS BY SERVICE

	BUDGET		ANNUAL COMPARISON		
	<i>Jun 17</i>	<i>% ▲</i>	<i>Jun 16</i>	<i>Jun 17</i>	<i>% ▲</i>
FIXED ROUTE					
PASSENGERS					
Total FR Trips Provided	2,613,485	1%	2,574,864	2,344,985	-9%
Average Weekday Ridership	9,113	1%	8,999	8,230	-9%
Average Sat Ridership	3,144	3%	3,061	2,715	-11%
Average Sun/Hol Ridership	2,537	1%	2,501	2,236	-11%
Average Passengers/Hour	17.9	1%	17.8	16.1	-9%
CUSTOMER SERVICE					
Customer Complaints	0.009%	0%	0.009%	0.025%	171%
On Time Performance	90%	-2%	92%	82%	-11%
MAINTENANCE					
Gallons of Fuel Consumed	597,267	-2%	606,378	584,879	-4%
Miles Between Preventable Accidents	100,000	3%	97,469	117,465	21%
Miles Between Road calls	50,000	81%	27,690	21,084	-24%
COST RATIOS					
Farebox Recovery Ratio	16%	-10%	18%	16%	-11%
\$/Gal Fuel	\$ 2.00	2%	\$ 1.96	\$ 2.07	6%
Operating Cost/Passenger	\$ 6.18	3%	\$ 5.98	\$ 6.97	17%
Operating Cost/Revenue Hour	\$ 110.94	4%	\$ 106.33	\$ 112.45	6%
Operating Cost/Revenue Mile	\$ 7.83	5%	\$ 7.49	\$ 8.03	7%

Economic Factors and Next Year's Budgets and Rates

Continued declining fixed route ridership combined with increasing requests for demand responsive services are a concern for the Authority. These are also nationwide trends.

Rising costs are always problematic when they don't coincide with increased revenues or levels of service. The rapidly rising costs of employee benefits such as health care, the provision of adequate retirement programs and worker's compensation are one of those costs. This affects not only Authority employees, but the employees of the Purchased transportation contract provider as well because it impacts the amounts the Authority must pay for those contracts.

The Authority is addressing the increasing demand for DR services through implementation of partnered services with TNCs and other transportation providers that may better meet the needs of specific ridership segments at a lower cost to the authority.

Requests for Information

This financial report was created to provide citizens, taxpayers, as well as the Authority's customers and creditors with a general overview of the Authority's finances. It is designed to demonstrate agency accountability for appropriate use of public funds that the Authority receives. Any questions or requests for additional information can be made to:

The Eastern Contra Costa Transit Authority
Attn: CFO
801 Wilbur Avenue
Antioch, CA 94590
(925) 754-6622
comment@eccta.org

Copies of this report are available online: <http://www.trideltatransit.com/public.aspx>

EASTERN CONTRA COSTA TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets		
Unrestricted assets:		
Cash and equivalents (Note 3)	\$3,483,013	\$3,365,145
Operating assistance receivable	2,708,595	2,272,057
Capital grants receivable		1,112,261
Accounts receivable	138,943	114,476
Maintenance inventories and supplies, at cost	677,423	742,700
Prepays (Note 12)	100,288	
Total unrestricted assets	7,108,262	7,606,639
Restricted cash and equivalents (Note 3):		
PTMISEA reserves (Note 8)	1,548,004	1,784,567
CTSGBP reserves	190,104	190,016
LCTOP reserves	280,849	473,681
Total restricted assets	2,018,957	2,448,264
Total Current Assets	9,127,219	10,054,903
Non-Current Assets		
Derivative instrument at fair value - asset (Note 10)	99,673	
Capital assets (Note 4):		
Non-depreciable	2,456,985	2,456,985
Depreciable, net of accumulated depreciation	24,797,783	15,790,678
Total Non-Current Assets	27,354,441	18,247,663
Total Assets	36,481,660	28,302,566
LIABILITIES		
Current Liabilities		
Accounts payable	4,970,917	4,911,316
Accrued liabilities	347,453	342,411
Total Current Liabilities	5,318,370	5,253,727
Non-Current Liabilities		
Other Post Employment Benefit Obligation (Note 11C)	371,000	329,000
Total Liabilities	5,689,370	5,582,727
DEFERRED INFLOWS OF RESOURCES		
Derivative instrument at accumulated increase in fair value - asset (Note 10)	99,673	
Total Liabilities and Deferred Inflow of Resources	5,789,043	5,582,727
NET POSITION (Note 2G)		
Net investment in capital assets	27,254,768	18,247,663
Restricted for:		
PTMISEA projects	1,548,004	1,784,567
CTSGBP projects	190,104	190,016
LCTOP operations	280,849	473,681
Unrestricted	1,418,892	2,023,912
Net Position	\$30,692,617	\$22,719,839

See accompanying notes to basic financial statements

EASTERN CONTRA COSTA TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
PROGRAM OPERATING REVENUES		
Passenger fares	\$3,023,214	\$3,273,431
Other operating income	271,080	330,066
Total Program Operating Revenues	3,294,294	3,603,497
PROGRAM OPERATING EXPENSES		
Purchased transportation (Note 13)	11,496,252	11,555,396
Materials and supplies	2,793,354	2,738,513
Salaries and benefits	3,904,246	3,822,009
Services	786,544	759,752
Casualty and liability insurance	522,650	468,343
Utilities	281,910	263,098
Other	450,556	348,429
Depreciation (Note 4)	2,284,957	2,731,419
Total Program Operating Expenses	22,520,469	22,686,959
PROGRAM OPERATING LOSSES	(19,226,175)	(19,083,462)
NON-OPERATING REVENUES (EXPENSES)		
State grant revenues	11,380,750	10,811,521
Local grant revenues	4,399,909	4,151,192
Non-transportation revenues	5,044	5,435
Federal Grant Revenues	1,182,076	1,383,895
(Loss) on sale of capital asset (Note 4)	(26,562)	
Net Non-Operating Revenues, Before Capital Contributions (Grants)	16,941,217	16,352,043
Capital Contributions (Grants)	10,257,736	1,714,678
Net Non-Operating Revenues and Capital Contributions	27,198,953	18,066,721
CHANGE IN NET POSITION	7,972,778	(1,016,741)
NET POSITION AT BEGINNING OF YEAR	22,719,839	23,736,580
NET POSITION AT END OF YEAR	\$30,692,617	\$22,719,839

See accompanying notes to basic financial statements

EASTERN CONTRA COSTA TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from passenger fares	\$2,998,747	\$3,252,488
Cash received from operations - other	271,080	330,066
Cash payments for purchased transportation	(11,496,252)	(11,555,396)
Payments to and on behalf of employees	(3,862,246)	(3,778,009)
Payments to suppliers for goods and services	(4,805,382)	(2,443,252)
Net cash provided (used) by operating activities	(16,894,053)	(14,194,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	5,044	5,435
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal grants and reimbursements	1,182,076	1,383,895
State operating grants	12,493,011	9,721,477
Local grants	3,963,371	2,304,418
Net cash provided by noncapital and financing activities	17,638,458	13,409,790
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions received	10,687,043	1,239,975
Purchase of capital assets	(11,318,624)	(283,422)
Net cash provided (used) by capital and related financing activities	(631,581)	956,553
NET CASH FLOWS	117,868	177,675
CASH AND INVESTMENTS AT BEGINNING OF YEAR	3,365,145	3,187,470
CASH AND INVESTMENTS AT END OF YEAR	\$3,483,013	\$3,365,145
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	(\$19,226,175)	(\$19,083,462)
Depreciation	2,284,957	2,731,419
Change in assets and liabilities:		
Other receivables	(24,467)	(20,943)
Maintenance inventories and supplies	65,277	(60,765)
Prepays	(100,288)	
Accounts payable	59,601	2,231,876
Accrued liabilities	5,042	(36,228)
Other post employment benefit obligation	42,000	44,000
Net cash provided (used) by operating activities	(\$16,894,053)	(\$14,194,103)
NON-CASH TRANSACTIONS		
Loss on disposal of capital asset	\$26,562	

See accompanying notes to basic financial statements

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EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 1 - GENERAL

The Eastern Contra Costa Transit Authority (Authority), also known as Tri Delta Transit, was created August 3, 1976 under a joint exercise of powers agreement between the cities of Antioch, Pittsburg, Brentwood, and Contra Costa County, for the purpose of meeting the public transportation needs in Eastern Contra Costa County. The Authority is governed by a board of Directors composed of representatives of the member jurisdictions. The joint exercise of powers agreement was amended on April 26, 2000 to include the recently incorporated City of Oakley.

The Authority's reporting entity includes all activities of the Authority.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Authority, which conform with generally accepted accounting principles applicable to governments in the United States of America.

A. *Enterprise Fund Accounting*

The Authority is accounted for as an enterprise fund. This fund is a set of self-balancing accounts, which comprise its assets and deferred outflows, liabilities and deferred inflows, net position, revenues and expenses.

B. *Basis of Accounting*

Basis of accounting refers to *when* revenues and expenses are recognized. The Authority is accounted for using the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when they are incurred.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

C. *Basis of Presentation*

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary 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 a proprietary fund's principal ongoing operation. The principal operating revenues of the Authority are charges to customers for farebox revenues. The Authority's *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the Authority. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Risk Management

The Authority requires its operations contractor, First Transit, Inc., to provide general liability coverage. First Transit provides insurance with primary coverage of \$10,000,000 in aggregate. In addition, the Authority is insured for premises and operational bodily injury and property damage up to a limit of \$12,100,000, with a deductible of \$10,000.

F. Compensated Absences

Full-time permanent employees are granted personal time off (PTO) benefits in varying amounts to specified maximums, depending on their tenure with the Authority. PTO accrues to employees to specified maximums after six months of service. The estimated current portion of the liability for PTO benefits is recorded as an expenditure with a corresponding liability.

G. Net Position

Net Position is the excess of all the Authority's assets and deferred outflows over all its liabilities and deferred inflows. Net Position are divided into three captions and apply only to Net Position as described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Authority's capital assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. The Authority's Restricted Net Position is for unexpended funds received from PTMISEA, CTSGP and LCTOP.

Unrestricted describes the portion of Net Position which is not restricted to use.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Summary of Derivative Financial Instruments*

To better plan for the price of, and to relieve some of the strain that such price fluctuations might impose on planning and operations, the Authority utilizes commodity hedging- the buying and selling of fuel contracts at a forward price in advance of the Authority's needs.

Management believes that the futures contracts would be as likely to lose money as to make money, but that actual fuel purchases will move inversely proportional to the price of the contracts, thus offsetting fuel price variances which will allow management to plan on a more stabilized overall cost for diesel fuel.

GASB requires the gain (loss) on the sale of fuel hedges to be recorded in the Statement of Revenues, Expenses and Changes in Net Position. The change in fair value of the derivative is recorded as a deferred inflow/outflow on the Statement of Net Position, as appropriate. The investment in derivative instruments is recorded in the Statement of Net Position as part of current assets/liabilities and other non-current assets/liabilities, as appropriate.

L. *New Accounting Pronouncements*

The Authority has implemented the requirements of the following GASB Pronouncements:

GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68.* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This statement had no impact on the Authority's financial statements.

GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement had no impact on the Authority's financial statements.

GASB Statement No. 77 – *Tax Abatement Disclosures.* This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. This statement had no impact on the Authority's financial statements.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This statement had no impact on the Authority’s financial statements.

GASB Statement No. 80 – *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. This statement had no impact on the Authority’s financial statements.

GASB Statement No. 82 – *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement had no impact on the Authority’s financial statements.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 3 - CASH AND CASH EQUIVALENTS

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution.

A. Cash and Cash Equivalents

The Authority's unrestricted cash consists of time and demand deposits and petty cash held at the Authority's administrative office.

The Authority's restricted assets, which consist of certificates of deposit with Bank of Agriculture and Commerce, are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Cash and cash equivalents consisted of the following as of June 30:

	2017	2016
Unrestricted cash:		
Deposits in financial institutions	\$3,482,376	\$3,364,444
Cash on hand at Authority	637	701
Total unrestricted cash and equivalents	3,483,013	3,365,145
Restricted - certificates of deposit:		
PTMISEA reserve	1,548,004	1,784,567
CTSGP reserve	190,104	190,016
LCTOP reserve	280,849	473,681
Total restricted cash and equivalents	2,018,957	2,448,264
Total Cash and Equivalents and investments	\$5,501,970	\$5,813,409

B. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority has investments in Money Market accounts of \$3,350,681 and Certificates of Deposit of \$2,018,957 which are exempt from fair market value measurements.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

C. PTMISEA Reserve

The Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) is one of the programs included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, passed by voters in November 2006 (see Note 8). The Authority is applying these funds to eligible capital expenditures for bus replacements.

D. CTSGP Reserve

The California Transit Security Grant Program (CTSGP) California Transit Assistance Fund is another program included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, passed by voters in November 2006. The Authority is applying these funds to eligible capital expenditures for interoperable communications and physical security enhancement equipment.

E. LCTOP Operations

The Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2015 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. LCTOP was passed and adopted by the Authority in January 2016. The Authority is applying these funds to enhance service on Route 201 (Concord, California).

NOTE 4 - CAPITAL ASSETS

Capital assets of the Authority consist of land, transit and service vehicles, buildings and improvements, and equipment. Capital assets are recorded at cost and depreciated over their estimated useful lives. The Authority's policy is to capitalize all assets when costs exceed \$5,000.

Depreciation of capital assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned the useful lives as follows:

Building and improvements	5-30 years
Transit vehicles	4-14 years
Shop office and other equipment	5-10 years

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 4 – CAPITAL ASSETS (Continued)

A. Capital Asset Activity

Capital assets activity during fiscal year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$2,456,985				\$2,456,985
Total capital assets not being depreciated	2,456,985				2,456,985
Capital assets being depreciated:					
Buildings and improvements	13,187,545	\$220,540		\$33,980	13,442,065
Transit vehicles	28,960,007	11,067,580	(\$6,342,580)	(333,820)	33,351,187
Equipment	3,738,657	30,504	(16,391)	299,840	4,052,610
Total capital assets being depreciated	45,886,209	11,318,624	(6,358,971)		50,845,862
Less accumulated depreciation for:					
Buildings and improvements	7,602,565	493,314			8,095,879
Transit vehicles	18,799,401	1,744,491	(6,316,018)		14,227,874
Equipment	3,693,565	47,152	(16,391)		3,724,326
Total accumulated depreciation	30,095,531	2,284,957	(6,332,409)		26,048,079
Total depreciable assets	15,790,678	9,033,667	(26,562)		24,797,783
Capital assets, net	\$18,247,663	\$9,033,667	(\$26,562)		\$27,254,768

Capital assets activity during fiscal year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Balance June 30, 2016
Capital assets not being depreciated:			
Land	\$2,456,985		\$2,456,985
Total capital assets not being depreciated	2,456,985		2,456,985
Capital assets being depreciated:			
Buildings and improvements	12,998,495	\$189,050	13,187,545
Transit vehicles	28,931,437	28,570	28,960,007
Equipment	3,672,855	65,802	3,738,657
Total capital assets being depreciated	45,602,787	283,422	45,886,209
Less accumulated depreciation for:			
Buildings and improvements	7,084,650	\$17,915	7,602,565
Transit vehicles	16,675,898	2,123,503	18,799,401
Equipment	3,603,564	90,001	3,693,565
Total accumulated depreciation	27,364,112	2,731,419	30,095,531
Total depreciable assets	18,238,675	(2,447,997)	15,790,678
Capital assets, net	\$20,695,660	(\$2,447,997)	\$18,247,663

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 4 – CAPITAL ASSETS (Continued)

B. Capital Contributions

The Authority has grant contracts with the U.S. Department of Transportation through the Federal Transit Administration for certain capital improvements. Federal Transit Administration funds are used to replace and improve the Authority's buses and transit facilities. The Authority also has contracts under the Transportation Development Act of 1971 (TDA) and State Transit Assistance (STA) funds, which are used to match Federal Transit Administration grants or to fund transit improvement projects. Capital funding provided under government grants is considered earned as the allowable expenditures are incurred.

Grants for capital assets acquisition and facility development and rehabilitation are reported in the Statement of Revenues, Expenses and Changes in Net Position, after non-operating revenues and expenses as capital contributions.

NOTE 5 – OPERATING GRANTS

The Authority records operating assistance grants as revenue when earned.

A. TDA and STA Operating Assistance

The Authority receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971 and State Transit Assistance (STA) funds. These funds are generated within Contra Costa County and are allocated based on annual claims filed by the Authority and approved by the Metropolitan Transportation Commission (MTC). Generally, the maximum annual TDA assistance the Authority can receive is limited to its actual operating costs (excluding depreciation) less fare revenues received and other local operating assistance (including interest income).

For the years ended June 30, 2017 and 2016, the maximum TDA operating assistance eligibility was \$11,362,527 and \$10,490,522, respectively. During the year ended June 30, 2017, the TDA operating funds received was \$11,330,419 resulting in an underpayment by MTC of \$32,108. The Authority increased the TDA Operating Receivable at June 30, 2017 in the amount of the deficit (see Note 9).

B. Inter Operator Agreements

The Authority receives funding through an arrangement with Bay Area Rapid Transit (BART) for operating assistance applied to certain "feeder bus" services to the Pittsburg/Bay Point BART station. The Authority took over and incorporated such services from BART in 1997 (as detailed in the schedule below).

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 5 – OPERATING GRANTS (Continued)

C. Regional Measure 2 Funds

On March 2, 2004, voters passed Regional Measure 2 (RM2), raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00. This extra dollar is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 establishes the Regional Traffic Relief Plan and identifies specific transit operating assistance and capital projects and programs eligible to receive RM2 funding. The Bay Area Toll Authority (BATA) is responsible for the collection of the bridge tolls and MTC is responsible for administering the RM2 Program. The Authority is an eligible recipient for RM2 funds and received \$531,835 and \$531,835 in RM2 funding during fiscal years ended June 30, 2017 and 2016, respectively. The Authority utilized the RM2 funds as operating assistance on a specific, express bus route per the program's requirements.

Operating assistance for the years ended June 30 are summarized as follows:

	2017	2016
Federal Transit Administration	\$1,182,076	\$1,383,895
Transportation Development Act	10,306,265	8,092,592
State Transit Assistance	954,233	2,659,318
Inter-operator agreements (BART)	2,455,560	2,404,790
Measure J	1,339,562	1,214,567
Regional Measure 2	531,835	531,835
Low Carbon Transit Operations Program (LCTOP)	193,204	59,611
Total	\$16,962,735	\$16,346,608

NOTE 6 - CAPITAL GRANTS

The Authority has received grants from the Federal Transit Administration (FTA) and grants of local transportation funds pursuant to the Transportation Development Act of 1971 (TDA) for the purchase of buses, facility improvements, furniture and fixtures, and supporting equipment.

Expenditures of capital grant funds are allocated based on annual claims filed by the Authority and approved by the MTC. The Authority's management believes that the remaining grants available will be approved in full. These grants (excluding Measure J), less the related amortization, are included in capital contributions.

The Authority's capital contributions for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
U.S. Department of Transportation grant awards	\$10,009,508	\$1,820,444
Less: funds used for operating costs	(1,182,076)	(1,383,895)
<i>Sub-total:</i>	8,827,432	436,549
State grants	331,547	164,742
Other	554,084	1,039,355
<i>Total Capital Contributions</i>	\$9,713,063	\$1,640,646

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 7 – MEASURE J

In November 2004, Contra Costa County voters approved Measure J which provided for the continuation of a County half-cent transportation sales tax for 25 more years beyond the original expiration date of 2009 (Measure C). Measure J funding is administered by the Contra Costa Transportation Authority (CCTA). The Authority records Contra Costa County Measure J grants for operations and for capital projects as revenue and capital contributions, respectively, as received.

The Authority is an eligible recipient of Measure J funds and received \$1,409,112 and \$1,344,177 in Measure J operating assistance during fiscal years ended June 30, 2017 and 2016, respectively, of which \$1,339,562 and \$1,214,567, respectively, were applied to specific fixed route and para-transit bus services per CCTA's approved program. The remaining amount of \$69,550 and \$19,610 of Measure J funds for 2017 and 2016, respectively, were "passed through" to the Central Contra Costa Transit Authority (CCCTA) according to an inter-operator agreement that all three agencies entered into to provide Countywide express bus services.

NOTE 8 – PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT

The Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) is one of the programs included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, passed by voters in November 2006. During the fiscal year ended June 30, 2010, the Authority applied for and received \$1,802,885 for the procurement of California Air Resource Board (CARB) compliant diesel buses. During the year ended June 30, 2014, the Authority received \$327,019. During the year ended June 30, 2015, the Authority received \$1,277,391. During the year ended June 30, 2016, the Authority received \$178,754. The activity during the last five fiscal years was as follows:

	2017	2016	2015
PTMISEA beginning balance	\$1,784,567	\$1,604,912	\$333,372
PTMISEA Funds Received		178,754	1,277,391
Interest Earned	2,556	901	767
Total Revenues	<u>1,787,123</u>	<u>1,784,567</u>	<u>1,611,530</u>
Expenditures incurred:			
Buses			
Shelters	(239,119)		(6,618)
Total Expenditures	<u>(239,119)</u>		<u>(6,618)</u>
Unexpended funds at year end	<u>\$1,548,004</u>	<u>\$1,784,567</u>	<u>\$1,604,912</u>
	2014	2013	
PTMISEA beginning balance	\$31,909	\$2,953,894	
PTMISEA Funds Received	327,019		
Interest Earned	265	13,911	
Total Revenues	<u>359,193</u>	<u>2,967,805</u>	
Expenditures incurred:			
Buses		(2,935,896)	
Shelters	(25,821)		
Total Expenditures	<u>(25,821)</u>	<u>(2,935,896)</u>	
Unexpended funds at year end	<u>\$333,372</u>	<u>\$31,909</u>	

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 9 – TDA RECEIVABLE/PAYABLE

The Authority applies for TDA funds for operating purposes prior to the start of each fiscal year. The application is based on the Authority's annual budget and thus contains an estimate of the Authority's annual operating expenditures and revenues during the next fiscal year. After completion of the annual audit whereby any unapplied funds or funding shortfalls are determined, the Authority either returns TDA funds in excess of those used during the fiscal year or applies for additional TDA funding for the prior fiscal year to make up the shortfall.

A TDA Receivable represents the deficit of TDA operations grants received by the Authority over the allowed expenditures; any deficit amounts are payable to the Authority. A TDA Payable represents the surplus of TDA operations grants received by the Authority over the allowed expenditures. Such surpluses must be returned to the County Local Transportation Fund. The amount of TDA payable or receivable at year end is a provision that the Authority makes to request or return such TDA funds. At the end of fiscal year ended June 30, 2017, the Authority was still owed from MTC the amount of \$32,108 in TDA Operating Funds revenues. As a result, the Authority increased its TDA Operating receivable by the amount of the deficit.

For the years ended June 30, 2017 and 2016, the maximum TDA operating assistance eligible was \$11,362,527 and \$10,490,522, respectively. The actual TDA operating funds received for the years ended June 30, 2017 and 2016 were \$11,330,419 and \$10,464,556 respectively. The TDA Receivable for the years ended June 2017 and 2016, respectively, were \$32,108 and \$25,966, respectively, and were calculated as follows:

	2017	2016
TDA operating assistance allowable	\$11,362,527	\$10,490,522
Actual TDA operating assistance received	(11,330,419)	(10,464,556)
Receivable	\$32,108	\$25,966

NOTE 10 – DERIVATIVE INSTRUMENTS

A. Objective and Terms of Hedging Derivative Instruments

The Authority has adopted GASB 53 to account for its investment in oil future contracts to hedge against the volatility in diesel fuel prices. Because the fuel hedge is an effective hedge as defined by GASB 53, the accumulated unrealized gain (loss) on the fuel hedge is reported on the Statements of Net Position as an investment and a deferred inflow of resources. The hedging instruments affected are monthly fuel hedge contracts with a notional amount of 42,000 gallons each with an index of New York Harbor Heating Oil #2 as listed on the NYMEX. There were twelve open contracts at June 30, 2017. On average, it costs the Authority \$152 to acquire a fuel hedge contract. The aggregate fuel hedge contracts cover a rolling 16- to 18-month period. The deferred inflow and investment as of June 30, 2017 are valued at \$99,673.

The Authority has a derivative instrument to hedge fuel costs which is categorized as Level 2 in the fair value hierarchy. See Note 2J for definitions.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)

B. Credit Risk

Credit risk is the risk of loss due to a counterparty defaulting on its obligations. The Authority is exposed to credit risk if hedging instruments are in asset positions. As of June 30, 2017, the Authority was exposed to credit risk because certain open derivative contracts were in asset positions. However, should interest rates change and the fair market value of the swap become negative; the Authority would not be exposed to credit risk in the amount of the fair market values.

The Authority's derivative instruments are managed by Linwood Capital, LLC, through an account with RJ O'Brien and Associates, LLC, a regulated Futures Commission Merchant. The Authority's investment in commodity futures contracts is speculative and changes in the fair market value of such investments may fluctuate significantly, and may do so in the near term.

C. Termination Risk

Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include bankruptcy, illegality, default, and mergers in which the successor entity does not meet credit criteria. One aspect of termination risk is that the Authority would lose the hedging benefit of a derivative that becomes subject to a termination event. Another aspect of termination risk is that, if at the time of termination the mark-to-market value of the derivative was a liability to the Authority, the Authority could be required to pay that amount to the counterparty. Termination risk is associated with all of the Authority's derivatives up to the fair value amounts. The swap may be terminated by either party at any time upon written notice to the other party.

D. Price Risk

With respect to price risk under these future contracts, the Authority receives the index rate at settlement and pays the fixed contracted rate entered into on the trade date. The Authority is exposed to risk because the commodity purchase price being hedged is different from the price on settlement.

NOTE 11 – EMPLOYEE RETIREMENT PLANS

The Authority offers two retirement plans - a 401(a) and a 457(b) plan. The plans are optional. The Authority also offers Other Post Employment Benefits (OPEB).

A. Employees' Retirement Plan

The Authority offers a 401(a) defined contribution pension plan, administered by the Financial Decision group, through Charles Schwab. All full-time employees are eligible for this voluntary program upon successful completion of his or her probation. In order to participate in this voluntary program, an employee must participate in the 457(b) deferred compensation plan (see note 10B), and contribute a minimum of 4% of his or her gross salary, up to a maximum of 25%, or the federally allowed maximum amount of his or her gross compensation, whichever is less.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

The Authority makes contributions to the 401(a) plan for each participant depending on the participant's years of service with the Authority as follows:

Less than 10 years	12% of gross salary
10-20 years	13% of gross salary
20-30 years	14% of gross salary
More than 30 years	15% of gross salary

Any changes to the plan and/or contribution requirements must be approved by the Authority's Board of Directors. During fiscal year ended June 30, 2017, the Authority contributed \$318,463 to the 401(a) plan on behalf of its participants.

B. *Deferred Compensation Plan*

The Authority employees may defer a portion of their compensation under an Authority sponsored Deferred Compensation Plan, administered by ICMA, created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the Authority's property and are not subject to Authority control, they have been excluded from these financial statements.

C. *Other Post Employment Benefits (OPEB)*

The Authority provides postretirement health care benefits to full time administrative employees who retire directly from the Authority after attaining the age of 62 with at least 20 years of service. As of June 30, 2017, there were no participants receiving these health care benefits.

The Authority will pay the entire COBRA Kaiser Health Savings Account (HSA) plan premium for the retired employee and their eligible dependents until the employee reaches age 65, at which time they will qualify for Medicare. The Authority will pay the equivalent of the Kaiser HSA plan premium towards another health insurance policy selected by the employee in place of this plan.

Under the provisions of Governmental Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the Authority has elected to use an alternative method in calculating its OPEB liability, which is recorded as a noncurrent liability in the Statement of Net Position. The Authority is on a pay-as-you-go funding policy, and uses the following assumptions in calculating the liability on an annual basis: current COBRA Kaiser HSA rate, 10% annual inflation factor, and .5% investment rate of return.

EASTERN CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2017 and 2016

NOTE 12 - CONTINGENT LIABILITIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of the Authority's legal counsel there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Authority.

The Authority participates in Federal and State grant programs. These programs have been audited by the Authority's independent auditors in accordance with the provisions of the Uniform Guidance, and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

On February 4, 2016, the Authority entered into an agreement with California Energy Resources Conservation and Development Commission for \$1,355,000, with a one percent (1% per annum) interest rate. The project consists of installing roof and parking structures mounted with photovoltaic (PV) panels at the East Contra Costa Transit Authority main office, located in Antioch, California. Principal and interest payments are payable semiannually in the amount of \$39,648 with the first repayment due on December 22, 2017 and final installment due on June 22, 2036. As of June 30, 2017, the Authority has not drawn down on any of the funds. The Authority made a prepayment to Pacific Gas and Electric (PG&E) for a 10-year refundable electric option and will perform the construction services for the project using the loan proceeds. The option payment of \$100,288 is reported as a prepaid asset on the Statements of Net Position for fiscal year 2017.

NOTE 13 - MAJOR CONTRACTOR

The Authority has an agreement dated May 2, 2016 with First Transit, Inc., a private transit firm, to provide transportation management and operations services on behalf of the Authority through June 30, 2020. Expenses recorded under this contract amounted to \$11,496,252 and \$11,555,396 for fiscal years ended June 30, 2017 and 2016, respectively, and are recorded as purchased transportation.

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND
OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the Board of Directors of
Eastern Contra Costa Transit Authority
Antioch, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Eastern Contra Costa Transit Authority (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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. Our procedures included the applicable audit procedures contained in §6667 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. 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*.

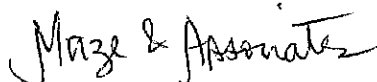
Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in our separately issued Memorandum on Internal Control dated November 21, 2017, which is an integral part of our audits and should be read in conjunction with this report. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the management, Board of Directors, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



Pleasant Hill, California
November 21, 2017



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE WITH THE RULES AND REGULATIONS OF THE
PUBLIC TRANSPORTATION MODERNIZATION
IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)**

Honorable Members of the Board of Directors of the
Eastern Contra Costa Transit Authority
Antioch, California

We have audited the statement of revenues and expenditures of the Eastern Contra Costa Transit Authority Public Transportation Modernization, Improvement and Service Enhancement Account Projects, a program of the Eastern Contra Costa Transit Authority, California, (the Authority) in accordance with general accepted auditing standards in the United States of America as of and for the year ended June 30, 2017, and have issued our report thereon dated November 21, 2017.

In connection with our audit, we have read and performed the applicable audit procedures contained in the *Public Transportation Modernization, Improvement and Service Enhancement Account Guideline* (Guideline) adopted by the California of Department of Transportation.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in our separately issued Memorandum on Internal Control dated November 21, 2017, which is an integral part of our audits and should be read in conjunction with this report. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the management, Board of Directors, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze & Associates

Pleasant Hill, California
November 21, 2017