



BOARD OF DIRECTORS AGENDA PACKET

**Monday, December 12, 2016
2:30 p.m.**

**Sonoma County
Permit & Resource Management Department
2550 Ventura Avenue
Santa Rosa, California**

BOARD OF DIRECTORS AGENDA

December 12, 2016 – 2:30 p.m.

Sonoma County Permit & Resource Management Department
Planning Commission Hearing Room – 2550 Ventura Avenue, Santa Rosa, CA

1. **Call to order the meeting of the Sonoma County Transportation Authority (SCTA) and the Sonoma County Regional Climate Protection Authority (RCPA)**
2. **Public comment on items not on the regular agenda**
3. **Consent Calendar**
 - A. **SCTA/RCPA Concurrent Items**
 - 3.1. **Admin** – Minutes of the November 11, 2016 meeting (ACTION)*
 - 3.2. **Admin** – accept FY15/16 annual audits (ACTION)*
 - 3.3. **Admin** – commendation of Director Tom Chambers (ACTION)*
 - 3.4. **Admin** – commendation of Director Laurie Gallian (ACTION)*
 - B. **SCTA Items**
 - 3.5. **Hwy 101** – conflict waiver re: legal services and Marin Sonoma Narrows C2 project (ACTION)*
 - 3.6. **Hwy 101** – amendment No. 2 to cooperative agreement SCTA11012 with City of Petaluma related to Rainier undercrossing and Marin Sonoma Narrows C2 (ACTION)*
 - 3.7. **Measure M** – appropriation of funds to Sonoma County Bicycle Coalition for Safe Routes to School funds (ACTION)*
4. **Regular Calendar**
 - A. **SCTA/RCPA Items**
 - 4.1. **Hwy 37** – status of planning efforts and policy issues (REPORT)*
 - 4.2. **Outreach** – 2017 Legislative Platforms for SCTA and RCPA (ACTION)*
 - 4.3. **Outreach** – Community Affairs update (REPORT)
 - B. **SCTA Items**
 - 4.4. SCTA Planning
 - 4.4.1. **Measure M** – report out from ad hoc on possible 2018 sales tax – (REPORT)
 - 4.5. SCTA Projects and Programming
 - 4.5.1. **Highways** – 2016 State Highway Operations and Preservation Program status report and presentation by Caltrans (ACTION)*
 - 4.5.2. **Highways** – update on State Highway projects (ACTION)
 - C. **RCPA Items**
 - 4.6. RCPA Planning
 - 4.6.1. **Outreach** – proposal to create the Climate Action Advisory Committee and seek appointments (ACTION)*

- 4.7. RCPA Projects and Programming
 - 4.7.1. **Activities Report** – (REPORT)

5. Closed Session

- 5.1. **CA2020** – Conference with Legal Counsel – Existing Litigation – California River Watch v. County of Sonoma, Superior Court Case No. SCV-259242. (Government Code Section 54956.9(d)(1))

6. Reports and Announcements

- 6.1. Executive Committee report
- 6.2. Regional agency reports
- 6.3. Advisory Committee agendas*
- 6.4. SCTA/RCPA staff report
- 6.5. Announcements

7. Adjourn

*Materials attached.

The next **SCTA/RCPA** meetings will be held **February 6, 2017**

Copies of the full Agenda Packet are available at <http://scta.ca.gov/meetings-and-events/board-meetings/>

DISABLED ACCOMMODATION: If you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SCTA/RCPA at least 72 hours prior to the meeting to ensure arrangements for accommodation.

SB 343 DOCUMENTS RELATED TO OPEN SESSION AGENDAS: Materials related to an item on this agenda submitted to the SCTA/RCPA after distribution of the agenda packet are available for public inspection in the SCTA/RCPA office at 490 Mendocino Ave., Suite 206, during normal business hours.

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BOARD OF DIRECTORS MEETING

Meeting Minutes of November 14, 2016

1. Call to order the meeting of the Sonoma County Transportation Authority (SCTA) and the Sonoma County Regional Climate Protection Authority (RCPA)

Meeting called to order at p.m. by Chair David Rabbitt.

Directors Present: Director Rabbitt, Supervisor, Second District, Chair; Director Russell, City of Cloverdale, Vice Chair; Director Coursey, City of Santa Rosa; Director Gallian, City of Sonoma; Director Gorin, Supervisor, First District; Director Gurney, City of Sebastopol; Director Landman, City of Cotati; Director Mackenzie, City of Rohnert Park; Director Miller, City of Petaluma; Alternate Okrepkie, Town of Windsor; Director Zane, Supervisor, Third District.

Directors Absent: Director Chambers, City of Healdsburg.

2. Public comment on items not on the regular agenda

Duane Dewitt shared information about the Southwest Area Plan from the City of Santa Rosa. The City of Santa Rosa just published a Roseland Specific Area Plan. He expressed concern that the new plan includes some of the same components of the original plan that residents don't want. He also expressed concern that there is no clear funding source for these projects. He suggested that the UC Berkeley walkability study is a free resource available to planners in the County and that the SCTA should look into it.

3. Consent Calendar

A. SCTA/RCPA Concurrent Items

- 3.1. **Admin** – Minutes of the October 10, 2016 meeting (ACTION)*
- 3.2. **Admin** – Resolution of Commendation for Nina Donofrio (ACTION)*
- 3.3. **Admin** – 2017 meeting schedule (ACTION)*

B. SCTA Items

- 3.4. **Planning** – amendments to consultant services agreements with for Shift Sonoma County (ACTION)*
- 3.5. **Hwy 101** – amendment to URS Contract SCTA08014 for Marin Sonoma Narrows B2 (ACTION)*

C. RCPA Items

- 3.6. **BayREN** – amendment to agreement with Association of Bay Area Governments related to Pay As You Save implementation (ACTION)*

Director Okrepkie abstained from voting on the minutes. Director Russell corrected a typo in the date in item 3.4.

Motion by Director --, seconded by Director --, to approve the Consent Calendar as presented. Motion passed unanimously.

Nina Donofrio was on hand to receive the resolution of commendation and heartfelt gratitude from the Board.

4. Regular Calendar

A. SCTA/RCPA Items

- 4.1. **Hwy 37** - presentation by Bay Conservation and Development Commission (BCDC) on Bay Area sea level rise analysis and mapping (ACTION)

Wendy Goodfriend and Eliza Berry from BCDC were on hand to present on the Adapting to Rising Tides (ART) project and the Regional Sea Level Rise mapping and analysis underway to prepare for sea level rise in the San Francisco Bay Area.

The ART project is intended to support adaptation planning by considering all frames of sustainability from project start to finish, by collaborating across broad stakeholder groups, and by making the process transparent.

ART projects are happening at local and regional scales, and sector specific scales. Ms. Goodfriend provided an overview of those listed on the ART website. Some of their work is delivered through multi-agency partnerships such as those with the Metropolitan Transportation Commission (MTC), Bay Area Rapid Transit, Caltrans, and the Association of Bay Area Governments.

Tools available through ART include an on-line portfolio with maps, planning guidance, and communication tools, and an active help desk to provide staff support.

The focus of today's presentation is on the Regional Resilience and Adaptation project led by BCDC, the Joint Policy Committee, and MTC to provide analysis that will inform the 2021 update to Plan Bay Area. They are building county scale maps using the same dataset across all nine bay counties. These county scale maps use local data products and input from local experts.

ART is developing 10 maps for each county that capture a range of permanent inundation from sea level rise combined with different size storm events. Maps also include shoreline overtopping depths to support focus on specific areas of most vulnerability.

Draft Sonoma County maps have been published online at <http://goo.gl/XicMtU>. Questions and comments can be posted directly on the map or submitted to staff, whose contact information can be found on the ART website at <http://www.adaptingtorisingtides.org/>.

Director Gorin asked whether the federal election will impact funding or programs to react to climate change given that the President Elect denies climate change.

Ms. Goodfriend stated that it is too soon to know exactly what the election means for policy but that under uncertainty adaptation planning and regional collaboration is even more important.

Director Gorin described a series of workshops that were convened by BCDC to understand the need for its mission and scope to evolve as the shoreline becomes more impacted.

Ms. Goodfriend confirmed that the series of workshops are described in a staff report on the BCDC website. One recommendation was to develop a regional plan with input from local government. Another was to look at how the BCDC permitting program may help with adaptation. The Commission is also looking at innovative financing options and programs to educate K-12 students.

There will be another workshop on December 1st. The schedule is posted on the website.

Director Zane shared that representatives from the Bay Area were recently at National Oceanic and

Atmospheric Administration (NOAA) for a meeting about Advanced Quantitative Precipitation (AQP) and prediction of atmospheric rivers. She thanked BCDC for the report.

Director Gallian asked how ART outreach is getting to smaller districts such as fire and pest control districts, whose missions are impacted.

Ms. Goodfriend offered that BCDC facilitates involvement by a broad swath of stakeholders.

Director Mackenzie stated that he is happy to see collaboration across the agencies well ahead of the 2021 update to Plan Bay Area. He stated that California leadership in the Governor's Office and Senate have made California's path clear.

4.2. **Planning** – update on Shift Sonoma County (REPORT)*

Ms. Casey provided an update on the draft plan that, on the mode shift side, includes the needs assessment, bikeshare feasibility study, and a draft carshare feasibility study. The consultant team is developing TDM options as well.

On the fuel shift side the electric vehicle adoption mapping has been further refined using demographic data and assessment of infrastructure.

An assessment by Bloomberg indicates that by 2026 there may be up to 100,000 EVs in Sonoma County..

Tasks involve permitting and zoning updates and adaption of municipal fleets. SCTA/RCPA staff shares updated information and will maintain an on-line portal.

Director Zane acknowledged the work the County has done with EV charging and their need to start requiring payment for charging.

Director Russell pointed out the value of EV chargers to the economy and the essential nature of providing the infrastructure for residents and tourists. She acknowledged that Cloverdale needs to add more public charging in the downtown area and recommended contacting the Chamber of Commerce.

Director Gorin mentioned Santa Clara's requirement for EV charging in new buildings and suggested that as a starting point.

Director Gallian highlighted her work in Sonoma to prioritize local parking lots for EV chargers.

Chair Rabbitt asked about the carshare and bikeshare market attractiveness to potential service providers. Are they starting to look further north now? Ms. Turrey responded that there are examples of less dense cities implementing these programs. Identifying the membership population and marketing to them coupled with placing vehicles in the right locations is key.

Chair Rabbitt suggested the value of a realtime app for charging infrastructure to increase the efficiency of each charger.

4.3. **Outreach** – Community Affairs Update (REPORT)

The Community Affairs update is a new item to provide a more comprehensive summary of key news, outreach efforts, and program details that Directors may wish to share in their jurisdiction reports.

Mr. Arthur provided an update on community affairs items.

SCTA/RCPA staff has been assisting Sonoma Clean Power (SCP) with rollout of the Drive EverGreen program to promote electric vehicle purchases.. A handout was provided that shows the discounts and incentives being offered through the program. A typical driver switching from a gasoline vehicle to an electric car powered by EverGreen yields a 98% reduction in greenhouse gas (GHG) emissions.

Hundreds of applications have already been received by SCP for their rebate. Drivers must apply to receive that component. They can also apply for a free home charger. The program runs through January 5th.

Social media stats for the last month were shared. This includes a new Facebook page for Highway 37 and the work of the North Bay counties to address the needs of that corridor and preparation for sea level rise. Social media pages have been useful for sharing news and updates.

Director Landman thanked Brant for the fantastic graphic illustrating the reduction in GHG emissions achieved by switching to an EV powered by renewable energy sources. He noted that just going from gasoline to an EV using grid electricity has a big impact. He emphasized that it isn't necessary to go all the way to 100% renewables for EVs to have a striking impact and that using a Community Choice Aggregate (CCA) to incentivize those reductions is really exciting.

Chair Rabbitt expressed thanks for the outreach efforts presented.

Ms. Smith added that staff have completed a recruitment process to fill two vacant Administrative Assistant positions, and that Drew Nichols and Susan Underwood have both been

offered positions with the SCTA/RCPA. They will be on staff by the next Board meeting.

B. SCTA Items

4.4. SCTA Planning

4.4.1. **SMART** – Metropolitan Transportation Commission presentation on SMART Integration Plan (ACTION)*

Anne Richman from MTC was on hand to share the SMART Integration Plan. The Plan started in 2012 to strengthen coordination and planning in the corridor, and connections with local transit providers.

The plan was developed by consultants working with MTC, SMART, and technical advisory committee of local stakeholders.

Three key recommendations emerged:

1. Focus on building ridership – marketing, employer partnerships for first/last mile solutions
2. Integrate with local transit over time – optimizing service and accommodating SMART by routes, connections, schedule coordination
3. Improve station access for all modes, with focus on the customer experience

One of the challenges encountered is with schedule coordination. The bi-directional commute creates a unique challenge. Bus service is lower frequency and rider patterns are established, so adjustments are challenging. Data and ongoing coordination will be important after service starts.

Providing an integrated customer experience is a priority. The plan recommends unified customer information and fare coordination. SMART will be a Clipper only system.

The Plan evaluated station access and current integration conditions and determined that many stations are already reasonably well integrated but others need attention or are deficient. The Plan makes recommendations for specific stations in need of access improvements, specifically for pedestrian accessibility and connections to bus stops, shuttles, and passenger drop off. It will be easier to determine necessary improvements after operations start.

Ms. Richman thanked the Board for the opportunity to present.

Director Miller asked to have the SMART ridership model explained.

Ms. Richman said the model is focused on predicting ridership numbers and behaviors.

Director Miller asked, “Has it been updated since 2014?”

SMART staff in the audience said no.

Director Gallian said she is glad that they are studying integration. It is important for cities off the corridor. Potential passengers will be excited to know how to access SMART.

Chair Rabbitt requested comments.

Steve Birdlebough from Friends of SMART said they are grateful for the effort that has gone into this and that it is a good start.

Chair Rabbitt confirmed that the report is useful. It validates the importance of attracting and retaining riders. It’s also helpful for prioritizing actions within limited budgets.

4.5. SCTA Projects and Programming
4.5.1. **Measure M** – 2017
Strategic Plan adoption
(ACTION)*

Seana Gause presented the draft Measure M Strategic Plan.

The Board previously approved the programming included in the Strategic Plan in July along with an Amendment to one of the policies. Otherwise nothing in the plan is new.

Ms. Gause walked through the layout, starting with an Executive Summary that explains the layout of the document.

Chapter 2 explains the origin of Measure M and accomplishments so far.

Chapter 3 explains the overall approach to Measure M implementation, forecasting, and programming previously approved by the Board.

Chapter 4 states all Measure M Policies.

Chapter 5 is the Cash Flow model. Each table represents a snapshot of an individual program, such as the 101 or local streets program.

Chapter 6 includes information sheets that summarize each project, and provide a visual cue for Directors and the public to see, at a glance, what has been accomplished so far. The banners in the local streets and road section now includes project status. There are a number of bicycle and pedestrian projects now reportable as complete.

The Appendices provide resources for project sponsors, including a checklist for project sponsors and the voter pamphlet that summarizes what the SCTA is responsible for in implementing Measure M.

Director Russell identified corrections regarding the SMART date of service. She said it provides a good overview for council.

Director Landman complimented the document design and noted that it is very helpful for articulating the value that Measure M has brought to the community over the years. He was curious what range of variability might the SCTA expect with respect to Measure M revenue looking forward?

Mr. Cameron offered that the 3% growth assumption includes program categories that are passed through straight to jurisdictions. Those would scale directly. Ultimately, outstanding Highway 101 projects may be impacted if revenue falls short of forecasts. The LSP program would not likely be impacted because of local match requirements, resulted in some projects not advancing. Some local bike projects may be affected.

Director Gallian expressed a desire for this Plan to be highly visible for members of the public to review. She suggested a counter copy for each jurisdiction or that they go to libraries.

Ms. Gause confirmed that copies of the final draft will be circulated to SCTA members as needed/requested, on hand in the office, and online at the SCTA website.

Director Gorin said she would like to link to the final draft when posted. She noted that residents are concerned about county road maintenance issues and what will be done about the future.

Chair Rabbitt confirmed the first meeting of the Measure M reauthorization ad hoc committee will happen soon.

Director Gorin said it is important to consider voter approved measures soon to deal with roads. She

also asked about the status of a grant application for funding for the 116 and 121 interchange.

Ms. Gause said the 2016 application was unsuccessful but that it can be resubmitted in 2017. There are funds programmed in Measure M for the design stage of the project that can get the project shovel ready.

Chair Rabbit opened for public comment.

Bob Anderson, Chair of the SCTA Citizens Advisory Committee, shared that the CAC discussed the Strategic Plan. The CAC found the document helpful in guiding the public through a complicated planning challenge. The CAC also discussed what might happen if the projections are off and found the document is helpful for guiding the discussion. The monthly updates on Measure M projects are also helpful in tracking progress. The CAC unanimously approved the Strategic Plan.

Director Zane stated some cities don't utilize their funding in a timely manner and was curious whether the SCTA had or could consider a policy for spending timelines.

Ms. Gause clarified that the SCTA does have a spenddown policy that requires recipients to spend after three years of banking. Ms. Gause further explained that some jurisdiction's allocations are not enough in a given year to complete a large scale road repair.

Director Landman agreed that the public likes to see progress being made but that it's a challenge to balance that with the need to save for long term projects.

Chair Rabbitt emphasized the importance of being a self-help county, though, although the quarter cent sales, is uniquely low in the Bay Area. Had Measure M been a half cent tax, Highway 101 might

be completed by now. The tax rate and other items should be carefully considered in a reauthorization. The local road projects don't have the match funding anticipated due to loss of redevelopment. Allocating funds to SMART without specifics should be reviewed.

Ms. Smith thanked staff for their time on the document which is highly useful and regularly referenced.

Chair Rabbitt echoed that and suggested that this document will make the reauthorization conversation easier.

Motion to accept the Measure M Strategic Plan was made by Director Mackenzie. Second by Director Gorin.

The motion was unanimously approved.

4.5.2. **OBAG2** – call for projects and Safe Routes to School fund programming (ACTION)*

This item requires two actions: 1) approve and authorize staff to release the OBAG2 call for projects, and 2) designate the SCTA as the countywide Safe Routes to Schools Program (SRTS) project sponsor.

OBAG2 has been updated to include requirements related to the FAST Act and an MTC directive to encourage anti-displacement policies.

With MTC's framework the Technical Advisory Committee and the Planning Advisory Committee provided input to develop a locally relevant set of criteria. The OBAG2 application is a fillable document that will be available online,

The Safe Routes to Schools proposal for SCTA to take back responsibility for the program from the

Department of Health Services is based on extensive discussion with existing implementing partners, including DHS.

Chair Rabbitt asked for clarification regarding potential limitations on SRTS related to rail crossings.

Ms. Smith said the first round provided a very limited amount of funds for capital, and that the emphasis is on non-infrastructure projects.

Chair Rabbitt suggested that a broader look at Safe Routes will show vulnerabilities that should be addressed along the SMART corridor.

Director Zane asked for clarification regarding whether the SCTA defines policy criteria for OBAG2.

Ms. Smith clarified that the jurisdictions define and self-validate compliance with the policy requirements.

Director Zane is concerned that applicants could take credit for actions that vary from intent of the policies.

Ms. Smith confirmed that MTC guidance was vague and that anti-displacement policy is difficult to define at a regional scale. The draft list was developed from discussion with the advisory committees and guidance from MTC.

Director Gorin requested clarification for the deadline. Ms. Gause confirmed it will be January 13th.

Director Mackenzie shared that the anti-displacement policies were discussed at length by MTC. The end result was a compromise defined to strike a balance between regional differences in the nature of displacement challenges. MTC will be spending more time discussing the relationship between housing and transportation. Over \$1.5 billion have been voted on in Bay Area counties towards supporting housing measures.

Director Gallian said the policy requirements are a positive approach towards inclusionary policies.

Chair Rabbitt suggested that Regional Housing Needs Allocation (RHNA) numbers could also be a criterion. He suggested that requirements shouldn't be lengthy, and that jurisdictions be able to craft solutions unique to their community. He asked if adopting the call for projects would be permanent.

Ms. Gause clarified that this proposal includes input from jurisdictions. Ms. Smith clarified that the Board may approve edits that could be incorporated, but the desire is to issue the call for projects immediately for this round of funding.

The motion to approve the application, authorize the call for projects, and approve the SCTA as the Safe Routes to Schools Project Sponsor was made by Director Gallian. Second Zane. Motion was unanimously approved.

4.5.3. **Highways** – update on State Highway projects (ACTION)

James Cameron provided an update on the Petaluma River Bride and Petaluma Blvd South

interchange. Traffic signals are being turned on today.

Landscaping project at two locations in Petaluma and four in Santa Rosa. Staff expects to award a contract for construction soon, with work beginning in the spring.

MSN C2 project: trees are being removed due to a fire within the project limits.

The Highway 37 policy committee meeting included a discussion of financial case studies, roles and responsibilities, and the scope of work for a feasibility study/design alternatives analysis. Information on this project can be found at the SCTA website.

Laguna de Santa Rosa Bridge is expected to be completed on time next spring.

Director Gallian mentioned that the Highways 116/121 interchange is a priority and congestion is getting worse.

Director Gurney echoed that GPS navigation systems are routing traditional highway traffic to more local streets and roads in response to congestion.

Director Gorin said that the Highway 37 policy discussion has included these issues for a long time. Alternatives are needed such as express bus service, a SMART extension, and other tools.

Chair Rabbitt added that Petaluma has been impacted by GPS services as well.

5. Reports and Announcements

5.1. Executive Committee report

N/A

5.2. Regional agency reports

Sonoma Clean Power: SCP has received over 200 applications for the Drive EverGreen program. A new website is live at driveEV.org.

Bay Area Air Quality Management District: Director Zane reminded people not to burn on Spare the Air Days

Bay Conservation & Development Commission: Director Gorin referred to Item 4.1 - Adapting to Rising Tides at Highway 37.

MTC: Director Mackenzie reported on a joint scenario for the 2016 update to Plan Bay Area. An Environmental Review process will commence and the Draft will come to local governments in 2017. Ms. Smith shared a memo from MTC about Cap and Trade funding and how the Bay Area is doing within the Green House Gas Reduction Fund funding model. The Cal EnviroScreen approach to identifying Disadvantaged Communities does not direct significant funds to the Bay Area.

SMART: Director Zane shared a map of the status of the Multi-Use Pathway that has now been posted online at the SMART website.

Golden Gate Bridge District: Chair Rabbitt said they have been working on on-going seismic design challenges to retrofit the bridge anchorages to prepare for an earthquake. Ferry ridership is up. Bus ridership is down. Suicide net funding has been provided by MTC to encourage it to move forward.

5.3. Advisory Committee Agendas
Included in agenda packet.

5.4. SCTA/RCPA staff report
N/A

5.5. Announcements

Director Gallian announced that this may be her last meeting, and thanked her peers and staff. It's been an honor.

6. Adjourn

5:01 p.m.

Staff Report

To: SCTA/RCPA Board of Directors
From: Suzanne Smith, Executive Director
Item: 3.2 – FY15/16 Annual Audits for SCTA, RCPA, and Measure M
Date: December 12, 2016

Issue:

Shall the SCTA/RCPA accept the three annual audits performed by Piseni & Brinker, LLP covering FY15/16?

Background:

The SCTA is required to have an annual audit performed on the overall finances of two separate programs: Sonoma County Transportation Authority general operations and Measure M.

The RCPA is required to have an annual audit performed on the overall finances of the Sonoma County Regional Climate Protection Authority general operations.

In addition to the annual audits, the SCTA and RCPA are required to perform a Single Audit if more than \$500,000 in federal funds is expended for each agency within a fiscal year. During the audited period of FY15/16, the SCTA exceeded this threshold. The SCTA utilized federal funds from MTC for operations. Measure M utilized federal funds from Caltrans for the Highway 101 MSN (B2 Phase 2) Sonoma Median Widening HOV Lane project.

The FY15/16 audits were performed by a team from Piseni & Brinker, LLP. The CAC reviewed the Measure M audit at their October 31th, 2016 meeting and found it to be acceptable.

There were no findings or management issues identified in the audits.

Policy Impacts:

None.

Fiscal Impacts:

The cost of \$33,500 for the three audits will be paid out of each of the following FY16/17 operating or administration budgets: \$15,075 from the SCTA operating budget, \$11,725 from the Measure M administration budget, and \$6,700 from the RCPA operating budget.

The Single Audit performed in addition to the annual audits will be paid out of FY16/17 SCTA operating budget in the amount of \$3,900.

The cost of these audits performed by Piseni & Brinker, LLP total \$37,400.

Staff Recommendation:

Consider accepting the FY15/16 SCTA, RCPA and Measure M audits.



SONOMA COUNTY TRANSPORTATION AUTHORITY

**Basic Financial Statements,
Required Supplementary Information, and
Other Supplementary Information**

For the Fiscal Year Ended June 30, 2016

**Sonoma County Transportation Authority
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Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sonoma County Transportation Authority ("SCTA") and the notes to the financial statements, which collectively comprise the basic financial statements, as of and for the year ended June 30, 2016, 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 responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 audit 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 entity'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 entity'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of SCTA as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (continued)

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SCTA's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the related notes to the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Roster of Board Members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of SCTA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Pisanti & Banker^{LLP}

The management of SCTA offers the readers of SCTA's basic financial statements this narrative overview and analysis of the financial activities of SCTA for the fiscal year ended June 30, 2016.

Financial highlights

- The assets and deferred outflows of resources of SCTA were less than liabilities and deferred inflows of resources at June 30, 2016 by approximately \$21.1 million.
- SCTA's total net position increased by \$7.2 million from June 30, 2015 to June 30, 2016. This increase was primarily due continued growth in sales tax revenues (increased 3.2% to \$22.1 million from the prior fiscal year) in conjunction with lower expenses in the Measure M fund (decreased 46.2% to \$15.6 million from the prior fiscal year) during the fiscal year ended June 30, 2016.
- At June 30, 2016 SCTA reported ending total fund balances of \$52.3 million, a decrease of \$9,264 in comparison with the June 30, 2015 total ending fund balances.
- Unrestricted net position for SCTA as of June 30, 2016 was a deficit of approximately \$24.1 million. This is a decrease to the deficit of approximately \$7.4 million compared to the deficit of approximately \$31.6 at June 30, 2015.
- As of June 30, 2016, unassigned fund balance for the general fund was \$724,839 or 44.4% of total general fund expenditures for the fiscal year ended June 30, 2016.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to SCTA's basic financial statements. SCTA's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The *government-wide financial statements*, as listed in the table of contents, provide a broad overview of SCTA's activities as a whole, and are comprised of the *statement of net position* and the *statement of activities*.

The *statement of net position* provides information about the financial position of SCTA as a whole on the full accrual basis, similar to that used in the private sector.

Government-wide financial statements (continued)

The *statement of activities* presents information about SCTA's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues and expenses of each of SCTA's programs. The *statement of activities* explains the change in *net position* for the fiscal year.

Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

Fund financial statements

The governmental fund financial statements are as listed in the table of contents.

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SCTA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of SCTA are governmental type funds.

Governmental funds are used to account for essentially the same functions reported in governmental *activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SCTA maintains four individual governmental funds; a general fund, two special revenue funds, and a debt service fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, and for the other funds. SCTA adopts an annual appropriated budget for those funds.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

Schedules presenting budgetary comparison information for SCTA's funds can be found in the table of contents.

Sonoma County Transportation Authority

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2016

Government-wide financial analysis

Condensed Statement of Net Position

June 30,	2015	2016
Assets		
Current assets	\$ 48,369,033	\$ 46,469,998
Restricted cash	7,805,999	7,899,132
Other non-current assets	7,461	6,395
Total assets	56,182,493	54,375,525
Deferred outflows of resources	1,605,717	2,052,574
Liabilities		
Current liabilities	10,064,252	8,448,611
Total non-current liabilities	75,897,384	68,932,723
Total liabilities	85,961,636	77,381,334
Deferred inflows of resources	159,525	147,679
Net Position		
Invested in capital assets	7,461	6,395
Restricted for TFCA	716,453	506,992
Restricted for Measure M debt service	2,526,470	2,523,492
Unrestricted	(31,583,335)	(24,137,793)
Total net position deficit	\$ (28,332,951)	\$ (21,100,914)

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of SCTA, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by approximately \$21.1 million at June 30, 2016 as compared to a deficit net position of approximately \$28.3 million at June 30, 2015.

A portion of SCTA's net position, approximately \$2.5 million, is restricted for Measure M Sales Tax Revenue Bonds. Measure M is a one-quarter percent sales tax initiative approved by Sonoma County voters in 2004 for various transportation improvement projects and is overseen by SCTA. SCTA's unrestricted net position is negative as result of having \$72.4 million in revenue bonds outstanding.

During the fiscal year ended June 30, 2016, SCTA's net position increased by \$7.2 million to an approximate net position of a negative \$21.1 million. This increase is primarily the result of continued growth in sales tax revenues in conjunction with lower expenses in the Measure M fund. Measure M expenses were approximately \$13.4 million lower than the prior fiscal year due primarily to several Highway 101 projects that were at peak construction during the prior year.

Government-wide financial analysis (continued)

Governmental activities increased SCTA's net position by \$7.2 million. Key elements of these activities during the fiscal year ended June 30, 2016 are identified below:

- SCTA recognized sales tax revenues for Measure M totaling \$22.1 million, which is an increase of \$678,676 from the prior fiscal year. This increase is due to continuing improvements to the local economy.
- SCTA received \$1.9 million from state and federal sources towards various transportation improvement projects. The amount received decreased by \$97,158 from the prior fiscal year as a result of fewer federal funds received which were partially offset by increased revenues from state and local sources.
- SCTA expenses for transportation improvement projects totaled \$1.7 million, a decrease of \$134,938 from the previous year. This decrease is primarily the result of fewer direct labor hours applied to transportation improvement projects.
- Measure M expenses totaled \$15.6 million, representing a decrease of \$13.4 million from the previous year, due primarily to several Highway 101 projects that were at peak construction during the prior fiscal year. Additionally, Bike/Pedestrian and Local Street project expenses decreased as compared to the prior year.

Sonoma County Transportation Authority

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2016

Government-wide financial analysis (continued)

Condensed Statement of Activities

Fiscal Year ended June, 30	2015	2016
Revenues:		
Program revenues:		
Transportation improvements	\$ 1,947,538	\$ 1,850,380
Transportation Fund for Clean Air	580,587	617,790
Measure M	5,217,138	820,850
General revenues:		
Sales tax revenues	21,387,660	22,066,336
Miscellaneous revenue	1,233	4,522
Total revenues	29,134,156	25,359,878
Expenses:		
Transportation improvements	1,820,810	1,685,872
Transportation Fund for Clean Air	739,883	827,251
Measure M	29,033,424	15,614,718
Total expenses	31,594,117	18,127,841
Change in net position	(2,459,961)	7,232,037
Net position, beginning of year	(25,278,901)	(28,332,951)
Prior period adjustment	(594,089)	-
Net position, beginning of year, as restated	(25,872,990)	(28,332,951)
Net position, end of year	\$ (28,332,951)	\$ (21,100,914)

Financial analysis of SCTA's funds

Governmental funds

As noted earlier, SCTA uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

The focus of SCTA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing SCTA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of SCTA's net resources available for spending at the end of the fiscal year.

Financial analysis of SCTA's funds (continued)

Governmental funds (continued)

As of June 30, 2016, SCTA's governmental funds reported ending fund balances of \$52.3 million, a decrease of \$9,264 from June 30, 2015. SCTA had a restricted fund balance of approximately \$51.6 million as of June 30, 2016.

The general fund is the chief operating fund of SCTA. At June 30, 2016, the unassigned fund balance of the general fund was \$724,839.

Budgetary Highlights

- The SCTA General fund budget was adjusted during the fiscal year to increase appropriations for State grants with an associated decrease in budgeted cost applied reimbursements.
- The TFCA budget was adjusted to reflect the budgeted encumbrances outstanding as of June 30, 2015.
- Measure M budgets were adjusted during the fiscal year for projected sales tax revenues, investment income, contributions to other governments and debt service payments.

Debt Administration

At the end of the June 30, 2016, SCTA had long-term liabilities of \$75.1 million, a decrease of \$6.9 million from the prior fiscal year. The decrease is a result of reduced principal balances on the 2011 and 2015 Series Bonds from regular debt service payments. Reductions resulting from debt service payments were partially offset by increases to net pension liability and compensated absences liability. The net pension liability increased by \$637,504 primarily as a result of the change in actuarial assumptions, and unfavorable return on investment during calendar year 2015.

Year ended June, 30	2015	2016
Sales Tax Revenue Bond, Series 2011, including unamortized premium	\$ 24,720,597	\$ 22,621,524
Sales Tax Revenue Bond, Series 2015, including unamortized premium	56,490,509	51,002,369
Net pension liability	672,050	1,309,554
Compensated absences	119,228	134,276
Total long-term liabilities	\$ 82,002,384	\$ 75,067,723

Additional information on SCTA's long-term liabilities can be found in Note E of the notes to the basic financial statements.

Economic Factors and Next Year's Budgets

SCTA activities receive significant funding from both federal and state programs, which can be significantly impacted by changes in the state and federal budgets. Measure M revenues, funded through a local one quarter percent sales tax, increased from the prior fiscal year ended June 30, 2015 and the State Board of Equalization (BOE) is projecting continued slow growth in sales tax revenues for the next fiscal year. This will directly impact the Transit and Local Street Repairs (LSR) programs and indirectly affect the Local Streets Projects, Passenger Rail and Bike/Pedestrian programs.

Proceeds from the 2015 Series Sales Tax Revenue Bonds, are anticipated to be exhausted by the end of fiscal year 2018.

The Local Street Projects (LSP), Passenger Rail and Bike/Pedestrian programs are paid on a reimbursement basis, however, those programs can be impacted by state and federal budget changes as each of those programs require matching funds from the various project sponsors, which are still dependent on local, state and federal funds.

Request for Additional Information:

This financial report is designed to provide a general overview of SCTA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sonoma County Transportation Authority, 490 Mendocino Avenue, Suite 206, Santa Rosa, CA 95401.

Government-Wide Financial Statements

Sonoma County Transportation Authority

Statement of Net Position

June 30, 2016

Governmental
Activities

Assets

Cash and investments	\$ 42,117,584
Sales tax receivable	3,537,101
Due from other governments	790,817
Pre-paid expense	24,496
Non-current assets:	
Restricted cash and investments:	
Revenue bonds debt service fund	5,375,640
Revenue bonds reserve fund	2,523,492
Capital assets - equipment, net	6,395
Total assets	54,375,525

Deferred outflows of resources

Deferred pensions	786,452
Deferred charge on refunding	1,266,122
Total deferred outflows of resources	2,052,574

Liabilities

Accounts payable	1,118,545
Due to other governments	876,558
Retention payable	59,926
Interest payable	258,582
Bonds payable, current	6,135,000
Noncurrent liabilities:	
Bonds payable	67,488,893
Net pension liability	1,309,554
Compensated absences payable	134,276
Total liabilities	77,381,334

Deferred inflows of resources

Deferred pensions	147,679
Total deferred inflows of resources	147,679

Net Position

Net investment in capital assets	6,395
Restricted for:	
Transportation Fund for Clean Air (TFCA)	506,992
Measure M debt service	2,523,492
Unrestricted	(24,137,793)
Total net position deficit	\$ (21,100,914)

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Transportation Authority

Statement of Activities

For the Fiscal Year Ended June 30, 2016

Functions / Programs	Expenses	<u>Program Revenues</u> Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:			
Measure M	\$ 15,614,718	\$ 820,850	\$ (14,793,868)
Transportation fund for clean air (TFCA)	827,251	617,790	(209,461)
Transportation improvement	1,685,872	1,850,380	164,508
Total governmental activities	\$ 18,127,841	\$ 3,289,020	(14,838,821)
General revenues:			
Sales tax revenue			22,066,336
Miscellaneous revenue			4,522
Total general revenues			22,070,858
Change in net position			7,232,037
Net position - beginning of year			(28,332,951)
Net position - end of year			\$ (21,100,914)

The notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Sonoma County Transportation Authority

Balance Sheet - Governmental Funds

June 30, 2016

	General	TFCA Special Revenue	Measure M Special Revenue	Measure M Debt Service	Total Governmental Funds
Assets					
Cash and investments	\$ 285,896	\$ 771,922	\$ 41,059,766	\$ -	\$ 42,117,584
Sales tax receivable	-	-	2,106,011	1,431,090	3,537,101
Prepaid expense	12,641	-	11,855	-	24,496
Due from other governments	513,127	-	277,690	-	790,817
Restricted cash - revenue bond reserve	-	-	-	2,523,492	2,523,492
Restricted cash - debt service	-	-	-	5,375,640	5,375,640
Total assets	\$ 811,664	\$ 771,922	\$ 43,455,322	\$ 9,330,222	\$ 54,369,130
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 74,184	\$ 115,829	\$ 928,532	\$ -	\$ 1,118,545
Due to other governments	-	149,101	727,457	-	876,558
Retention payable	-	-	59,926	-	59,926
Total liabilities	74,184	264,930	1,715,915	-	2,055,029
Fund balances:					
Nonspendable	12,641	-	11,855	-	24,496
Restricted	-	506,992	41,727,552	9,330,222	51,564,766
Unassigned	724,839	-	-	-	724,839
Total fund balances	737,480	506,992	41,739,407	9,330,222	52,314,101
Total liabilities and fund balance	\$ 811,664	\$ 771,922	\$ 43,455,322	\$ 9,330,222	\$ 54,369,130

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Transportation Authority

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position**

June 30, 2016

Total fund balances - governmental funds:	\$ 52,314,101
Total net position reported in the statement of net position is different because:	
Deferred outflows of resources reported in the statement of net position:	2,052,574
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds:	
Capital assets - equipment, net	6,395
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable including unamortized premium	(73,623,893)
Accrued interest payable	(258,582)
Compensated absences payable	(134,276)
Pension liability	(1,309,554)
Deferred inflows of resources reported in the statement of net position:	(147,679)
<hr/>	
Total net position deficit	\$(21,100,914)

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Transportation Authority

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds**

For the Fiscal Year Ended June 30, 2016

	General	TFCA Special Revenue	Measure M Special Revenue	Measure M Debt Service	Total Governmental Funds
Revenues					
Sales tax	\$ -	\$ -	\$ 13,074,606	\$ 8,991,730	\$ 22,066,336
Intergovernmental	1,778,814	614,093	528,810	-	2,921,717
Investment income (loss)	1,170	3,697	294,830	(2,790)	296,907
Miscellaneous	74,712	-	206	-	74,918
Total revenues	1,854,696	617,790	13,898,452	8,988,940	25,359,878
Expenditures					
Current:					
Salaries and employee benefits	1,824,901	-	-	-	1,824,901
Cost applied	(621,481)	-	-	-	(621,481)
Services and supplies	406,205	-	1,548,710	-	1,954,915
Administration	-	22,895	-	-	22,895
Contributions to other governments	22,012	804,356	12,199,961	-	13,026,329
Debt service:					
Principal	-	-	-	6,105,000	6,105,000
Interest	-	-	17,510	3,039,073	3,056,583
Total expenditures	1,631,637	827,251	13,766,181	9,144,073	25,369,142
Other Financing Sources (Uses)					
Transfer in	-	-	-	788,670	788,670
Transfer out	-	-	(788,670)	-	(788,670)
Total other financing sources	-	-	(788,670)	788,670	-
Net change in fund balances	223,059	(209,461)	(656,399)	633,537	(9,264)
Fund balances at June 30, 2015	514,421	716,453	42,395,806	8,696,685	52,323,365
Fund balances at June 30, 2016	\$ 737,480	\$ 506,992	\$ 41,739,407	\$ 9,330,222	\$ 52,314,101

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Transportation Authority

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2016

Net change in fund balances - total governmental funds: \$ (9,264)

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

Governmental funds report capital outlay as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Depreciation expense (1,066)

Repayment of debt principal is an expenditure in the governmental funds and reduces
long term liabilities in the statement of net position: 6,105,000

Some expenses reported in the statement of activities do not require the use
of current financial resources and, therefore, are not reported as expenditures
in governmental funds:

Change in compensated absences (15,048)

Change in interest payable liability (150,996)

Pension expense (38,121)

Amortization of bond premiums and deferred charge on refunding 1,341,532

Change in net position \$ 7,232,037

Note A. Reporting Entity

The Sonoma County Transportation Authority (SCTA) was created by the Sonoma County Board of Supervisors, under Resolution No. 90-1522 on August 7, 1990 in accordance with California Public Utilities Code Section 180000 et seq. SCTA's Board of Directors is governed by a twelve member board. Nine of these members are chosen from the councils of the nine incorporated cities or towns of Sonoma County and three are chosen from the Sonoma County Board of Supervisors.

SCTA was established to accomplish the stated purpose and goals of the Public Utilities Code Section 180000 et seq., also known as the Local Transportation Authority and Improvement Act (the Act).

Note B. Summary of Significant Accounting Policies

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of SCTA.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include grants and contributions that are restricted to meeting operational or capital requirements of a particular function or program, as well as restricted investment income. Tax and other revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Sales tax revenue is recognized in the period that the exchange transaction occurs on which the tax is imposed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note B. Summary of Significant Accounting Policies (continued)

*Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered available when they are collectible within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, SCTA considers revenues available if they are collected within 365 days of the end of the current fiscal period. Sales tax revenue, intergovernmental revenue when eligibility requirements are met, and investment income, are considered measurable and are recognized if available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Cash and Investments

In accordance with GASB Statement No. 31 and No. 72, the District reports cash and investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

Restricted cash is held by a third party trustee and is restricted for debt service payments and Measure M expenditures pursuant to various bond covenants. Included in these amounts are proceeds from Sales Tax Revenue Bonds, Series 2015 to be used for Measure M activities, and sales tax revenues collected by the trustee for making the annual principal and interest payments on the Series 2011 and 2015 bonds.

Sales Tax Revenue and Receivable

Sales tax receivable represents sales tax amounts allocated to SCTA through Measure M as discussed in Note I below, but uncollected at year end. Due to the nature of the sales tax receivable, management does not consider any portion uncollectible.

Sales tax revenues are presented net of administrative assessments by the State Board of Equalization in the amount of \$512,430 for the year.

Note B. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital asset balances at year end are reported in the government-wide financial statements in the statement of net position. Capital assets are defined by SCTA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The cost of a capital asset may include not only its purchase or construction cost, but also ancillary charges necessary to place the asset in its intended location and condition for use.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

SCTA's equipment is depreciated using the straight-line method over estimated useful lives of 5 to 10 years.

Bonds Payable and Bond Premium

In the government-wide financial statements bonds payable, inclusive of unamortized bond premiums, are reported as a liability in the statement of net position. Bond premiums are amortized to interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method.

In the fund financial statements, bond premiums are recognized in the period that the underlying bonds are issued. The face amount of the bonds issued and related premiums are reported as other financing sources.

Compensated Absences

It is SCTA's policy to permit employees to accumulate earned but unused vacation benefits. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for this amount is reported in the governmental funds only for matured portions, for example, as a result of known employee resignation or retirement.

Net Position

Net position is classified into three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation.
- Restricted net position – This component of net position consists of net position with limits on its use that are imposed by outside parties or enabling legislation.
- Unrestricted net position – This component of net position consists of net position that does not meet the definitions of "restricted" or "invested in capital assets."

Note B. Summary of Significant Accounting Policies (continued)

Fund Balance

Governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which SCTA is bound to honor constraints on how specific amounts can be spent. The fund balance classifications are defined below.

- Non-spendable – amounts that are not in a spendable form or are to be maintained intact.
- Restricted – amounts that can be spent only for the specific purpose stipulated by external resource providers or through enabling legislation.
- Committed – amounts that can be used only for the specific purpose determined by a formal action of the entity's highest level of decision making authority.
- Assigned – amounts intended to be used by the government for specific purposes determined either by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – the residual classification for the general fund and includes all amounts not contained in the other classifications. This amount is technically available for any purpose.

In general, when both restricted and unrestricted resources are available, restricted resources are used first. When expenditures are made of unrestricted resources, SCTA first applies committed, then assigned, and then unassigned resources.

Cost Applied

The cost applied line item on SCTA's statement of revenue, expenditures, and changes in fund balances - governmental funds represents a reimbursement to SCTA's General Fund for payroll costs associated with the Measure M and TFCA funds, as well as from the Sonoma County Regional Climate Protection Authority (RCPA).

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note B. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

The following Governmental Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 72	"Fair Value Measurement and Application"	The requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
Statement No. 73	"Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and No. 68"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.
Statement No.76	"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"	The provisions of this statement are effective for reporting periods beginning after June 15, 2015.

Note C. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

Cash and investments are comprised of cash pooled with the Sonoma County Treasury Pool (the Treasury Pool), an external investment pool. The Sonoma County Treasurer's office also acts as a disbursing agent for SCTA. The fair value of SCTA's investment in this pool is based upon SCTA's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the Treasury Pool is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee of the Treasury Pool has oversight for all monies deposited into the Treasury Pool.

Note C. Cash and Investments (continued)

Treasury Pool Investment Guidelines

SCTA's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and yield.

The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity. A copy of the Sonoma County investment policy is available upon request from the Sonoma County Auditor-Controller-Treasurer-Tax Collector at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Due to the highly liquid nature of SCTA's investment with the Treasury Pool, SCTA's exposure to interest rate risk is deemed by management to be insignificant.

The weighted average maturity of Treasury Pool investments at June 30, 2016 was 828 days.

Credit Risk

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

Custodial Credit Risk

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of SCTA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no non-pooled investments in any one issuer that represent 5% or more of total SCTA investments.

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2016

Note C. Cash and Investments (continued)

Fair Value Measurements

SCTA 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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has a recurring fair value measurement for its investment in the Sonoma County Treasury Pool which is valued using significant other observable inputs (Level 2).

Note D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers & Reclassification	Ending Balance
Capital assets, being depreciated:					
Equipment	\$ 29,629	\$ -	\$ -	\$ -	\$ 29,629
Less accumulated depreciation for:					
Equipment	(22,168)	(1,066)	-	-	(23,234)
Capital assets, net	\$ 7,461	\$ (1,066)	\$ -	\$ -	\$ 6,395

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2016

Note E. Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Sales Tax Revenue Bonds,					
Series 2011	\$ 23,745,000	\$ -	\$ (1,915,000)	\$ 21,830,000	\$ 2,015,000
Unamortized bond premium	975,597	-	(184,073)	791,524	-
Total 2011 Series Bonds	24,720,597	-	(2,099,073)	22,621,524	2,015,000
Sales Tax Revenue Bonds,					
Series 2015	49,265,000	-	(4,190,000)	45,075,000	4,120,000
Unamortized bond premium	7,225,509	-	(1,298,140)	5,927,369	-
Total 2015 Series Bonds	56,490,509	-	(5,488,140)	51,002,369	4,120,000
Total bonds	81,211,106	-	(7,587,213)	73,623,893	6,135,000
Net pension liability	672,050	855,327	(217,823)	1,309,554	-
Compensated absences	119,228	119,299	(104,251)	134,276	-
Total long-term liabilities	\$ 82,002,384	\$ 974,626	\$ (7,909,287)	\$ 75,067,723	\$ 6,135,000

Note F. Sales Tax Revenue Bonds

The Authority has issued bonds in 2008, 2011 and 2015 for the purpose of financing certain transportation projects included in the Measure M Expenditure Plan.

SCTA issued \$25,200,000 in Sales Tax Revenue Bonds, Series 2011, (Limited Tax Bonds) (2011 Bonds) on January 26, 2011, with a maturity date of December 1, 2024. The 2011 Bonds were issued at a premium of \$1,863,706 and bond issuance costs totaled \$416,692. The 2011 Bonds carry interest rates ranging from 2% to 5%.

The 2011 Bonds began to mature in December 2011, and all 2011 Bonds will mature by December 2024. Bonds maturing subsequent to December 2020 are subject to redemption at the option of SCTA at any time on or after December 1, 2020 at a price equal to 100% of the principal amount outstanding and any accrued interest thereon.

On June 23, 2015 SCTA refunded the outstanding 2008 Bonds and issued \$49,265,000 in Sales Tax Revenue Bonds, Series 2015 (Limited Tax Bonds). The 2015 Bonds were issued at a premium of \$7,225,509 and bond issuance costs totaled \$347,463. The 2015 Bonds carry interest rates ranging from 1% to 5%.

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2016

Note F. Sales Tax Revenue Bonds (continued)

The 2011 and 2015 Bonds are limited obligations of SCTA secured solely by a pledge of \$92,910,907 from Measure M sales tax revenues. Pledged sales tax revenues represent 22% of estimated total revenues from the Measure M sales tax.

Debt service payments made from the Measure M Fund were \$9,144,073 for the fiscal year ended June 30, 2016, representing 41% of the \$22,066,336 in Measure M sales tax revenue recognized during the same period. The debt service payments consisted of \$6,105,000 of principal payments on the 2011 and 2015 Bonds, and interest payments totaling \$3,093,073 for both the 2011 and 2015 Bonds.

The annual debt service requirements to maturity for the 2011 Bonds are as follows as of June 30, 2016:

Fiscal Year Ending June 30:	Principal	Interest	Total
2017	\$ 2,015,000	\$ 922,463	\$ 2,937,463
2018	2,110,000	829,887	2,939,887
2019	2,190,000	743,887	2,933,887
2020	2,290,000	642,837	2,932,837
2021	2,410,000	525,338	2,935,338
2022-2025	10,815,000	925,907	11,740,907
Total requirements	\$ 21,830,000	\$ 4,590,319	\$ 26,420,319

Future years' amortization of bond premium for the 2011 Bonds are as follows as of June 30, 2016:

Fiscal Year Ending June 30:	Premium
2017	\$ 167,083
2018	149,291
2019	130,824
2020	111,515
2021	91,194
2022-2025	141,617
Total requirements	\$ 791,524

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2016

Note F. Sales Tax Revenue Bonds (continued)

The annual debt service requirements to maturity for the 2015 Bonds are as follows as of June 30, 2016:

Fiscal Year Ending June 30:	Principal	Interest	Total
2017	\$ 4,120,000	\$ 2,088,950	\$ 6,208,950
2018	4,265,000	1,941,125	6,206,125
2019	4,495,000	1,722,125	6,217,125
2020	4,725,000	1,491,625	6,216,625
2021	4,955,000	1,249,625	6,204,625
2022-2025	22,515,000	2,321,875	24,836,875
Total requirements	\$ 45,075,000	\$ 10,815,325	\$ 55,890,325

Future years' amortization of bond premium for the 2015 Bonds are as follows as of June 30, 2016:

Fiscal Year Ending June 30:	Premium
2017	\$ 1,183,101
2018	1,066,526
2019	944,556
2020	816,209
2021	681,486
2022-2025	1,235,491
Total requirements	\$ 5,927,369

Debt service payments for the 2011 and 2015 Bonds are made from the Measure M Debt Service Fund.

Note G. Intergovernmental Revenues

Intergovernmental revenues represent grant and contract revenues received from the Metropolitan Transportation Commission, Transportation Fund for Clean Air funding received from the Bay Area Air Quality Management District, State of California Transportation and Federal Highway Administration Funds received from the California Department of Transportation (Caltrans) and contributions from SCTA member governments.

Note H. Due to Other Governments

Due to other governments represents amounts owed to Caltrans, the County of Sonoma, and the cities of Petaluma and Santa Rosa.

Note I. Measure M Sales Tax Revenues

The Measure M Special Revenue Fund was created in November 2004 with the passage of the Traffic Relief Act for Sonoma County to account for the related sales tax revenues and expenditures of Measure M. Measure M is funded by a one-quarter percent sales tax in Sonoma County and creates a stable funding source for local transportation projects intended to make significant progress in widening Highway 101, maintaining local roads, improving local transit services, developing passenger rail service, providing safe bike and pedestrian routes, and making key local street improvements.

The Measure M 2014 Strategic Plan (the Strategic Plan) serves as the guiding policy and programming document for the implementation of Measure M projects. It covers a five year period and is updated periodically in order to reflect the actual revenues received.

According to the Strategic Plan, the Measure M sales tax revenues are to be allocated as follows:

- 20% to fix pot holes and maintain local streets.
- 20% for key local road projects throughout the County.
- 40% to help fund Highway 101 widening throughout the County.
- 10% to improving local bus transit service.
- 5% to Sonoma-Marin Area Rail Transit (SMART) for the development of passenger rail service.
- 4% for bicycle and pedestrian routes.

There is an overall limitation of 1% of Measure M sales tax revenues for administrative expenses.

Note J. Risk Management

SCTA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SCTA is covered for general, automobile, crime and errors and omissions liability through Alliant Insurance Services. Limits of this coverage are \$1,000,000 per occurrence. SCTA participates in the County of Sonoma self-insurance program providing \$300,000 per occurrence for workers' compensation claims and has excess reinsurance with the California State Association of Counties up to statutory limits.

Note K. Employees' Retirement Plan

Plan Description

SCTA contributes to the County's cost sharing multiple-employer defined benefit pension plan (the Plan) that is administered by the Sonoma County Employees' Retirement Association (SCERA), a public employee retirement system. Substantially all full-time employees of SCTA participate in this plan. The Plan provides retirement, disability, death and survivor benefits and cost-of-living adjustments to plan members and beneficiaries. All permanent employees working at least half time of a full-time position for SCTA are eligible. The Plan is governed by the California Government Code, Title 3, Division 4, Part 3, Chapter 3. The Board of Retirement has the authority to establish and amend benefit provisions and these shall then be adopted by the County Board of Supervisors.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) was signed into law by Governor Jerry Brown on September 12, 2012, with an effective date of January 1, 2013. All General and Safety employees hired on or after January 1, 2013, with the exception of employees who are eligible for reciprocity with another qualified California retirement system, are part of a new tier called Plan B.

SCERA issues an annual financial report that includes financial statements and required supplementary information for the Plan which can be obtained by writing to the Sonoma County Employees' Retirement Association, 433 Aviation Blvd., Suite 100, Santa Rosa, CA 95403-1069.

The financial statements for the County of Sonoma contain additional financial information for the defined pension benefits, which is not presented here.

Funding Policy

The contribution requirements of Plan members and the County are determined by an independent actuary, approved by the SCERA Board of Retirement, and adopted by the Board of Supervisors. The contribution rates for the fiscal year ended June 30, 2016 were based on the Plan's valuation dated December 31, 2013. The contribution rates determined in each actuarial valuation take effect at the beginning of the fiscal year starting at least twelve months after the beginning of the valuation year, except when significant benefit or actuarial assumption changes occur. Plan A members are required to contribute 7% - 13% of their annual covered salary based upon the member's age at the date of entry into the system and Plan B members are required to contribute 7.25% for General Plan B Employees and 11.75% for Safety Plan B Employees of their annual covered salary. The County is required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. Employer and member contributions are funded and recognized through the County payroll system via employer benefit payments and employee deductions. For the fiscal year ended June 30, 2016, the SCTA contributed \$217,823 or approximately 19.80% of covered payroll.

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2016

Note K. Employees' Retirement Plan (continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2016, SCTA reported a liability of \$1,309,554 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. SCTA's proportion of the net pension liability was based on a projection of the SCTA's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At December 31, 2015, SCTA's proportion was 0.32%, which was an increase of 3.2% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, SCTA recognized pension expense of \$277,735. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2016, SCTA reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 135,963
Changes in assumptions	190,651	-
Net difference between projected and actual earnings on retirement plan investments	434,474	-
Changes in proportion and differences between SCTA contributions and proportionate share of contributions	48,935	11,716
SCTA contributions subsequent to the measurement date	112,392	-
	\$ 786,452	\$ 147,679

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

Note K. Employees' Retirement Plan (continued)

Pension Liability, Pension Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to Pension (continued)

Deferred outflows of resources related to pensions resulting from SCTA contributions subsequent to the measurement date totaling \$112,392 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (reduction of expense) as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 126,185
2018	137,788
2019	175,821
2020	86,587
	<u>\$ 526,381</u>

Actuarial Assumptions

The total pension liability was determined based on the December 31, 2015 actuarial valuation, using the following actuarial assumptions:

Valuation Date	December 31, 2015
Measurement Date	December 31, 2015
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumption:	
Inflation	3.00%
Projected Salary Increase	4.00% - 9.50%
Investment Rate of Return	7.25%

Sensitivity of SCTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The discount rate used to measure the Total Pension Liability was 7.25% as of December 31, 2015, the measurement date. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates.

Note K. Employees' Retirement Plan (continued)

Sensitivity of the SCTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (continued)

The following presents SCTA's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what SCTA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
SCTA's proportionate share of the net pension plan liability	\$ 2,291,735	\$ 1,309,554	\$ 488,751

Note L. Postemployment Benefits

Plan Description

The employees of SCTA participate in the County of Sonoma administered postemployment healthcare plan (PH Plan), a cost sharing multiple-employer defined benefit postemployment healthcare plan. On June 30, 2008, the County of Sonoma established another postemployment health benefit (OPEB) trust with the Public Agency Retirement Services (PARS) which is used to accumulate resources to fund future benefits, however it does not represent the activities of the PH Plan. In addition, the County entered into a Memorandum of Understanding (MOU) with the Retirement Association to perform retiree health benefit administrative services, although retiree healthcare eligibility is determined by the Human Resources-Risk Management Division of the County.

The County of Sonoma offers either a defined benefit or defined contribution plan. Retirees may choose one of four medical plans for either the defined benefit or defined contribution plan. Authority to establish and amend benefit provisions of the PH Plan resides with the County Board of Supervisors. For purposes of accounting and financial reporting, the PH Plan is treated as a single employer plan as the majority of the participants are employees of the County.

Note L. Postemployment Benefits (continued)

Plan Description (continued)

Participants must retire from SCTA service, be covered under a medical plan of the County at the time of retirement, and be eligible to receive a monthly pension from the Retirement Association's defined benefit pension plan at the time of retirement. Benefits are as follows:

- Employees hired prior to January 1, 1990 receive 'retiree plus family' coverage without any service requirements. Employees hired on or after January 1, 1990 but before January 1, 2009 (a) with ten years of service are eligible to receive subsidized 'retiree only' medical coverage or (b) with twenty years of service are eligible to receive subsidized 'retiree and one dependent' medical coverage, with the retiree bearing the full cost of premiums for covering additional dependents.
- Effective June 1, 2009, the SCTA began to phase in a contribution maximum toward the cost of the PH Plan over a five year period. Since the end of the phase-in period, the SCTA contributes the same dollar amount for retirees as it contributes for active unrepresented Administrative Management employees. The contribution level during the fiscal year ended June 30, 2016 was \$500 per month.

Retirees may enroll eligible dependents in SCTA's offered medical plan elected by the retiree, but the retiree is responsible for all premium costs in excess of SCTA's contribution. Effective April 1, 2007, disability retirees are subject to the same service requirements as regular retirees.

For employees hired on or after January 1, 2009, SCTA contributes to a Defined Contribution Retiree Medical Benefit Plan for each employee in the form of a deposit into a Health Reimbursement Arrangement (HRA) account. Any eligible retiree and eligible dependent(s) may enroll in a County offered medical plan, but the retiree is responsible for all costs. Upon completion of two full years of consecutive Sonoma County regular service in pay status the SCTA provides (a) an initial contribution of \$2,400 to an HRA account established in the employees name, the initial contribution of \$2,400 is based on full-time status and is prorated based on their allocated position and (b) contributes \$.58 per pay status hour, not including overtime, for each eligible employee. Once the employee has worked two full years of service and the initial contribution to their HRA account is made, there are no further service requirements and no requirement to be covered under a medical plan sponsored by the County at the time of retirement or in retirement to receive this benefit.

For employees hired before January 1, 2009, SCTA reimburses retirees for Medicare Part B premiums. The reimbursement amount has been frozen at the 2008 rate of \$96.40 per month.

Note L. Postemployment Benefits (continued)

Funding Policy

The PH Plan funding policy provides for periodic contributions by SCTA. The contribution rate is determined on an annual basis and is authorized by the County Board of Supervisors.

SCTA recognizes expenditures for the cost of retiree health care benefits on a bi-weekly basis as part of the payroll process. The expenditures recognized are based upon the contribution rate which is applied to SCTA's covered payroll. The amount of supplemental health care premiums, inclusive of both the defined benefit plan and defined contribution plan, paid for fiscal years ended June 30, 2016, 2015, and 2014 were \$102,393, \$256,637, and \$87,553, respectively.

The financial statements for the County of Sonoma contain the financial information for the postemployment benefits, which is not presented here because SCTA's share cannot be separated from the whole.

Note M. Commitments

SCTA has the following contractual commitments related to its activities as of June 30, 2016:

Activity	Outstanding Commitment Balance
Measure M	\$ 33,949,281
Transportation Fund for Clean Air (TFCA)	393,657
Transportation Improvement	118,332
Total	\$ 34,461,270

Note N. Operating Lease

SCTA is obligated under a five year lease agreement for the use of office space which expires in March 2017. Future commitments under this lease agreement are \$81,492 for the fiscal year ending June 30, 2017.

Leasing expenditures for the fiscal year ended June 30, 2016 were \$105,650. During the fiscal year ended June 30, 2016, RCPA paid \$6,000 to SCTA for the sub-leasing of office space.

Note O. Future Governmental Accounting Standards

GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans other than Pension Plans

Effective for fiscal years beginning after June 15, 2016, this Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria.

GASB Statement No. 77 – Tax Abatement Disclosures

Effective for periods beginning after December 15, 2015, this Statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans

Effective for periods beginning after December 15, 2015, this Statement amends the scope and applicability of GASB 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).

GASB Statement No. 79 – Certain External Investment Pools and Pool Participants

Effective for fiscal years beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. This Statement permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes and provides guidance that will allow many pools to continue to qualify for amortized cost accounting.

Note O. Future Governmental Accounting Standards (continued)

GASB Statement No. 80 – Blending Requirements for Certain Component Units

Effective for periods beginning after June 15, 2016, this statement clarifies the display requirements in GASB Statement No. 14 - *The Financial Reporting Entity* by requiring these component units to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government.

GASB Statement No. 82 – Pension Issues

Effective for reporting periods beginning after June 15, 2016, this statement addresses, among other things: presentation of payroll-related measures in required supplementary information; selection of assumptions and the treatment of deviations from guidance in Actuarial Standards of Practice for financial purposes; and classification of payments made by employers to satisfy plan member contribution requirements.

The impact on the basic financial statements of SCTA of these pronouncements which have not yet been adopted is unknown at this time.

Required Supplementary Information

Schedule of SCTA's Proportionate Share of the Net Pension Liability and
Schedule of SCTA's Contributions

For the Fiscal Year Ended June 30, 2016

Sonoma County Employee Retirement Association - Schedule of SCTA's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years *

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
SCTA's proportion of the net pension liability	0.32%	0.31%	0.32%
SCTA's proportionate share of the net pension liability	\$ 1,309,554	\$ 672,050	\$ 779,172
SCTA's covered employee payroll	\$ 1,099,977	\$ 1,007,787	\$ 1,030,693
SCTA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	119.05%	66.69%	75.60%
Plan fiduciary net position as a percentage of the total pension liability	84.63%	90.88%	89.76%

Sonoma County Employee Retirement Association - Schedule of SCTA's Contributions

Last 10 Fiscal Years *

	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially determined contribution	\$ 217,823	\$ 185,083
Contributions in relation to the actuarially determined	217,823	185,083
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
SCTA's covered-employee payroll	\$ 1,099,977	\$ 1,007,787
Contributions as a percentage of covered-employee payroll	19.80%	18.37%

* Amounts presented above were determined as of December 31st (the pension liability measurement date). Additional years will be presented as they become available.

Sonoma County Transportation Authority

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budgets and Actual - General Fund**

For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 1,917,488	\$ 1,998,488	\$ 1,778,814	\$ (219,674)
Investment income	1,000	1,000	1,170	170
Other	-	-	74,712	74,712
Total revenues	<u>1,918,488</u>	<u>1,999,488</u>	<u>1,854,696</u>	<u>(144,792)</u>
Expenditures				
Current				
Salaries and benefits	1,837,607	1,837,607	1,824,901	12,706
Services and supplies	669,000	669,000	406,205	262,795
Contributions to other governments	-	-	22,012	(22,012)
Cost applied	<u>(578,000)</u>	<u>(473,300)</u>	<u>(621,481)</u>	<u>148,181</u>
Total expenditures	<u>1,928,607</u>	<u>2,033,307</u>	<u>1,631,637</u>	<u>401,670</u>
Net change in fund balance	<u>(10,119)</u>	<u>(33,819)</u>	<u>223,059</u>	<u>256,878</u>
Fund Balance at June 30, 2015	<u>514,421</u>	<u>514,421</u>	<u>514,421</u>	<u>-</u>
Fund Balance at June 30, 2016	<u>\$ 504,302</u>	<u>\$ 480,602</u>	<u>\$ 737,480</u>	<u>\$ 256,878</u>

See accompanying Note to Required Supplementary Information.

Sonoma County Transportation Authority

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual - Special Revenue Fund (TFCA)**

For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Revenues	Original	Final	Amounts	
Intergovernmental revenue	\$ 594,401	\$ 594,401	\$ 614,093	\$ 19,692
Investment income	5,700	5,700	3,697	(2,003)
Total revenues	600,101	600,101	617,790	17,689
 Expenditures				
Current:				
Administration	29,578	29,463	22,895	6,568
Contributions to other governments	564,938	1,230,987	804,356	426,631
Total expenditures	594,516	1,260,450	827,251	433,199
Net change in fund balance	5,585	(660,349)	(209,461)	450,888
Fund Balance at June 30, 2015	716,453	716,453	716,453	-
Fund Balance at June 30, 2016	\$ 722,038	\$ 56,104	\$ 506,992	\$ 450,888

See accompanying Note to Required Supplementary Information.

Sonoma County Transportation Authority

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budgets and Actual - Special Revenue and Debt Service Funds (Measure M)

For the Fiscal Year Ended June 30, 2016

	Total Measure M		Actual Amounts			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Special Revenue	Debt Service	Total Measure M	
	Original	Final				
Revenues						
Sales tax revenue	\$ 21,810,972	\$ 21,518,718	\$ 13,074,606	\$ 8,991,730	\$ 22,066,336	\$ 547,618
Intergovernmental revenue	2,540,000	2,540,000	528,810	-	528,810	(2,011,190)
Investment income (loss)	118,587	206,498	294,830	(2,790)	292,040	85,542
Other	-	500	206	-	206	(294)
Total revenues	24,469,559	24,265,716	13,898,452	8,988,940	22,887,392	(1,378,324)
Expenditures						
Current:						
Services and supplies	3,068,460	3,668,460	1,548,710	-	1,548,710	2,119,750
Contributions to other governments	22,336,373	31,832,925	12,199,961	-	12,199,961	19,632,964
Advances	1,000,000	-	-	-	-	-
Debt service:						
Principal	9,940,000	6,105,000	-	6,105,000	6,105,000	-
Interest	4,673,187	3,063,078	17,510	3,039,073	3,056,583	6,495
Total expenditures	41,018,020	44,669,463	13,766,181	9,144,073	22,910,254	21,759,209
Other Financing Sources (Uses)						
Transfers in	-	21,084	-	788,670	788,670	767,586
Transfers out	-	(21,084)	(788,670)	-	(788,670)	(767,586)
Total other financing sources	-	-	(788,670)	788,670	-	-
Net change in fund balance	(16,548,461)	(20,403,747)	(656,399)	633,537	(22,862)	20,380,885
Fund Balance at June 30, 2015	51,092,491	51,092,491	42,395,806	8,696,685	51,092,491	-
Fund Balance at June 30, 2016	\$ 34,544,030	\$ 30,688,744	\$ 41,739,407	\$ 9,330,222	\$ 51,069,629	\$ 20,380,885

See accompanying Note to Required Supplementary Information.

Note A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles. SCTA budgetary information was amended during the year by the Board of Directors.

Supplementary Information

Sonoma County Transportation Authority

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Pass-through programs from:			
California Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HPLUL-6364(015)	\$ 39,993
Metropolitan Transportation Commission Highway Planning and Construction (Federal-Aid Highway Program)	20.205	Not Available	789,381
Metropolitan Transportation Commission Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Not Available	18,395
Total U.S. Department of Transportation			847,769
Total expenditures of federal awards			\$ 847,769

Sonoma County Transportation Authority

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Note A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Sonoma County Transportation Authority (SCTA) under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of SCTA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SCTA.

Note B. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recorded when incurred, regardless of the timing of the related cash flow. Such expenditures are recognized following, where applicable, either the cost principles contained in the Uniform Guidance or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note C. Indirect Cost Rate

SCTA has elected not to use the 10% de minimis cost rate as allowed under Uniform Guidance.

The following is a roster of the Sonoma County Transportation Authority Board of Directors and the Executive Director at June 30, 2016.

Board of Directors	Agency
David Rabbitt, Chair	County of Sonoma
Carol Russell, Vice Chair	City of Cloverdale
Sarah Gurney	City of Sebastopol
Mark Landman	City of Cotati
Tom Chambers	City of Healdsburg
Kathy Miller	City of Petaluma
Jake Mackenzie	City of Rohnert Park
Chris Coursey	City of Santa Rosa
Laurie Gallian	City of Sonoma
Susan Gorin	County of Sonoma
Shirlee Zane	County of Sonoma
Sam Salmon	Town of Windsor
Alternate Joe Palla	City of Cloverdale
Alternate Susan Harvey	City of Cotati
Alternate Brigette Mansell	City of Healdsburg
Alternate Chris Albertson	City of Petaluma
Alternate Gina Belforte	City of Rohnert Park
Alternate Julie Combs	City of Santa Rosa
Alternate Patrick Slayter	City of Sebastopol
Alternate Madolyn Agrimonti	City of Sonoma
Alternate Bruce Okrepkie	Town of Windsor
Executive Director	
Suzanne Smith	Executive Director



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Sonoma County Transportation Authority ("SCTA"), as of and for the year ended June 30, 2016, and the related notes to the financials statements, which collectively comprise SCTA's basic financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SCTA'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 SCTA's internal control. Accordingly, we do not express an opinion on the effectiveness of SCTA'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of SCTA'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 SCTA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards (continued)**

Independent Auditor's Report (continued)

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 SCTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCTA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pisanti & Binke LLP

Santa Rosa, California
November 18, 2016

**Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

Report on Compliance for Each Major Federal Program

We have audited the Sonoma County Transportation Authority's ("SCTA") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SCTA's major federal programs for the year ended June 30, 2016. SCTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, SCTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance (continued)**

Independent Auditor's Report (continued)

Report on Internal Control Over Compliance

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

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

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

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

Pisante & Brink LLP

Santa Rosa, California
November 18, 2016

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

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

Identification of major programs:

Federal CFDA Number	Federal Program Name
---------------------------	----------------------

20.205	Highway Planning and Construction (Federal-Aid Highway Program)
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Dollar threshold used to distinguish between type A and type B program: \$750,000

Auditee qualified as low-risk auditee? Yes

II. Financial Statement Findings

No matters are reportable

III. Federal Award Findings and Questioned Costs

No matters are reportable

No matters were reported in the prior year.



Sonoma County Regional Climate Protection Authority

**Basic Financial Statements,
Required Supplementary Information
and Other Supplementary Information**

For the Fiscal Year Ended June 30, 2016

**Sonoma County Regional Climate Protection Authority
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Independent Auditor's Report

Board of Directors
Sonoma County Regional
Climate Protection Authority
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Sonoma County Regional Climate Protection Authority ("RCPA"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise RCPA's basic financial statements as listed in the foregoing 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 responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 entity'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 entity'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of RCPA as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (continued)

Other Matters

Required Supplementary Information

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

Other Information

The Roster of Board Members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of RCPA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and 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 the internal control over financial reporting or on compliance. Those reports are integral parts of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Pisenti & Burk ^{LLP}

Santa Rosa, California
November 18, 2016

Management's Discussion and Analysis

The management of the RCPA offers the readers of RCPA's basic financial statements this narrative overview and analysis of the financial activities of RCPA for the fiscal year ended June 30, 2016.

Financial highlights

- The assets of RCPA exceeded its liabilities at June 30, 2016 by \$255,209.
- RCPA's restricted net position at June 30, 2016 totaled \$255,209.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to RCPA's basic financial statements. RCPA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The *government-wide financial statements*, as listed in the table of contents, provide a broad overview of RCPA's activities as a whole, and are comprised of the *statement of net position* and the *statement of activities*.

The *statement of net position* provides information about the financial position of RCPA as a whole on the full accrual basis, similar to that used in the private sector.

The *statement of activities* provides information about RCPA's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues and expenses of each of RCPA's programs. The statement explains the change in net position for the year.

Fund financial statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. RCPA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. RCPA's only fund is a governmental fund.

Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Fund financial statements (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. RCPA's ending net position is equal to its ending fund balance because it has no non-current assets or liabilities at year end.

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements.

Government-wide financial analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. In the case of RCPA, assets exceeded liabilities by \$255,209 at June 30, 2016.

Condensed Statement of Net Position

June 30,	2015	2016
Assets		
Current assets	\$ 328,316	\$ 374,820
Liabilities		
Current liabilities	136,780	119,611
Net position - restricted	\$ 191,536	\$ 255,209

Governmental activities

Governmental activities for RCPA resulted in an increase in net position balance of \$63,673 at June 30, 2016. Key elements of these activities during the fiscal year ended June 30, 2016 are identified on the following page.

Governmental funds

The focus of RCPA's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing RCPA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of RCPA's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, RCPA's governmental fund reported an ending fund balance of \$255,209.

General fund budgetary highlights

Adjustments from the original approved budget resulted in a net increase to intergovernmental and grant revenue of \$58,100. Associated adjustments to appropriated expenditures resulted in a net increase of \$152,000.

Condensed Statement of Changes in Net Position

Year Ended June 30,	2015	2016
Revenues:		
Program revenues - Climate protection program	\$ 701,045	\$ 939,186
General revenues	1,416	1,579
Total revenues	702,461	940,765
Expenses:		
Climate protection program	653,872	877,092
Total expenses	653,872	877,092
Increase in net position	48,589	63,673
Net position, beginning of year	142,947	191,536
Net position, end of year	\$ 191,536	\$ 255,209

Fluctuations in revenues and expenses are generally correlated due to a significant portion of RCPA's program costs being reimbursable. Variations between the fiscal years ended June 30, 2015 and June 30, 2016 are due primarily to changes in program activity.

Economic Factors and Next Year's Budget

RCPA activities are primarily funded from state and federal programs, which can be impacted by changes to state and federal budgets. In 2015-16 RCPA activities were primarily funded by three state programs: the Sustainable Communities Grant and Incentives Program administered by the Strategic Growth Council, the Climate Ready Grant program administered by the State Coastal Conservancy, and the Bay Area Regional Energy Network (BayREN) overseen by the California Public Utilities Commission (CPUC). Activities funded by the California Strategic Growth Council related to the Climate Action 2020 project were completed during the fiscal year ending June 30, 2016. A second grant effort, also funded by the Strategic Growth Council, to develop the Shift Sonoma County Plan began in 2015 and will continue through the calendar year 2017. The Climate Ready North Bay Project began in July of 2014 and was completed in early 2016. The Bay Area Regional Energy Network is providing ratepayer funding overseen by the California Public Utilities Commission to the RCPA for calendar years 2015 and 2016. RCPA is exploring additional grant opportunities for future years' budgets

Request for Information

This financial report is designed to provide a general overview of RCPA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Sonoma County Regional Climate Protection Authority, 490 Mendocino Avenue, Suite 206, Santa Rosa, CA 95401.

Financial Statements

Sonoma County Regional Climate Protection Authority

Governmental Fund Balance Sheet / Statement of Net Position

June 30, 2016

	General Fund		Governmental Activities
	Governmental Fund Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 199,013	\$ -	\$ 199,013
Due from other governments	175,807	-	175,807
Total assets	374,820	-	374,820
Liabilities			
Accounts payable	119,611	-	119,611
Total liabilities	119,611	-	119,611
Fund balance/net position			
Fund balance			
Restricted	255,209	(255,209)	-
Total fund balance	255,209	(255,209)	-
Total liabilities and fund balance	\$ 374,820		
Net position			
Restricted		255,209	255,209
Total net position		\$ 255,209	\$ 255,209

See accompanying Notes to the Basic Financial Statements

Sonoma County Regional Climate Protection Authority

Statement of Revenues, Expenditures and
Changes in Fund Balances / Statement of Activities

For the Year Ended June 30, 2016

	General Fund	Adjustments	Statement of Activities Governmental Activities
Expenditures/expenses			
Current:			
Services and supplies	\$ 877,092	\$ -	\$ 877,092
Total expenditures/expenses	877,092	-	877,092
Program revenues			
Intergovernmental revenue	650,940	-	650,940
Intergovernmental grants	288,246	-	288,246
Total program revenues	939,186	-	939,186
Excess of program revenues over expenditures/expenses	62,094	-	62,094
General revenues			
Investment income	1,548	-	1,548
Miscellaneous revenue	31	-	31
Total general revenues	1,579	-	1,579
Net change in fund balance/net position	63,673	-	63,673
Fund balance/net position:			
June 30, 2015	191,536	-	191,536
June 30, 2016	\$ 255,209	\$ -	\$ 255,209

See accompanying Notes to the Basic Financial Statements

Note A. Reporting Entity

The Sonoma County Regional Climate Protection Authority (RCPA) was created by the passage of Assembly Bill 881, on October 11, 2009. Pursuant to AB 881, until December 1, 2015, RCPA is governed by the same Board of Directors that governs the Sonoma County Transportation Authority (SCTA). RCPA is a separate legal entity from SCTA. RCPA, in cooperation with local agencies, performs coordination and implementation activities, within the boundaries of Sonoma County, to assist those agencies in meeting their greenhouse gas emission reduction goals. RCPA assists local agencies develop, coordinate, and implement programs and policies to comply with the California Global Warming Solutions Act and other federal or state mandates and programs designed to respond to greenhouse gas emissions and climate change.

The RCPA Board of Directors is governed by a twelve member board. Nine of these members are chosen from the councils of the nine incorporated cities or towns of Sonoma County and three are chosen from the Sonoma County Board of Supervisors.

Note B. Summary of Significant Accounting Policies

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of RCPA.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include grants and contributions that are restricted to meeting operational or capital requirements of a particular function or program, as well as restricted investment income. Other revenues not properly included among program revenues are reported instead as general revenues.

RCPA is engaged in a single program and has chosen to present combined government-wide and fund financial statements with a reconciliation of the individual line items in a separate column on each statement.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note B. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered available when they are collectible within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, RCPA considers revenues available if they are collected within 365 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

RCPA has no non-current assets or liabilities. Accordingly, net position and fund balance are equal at year end. Additionally, the change in net position on the statement of activities is equal to the change in fund balance.

Intergovernmental Revenue and Due From Other Governments

Intergovernmental revenue represents grant funds from the California Strategic Growth Council (SGC) to implement Climate Action 2020 (formerly the Greenhouse Gas Reduction Implementation Program), funds from the State Coastal Conservancy to implement the Climate Ready North Bay Project, California Public Utility Commission (CPUC) funding passed through the Association of Bay Area Governments (ABAG) for the implementation of Bay Area Regional Energy Network (BayREN) programs, and contributions from RCPA member governments.

Due from other governments represents amounts earned but not yet received from these funding sources.

Net Position

Net position is classified into three components: 1) invested in capital assets, 2) restricted, and 3) unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net position consists of capital assets, net of accumulated depreciation. RCPA has no capital assets and therefore this amount was zero at year end.
- Restricted net position – This component of net position consists of net position with limits on its use that are imposed by outside parties or enabling legislation.
- Unrestricted net position – This component of net position consists of net position that does not meet the definitions of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available, unrestricted resources are used only after restricted resources are depleted.

Note B. Summary of Significant Accounting Policies (continued)

Fund Balance

Governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which RCPA is bound to honor constraints on how specific amounts can be spent. The fund balance classifications are defined below.

- Non-spendable – Amounts that are not in a spendable form or are to be maintained intact.
- Restricted – Amounts that can be spent only for the specific purpose stipulated by external resource providers or through enabling legislation.
- Committed – Amounts that can be used only for the specific purpose determined by a formal action of the entity's highest level of decision making authority.
- Assigned – Amounts intended to be used by the government for specific purpose determined either by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – The residual classification is used for the general fund and includes all amounts not contained in the other classifications. This amount is technically available for any purpose.

In general, when both restricted and unrestricted resources are available, restricted resources are used first. When expenditures are made of unrestricted resources, RCPA first applies committed, then assigned, and then unassigned resources.

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note C. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

Cash and investments are generally comprised of cash pooled with the Sonoma County Treasury Pool (the Treasury Pool), an external investment pool, and are carried at fair value. The Sonoma County Treasurer's office also acts as a disbursing agent for RCPA. The fair value of RCPA's investment in this pool is based upon RCPA's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the Treasury Pool is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter.

The Treasury Oversight Committee of the Treasury Pool has oversight for all monies deposited into the Treasury Pool.

Treasury Pool Investment Guidelines

RCPA's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Sonoma County investment policy is available upon request from the Sonoma County Auditor-Controller-Treasurer-Tax Collector at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Due to the highly liquid nature of RCPA's investment with the Treasury Pool, RCPA's exposure to interest rate risk is deemed by management to be insignificant.

The weighted average maturity of Treasury Pool investments at June 30, 2016 was 828 days.

Note C. Cash and Investments (continued)

Credit Risk

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

Custodial Credit Risk

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of RCPA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no non-pooled investments held by RCPA at June 30, 2016.

Fair Value Measurements

RCPA 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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. RCPA has a recurring fair value measurement for its investment in the Sonoma County Treasury Pool which is valued using significant other observable inputs (Level 2).

Note D. Risk Management

RCPA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. RCPA is covered for general, automobile, crime and errors and omissions liability through Alliant Insurance Services. Limits of this coverage are \$1,000,000 per occurrence.

Sonoma County Regional Climate Protection Authority

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund**

For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 656,965	\$ 690,965	\$ 650,940	\$ (40,025)
Intergovernmental grants	55,000	79,000	288,246	209,246
Investment income	900	1,000	1,548	548
Miscellaneous	-	-	31	31
Total revenues	712,865	770,965	940,765	169,800
Expenditures				
Current:				
Services and supplies	763,000	915,000	877,092	37,908
Total expenditures	763,000	915,000	877,092	37,908
Excess (deficiency) of revenues over (under) expenditures	(50,135)	(144,035)	63,673	207,708
Net position, June 30, 2015	191,536	191,536	191,536	-
Net position, June 30, 2016	\$ 141,401	\$ 47,501	\$ 255,209	\$ 207,708

See accompanying Note to Budget and Actual Schedule

Note A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. RCPA's budgetary information was amended during the fiscal year.

Sonoma County Regional Climate Protection Authority

Roster of Board Members

For the Fiscal Year Ended June 30, 2016

The following is a roster of the Sonoma County Regional Climate Protection Authority Board of Directors and the Executive Director at June 30, 2016.

Board of Directors	Agency
David Rabbitt, Chair	County of Sonoma
Carol Russell, Vice Chair	City of Cloverdale
Sarah Gurney	City of Sebastopol
Mark Landman	City of Cotati
Tom Chambers	City of Healdsburg
Kathy Miller	City of Petaluma
Jake Mackenzie	City of Rohnert Park
Chris Coursey	City of Santa Rosa
Laurie Gallian	City of Sonoma
Susan Gorin	County of Sonoma
Shirlee Zane	County of Sonoma
Sam Salmon	Town of Windsor
Alternate Joe Palla	City of Cloverdale
Alternate Susan Harvey	City of Cotati
Alternate Brigette Mansell	City of Healdsburg
Alternate Chris Albertson	City of Petaluma
Alternate Gina Belforte	City of Rohnert Park
Alternate Julie Combs	City of Santa Rosa
Alternate Patrick Slayter	City of Sebastopol
Alternate Madolyn Agrimonti	City of Sonoma
Alternate Bruce Okrepkie	Town of Windsor
 Executive Director	
Suzanne Smith	Executive Director

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Directors
Sonoma County Regional
Climate Protection Authority
Santa Rosa, California

We have audited, 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, the financial statements of the governmental activities and the major fund of the Sonoma County Regional Climate Protection Authority ("RCPA"), as of and for the year ended June 30, 2016, and the related notes to the financials statements, which collectively comprise RCPA's basic financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RCPA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RCPA's internal control. Accordingly, we do not express an opinion on the effectiveness of RCPA'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of RCPA'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 RCPA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
*Government Auditing Standards*** (continued)

Independent Auditor's Report (continued)

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 RCPA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RCPA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pisante & Banker LLP

Santa Rosa, California
November 18, 2016



**Measure M Special Revenue and
Debt Service Funds
Financial Statements
and Required Supplementary
Information**

For the Fiscal Year Ended June 30, 2016

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds
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Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the activities of the Measure M Special Revenue and Debt Service Funds (the "Measure M Funds") of the Sonoma County Transportation Authority ("SCTA"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Measure M Funds' 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 responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 audit 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 entity'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 entity'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the activities of the Measure M Funds as of June 30, 2016, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (continued)

Other Matters

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

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

As discussed in Note A, the financial statements presented depict only the activities of the Measure M Special Revenue and Debt Service Funds of SCTA, and do not purport to, and do not present fairly the financial information for SCTA as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of the Measure M Funds' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and 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 the internal control over financial reporting or on compliance. Those reports are integral parts of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Pisanti & Burke LLP

Santa Rosa, California
November 18, 2016

Sonoma County Transportation Authority - Measure M Special Revenue and Debt Service Funds

Balance Sheets - by Activity

June 30, 2016

	Measure M Special Revenue Activities							Special Revenue Sub-Total	Measure M Debt Service		Debt Service Sub-Total	Total
	Local Street - Rehabilitation	Local Street - Projects	Highway 101	Transit	Passenger Rail	Bike/ Pedestrian	Administration		Passenger Rail	Highway 101		
Assets												
Cash and investments	\$ 575,378	\$ 16,454,512	\$ 22,859,299	\$ 241,036	\$ 59,990	\$ 512,626	\$ 356,925	\$ 41,059,766	\$ -	\$ -	\$ -	\$ 41,059,766
Sales tax receivable	707,420	707,420	108,244	353,710	52,362	141,484	35,371	2,106,011	124,493	1,306,597	1,431,090	3,537,101
Prepaid expenses	-	-	-	-	-	-	11,855	11,855	-	-	-	11,855
Due from other governments	-	-	277,690	-	-	-	-	277,690	-	-	-	277,690
Interfund receivable	-	1,850,000	-	-	-	-	-	1,850,000	-	-	-	1,850,000
Restricted cash - revenue bond reserves	-	-	-	-	-	-	-	-	630,873	1,892,619	2,523,492	2,523,492
Restricted cash - debt service	-	-	-	-	-	-	-	-	314,122	5,061,518	5,375,640	5,375,640
Total assets	\$ 1,282,798	\$ 19,011,932	\$ 23,245,233	\$ 594,746	\$ 112,352	\$ 654,110	\$ 404,151	\$ 45,305,322	\$ 1,069,488	\$ 8,260,734	\$ 9,330,222	\$ 54,635,544
Liabilities and fund balance												
Liabilities												
Accounts payable	\$ 572,469	\$ 28,864	\$ 62,353	\$ 239,590	\$ -	\$ 16,130	\$ 9,126	\$ 928,532	\$ -	\$ -	\$ -	\$ 928,532
Retention payable	-	59,926	-	-	-	-	-	59,926	-	-	-	59,926
Interfund payable	-	-	-	-	1,850,000	-	-	1,850,000	-	-	-	1,850,000
Due to other governments	-	347,195	313,230	-	-	67,032	-	727,457	-	-	-	727,457
Total liabilities	572,469	435,985	375,583	239,590	1,850,000	83,162	9,126	3,565,915	-	-	-	3,565,915
Fund Balance												
Nonspendable	-	1,850,000	-	-	-	-	11,855	1,861,855	-	-	-	1,861,855
Restricted - Measure M Debt Service	-	-	-	-	-	-	-	-	1,069,488	8,260,734	9,330,222	9,330,222
Restricted - Measure M Programs	710,329	16,725,947	22,869,650	355,156	(1,737,648)	570,948	383,170	39,877,552	-	-	-	39,877,552
Total fund balance	710,329	18,575,947	22,869,650	355,156	(1,737,648)	570,948	395,025	41,739,407	1,069,488	8,260,734	9,330,222	51,069,629
Total liabilities and fund balance	\$ 1,282,798	\$ 19,011,932	\$ 23,245,233	\$ 594,746	\$ 112,352	\$ 654,110	\$ 404,151	\$ 45,305,322	\$ 1,069,488	\$ 8,260,734	\$ 9,330,222	\$ 54,635,544

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Transportation Authority - Measure M Special Revenue and Debt Service Funds

Statements of Revenues, Expenditures and Changes in Fund Balance - by Activity

For Fiscal Year Ended June 30, 2016

	Measure M Special Revenue Activities							Special Revenue Sub-Total	Measure M Debt Service		Debt Service Sub-Total	Total
	Local Street - Rehabilitation	Local Street - Projects	Highway 101	Transit	Passenger Rail	Bike/ Pedestrian	Administration		Passenger Rail	Highway 101		
Revenues												
Measure M sales tax	\$ 4,413,267	\$ 4,413,267	\$ 575,335	\$ 2,206,634	\$ 362,787	\$ 882,653	\$ 220,663	\$ 13,074,606	\$ 738,827	\$ 8,252,903	\$ 8,991,730	\$ 22,066,336
Intergovernmental revenue	-	-	528,810	-	-	-	-	528,810	-	-	-	528,810
Investment income (loss)	4,484	117,232	161,007	2,227	6,437	1,315	2,128	294,830	(745)	(2,045)	(2,790)	292,040
Miscellaneous revenue	-	-	-	-	-	-	206	206	-	-	-	206
Total revenue	4,417,751	4,530,499	1,265,152	2,208,861	369,224	883,968	222,997	13,898,452	738,082	8,250,858	8,988,940	22,887,392
Expenditures												
Current:												
Services and supplies	449	487,556	913,784	225	1,794	91	144,811	1,548,710	-	-	-	1,548,710
Contributions to other governments	4,404,621	2,476,915	2,775,050	2,202,292	-	341,083	-	12,199,961	-	-	-	12,199,961
Debt Service:												
Interest	-	-	-	-	17,510	-	-	17,510	255,178	2,783,895	3,039,073	3,056,583
Principal	-	-	-	-	-	-	-	-	478,750	5,626,250	6,105,000	6,105,000
Total expenditures	4,405,070	2,964,471	3,688,834	2,202,517	19,304	341,174	144,811	13,766,181	733,928	8,410,145	9,144,073	22,910,254
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	788,670	788,670	788,670
Transfers out	-	-	(788,670)	-	-	-	-	(788,670)	-	-	-	(788,670)
Total other financing sources (uses)	-	-	(788,670)	-	-	-	-	(788,670)	-	788,670	788,670	-
Net change in fund balance	12,681	1,566,028	(3,212,352)	6,344	349,920	542,794	78,186	(656,399)	4,154	629,383	633,537	(22,862)
Fund balance at June 30, 2015	697,648	17,009,919	26,082,002	348,812	(2,087,568)	28,154	316,839	42,395,806	1,065,334	7,631,351	8,696,685	51,092,491
Fund balance at June 30, 2016	\$ 710,329	\$ 18,575,947	\$ 22,869,650	\$ 355,156	\$ (1,737,648)	\$ 570,948	\$ 395,025	\$ 41,739,407	\$ 1,069,488	\$ 8,260,734	\$ 9,330,222	\$ 51,069,629

The notes to the basic financial statements are an integral part of this statement.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016

Note A. Reporting Entity

The Sonoma County Transportation Authority (SCTA) was created by the Sonoma County Board of Supervisors, under Resolution No. 90-1522 on August 7, 1990 in accordance with California Public Utilities Code Section 180000 et seq. SCTA's Board of Directors consists of one council member from each of the County's nine cities and three members of the Sonoma County Board of Supervisors.

SCTA was established to accomplish the stated purpose and goals of the Public Utilities Code Section 180000 et seq, also known as the "Local Transportation Authority and Improvement Act" (the Act).

The financial statements of SCTA's Measure M Special Revenue and Debt Service Funds (the Measure M Funds) present only the financial activities of the Measure M Funds and are not intended to fairly present the financial position and changes in financial position of SCTA in conformity with accounting principles generally accepted in the United States of America.

The Measure M Fund was created in November 2004 with the passage of the Traffic Relief Act for Sonoma County. Measure M is funded by a one quarter percent sales tax and its activities are accounted for in a special revenue and debt service fund of SCTA. Measure M creates a stable funding source for local transportation projects intended to make significant progress in widening Highway 101, maintaining local roads, improving local transit services, developing passenger rail service, providing safe bike and pedestrian routes, and making key local street improvements.

The Measure M 2014 Strategic Plan serves as the guiding policy and programming document for the implementation of Measure M projects. It covers a five year period and will be updated periodically in order to reflect the actual revenues received.

The Measure M 2014 Strategic Plan allocates Measure M Sales tax revenues as follows:

- Local Streets Rehabilitation – 20% to fix pot holes and maintain local streets.
- Local Streets Projects – 20% for key local road projects throughout Sonoma County (the County).
- Highway 101 – 40% to help fund Highway 101 widening throughout the County.
- Transit – 10% to improve local bus transit service.
- Passenger Rail – 5% will go to Sonoma-Marin Area Rail Transit (SMART) for the development of passenger rail service.
- Bike / Pedestrian – 4% will be used for bicycle and pedestrian routes.

There is an overall limitation of one percent on the administrative expenses of Measure M operations.

Note B. Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Sales tax revenue is recognized in the period that the exchange transaction occurs on which the tax is imposed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Fund Balance

Governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which SCTA is bound to honor constraints on how specific amounts can be spent. The fund balance classifications are defined below.

- Non-spendable – amounts that are not in a spendable form or are to be maintained intact.
- Restricted – amounts that can be spent only for the specific purpose stipulated by external resource providers or through enabling legislation.
- Committed – amounts that can be used only for the specific purpose determined by a formal action of the entity's highest level of decision making authority.
- Assigned – amounts intended to be used by the government for specific purposes determined either by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – the residual classification for the general fund and includes all amounts not contained in the other classifications. This amount is technically available for any purpose.

In general, when both restricted and unrestricted resources are available, restricted resources are used first. When expenditures are made of unrestricted resources, SCTA first applies committed, then assigned, and then unassigned resources.

Cash and Investments

The Measure M Funds report cash and investments in the balance sheet by activity at fair value per GASB 31.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016

Note B. Summary of Significant Accounting Policies (continued)

Restricted cash is held by a third party trustee and is restricted for debt service payments and Measure M expenditures pursuant to various bond covenants. Included in these amounts are proceeds from Sales Tax Revenue Bonds, Series 2011 and 2015, to be used for Measure M activities and bond reserve requirements for the Series 2011 and 2015 bonds, and sales tax revenues collected by the trustee for making the annual interest payments on the bonds.

Sales Tax Revenue and Receivable

Sales tax receivable represents sales tax amounts allocated to SCTA through Measure M, but uncollected at year end. Due to the nature of the sales tax receivable, management does not consider any portion uncollectible.

Sales tax revenues are presented net of administrative assessments by the State Board of Equalization in the amount of \$523,620 for the year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported balances. Accordingly, actual results could differ from those estimates.

Note C. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

Cash and investments are comprised of cash pooled with the Sonoma County Treasury Pool (the Treasury Pool), an external investment pool. The Sonoma County Treasurer's office also acts as a disbursing agent for the Measure M Funds. The fair value of the Measure M Funds' investment in this pool is based upon the Measure M Funds' pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the Treasury Pool is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee of the Treasury Pool has oversight for all monies deposited into the Treasury Pool.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016

Note C. Cash and Investments (continued)

Treasury Pool Investment Guidelines

The Measure M Funds' pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Auditor-Controller-Treasurer-Tax Collector at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Due to the highly liquid nature of the Measure M Funds' investment with the Treasury Pool, the Measure M Funds' exposure to interest rate risk is deemed by management to be insignificant.

The weighted average maturity of Treasury Pool investments at June 30, 2016 was 828 days.

Credit Risk

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

Custodial Credit Risk

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of SCTA, which is responsible for the investment decisions of the Measure M Funds, contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no non-pooled investments in any one issuer that represent 5% or more of total Measure M Funds' investments.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016

Note C. Cash and Investments (continued)

Fair Value Measurements

Measure M 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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the fair value measurements (presented on the following page) as of June 30, 2016:

- Investment in Money Market Mutual Funds which are valued using quoted prices in active markets (Level 1).
- Investment in the Sonoma County Treasury Pool which is valued using significant other observable inputs (Level 2).

Note D. Measure M Sales Tax Revenue Bonds

The Authority has issued bonds in 2008, 2011 and 2015 for the purpose of financing certain transportation projects included in the Measure M Expenditure Plan.

SCTA issued \$25,200,000 in Sales Tax Revenue Bonds, Series 2011, (Limited Tax Bonds) (2011 Bonds) on January 26, 2011, with a maturity date of December 1, 2024. The 2011 Bonds were issued at a premium of \$1,863,706 and bond issuance costs totaled \$416,692. The 2011 Bonds carry interest rates ranging from 2% to 5%.

The 2011 Bonds began to mature in December 2011, and all 2011 Bonds will mature by December 2024. Bonds maturing subsequent to December 2020 are subject to redemption at the option of SCTA at any time on or after December 1, 2020 at a price equal to 100% of the principal amount outstanding and any accrued interest thereon.

On June 23, 2015 SCTA refunded the outstanding 2008 Bonds and issued \$49,265,000 in Sales Tax Revenue Bonds, Series 2015 (Limited Tax Bonds). The 2015 Bonds were issued at a premium of \$7,225,509 and bond issuance costs totaled \$347,463. The 2015 Bonds carry interest rates ranging from 1% to 5%.

The 2011 and 2015 Bonds are limited obligations of SCTA secured solely by a pledge of \$92,910,907 from Measure M sales tax revenues. Pledged sales tax revenues represent 22% of estimated total revenues from the Measure M sales tax.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016

Note D. Measure M Sales Tax Revenue Bonds (continued)

Debt service payments made from the Measure M Fund were \$9,144,073 for the fiscal year ended June 30, 2016, representing 41% of the \$22,066,336 in Measure M sales tax revenue recognized during the same period. The debt service payments consisted of \$6,105,000 of principal payments on the 2011 and 2015 Bonds, and interest payments totaling \$3,039,073 for both the 2011 and 2015 Bonds.

The annual debt service requirements to maturity for the 2011 Bonds are as follows as of June 30, 2016:

Fiscal Year Ending June 30:	Principal	Interest	Total
2017	\$ 2,015,000	\$ 922,463	\$ 2,937,463
2018	2,110,000	829,887	2,939,887
2019	2,190,000	743,887	2,933,887
2020	2,290,000	642,837	2,932,837
2021	2,410,000	525,338	2,935,338
2022-2025	10,815,000	925,907	11,740,907
Total requirements	\$ 21,830,000	\$ 4,590,319	\$ 26,420,319

The annual debt service requirements to maturity for the 2015 Bonds are as follows as of June 30, 2016:

Fiscal Year Ending June 30:	Principal	Interest	Total
2017	\$ 4,120,000	\$ 2,088,950	\$ 6,208,950
2018	4,265,000	1,941,125	6,206,125
2019	4,495,000	1,722,125	6,217,125
2020	4,725,000	1,491,625	6,216,625
2021	4,955,000	1,249,625	6,204,625
2022-2025	22,515,000	2,321,875	24,836,875
Total requirements	\$ 45,075,000	\$ 10,815,325	\$ 55,890,325

Debt service payments for the 2011 and 2015 Bonds are made from the Measure M Debt Service fund.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016

Note E. Risk Management

SCTA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As funds of SCTA, the Measure M Funds are covered for general, automobile, crime and errors and omissions liability through Alliant Insurance Services. The limits of coverage are \$1,000,000 per occurrence. SCTA participates in the County of Sonoma self-insurance program providing \$300,000 per occurrence for workers' compensation claims and has excess reinsurance with the California State Association of Counties up to statutory limits.

Note F. Interfund Balance

Measure M entered into a cooperative funding agreement in order to provide an inter-program loan from the Local Street Projects fund to the Passenger Rail fund. The purpose of the interfund loan was to provide reimbursement for the Sonoma-Marín Area Rail Transit project in advance of receipt of the sales tax revenue allocation for rail as allowed by the Strategic Plan.

Interfund Balance:

Receivable Fund	Payable Fund	Amount
Local Streets - Projects	Passenger Rail	\$ 1,850,000

Note G. Commitments

The Measure M Special Revenue Fund has the following outstanding commitments related to its programs as of June 30, 2016:

Project	Outstanding Commitment Balance
Highway 101	\$ 7,854,553
Local Streets - Projects	23,290,385
Bicycle and Pedestrian	2,360,499
Passenger Rail	443,844
Total	\$ 33,949,281

Required Supplementary Information

Sonoma County Transportation Authority - Measure M Special Revenue and Debt Service Funds

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual - Special Revenue & Debt Service Funds (Measure M)**

For the Fiscal Year Ended June 30, 2016

	Total Measure M		Actual Amounts			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Special Revenue	Debt Service	Total Measure M	
	Original	Final				
Revenues						
Sales tax revenue	\$ 21,810,972	\$ 21,518,718	\$ 13,074,606	\$ 8,991,730	\$ 22,066,336	\$ 547,618
Intergovernmental revenue	2,540,000	2,540,000	528,810	-	528,810	(2,011,190)
Investment income (loss)	118,587	206,498	294,830	(2,790)	292,040	85,542
Other	-	500	206	-	206	(294)
Total revenues	<u>24,469,559</u>	<u>24,265,716</u>	<u>13,898,452</u>	<u>8,988,940</u>	<u>22,887,392</u>	<u>(1,378,324)</u>
Expenditures						
Current:						
Services and supplies	3,068,460	3,668,460	1,548,710	-	1,548,710	(2,119,750)
Contributions to other governments	22,336,373	31,832,925	12,199,961	-	12,199,961	(19,632,964)
Advances	1,000,000	-	-	-	-	-
Debt service:						
Principal	9,940,000	6,105,000	-	6,105,000	6,105,000	-
Interest	4,673,187	3,063,078	17,510	3,039,073	3,056,583	(6,495)
Total expenditures	<u>41,018,020</u>	<u>44,669,463</u>	<u>13,766,181</u>	<u>9,144,073</u>	<u>22,910,254</u>	<u>(21,759,209)</u>
Other Financing Sources (Uses)						
Transfers in	-	21,084	-	788,670	788,670	767,586
Transfers out	-	(21,084)	(788,670)	-	(788,670)	(767,586)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(788,670)</u>	<u>788,670</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(16,548,461)</u>	<u>(20,403,747)</u>	<u>(656,399)</u>	<u>633,537</u>	<u>(22,862)</u>	<u>20,380,885</u>
Fund Balance at June 30, 2015	<u>51,092,491</u>	<u>51,092,491</u>	<u>42,395,806</u>	<u>8,696,685</u>	<u>51,092,491</u>	<u>-</u>
Fund Balance at June 30, 2016	<u>\$ 34,544,030</u>	<u>\$ 30,688,744</u>	<u>\$ 41,739,407</u>	<u>\$ 9,330,222</u>	<u>\$ 51,069,629</u>	<u>\$ 20,380,885</u>

The note to budgetary comparison information is an intergral part of this statement.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Note to Budgetary Comparison Information

For the Fiscal Year Ended June 30, 2016

Note A. Stewardship, Compliance and Accountability

Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles. The Measure M Special Revenue and Debt Service Funds' budgetary information was amended during the year.

Compliance



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

We have audited, 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, the financial statements of the activities of the Measure M Special Revenue and Debt Service Funds (the "Measure M Funds") of the Sonoma County Transportation Authority ("SCTA") which comprise the balance sheets – by activity as of June 30, 2016, the related statements of revenues, expenditures and changes in fund balance – by activity for the year then ended, and the notes to the financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Measure M Funds' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure M Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure M Funds' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Measure M Funds' 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 Measure M Funds' 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*.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards (continued)**

Independent Auditor's Report (continued)

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 Measure M Funds' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure M Funds' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pisante & Burke ^{LLP}

Santa Rosa, California
November 18, 2016

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY
TRANSPORTATION AUTHORITY AND REGIONAL CLIMATE PROTECTION
AUTHORITY, COUNTY OF SONOMA, STATE OF CALIFORNIA, EXPRESSING
APPRECIATION FOR THE SERVICE OF TOM CHAMBERS AS A DIRECTOR FROM
2010 THROUGH 2016**

WHEREAS, Tom Chambers has honorably served as Healdsburg’s representative to both the Sonoma County Transportation Authority and the Regional Climate Protection Authority; and

WHEREAS, Tom Chambers has been a leader on climate action planning, Measure M implementation and local road funding; and

WHEREAS, Tom Chambers served with integrity, graciousness, tact, and inclusiveness; and

WHEREAS, during his tenure on the SCTA/RCPA, Tom Chambers helped secure funds for major rehabilitation work on Highway 101 in the Healdsburg area; ensured Healdsburg was well positioned in climate action planning; has supported efforts that have advanced energy efficiency and electric vehicle use throughout the county; and steadfastly supported countywide projects and Measure M.

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Transportation Authority and Regional Climate Protection Authority do hereby express appreciation for the years of service given by Tom Chambers as its Director representing Healdsburg.

THE FOREGOING RESOLUTION was adopted by acclamation of the Sonoma County Transportation Authority and Regional Climate Protection Authority this twelfth day of January, two thousand and fifteen.

TOM CHAMBERS
SUSAN GORIN
JAKE MACKENZIE
CAROL RUSSELL

CHRIS COURSEY
SARAH GURNEY
KATHY MILLER
SAM SALMON

LAURIE GALLIAN
MARK LANDMAN
DAVID RABBIT
SHIRLEE ZANE

WHEREUPON the Chair declared the above and foregoing resolution duly adopted, and

SO ORDERED

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY
TRANSPORTATION AUTHORITY AND REGIONAL CLIMATE PROTECTION
AUTHORITY, COUNTY OF SONOMA, STATE OF CALIFORNIA, EXPRESSING
APPRECIATION FOR THE SERVICE OF LAURIE GALLIAN AS A DIRECTOR FROM
2009 THROUGH 2016**

WHEREAS, Laurie Gallian has honorably served as Sonoma’s representative to both the Sonoma County Transportation Authority and the Regional Climate Protection Authority; and

WHEREAS, Laurie Gallian has been a leader on climate change planning, in advocating for local funds and on administrative operations of the SCTA/RCPA; and

WHEREAS, Laurie Gallian served with thoughtfulness, caring, dedication and good cheer; and

WHEREAS, during her tenure on the SCTA/RCPA, Laurie Gallian served on the Executive Committee and helped guide policy and administrative decisions;

WHEREAS, during her tenure on the SCTA/RCPA Laurie Gallian ensured Sonoma Valley was engaged in matters related to energy efficiency, electric vehicles and climate adaptation planning; supported funding for local transportation projects; and advanced transportation and climate action planning throughout the county.

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Transportation Authority and Regional Climate Protection Authority do hereby express appreciation for the years of service given by Laurie Gallian as its Director representing Sonoma.

THE FOREGOING RESOLUTION was adopted by acclamation of the Sonoma County Transportation Authority and Regional Climate Protection Authority this twelfth day of December, two thousand and sixteen.

TOM CHAMBERS
SUSAN GORIN
JAKE MACKENZIE
CAROL RUSSELL

CHRIS COURSEY
SARAH GURNEY
KATHY MILLER
SAM SALMON

LAURIE GALLIAN
MARK LANDMAN
DAVID RABBITT
SHIRLEE ZANE

WHEREUPON the Chair declared the above and foregoing resolution duly adopted, and

SO ORDERED

Staff Report

To: Sonoma County Transportation Authority
From: James R. Cameron, Deputy Director of Projects and Programming
Item: 3.5 – Conflict Waiver Re: Legal Services and Marin Sonoma Narrows C2
Date: December 12, 2016

Issue:

Shall the Board ratify the execution of the Potential Conflict of Interest Waiver for Burke, Williams & Sorensen, LLP representation of the City of Petaluma/Petaluma Community Development Successor Agency and Sonoma County Transportations Authority, dated 11/16/2016 and executed by the Executive Director on 11/21/2016?

Background:

Burke Williams & Sorenson, LLP (“BWS”) provides legal services to the SCTA in support of the Hwy 101 Marin Sonoma Narrows project by assisting on eminent domain cases to acquire property rights needed for the Project. BWS also represents the City of Petaluma (“City”) relating to redevelopment dissolution, successor agency, labor and employment, and development matters. The City recently requested that BWS represent it in connection with reviewing a proposed amendment to the Cooperative Funding Agreement (the “Cooperative Agreement”) between the City and SCTA and with seeking related approvals regarding the expenditure of the proceeds of bonds issued by the former Petaluma Community Development Commission. The proposed amendment to the Cooperative Agreement would advance approximately \$7m in funds from Petaluma for the construction of a portion of the MSN C2 project in exchange for either future Measure M funds as a form of repayment or by including the Rainier Cross Town Connector Undercrossing in the MSN C2 Project. In order for BWS to represent the City in connection with the Cooperative Agreement and other matters in the future, and at the same time represent SCTA, both SCTA and the City must waive any potential or existing conflicts of interest.

The proposed amendment to the Cooperative Agreement needs be considered by the SCTA Board of Directors at the December 12, 2016 meeting because the timelines required by the Department of Finance Recognized Obligation Payments Schedule (ROPS) process related to next fiscal year. However, the conflict waiver was presented to the SCTA Executive Director on November 16, 2016, and there was not sufficient time to bring this matter to the Board for its consideration while still achieving the December 12, 2016 deadline to consider the amendment to the Cooperative Agreement. As such, in order to timely move the postponed amendment to the Cooperative Agreement and MSN C2 Project forward, the Executive Director, in consultation with Counsel, executed the attached conflict waiver on November 21, 2016. This item requests the Board to ratify the execution of the conflict waiver by the Executive Director of SCTA.

Policy Impacts:

None.

Fiscal Impacts:

None.

Staff Recommendation:

Staff recommends that the Board ratify the execution of the conflict waiver by the Executive Director of SCTA.



1901 Harrison Street - Suite 900
Oakland, California 94612-3501
voice 510.273.8780 - fax 510.839.9104
www.bwslaw.com

Direct No.: 415.755.2605
bstock@bwslaw.com

November 16, 2016

Ms. Suzanne Smith
Executive Director
Sonoma County Transportation Authority
490 Mendocino Avenue, Suite 206
Santa Rosa, CA 95401

**Re: Potential Conflict of Interest Waiver
Burke, Williams & Sorensen, LLP representation of the City of
Petaluma/Petaluma Community Development Successor Agency and
Sonoma County Transportation Authority**

Dear Suzanne:

The City of Petaluma/Petaluma Community Development Successor Agency ("Petaluma") have indicated that they wish to retain Burke, Williams & Sorensen, LLP ("BWS") in connection with reviewing a proposed amendment to the Cooperative Funding Agreement between the City of Petaluma and Sonoma County Transportation Authority ("SCTA") and seeking related approvals regarding the expenditure of the proceeds of bonds issued by the former Petaluma Community Development Commission (the "Petaluma/SCTA Matter"). Susan Bloch and Leah Castella would be the BWS attorneys that would be primarily responsible for this proposed representation.

Concurrently, in matters that are unrelated to the Petaluma/SCTA Project, BWS represents Petaluma in several successor agency, labor and employment, and development matters (the "City Matters"), and I represent SCTA in eminent domain matters, including the Gas Club property and the Riggs billboard matter (the "SCTA Matters").

In order for BWS to represent Petaluma in the Petaluma/SCTA Matter and other matters in the future, and at the same time represent SCTA in the SCTA Matters and other possible matters, both Petaluma and SCTA must waive any potential or existing conflicts of interest.

The California Rules of Professional Conduct, which regulate the conduct of members of the State Bar, provide specific guidance as to actual and potential conflicts of interest.

Ms. Suzanne Smith
November 16, 2016
Page 2

Rule 3-310 provides, in pertinent part (emphasis added):

(B) A member [of the State Bar] shall not accept or continue representation of a client *without providing written disclosure* to the client where:

(1) The member has a legal, business, financial, professional, or personal relationship with a party or witness in the same matter; or

...

(3) The member has or had a legal, business, financial, professional, or personal relationship with another person or entity the member knows or reasonably should know would be affected substantially by resolution of the matter.

(C) A member [of the State Bar] shall not, *without the informed written consent of each client*:

(1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or

(2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or

(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

In connection with the above, please be aware that information relating to our representation of any and all clients is protected as required by Business and Professions Code Section 6068(e). In addition, we will implement procedures to ensure that no BWS attorney represents both Petaluma and SCTA at the same time in the matters described herein, and that the relevant files for these matters are not viewed except by those attorneys and staff directly involved in the relevant representation.



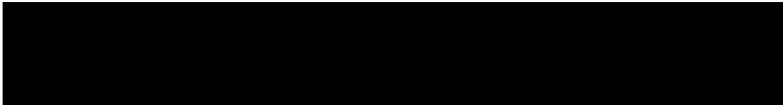
Ms. Suzanne Smith
November 16, 2016
Page 3

If SCTA agrees to this waiver request, please sign and return one copy of this letter to my office. If you have any questions or wish to discuss the contents of this letter further, please contact me at (510) 273-8780.

We greatly value the opportunity to represent SCTA, and appreciate your consideration of this request.

Sincerely,

BURKE, WILLIAMS & SORENSEN, LLP

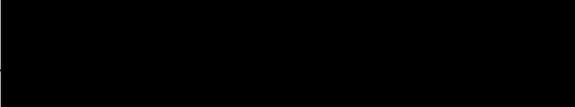


Benjamin L. Stock

BLS/lam

The undersigned, on behalf of Sonoma County Transportation Authority, hereby waives the conflict arising from BWS' representation of the City of Petaluma and the Petaluma Community Development Successor Agency as described above. By executing this waiver, SCTA agrees that it will not object to BWS' representation of the City of Petaluma or the Petaluma Community Development Successor Agency in future matters not related to the Petaluma/SCTA Matter.

Sonoma County Transportation Authority

By: 

Name: Suzanne Smith

Title: Executive Director

Date: 11/21, 2016

OAK #4814-1402-5533 v1

Staff Report

To: Sonoma County Transportation Authority

From: James R. Cameron, Director of Projects and Programming

Item: 3.6 – Hwy 101 – amendment 2 to cooperative agreement SCTA11012 with Petaluma related to future Rainier Avenue undercrossing project and Marin Sonoma Narrows C2.

Date: December 12, 2016

Issue:

Shall SCTA enter into Amendment No. 2 to Cooperative Agreement No. SCTA11012 with the City of Petaluma and Petaluma Community Development Commission (PCDC) to make available \$7,000,000 of construction funds for a portion of the Marin Sonoma Narrows (MSN) C2 project.

Background:

At the February 9, 2009 meeting, the Board authorized staff to issue a Request for Proposals (RFP) for the design (PS&E) of the MSN C-2 HOV project and authorized staff to negotiate and for the Chair to execute an agreement with a consulting engineering firm for the design services not to exceed \$6,650,000.

At the January 1, 2010 meeting, the Board adopted Resolution 2010-002 approving the selection of BKF consulting engineers to perform the MSN C-2 PS&E services for the design of the HOV lanes through Petaluma for an amount not to exceed \$5,000,000. Separately, the Board authorized staff to negotiate a future amendment to the agreement with BKF to provide additional PS&E services for the Rainier Avenue undercrossing structure should the City of Petaluma decide to fund this phase of work.

At the April 12, 2010 meeting, SCTA adopted Resolution 2010-007 authorizing staff to negotiate and for the Chair to execute cooperative agreement No. 4-2308 with Caltrans for oversight of the PS&E phase of the MSN C-2 project. That cooperative agreement has since been executed.

At the December 20, 2010 meeting, the Board adopted Resolution No. 2010-054 authorizing staff to negotiate and for the Chair to execute Agreement No. SCTA11012 with the City of Petaluma for Rainier Avenue undercrossing design (PS&E) funding. Subsequent to the execution of Agreement No. SCTA11012 with the City of Petaluma, the Board authorized staff to negotiate and for the Chair to execute Amendment No. 1 to Agreement No. SCTA10014 with BKF Engineers in an amount not to exceed \$498,000 for Rainier Avenue undercrossing structural design (PS&E) services. The agreement and amendment have since been executed.

On January 31, 2011, the City Council and Petaluma Community Development Commission (PCDC) Board adopted resolutions authorizing execution of a cooperative agreement between the City and PCDC committing tax increment funds to specific projects, including commitment of an additional \$7,000,000 to the Rainier Project.

On March 7, 2011, the Petaluma City Council, the PCDC Board, and the Petaluma Public Finance Authority Board authorized proceeding with a private placement of debt intended to generate debt proceeds of up to

\$15,000,000 to fund improvement costs for the Old Redwood Highway Interchange and the Rainier projects. Based on the action of the City Council and PCDC Board, the PCDC entered into an agreement with a lender (the “2011 Issuance”) to provide a total of \$10,000,000 in financing for transportation improvements for the Old Redwood Highway and Rainier projects.

At the March 21, 2011, the Petaluma City Council and PCDC Board adopted joint Resolution 2011-046 authorizing the City Manager/Petaluma Community Development Commission Executive Director to negotiate and execute a cooperative agreement between the City and SCTA providing a commitment of up to \$7,000,000 in construction funds for the Rainier Avenue Cross Town Connector/Interchange Project pending approval of the City Attorney/PCDC Counsel.

On April 11, 2011, the Board approved Amendment No.1 to Agreement No.SCTA11012 providing for commitment of up to \$7,000,000 towards the construction costs of the Rainier Avenue undercrossing structure which is currently being designed by SCTA’s consulting engineer. All design and construction costs associated with the Rainier Avenue undercrossing structure will be borne by the City.

Today, staff is proposing Amendment No.2 to Agreement No.SCTA11012 which will allow the SCTA to advance construction of a portion of the MSN C2 project in advance of the Rainier Avenue undercrossing structure that will be built as part of the full Hwy 101 widening through Petaluma. Staff is evaluating the feasibility of constructing the sound walls required by the MSN C2 project through Petaluma. Once SCTA, in coordination with Caltrans, delivers a portion of the MSN C2 project with \$7m in funding from SCTA11012-A2, then the SCTA would either fund \$7m of the Rainier Avenue undercrossing structure before May 1, 2025 or pay the City of Petaluma/PCDC back with Measure M Highway 101 funds.

Staff recommends that the Board authorize staff to negotiate and for the Chair to execute Amendment No.2 to Agreement No.SCTA11012 with the City of Petaluma and PCDC.

Attached is a draft of Amendment No.2 to Agreement No.SCTA11012.

Policy Impacts:

None.

Fiscal Impacts:

The cooperative agreement amendment will advance a portion of the MSN C2 Project resulting in some additional cost due to delivering elements of the larger project instead of the full project all at once. The full project is not fully funded but the costs of phasing the work are offset by the public benefit, limiting construction cost escalation and the ability to deliver the remaining elements of MSN C2 more quickly once construction funds do become available. If the Rainer Avenue Undercrossing Structure is not completed by May 1: 2025, the Measure M Highway 101 Program will be required to pay back \$7m in expenditure plan eligible expenses. Current Measure M Highway 101 cash flow estimates an available balance of over \$17M in 2025 therefore funds will be available if repayment is needed.

Staff Recommendation:

Staff recommends that the Board authorize staff to negotiate and for the Chair to execute Amendment No.2 to Cooperative Agreement No.SCTA11012 with the City of Petaluma and PCDC pending review and comment by County Counsel.

**COOPERATIVE FUNDING AMENDMENT NO. 2
BETWEEN
THE SONOMA COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF PETALUMA**

This Cooperative Funding Amendment No. 2 (this “**Amendment**”) is made and entered into as of _____, 2017 (“**Effective Date**”) by and between the City of Petaluma (“**City**”) and the Sonoma County Transportation Authority (the “**Authority**”). The City and the Authority are collectively referred to herein as the “**Parties.**”

RECITALS

A. The Parties entered into that certain Cooperative Funding Agreement dated as of March 31, 2011 (the “**Original Agreement**”). The Original Agreement was subsequently amended and replaced in its entirety by that certain Cooperative Funding Amendment No. 1 dated as of June 15, 2011 (hereafter, the “**Funding Agreement**”).

B. The Funding Agreement defines a framework to enable the Parties to work cooperatively to develop plans, specifications, and estimates, perform environmental work, and undertake construction for the Rainier Cross Town Connector Undercrossing (the “**Rainier Component**”) as a component of the Marin Sonoma Narrows C2 project in Sonoma County (referred to herein as the “**MSN C2 Project**” or the “**Project**”). Among other things, the Funding Agreement addresses the respective responsibilities of the Parties regarding completion of environmental review, design, engineering, financing, bidding, and construction of the various components of the MSN C2 Project, including the Rainier Component.

C. As described in the Funding Agreement, the City consented to the commitment by the former Petaluma Community Development Commission (“**PCDC**”) to provide funds for the Project in the amount of Four Hundred Ninety-Eight Thousand Dollars (\$498,000) for the development of plans, specifications and estimates, and an additional Seven Million Dollars (\$7,000,000) for construction costs.

D. Effective as of the dissolution of PCDC on February 1, 2012, the City serves as the successor agency to PCDC (“**Successor Agency**”).

E. Both the Oversight Board to the Successor Agency (“**Oversight Board**”) and the State Department of Finance (“**DOF**”) have acknowledged that PCDC’s commitment of funds for the Project is an enforceable obligation of the Successor Agency, and have approved the expenditure of the proceeds of bonds issued by PCDC for the Project.

F. The Parties desire to amend the Funding Agreement to address the schedule for the City's/Successor Agency's advance of funds for, and the Authority's completion of, the Project, including the Rainier Component.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the Parties do hereby agree as follows:

1. Funding. Contingent upon approval by the Oversight Board and DOF as reflected in their approval of the Successor Agency's Recognized Obligation Payment Schedule for fiscal year 2017-18 ("**ROPS 2017-18**"), the City will arrange to advance to the Authority the remainder of the funds that PCDC committed to provide for the Project. The Parties acknowledge and agree that as of the Effective Date, the sum of \$64,000 remains undisbursed of the original \$498,000 budgeted for plans, specifications and estimates (the "**PS&E Budget**"), and the entire \$7,000,000 remains undisbursed of the original funds budgeted for construction (the "**Construction Budget**").

2. Payments. The Authority will submit monthly invoices to City for the development of the plans, specifications and estimates ("PS&E Work"), along with a summary of the work completed to date and such documentation as City shall reasonably require. In the aggregate, City's advance of funds for PS&E Work shall not exceed the PS&E Budget without City's prior written consent. City shall arrange for advances of funds in the aggregate amount of the Construction Budget within thirty (30) days following Authority's commencement of acquisition of right-of-way for the Project, including acquisition of temporary construction easements for construction of the MSN C2 Project components. The Parties anticipate that the Authority will require the expenditure of funds in an amount equal to the entire Construction Budget during the period covered by ROPS 2017-18. In the aggregate, City's advance of funds for construction of the MSN C2 Project components shall not exceed the Construction Budget without City's prior written consent.

3. Completion. The Authority will diligently proceed to complete the various components of the MSN C2 Project. If construction of the Rainier Component is not completed by May 1, 2025 ("**Outside Date**"), the Authority will reimburse the City in the amount of the Construction Budget using Measure M Highway 101 Program Funds or other sources of funds available to the Authority by not later than 30 days following the Outside Date. The Authority shall be responsible for reimbursement to City of any costs incurred by City in connection with enforcement of this Section 3. This Section 3 shall survive the cancellation, termination, or discharge of the Funding Agreement.

4. Agreement Remains Effective. Except as modified by this Amendment, the Funding Agreement remains unmodified and in full force and effect.

5. Miscellaneous.

5.1 Notices. Any notice which may be required under this Amendment shall be in writing, shall be effective when received, and shall be given by personal service, or by certified or registered mail, return receipt requested, to the addresses set forth below, or to such addresses which may be specified in writing to the Parties.

To City: John Brown
 City Manager
 City of Petaluma
 11 English Street, Petaluma CA 94592
 (707) 778-4467
 jbrown@ci.petaluma.ca.us

To Authority: Suzanne Smith
 Executive Director
 Sonoma County Transportation Authority
 490 Mendocino Avenue, Suite 206
 Santa Rosa, CA 95401
 (707) 565-5373
 suzsmith@scta.ca.gov

5.2 Additional Acts and Documents. Each Party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Amendment.

5.3 Integration. This Amendment and the Funding Agreement represents the entire agreement of the Parties with respect to the subject matter hereof. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in other contemporaneous written agreements.

5.4 Amendment. This Amendment may not be changed, modified or rescinded except in writing, signed by all Parties, and any attempt at oral modification of this Amendment shall be void and of no effect.

5.5 Independent Agencies. City renders its services under the Agreement and this Amendment as an independent agency. None of the City's agents or employees shall be agents or employees of the Authority. Authority renders its services under the Agreement and this Amendment as an independent agency. None of the Authority's agents or employees shall be agents or employees of the City.

5.6 Assignment. Neither the Agreement nor this Amendment may be assigned, transferred, hypothecated, or pledged by any Party without the express written consent of the other Party.

5.7 Successors. This Amendment shall be binding upon the successor(s), assignee(s) or transferee(s) of the Authority or City as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate or pledge this Amendment other than as provided above.

5.8 Severability. Should any part of this Amendment be determined to be unenforceable, invalid, or beyond the authority of either Party to enter into or carry out, such determination shall not affect the validity of the remainder of this Amendment which shall continue in full force and effect, provided that the remainder of this Amendment can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the Parties.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Effective Date.

CITY OF PETALUMA

SONOMA COUNTY
TRANSPORTATION AUTHORITY

By: _____
City Manager

By: _____
SCTA Chair

ATTEST:

APPROVED AS TO SUBSTANCE:

By: _____
City Clerk

By: _____
Executive Director

APPROVED AS TO LEGAL FORM:

By: _____
City Attorney

By: _____
Legal Counsel to Authority

APPROVED:

Department Director

APPROVED:

Risk Manager

APPROVED:

Finance Director

Staff Report

To: Sonoma County Transportation Authority
From: Seana L.S. Gause, Senior – Programming and Projects
Item: Request for Measure M Appropriation for the Sonoma County Bicycle Coalition (SCBC)
Date: December 12, 2016

Issue:

Shall the Board approve appropriations to the Safe Routes to Schools phase of the Bicycle Safety and Education Project under the Bicycle and Pedestrian Program of Measure M in the amount of \$19,000?

Background:

The SCTA adopted the *2017 Measure M Strategic Plan*, which sets forth the SCTA’s program and project implementation policies with regard to the use of funds provided under Measure M. Pursuant to the Strategic Plan and the associated cooperative funding agreements, each project sponsor must submit an appropriation request (attached) to initiate spending of Measure M funding for the fiscal year in which the funds are programmed. SCTA has received a request dated October 26, 2016 from the SCBC seeking an appropriation for Bicycle Safety and Education. The appropriation request is for \$19,000.

Coop Funding Agreement #	Jurisdiction	Category	Description	Phase	Appropriation Amount
M71515-A2	SCBC	Bike/Ped	Bicycle Safety and Education	Safe Routes to School	\$19,000
				Total	\$19,000

Policy Impacts:

None. The appropriation is within the established policies outlined in the Measure M Strategic Plan Chapter 4. Policy 7.

Fiscal Impacts:

None. Consistent with the Strategic Plan, Measure M funds in the amount of \$19,000 will be made available to the Sonoma County Bicycle Coalition to implement Bicycle Safety and Education programs (AKA Safe Routes to Schools). Appropriation of these funds is consistent with the funding availability defined in the Measure M cash-flow model.

Staff Recommendation:

Staff recommends that the Board approve resolution 2016-025, thus approving the SCBC Bicycle Safety and Education appropriation request.

SCTA Resolution No. 2016-025
Cooperative Agreement Number: M71515-A2
Project Sponsor: Sonoma County Bicycle Coalition
Amount: \$19,000
December 12, 2016

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY TRANSPORTATION AUTHORITY, COUNTY OF SONOMA, STATE OF CALIFORNIA, APPROPRIATING MEASURE M FUNDS OF \$19,000 TO THE SONOMA COUNTY BICYCLE COALITION FOR BICYCLE SAFETY AND EDUCATION IN ACCORDANCE WITH COOPERATIVE FUNDING AGREEMENT NO. M71515-A2

WHEREAS, the 2004 Sonoma County Traffic Relief Act Expenditure Plan (hereinafter "Expenditure Plan") includes \$19,000 in 2004 dollars, for the Bicycle and Pedestrian funding category; and

WHEREAS, the Sonoma County Transportation Authority (hereinafter "Authority") and the Sonoma County Bicycle Coalition (hereinafter "SCBC") have entered into Cooperative Funding Agreement No. 71515-A2 (hereinafter "Cooperative Agreement") regarding the Safe Routes to Schools Phase of the Bicycle Safety and Education Project (hereinafter "Project") within the Bicycle and Pedestrian Projects Program; and

WHEREAS, SCBC has submitted a Request for Appropriation of Funds dated October 26, 2016 in connection with the Project pursuant to the above referenced Cooperative Agreement; and

WHEREAS, funds are included in the Authority's Strategic Plan and annual budget for such projects.

NOW, THEREFORE, BE IT RESOLVED that the Authority finds the Request for Appropriation of funds consistent with the Expenditure Plan, the Strategic Plan, and the Cooperative Agreement; and

BE IT FURTHER RESOLVED, that the Authority appropriates \$19,000 to SCBC pursuant to the Cooperative Agreement to be used for the purposes set forth in Attachment A attached hereto; and

BE IT FURTHER RESOLVED, that funds will be disbursed to SCBC in accordance with the provisions of the Cooperative Agreement but shall not exceed on an annual basis, the amounts programmed by fiscal year, as shown in the Program of Projects in the 2014 Strategic Plan, as such plan may be amended from time to time; and

BE IT FURTHER RESOLVED, that the funds appropriated by the Authority under the Cooperative Agreement are hereby reflected in Attachment B; and

BE IT FURTHER RESOLVED, that this appropriation shall expire three years from the date of this Resolution.

THE FOREGOING RESOLUTION was moved by Director _____, seconded by Director _____, and approved by the following vote:

Resolution No. 2016-025

Cooperative Agreement Number: M71515-A2
Project Sponsor: Sonoma County Bicycle Coalition
Amount: \$19,000
December 12, 2016

Director Chambers _____
Director Coursey _____
Director Gallian _____
Director Gorin _____
Director Gurney _____
Director Landman _____

Director Mackenzie _____
Director Miller _____
Director Rabbitt _____
Director Russell _____
Director Salmon _____
Director Zane _____

Ayes:

Noes:

Absent:

Abstain:

SO ORDERED

David Rabbitt, Chair

This RESOLUTION was entered into at a meeting of the Sonoma County Transportation Authority held December 12, 2016 in Santa Rosa, California

Attest: _____
Suzanne Smith, Executive Director

**Attachment: "A" Use of Appropriated Funds
"B" Chronological Listing of Fund Appropriation Resolutions**

ATTACHMENT A
Use of Appropriated Funds

SONOMA COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 2016-025

Date: December 12, 2016

Amount of Funds: \$19,000

Appropriated to: Sonoma County Bicycle Coalition

Program Category: Bicycle/Pedestrian Program

Specific Project: Bicycle Safety and Education

Appropriated For: Safe Routes to Schools Phase (\$19,000)

Scope of Work: Support implementation of the bicycle safety and education project with the SRTS Phase; and focus on educating the public and in particular, school children.

Other Conditions: None

Staff Comments: This is the ninth appropriation; for implementing Bicycle Safety and Education through the Safe Routes to Schools Phase.

ATTACHMENT B

Chronological Listing of Fund Appropriation Resolutions

COOPERATIVE FUNDING AGREEMENT NO. M71515-A2

Between the Sonoma County Transportation Authority

and the Sonoma County Bicycle Coalition

Project Number	Resolution Number	Date	Funds Appropriated	Cumulative Total
M71515	2008-024	July 14, 2008	\$60,000	\$60,000
M71515	2009-032-	November 9, 2009	\$60,000	\$120,000
M71515	2010-043	November 8, 2010	\$60,000	\$180,000
M71515	2011-037	September 12, 2011	\$60,000	\$240,000
M71515	2013-012	April 8, 2013	\$34,000	\$274,000
M71515	2014-006	April 14, 2014	\$34,000	\$308,000
M71515	2015-004	February 9, 2015	\$34,000	\$342,000
M71515	2016-002	April 11, 2016	\$34,000	\$376,000
M71515	2016-025	December 12, 2016	\$19,000	\$395,000
TOTAL FUNDS APPROPRIATED				\$395,000

RECEIVED

OCT 26 2016

SONOMA COUNTY
TRANSPORTATION AUTHORITY
REGIONAL CLIMATE
PROTECTION AUTHORITY



Promoting the bicycle for transportation and recreation

BOARD OF DIRECTORS

President
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Vice President
Ken Quinto
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John Murphy
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Amy Loukonen

Jenny Bard
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OFFICE:
750 Mendocino Avenue
Santa Rosa, CA 95401

MAIL:
P.O. Box 3088
Santa Rosa, CA 95402

PHONE:
707-545-0153

FAX:
707-573-0147

EMAIL:
General inquiries:
info@BikeSonoma.org
Events:
events@BikeSonoma.org
Safe Routes to School:
saferoutes@bikesonoma.org
Street Skills Classes:
skills@BikeSonoma.org

WEB:
www.bikesonoma.org

David Rabbitt, Chair
Sonoma County Transportation Authority
490 Mendocino Avenue, Suite 206
Santa Rosa, CA 95401

October 21, 2016

FUNDING APPROPRIATION REQUEST
PROJECT NAME: Bicycle Safety and Education Program
AGREEMENT NO. M71515-A2

Dear SCTA Chair Rabbitt:

The Sonoma County Bicycle Coalition has entered into a cooperative funding agreement with the SCTA (No.M71515-A2) and is working on the administration and implementation of the Safe Routes to School Program for FY 2016/2017. The Sonoma County Bicycle Coalition is requesting that the Sonoma County Transportation Authority (SCTA) take action to appropriate funds for the Safe Routes to School Program at its next Board meeting.

The current schedule for the Safe Routes to School program is as follows:

Project Name & Description:	Safe Routes to School Program The Sonoma County Bicycle Coalition Safe Routes to Schools program (SRTS) will conduct outreach countywide to encourage participation in SRTS activities in grade schools, middle schools and high schools. The Sonoma County Bicycle Coalition Safe Routes to Schools Resource Specialist will augment SRTS activities beyond what is available to the schools participating in the Department of Health Services Countywide Safe Routes to School Program.
Project Category:	Bicycle/Pedestrian Project
Phase Development Phase of this Appropriation:	Safe Routes to School Program
Amount of Measure M Appropriation Request:	\$19,000
Amount of Local Funding Match:	\$0
Sources of Local Funding Match:	N/A
Total Project Cost:	\$19,000

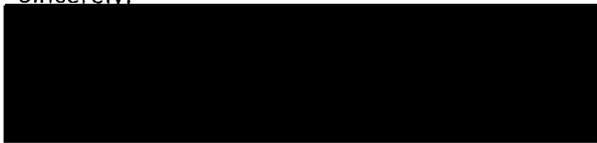


Promoting the bicycle for transportation and recreation

Project Development Phase	Begin	Complete
Scoping	N/A	N/A
Environmental	N/A	N/A
Right of Way	N/A	N/A
PS&E	N/A	N/A
Implementation	July 2016	June 2017

Thank you for your consideration.

Sincerely,



Alisha O'Loughlin
Executive Director

Staff Report

To: SCTA Board of Directors
From: James R. Cameron, Director of Projects and Programming
Item: 4.1 – Highway 37 Status of Planning efforts and policy issues
Date: December 12, 2016

Issue:

What is the status of Highway 37 planning effort and associated policy issues?

Background:

Highway 37 is a key transportation corridor linking the four North Bay counties. Due to its strategic transportation role and environmentally sensitive natural footprint, Highway 37 has been the subject of a long-range planning study being conducted by UC Davis (UCD) and the California Department of Transportation (Caltrans). In addition, staff and elected officials from the four counties have been in meeting as a Policy Committee over the past year to discuss how local transportation authorities can play a role in advancing improvements in the corridor.

The regional corridor impacts all four counties yet has not been the top priority infrastructure project of any county. With regard to highway projects Solano's priority is Highway 80, Marin's priority is Highway 580, Napa's priority is Highway 29 and Sonoma's priority is Highway 101. Every county's priority highway project is underfunded resulting in little to no funds available for Highway 37. The most likely solution to fund the infrastructure improvements on Highway 37 will be adding a toll for users. Below is a status update of current efforts over the past year.

POLICY COMMITTEE: On October 12, 2015, the SCTA board approved a memorandum of understanding between the Napa Valley Transportation Authority (NVTA), the Solano Transportation Authority (STA), the Sonoma County Transportation Authority (SCTA) and the Transportation Authority of Marin (TAM). The intent of the MOU is to define how the four agencies will work collaboratively to successfully promote and expedite the delivery of improvements in the SR 37 Corridor to address sea level rise, traffic congestion, transit options and recreational activities. The MOU constitutes a guide to the intentions and strategies of the parties involved and provides the overall framework, including outlining their respective roles, responsibilities and potential funding strategy for the SR 37 Corridor. The Policy committee meets every other month and has now met 7 times since their first official meeting on November 5, 2015. All of the Policy Committee agendas and several project resources can be found at: <http://scta.ca.gov/projects/highway37/>.

FINANCIAL CONSULTANT: On March 14, 2016, the SCTA Board approved a funding agreement for SCTA's share of a financial consultant to help assess likely costs, revenue sources and financial opportunities that will need to be addressed to complete a project in the corridor. Subsequently, STA issued an RFP to solicit proposals and the four counties participated in selecting Project Finance Advisory Ltd. (PFAL). PFAL has been engaged to assess delivery options for this 21-mile highway and bridge replacement project, which includes assessing

privatization, public/private partnership (P3) delivery options, and traditional public finance alternatives. To date they have prepared case studies on tolling projects in other parts of the country that have some similarities to the Hwy 37 corridor. At the March 2, 2017, Policy Committee meeting PFAL will be presenting their revenue findings.

PRIVATIZATION PROPOSAL: United Bridge Partners (UBP) comprised of American Infrastructure and Figg Bridge has proposed a full relinquishment of the Highway 37 Corridor between Highway 121 and Mare Island. The proposal went public at the May 5, 2016, Policy Committee meeting. In July, the Policy Committee acted to send a letter with clarifying questions on the UBP proposal. In September the Policy Committee received UBPs response to the questions; some were answered clearly while others were vague and lacked the detail sought. In September UBP distributed a draft Letter of Intent (LOI) to the Policy Committee that proposes a Joint Powers Authority (JPA) be formed to that would have the authority to execute the LOI. The JPA can only be formed by the County Boards of Supervisors, not the Transportation Authorities that are staffing the Policy Committee. In November the Policy Committee was informed that more detailed responses are needed to evaluate the UBP proposal and that the JPA is the appropriate body to enter into negotiations on a LOI with UBP.

DESIGN ALTERNATIVES ANALYSIS (DAA): The Policy Committee sent a letter the Metropolitan Transportation Commission seeking funds to complete a Project Initiation Document (PID). In lieu of a full PID document that would cost a \$2-3 million dollars the MTC recommend a feasibility study called a Design Alternatives Analysis (DAA). MTC released a request for proposals to their list of prequalified consultants. The consultant selection will be finalized by the end of the year. The DAA project scope is now being referred to as State Route 37 Transportation & Sea Level Rise Corridor Improvements. This work project is critical to assess feasibility and to have adequate information to share with the public. The draft schedule for deliverables is as follows:

<u>Deliverables</u>	<u>Estimated Due Date*</u>
Data Collection and Assessment	February 2017
SR 37 Corridor Plan – Hwy 101 to Hwy 80	May 2017
Alternative Development for Priority Segment	August 2017
Traffic Forecast and Operations Analysis	September 2017
Design Alternative Assessment Documentation	December 2017

*Dependent on Consultant selection and notice to proceed.

PUBLIC PARTICIPATION: To date all seven of the Policy Committee meetings have been public and posted in accordance with the Brown act. The UC Davis Caltrans Study (Phase 1 and Phase 2) included extensive stakeholder outreach with regular meetings of interested parties from 2012-2015, more information at <http://hwy37.ucdavis.edu/>. The Policy Committee is currently working on developing and funding a Public Participation Scope of work. Caltrans has been asked to take the lead and a draft scope was approved by of the Policy Committee at the November meeting. 2017 will include public meetings and workshops to increase public awareness and gather public input.

Policy & Fiscal Impacts:

None

Staff Recommendation:

None – Informational only.

2017 Legislative Principles

CLIMATE CHANGE

1. Monitor the federal and State processes related to climate change, renewable energy and energy efficiency bills.
2. Advocate for funding opportunities to implement climate change projects and programs that will help Sonoma County reach its emission reduction and adaptation goals. Options may include:
 - CPUC activities related to energy and energy efficiency
 - Cap and trade
 - Public goods charge
 - Carbon pricing
 - Climate adaptation and resource protection
 - Climate smart infrastructure investments
3. Monitor and participate in the development and issuance of implementation rules and regulations by State agencies such as the California Air Resources Board, the State Office of Planning and Research, California Public Utilities Commission and the California Energy Commission.
4. Monitor and participate in the implementation of SB350 – the Clean Energy and Pollution Reduction Act – that aims to establish 50% utility power coming from renewable energy and 50% increase in energy efficiency in existing buildings by 2030. Track other renewable energy and energy efficiency legislative efforts.
5. Oppose efforts to reduce or divert funding from climate protection and support efforts to protect, preserve and enhance climate protection funding.

2017 Legislative Principles

TRANSPORTATION

1. Monitor the implementation of FAST – the Fixing America’s Surface Transportation Act – and secure federal funding for local projects whenever possible.
2. Monitor any efforts at the federal and State level to implement funding or financing mechanisms that could impact transportation.
3. Engage in administrative deliberations on project delivery and implementation at the federal and State level. Advocate for efficiencies in project delivery and cost cutting measures that enable more projects to be built.
4. Advocate for legislative or administrative proposals to increase overall funding levels for transportation infrastructure, operations and maintenance in Sonoma County. Options may include:
 - Cap and trade revenue
 - Vehicle registration fee
 - Road user charge
 - Fuel tax
 - Regional bridge tolls
 - Carbon tax
 - Statewide bond
5. Advocate for reduction of the voter threshold for special sales tax measures.
7. Oppose efforts to reduce or divert funding from transportation projects and support efforts to repay, protect and preserve transportation funding.
8. Focus on advocacy for funding distribution approaches that support local needs and priorities.
9. Explore opportunities to provide funding for maintenance of the system including new ideas such as incentives to communities that prioritize low carbon transportation options.

Staff Report

To: SCTA/RCPA Board of Directors

From: James R. Cameron, Director of Projects and Programming

Item: 4.5.1 – Highways – 2016 State Highway Operations and Preservations Program (SHOPP) Status Report - Presented by Caltrans

Date: December 12, 2016

Issue:

What is the status of highway maintenance projects being implemented by Caltrans within Sonoma County?

Background:

The State of California, Department of Transportation (Caltrans) and its partners (including the SCTA) have strategically invested in the State Highway System (SHS) for over a century. The State Highway Operations and Preservations Program (SHOPP) is a Caltrans Program that maintains investment in the SHS. The SHOPP rehabilitates or replaces existing infrastructure. The SHOPP does not add capacity.

For a map and listing of the Sonoma County SHOPP projects:

http://scta.ca.gov/wp-content/uploads/2016/11/son_shopp_20161118.pdf

For an overview of the state wide program review the 2015 10 year SHOPP Plan at:

http://www.dot.ca.gov/hq/transprog/SHOPP/prior_shopp_documents/10yr_SHOPP_Plan/2015_Ten_Year_SHOPP_Plan_Final.pdf

For a state wide listing of active projects go to: <http://www.dot.ca.gov/hq/transprog/shopp.htm>

Policy Impacts:

None.

Fiscal Impacts:

None.

Staff Recommendation:

None – Informational only.

Staff Report

To: Regional Climate Protection Authority

From: Lauren Casey, Director of Climate Programs

Item: 4.6.1 – Climate Action Advisory Committee Proposal

Date: December 12, 2016

Issue:

Shall the Board establish a Climate Action Advisory Committee to provide expert citizen input on the implementation of climate action initiatives at the RCPA on an ongoing basis?

Background:

In 2013, the RCPA Board of Directors established a Stakeholder Advisory Group (SAG) to oversee the development of the *Climate Action 2020 and Beyond Plan*. The purpose of the SAG was to provide information and advice to the RCPA regarding challenges and opportunities that could be addressed in the regional climate action plan (CAP).

The entire SAG met five times between 2013 and 2016. Sector specific ad hoc committees were also convened as requested to review greenhouse gas (GHG) analysis specific to each inventory category addressed in the CAP, i.e. buildings, transportation, agriculture, water, and solid waste. The input collected in these meetings was used by RCPA staff and consultants to inform the narrative and analysis in the draft and final *Climate Action 2020 and Beyond* plans published in 2016.

As staff look towards the adoption and implementation of the CAP, and the ongoing implementation of GHG mitigation and climate adaptation strategies, expert community input from individuals like those appointed to the SAG will continue to be useful in generating implementation strategies that are best suited to the communities of Sonoma County.

Therefore, staff proposes that the Board create a new committee to be coordinated by RCPA staff, a Climate Action Advisory Committee. It will be similar to the SAG in composition but expected to convene quarterly. Meetings will, at a minimum, include presentations on:

1. Current RCPA projects and programs
2. Future RCPA project and program opportunities
3. Community based efforts (reports from CAAC members)

Minutes from CAAC meetings will be posted on the RCPA website to serve as a reference for RCPA Directors and staff.

Should the Board authorize staff to create the proposed CAAC, the attached nomination packet will be distributed to each RCPA Director in 2017. The list of past SAG members is also attached as a reference.

Policy Impacts:

None.

Fiscal Impacts:

None.

Staff Recommendation:

That the Board authorize staff to create a new Climate Action Advisory Committee and complete the attached nomination process.

December 12, 2016

Dear RCPA Director,

The Regional Climate Protection Authority is seeking nominations for the Climate Action Advisory Committee (CAAC) by the RCPA Board of Directors.

The CAAC will provide information and advice to RCPA staff and project consultants during the development and implementation of climate action programs and projects.

Directors shall submit two nominations.

Please consider nominations based on their:

- Understanding, interest and commitment to the goals and objectives of the RCPA as described in the Climate Action 2020 and Beyond summary
- Community leadership and ability to represent the sentiment and needs of the community in which they reside

This packet contains:

- CAAC Nomination Form – please fill out one per nominee and return by January 31, 2017
- CAAC Charter
- Climate Action 2020 and Beyond Summary

Please return nomination forms to Carolyn Glanton by January 31, 2017:

E-mail: Carolyn.glanton@rcpa.ca.gov

Or in person/mail:

Regional Climate Protection Authority

490 Mendocino Ave # 206

Santa Rosa, CA 95401

Thank you,

Suzanne Smith, Executive Director

RCPA Climate Action Advisory Committee

The following is a description of the roles and responsibilities of the Climate Action Advisory Committee (CAAC) and guidelines for how meetings will be conducted.

Purpose

The purpose of the CAAC is to provide information and advice to the Regional Climate Protection Authority (RCPA) Board, staff and project consultants during the development and implementation of climate action programs. The CAAC will not take official votes or make direct recommendations to any hearing body.

Composition

The CAAC consists of stakeholders selected by the RCPA Board of Directors, to represent a diversity of viewpoints and areas of technical expertise from each jurisdiction. Three representatives from each city and two representatives from each County supervisorial district will be chosen by the RCPA Board members based on their respective jurisdictions. The RCPA Board may also extend invitations to additional stakeholders to contribute perspectives not represented by other members, in order to ensure adequately diverse sector representation. None of the members will hold public elective office on a governing board of any city or the County. Representatives are to have the following qualifications:

- General understanding of the goals and objectives of RCPA
- General understanding of climate change policy matters as they relate to local government, planning and project implementation
- Community leadership and ability to represent the sentiment of the community you live in or sector you represent

Sectors sought for representation in the Advisory Group include:

Renewable Energy	Environmental	Economic Development
Agriculture	Transportation	Education
Viticulture	Social Justice	Open Space
Business	Environmental Justice	Waste
Community Non-profits	Real estate	Water
	Health	Building Efficiency

Duration

The CAAC appointments will be for two years. If an appointee is unable to serve the full term, the Director shall identify a replacement who will serve through the end of the original term. CAAC appointments will be renewed every two years. When a new Director is seated he or she will have the opportunity to confirm or replace the CAAC member.

Meetings

A total of four CAAC meetings will be held each year. Meetings will generally last for two hours including presentations, comments and questions/answer.

Each meeting will include, but not be limited to, presentation on:

1. Current RCPA projects and programs
2. Future RCPA project and program opportunities

3. Community based efforts (reports from CAAC members)

Meetings will be focused on CAAC members; however, they will be open to public. Because of the limited time available for each meeting, and the nature of the CAAC process, members of the public will be able to provide comments at the end of the meeting. A time limit will be imposed on each speaker during the public comment period.

RCPA staff will be responsible for running CAAC meetings.

The meetings of the CAAC are subject to the Ralph M. Brown Act, and therefore subject to the Act's notice and posting requirements. Following each meeting, minutes will be created by staff and posted to the RCPA website.

Expectations of CAAC Members

Primary role:

Work with staff to develop and implement greenhouse gas reduction programs and measures in Sonoma County communities.

Anticipated activities will include:

- Reviewing and considering materials, proposals, ideas and concepts introduced to them by RCPA and jurisdiction staff
- Engaging in constructive discussion with CAAC members and staff about challenges and opportunities in the implementation of climate action measures
- Fostering communication outside of the CAAC regarding progress and outcomes of RCPA initiatives; particularly as they relate to a member's jurisdiction or sector

Communication with Staff and Consultants

Outside of CAAC meetings, RCPA staff will serve as the CAAC liaisons and primary contacts for members. All CAAC member questions, comments, and other correspondence should be directed to RCPA staff. Correspondence from members requiring consultant response or clarification for specific jurisdictions will be forwarded to the appropriate contact through RCPA staff.

Regional Climate Protection Authority - Climate Action Advisory Committee Nomination Form

RCPA Board Member Name: _____

NOMINEE INFORMATION

Contact Name: _____

Organization: _____

Address: _____

Postal Code: _____

Email: _____

Telephone #: _____

What is the main area or sector of interest concerning climate action? (Please check one)

- | | | |
|--|--|---|
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Environmental | <input type="checkbox"/> Social Justice |
| <input type="checkbox"/> Building/Construction | <input type="checkbox"/> Environmental Justice | <input type="checkbox"/> Tourism |
| <input type="checkbox"/> Business | <input type="checkbox"/> Health | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Community Non-profits | <input type="checkbox"/> Open Space | <input type="checkbox"/> Viticulture |
| <input type="checkbox"/> Economic Development | <input type="checkbox"/> Real estate | <input type="checkbox"/> Waste |
| <input type="checkbox"/> Education | <input type="checkbox"/> Renewable Energy | <input type="checkbox"/> Water |
| | | <input type="checkbox"/> Other _____ |

Description of the organizations and individuals within the community with whom the nominee will communicate and disseminate information: _____

Time Commitment

Please check here to indicate that the nominee has read the CAAC charter and understands that membership on the CAAC will require participation in four quarterly meetings each year, and that these meetings will last approximately 2 hours each, with some time required for preparation and follow-up.

Return nominations by January 31, 2017:
E-mail: carolyn.glanton@rcpa.ca.gov -
Or in person/mail:
Regional Climate Protection Authority 490
Mendocino Ave # 206
Santa Rosa, CA 95401

Climate Action 2020 Stakeholder Advisory Group

Alison Healy, Solar Sonoma County/ Solar Action Alliance
Andrew Krause, eEcoshpere Inc.
Bill Wolpert, Green Building Architects, Petaluma Planning Commissioner
Carolyn Pistone, Green Key Commercial
Chris Cone, Efficiency First California
Craig Harrington, Quaker Hill Development
Daniel Sanchez, North Bay Association of REALTORS
Daniel Smith, Zero Energy Associates
David Brin, Sonoma Ecology Center
Denise Souza, IBEW Local 551
Dennis Pocekay, UC Davis Professor of Public Health
Dr. Carl Mears, Remote Sensing Systems, Climate Protection Campaign Board member
Edward J. Kinney, Windsor Resident
Gary Helfrich, Sonoma County Bicycle Coalition
Gillian Hayes, Federated Indians of Graton Rancheria
Herman G. Hernandez, Sonoma County Latino Leaders
Jane Bender, Climate Protection Campaign Board Member
Jane Elias, Sonoma County Energy Independence Program Staff
Jim Glessner, Clean Concrete Technologies
John Nagle, E&J Gallo Winery, California Wine Institute
Judy James, Republic Services
Katie Jackson, Jackson Family Wines, United Wine Growers
Kristin Thigpen, SC Regional Parks Foundation Board, SC Ag & Open Space Advisory Committee
Laura Declercq, City of Sonoma resident
Linda Collister, City of Healdsburg Fire Marshall
Melanie Bagby, Sirius Mac Solutions, City of Cloverdale Planning Commissioner
Michael Nixon, Nixon Financial
Mitch Conner, Archilogix
Philip Harriman, PHD, Osher Lifelong Learning Institute, Sonoma State University
Renata Brillinger, California Climate & Ag Network (Cal CAN)
Rody Jonas, Pure Power Solutions
Stacey Meinzen, Climate Protection Campaign
Susan Haydon, Rohnert Park Planning Commissioner, SCWA staff
Tanya Narath, Leadership Institute for Ecology & Environment
Tom Conlon, President, GeoPraxis, Inc. Transition Sonoma Valley Board
Valerie Minton, Sotoyome Resource Conservation District
Victoria Garduno, Windsor Democratic Club

**Citizens Advisory Committee
MEETING AGENDA**

November 28, 2016 at 4:00 p.m.

Sonoma County Transportation Authority
SCTA Large Conference Room
490 Mendocino Avenue, Suite 206
Santa Rosa, California 95401

ITEM

1. Introductions
2. Public Comment
3. Administrative - Approval of Notes October 31, 2016* - ACTION
4. Measure M – DISCUSSION/ACTION
 - a. Measure M Project, Forestville Bypass and Airport Blvd Phase 4A Landscaping – presentation by Sonoma County TPW
 - b. Measure M Financial Reports*
5. One Bay Area Grant – call for projects*
6. Highway Updates
7. Announcements
8. Adjourn

*Materials attached.

The next **SCTA** meeting will be held **December 12, 2016**
The next **CAC** meeting will be held **January 30, 2017**

Copies of the full Agenda Packet are available at www.sctainfo.org

DISABLED ACCOMMODATION: If you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SCTA at least 72 hours prior to the meeting to ensure arrangements for accommodation.

SB 343 DOCUMENTS RELATED TO OPEN SESSION AGENDAS: Materials related to an item on this agenda submitted to the **Citizens Advisory Committee** after distribution of the agenda packet are available for public inspection in the Sonoma County Transportation Authority office at 490 Mendocino Ave., Suite 206, during normal business hours.

Pagers, cellular telephones and all other communication devices should be turned off during the committee meeting to avoid electrical interference with the sound recording system.

Transit – Technical Advisory Committee

MEETING AGENDA

November 9, 2016 – 10:00 a.m.

Sonoma County Transportation Authority
SCTA Large Conference Room
490 Mendocino Avenue, Suite 206
Santa Rosa, California 95401

ITEM

1. Introductions
2. Approval of Meeting Notes: October 12, 2016 – **ACTION***
3. Real-Time Train Arrivals for SMART – Jonny Simkin, Swiftly - Presentation
4. Transit Operator Updates
5. Clipper Update – Discussion
6. TFCA/TDA3 Quarterly Report, FY17-Q1 – Information*
7. MTC FY16/17 Fund Estimate Revision – Discussion*
8. Other Business / Comments / Announcements
9. Adjourn - **ACTION**

*Materials attached

**Materials to be handed out

The next **SCTA/RCPA** meeting will be held November 14, 2016

The next **T-TAC** meeting will be held December 14, 2016

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