

BOARD OF DIRECTORS AGENDA PACKET

**Monday, December 10th, 2018
2:30 p.m.**

**City of Santa Rosa City Council Chambers
Santa Rosa City Hall
100 Santa Rosa Avenue
Santa Rosa, California**

BOARD OF DIRECTORS AGENDA

December 10, 2018 – 2:30 p.m.

Santa Rosa City Council Chambers
Santa Rosa City Hall, 100 Santa Rosa Avenue, Santa Rosa, CA 95404

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 5, 2018 meeting (ACTION)*
 - 3.2. **Admin** – Resolution of Commendation for Chair Carol Russel (ACTION)*
 - 3.3. **Admin** – Resolution of Commendation for Director Chris Coursey (ACTION)*
 - 3.4. **Admin** – Resolution of Commendation for Director Brigitte Mansell (ACTION)*
 - 3.5. **Admin** – FY17/18 Annual Audits (ACTION)*
 4. **Regular Calendar**
 - A. **RCPA Items**
 - 4.1. RCPA Projects and Planning
 - 4.1.1. **E-bikes** – request for proposals for marketing and outreach (ACTION)*
 - 4.1.2. **RCPA Activities Report** – (REPORT)*
 - B. **SCTA Items**
 - 4.2. SCTA Planning
 - 4.2.1. **Housing** – report on Renewal Enterprise District (RED) joint powers authority (ACTION)*
 - Joint Powers Authority with Santa Rosa and County of Sonoma
 - Hewlett Foundation Grant
 - Amendment to Goldfarb Lipman contract for legal services
 - 4.2.2. **Funding** – Regional Traffic Mitigation Fee (ACTION)*
 - 4.2.3. **Planning Activities Report** – (REPORT)*
 - 4.3. SCTA Projects and Programming
 - 4.3.1. **Highways Report** – update on State Highway projects (ACTION)
 - C. **SCTA/RCPA Items**
 - 4.4. **Admin** – 2019 Legislative Principles and professional services agreement with Dunn Consulting for advocacy in Sacramento (ACTION)*
 - 4.5. **Community Affairs Report** – (REPORT)*
5. **Reports and Announcements**
 - 5.1. Executive Committee report
 - 5.2. Regional agency reports
 - 5.3. Advisory Committee agendas*

5.4. SCTA/RCPA staff report

5.5. Announcements

6. Adjourn

*Materials attached.

The next **SCTA/RCPA** meeting will be held **February 4, 2018**

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 the 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 411 King Street, Santa Rosa, CA, 95404, during normal business hours.

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BOARD OF DIRECTORS MEETING
Meeting Minutes of November 5, 2018

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 2:30 p.m. by Chair Carol Russell.

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

Directors Absent: Director Mansell, City of Healdsburg.

2. Public comment on items not on the regular agenda

Duane DeWitt offered a moment of silence for Sidney Falbo, who recently passed away in a collision off Highway 12 and Stony Point Road while riding her bicycle. Mr. DeWitt championed for more funding toward bicycle and pedestrian safety.

3. Consent Calendar

A. SCTA/RCPA Concurrent Items

- 3.1. **Admin** – Minutes of the October 8, 2018 meeting (ACTION)*

B. RCPA Items

- 3.2. **Admin** – RCPA FY 18/19 Budget Adjustment (ACTION)*

C. SCTA Items

- 3.3. **Transit** – FY 18/19 Lifeline Transit Program Cycle 5 Adjustments to project funding due to increased revenues (ACTION)*
- 3.4. **Measure M** – Highway 101 Marin Sonoma Narrows C-2 construction cooperative agreement (ACTION)*
- 3.5. **Travel Model** – amendment to agreement for consultant services with TJKM for travel model validation (ACTION)*

Chair Russell and Director Landman abstained from Item 3.1 as they were not present on the October 8th Board of Director’s meeting.

Director Zane asked to calendar a discussion item on bicycle safety.

Director Miller highlighted a revision on Item 3.4, noting the Chair was listed as Director Rabbitt and should reflect Chair Russell.

Chair Russell noted the correction on Item 3.1, stating the minutes are for October 8th, not September.

Director Salmon, referencing Item 3.3, spoke on the additional funding for the Sonoma County Transit (SCT) feeder bus from Healdsburg to the Sonoma County Airport SMART station and expressed concerns that there is a lack of ridership with these feeder routes.

Director Salmon suggested caution with the spending of this funding and noted the ridership will increase, just have not seen this increase yet.

Director Salmon further spoke on the elimination of SCT Route 62, given the establishment of SMART feeder service, which resulted in the elimination of afternoon bus service. Route 62 was regarded as a valuable service for the Town of Windsor and this highlights the unwarranted consequences that arise.

Vice Chair Gorin moved adoption of the Consent Calendar, Director Miller seconded. The consent calendar was approved unanimously, noting the abstentions from Directors Landman and Russell for Item 3.1.

4. Regular Calendar

A. RCPA Items

4.1. RCPA Projects and Planning

4.1.1. **Engagement** – Community Climate Challenge (ACTION)*

Brant Arthur presented on the Community Climate Challenge.

The overview of the Community Climate Challenge was described to the Board of Directors.

This is an online platform with funding available from the Bay Area Air Quality Management District.

According to the US EPA, 40% of household activities contribute to GHG emissions. Studies show that individuals are concerned about GHG emission, but is unaware on what to do.

Many ideas are discussed in how to engage our community, such as rebates, social networks, and community challenges.

The City of Fremont's Green Challenge was displayed as an example that can be utilized for Sonoma County.

One element that can help raise awareness is by discovering an individual's own impact and sharing it within their social circles. A series of actions one can make were described.

Robust action resources were also discussed, showcasing the overview and resources that are accessible.

The actions and impacts are cumulated to illustrate what progress taken.

The RCPA Climate Action Advisory Committee (CAAC) has expressed interest and excitement for this program and staff is seeking to launch early next year.

The metrics of success were described. The CAAC will be engaged, and outward expansion throughout the county will be done to promote this county wide.

Staff aims to provide statistics on the progress and requests authorization for the Executive Director to sign an agreement on the development of a beta site that can be useful for the community ahead of Earth Day.

Vice Chair Gorin spoke on the interest individuals have in their carbon emissions and added that those who lost their homes in October 2017 do not have the bandwidth for something like this yet.

This is an educational element that may be helpful to think in the future in the rebuilding process.

Director Naujokas asked about the provider, experience, and precedence they bring to the table and wondered on the types of goals and targets established.

Mr. Arthur responded that discussions with the CAAC will be had to further develop goals and targets. This idea is relatively new, so the recently launched websites are still gathering data.

Director Naujokas further asked if there is engagement with commercial buyers.

Mr. Arthur responded that talks about partnering with local companies to promote involvement have been discussed.

Director Zane exclaimed excitement for this idea, given that climate change is becoming more important to voters as extreme weather impacts continues.

Director Zane recalled the “Diesel Free by ’33” intent as a good idea, and the promotion of a climate change plan brings an advantage.

Director Miller asked about levels of participation seen, where are they coming from, and how are the other jurisdictions maximizing participation so we can either mirror what is working, or figure out a way to make it work.

Director Miller further asked how many jurisdictions have this challenge currently.

Mr. Arthur responded that 13 jurisdictions have launched websites.

The best practices were described as a promotion and success measurements still need to be determined.

Director Gurney commented on the absence of zero waste, but hopes this can be included on this program and added that one area one can improve the life of the landfills is to fill one bag, not one (full) can, of trash.

Director Coursey showed appreciation for BAAQMD’s funding of the first year and asked how much funding was awarded.

Mr. Arthur responded that \$15,000 was awarded for the first year, then will be decided after the first year if this should be continued.

Aleka Seville added that this is seen as a potential tool for engagement for the CAAC, a group that is heavily engaged and brings levels of expertise that is needed.

Chair Russell added that not everyone has a computer and lots of individuals speak English as their second language.

Public libraries should also be included in this idea to promote the program, as well as the various interconnected organizations throughout the county, such as the Health Action Council.

Director Mackenzie continued by added the Library Association has an outreach coordinator who coordinates programs throughout all branches.

The libraries are a community center.

Director Zane thanked the Chair for the translation challenge comment and added this needs to be included. The environmental movement is not close to being diverse, but the translation element is important to consider.

Director Landman moved for approval, Director Miller

The Board of Directors unanimously authorized the Executive Director to execute the attached agreement with the Bay Area Air Quality Management District to support the development of a local Community Climate Challenge effort.

4.1.2. **RCPA Activities Report** – (REPORT)*

Aleka Seville reported to the Board on the RCPA activities.

The RCPA Coordination Committee discussed Sonoma Water and Ag Innovation FireSmart Lake Sonoma grant project that aims to reduce fire risk

and increase fire resiliency in the Lake Sonoma Watershed. Data gathered will be shared.

Furthermore, surveys will be conducted with the committee to inform a needs assessment to help inform the RCPA Strategic Plan.

Furthermore, staff continues to administer the CEC Shift (Sonoma County) implementation grant. Staff will be meeting with the Northern Sonoma County Air Pollution Control District and Sonoma Clean Power to ensure Sonoma County is ready for more funding for EV expansion.

In regards to BayREN programs, staff has met with ABAG/MTC to ensure financing of the program remains. Staff will be presenting to the ABAG Executive Board.

Lastly, staff continues to recruit to hire a new Senior Planner to administer the Water Bill Savings Program.

Director Coursey is encouraged about the advanced energy rebuild applications increase described in the activities report.

B. SCTA Items

4.2. SCTA Planning

4.2.1. **Data** – application for Caltrans Planning Grant to create a data dashboard (REPORT)*

Tanya_Narath spoke on the data dashboard concept and collaborative planning grant.

There is a wealth of data available, however due to the various databases, this poses a difficulty for members of the public and city staff receive this data. The idea is to present the data will on a central dashboard.

A funding opportunity has been identified, the Caltrans Sustainable Communities Grant, and due to the competitive nature of the grant, staff aims to partner with the Sonoma County Department of Health Services.

A draft proposal has been compiled and the grant application is due November 30th.

Director Coursey asked if this requires a binding with the jurisdictions.

Ms. Narath responded that this planning grant is a collaboration with all the jurisdictions to receive their inputs on the projects.

Director Coursey further asked if the City of Santa Rosa is required to have a goal.

Ms. Narath responded that staff aims first to begin looking at the data that is available.

Director Mackenzie spoke on the coordination with MTC in efforts to gather data.

Ms. Narath added that staff aspires to create a data dashboard similar to MTC's Vital Signs with hopes to leverage work completing, not duplicate effort.

Director Naujokas asked to what extent are we talking about building a dashboard and integrating the existing data.

Ms. Narath responded one item on the project list is to set up something that is sustainable and is happy to hear MTC is willing to federate the data.

The idea is to do the same with other data sources, so it is easy and ready to access to data. Data has been received from jurisdictions via the travel model update.

Director Landman spoke on the ease of having data available more quickly, as opposed to compiling on an annual or biannual basis.

Ms. Narath added that some of the data sources are not updated as quickly, such as the US Census.

4.2.2. **Planning Activities Report** – (REPORT)

Chris Barney spoke on the changes to data and forecasting. Most work this month was focused on the data dashboard.

Regarding Data management and forecasting, Staff is working with the City of Santa Rosa and Sonoma County Health Services for bicycle counts on pathways and local schools.

Staff continues to work with MTC on the travel model inputs for the General Plan Build Out

Director Mackenzie expressed appreciation for the work. The City of Rohnert Park is beginning the General Plan update and an evening workshop will be held at the Planning Commission meeting this coming Thursday.

When the general plan was developed, one element added was the concept of a regional transportation impact fee per unit of housing built, which is put into place. We are building housing in Rohnert Park, and through the sale have been collecting the fees. Would like to add to the agenda in the future the concept of these regional transportation impact fees and how we might move forward with these.

Suzanne Smith added there is an anticipation to bring an item to the Board of Directors a report on the status of the mitigation fee.

Vice Chair Gorin commented on the continued need to look for additional funding for the travel model to include weekend travel, etc.

Mr. Barney responded that the Travel Behavior Study that is planned for next year aim to satisfy this request. The Sonoma Valley is looking to build

more housing and acknowledged this concern of housing built in locations where transportation will be impacted.

Mr. Barney continued that staff worked with the local planners to get a handle on where the housing and jobs are located. The trick is identifying the connection between the different housing and types of jobs.

The travel model aims to get a handle on VMT and study where drivers are travelling. With the advent of SB743, which changes the metric from Level of Service to VMT, a number of tools are being developed to show the possible benefits.

Director Naujokas suggested to use of Greentrip as an interesting tool that addresses these concerns.

Chair Russell opened for public comment.

Steve Birdlebough, Transportation and Land Use Coalition, is pleased by this discussion and continued championing the need for individuals to use car sharing, carpooling, Uber/Lyft.

Mr. Birdlebough further advocated the need for the transit agencies to share data with each other.

Chair Russell added that employees are increasingly working closer to, and in home.

4.3. SCTA Projects and Programming

4.3.1. **Measure M** – 2019 Measure M Strategic Plan

Seana Gause presented on the 2019 Measure M Strategic Plan. This is a five-year programming document and Staff is seeking a conditional approval on this document, which is dependent upon the outcome of Proposition 6 on tomorrow's ballot.

Ms. Gause outlined and described each chapter of the document: (1) The Executive Summary; (2)

Background of Measure M; (3) Programming Approach; (4) Policies and Procedures to implement Measure M; (5) Cash Flow model through the end of the measure in 2025; (6) list of the projects included in Measure M with information sheets of funding toward each project; appendices containing the list of resources and the actual ballot measure.

This plan has been reviewed and approved by the SCTA Citizen's Advisory Committee, the oversight committee of Measure M.

Director Naujokas wanted to see impacts of matching grants from Measure M and stated it is an important picture to paint to make these dollars work.

Secondly, Director Naujokas commented on the projects and impacts of the measure – such as “vehicles taken off Highway 101” or “GHG reduced” etc.

Director Landman added that the value of being a self-help county is reflected in this measure.

Director Landman reiterated his positive impression with the clarity of the document staff brings to something so complex and cited other documents which can be dense and difficult to understand.

Chair Russell expressed appreciation for the work of Measure M and suggested the interest to have more impact data that is beneficial to inform the city councils, individuals, and the voters.

Director Coursey urged caution against performance metrics since they are not part of the intent of the ballot measure and also expressed appreciation for the easy-to-understand nature of the document.

Director Miller moved to adopt to the 2019 Measure M Strategic Plan conditional upon the result of the subsequent election, Director Landman second.

The 2019 Measure M Strategic Plan was approved conditionally, unanimously.

4.3.2. **Highways Report** – update on State Highway projects

James Cameron updated the Board of Directors on the highway projects.

Project 6: MSN B-3 (San Antonio Creek Bridge):

A successful traffic switch onto the new San Antonio Bridge has been made for both north- and southbound traffic.

Project 10 MSN C-2 (Central Petaluma HOV lanes):

Coordination with Caltrans is ongoing. This project is ready for CTC allocation via the Solutions for Congested Corridors funding.

The City of Petaluma has a scheduled council item for a utility agreement on the 24” sanitary sewer, Sonoma Water has an item for the Sonoma County Board of Supervisors scheduled for December 4th to approve utility agreements for the 33” water line.

Environmental permits remain in draft form.

The SMART agreement for construction and maintenance in the right-of-way are scheduled for December.

The HOV lanes are scheduled to be opened in 2022.

Project 12: State Route 37 Corridor Protection and Enhancement Project:

The Highway 37 Policy Committee will be discussing Regional Measure 3 project funding and

receive an update on rail and bus transit service potential. The next meeting is scheduled for November 8th in Vallejo.

C. SCTA/RCPA Items

4.4. Admin – financial reports for FY 18/19 - (REPORT)*

Suzanne Smith introduced this item as an opportunity to provide quarterly reports to the Board of Directors on the SCTA, RCPA, and Measure M budgets.

Included in the agenda packet are charts describing the status to date for the three aforementioned budgets.

Director Landman spoke in favor of this item, adding this allows ease for public understanding.

4.5. Community Affairs Report – (REPORT)*

Brant Arthur shared highlights of the traffic switch at the Marin-Sonoma Narrows and the construction of the bicycle lane.

Additionally, Mr. Arthur promoted the recruitment of the Water Bill Savings Program manager.

Regarding the Bay Area Metro awards, staff is working on several nominations to highlight work in response to last year wildfires.

Electrify America has announced EV infrastructure investment plans to install fast-charging stations in Sonoma County and the Sonoma Clean Power final DriveEV is on the last month of the program.

BAAQMD has released EV charging grants that can help offset the cost of purchasing and installing new public EV charging stations.

Lastly, Sonoma County Transit has received their first electric bus, set to provide service in Sebastopol, and Santa Rosa CityBus was awarded

\$1.78 million in Federal Transit Administration funding dedicated to improve vehicle and infrastructure upgrades, as the California Air Resource Board has mandated a change to zero-emission busses by 2040.

Furthermore, Santa Rosa CityBus intends to purchase electric busses for their fleet.

5. Reports and Announcements

5.1. Executive Committee report

The Executive Committee spoke on the final reports and schedule and also on the relocation of the SCTA offices.

5.2. Regional agency Report

Sonoma Clean Power:

Director Landman spoke on the Community Choice Aggregation and the Power Charge Indifference Adjustment.

MTC:

Director Mackenzie reported on the recruitment of the new Executive Director for MTC and anticipates by December candidates will be forward to ABAG for review, hoping by January 4th the process will be concluded.

SMART:

Chair Russell spoke on the recent SMART workshop last month.

Director Zane added there is encouraging figures on the overall ridership, however added there are discouraging figures of those in the higher socioeconomic statuses as the primary users of SMART.

Golden Gate Bridge District:

Director Rabbitt reported on the purchase of a new ferry to be added to the existing fleet and the increase of ridership on the Golden Gate Ferry.

5.3. Advisory Committee agendas*

Included in the agenda packet.

5.4. SCTA/RCPA staff report

N/A

5.5. Announcements

N/A

6. Adjourn

Meeting adjourned at 4:15 p.m.

**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 CAROL RUSSELL AS A DIRECTOR FROM
2009 THROUGH 2018**

WHEREAS, Carol Russell has honorably served as Cloverdale’s representative to both the Sonoma County Transportation Authority and the Regional Climate Protection Authority, including one year as Chair and six years on the Executive Committee; and

WHEREAS, Carol Russell has been a leader on climate action planning, SMART, transit issues, Measure M implementation and local road funding; and

WHEREAS, Carol Russell served with integrity, inclusiveness, good humor and dedication; and

WHEREAS, during her tenure on the SCTA/RCPA, Carol Russell helped secure funds for major rehabilitation work on Highway 101 – the “Big Dig” – in North County; successfully advocated for funding to improve Crocker Bridge; ensured Cloverdale was well positioned in implementing climate action programs; supported efforts that advanced energy efficiency and electric vehicle use throughout the county; and steadfastly supported countywide projects like SMART 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 Carol Russell as its Director representing Cloverdale.

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

**BRIGETTE MANSELL
SUSAN GORIN
JAKE MACKENZIE
SAM SALMON**

**CHRIS COURSEY
SARAH GURNEY
KATHY MILLER**

**MADOLYN AGRIMONTI
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 CHRIS COURSEY AS A DIRECTOR FROM
2016 THROUGH 2018**

WHEREAS, Chris Coursey has honorably served as Santa Rosa’s representative to both the Sonoma County Transportation Authority and the Regional Climate Protection Authority for three years and as a member of the Executive Committee for two years; and

WHEREAS, Chris Coursey has been a leader on transit coordination, climate action planning, Measure M implementation and bicycle and pedestrian projects; and

WHEREAS, Chris Coursey served with thoughtfulness, integrity, graciousness, tact, and inclusiveness; and

WHEREAS, during his tenure on the SCTA/RCPA, Chris Coursey ensured key Santa Rosa projects such as Hearn Avenue Interchange, the Hwy 101 bike/ped overcrossing, and numerous local road rehabilitation projects advanced and that, in the wake of the 2017 Sonoma Complex Fires, there was a strong voice advocating for a regional and coordinated approach to address housing needs.

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 Chris Coursey as its Director representing Santa Rosa.

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

**BRIGETTE MANSELL
SUSAN GORIN
JAKE MACKENZIE
CAROL RUSSELL**

**SARAH GURNEY
KATHY MILLER
SAM SALMON**

**MADOLYN AGRIMONTI
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 BRIGETTE MANSELL AS A DIRECTOR
FROM 2017 THROUGH 2018**

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

WHEREAS, Brigette Mansell has been a leader on climate action planning and implementation, alternative transportation modes like bikeshare, Measure M implementation and collaborative efforts for projects in Healdsburg; and

WHEREAS, Brigette Mansell served with enthusiasm, graciousness, candor, and inclusiveness; and

WHEREAS, during her tenure on the SCTA/RCPA, Brigette Mansell 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 Brigette Mansell as its Director representing Healdsburg.

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

SAM SALMON
SUSAN GORIN
JAKE MACKENZIE
CAROL RUSSELL

CHRIS COURSEY
SARAH GURNEY
KATHY MILLER

MADOLYN AGROMONTI
MARK LANDMAN
DAVID RABBIT
SHIRLEE ZANE

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

SO ORDERED

Staff Report

To: SCTA/RCPA Board of Directors
From: Suzanne Smith, Executive Director
Item: 3.5 – FY17/18 Annual Audits for SCTA, RCPA, and Measure M
Date: December 10, 2018

Issue:

Shall the SCTA/RCPA accept the three annual audits performed by Piseni & Brinker, LLP covering FY17/18?

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 \$750,000 in federal funds is expended for each agency within a fiscal year. During the audited period of FY17/18, the SCTA exceeded this threshold. The SCTA utilized federal funds from MTC for operations, Carshare, and Carpool Programs. Measure M utilized federal funds from Caltrans for the Safe Routes To School Program, and the Highway 101 MSN (B2 Phase 2) Sonoma Median Widening HOV Lane project.

A team from Piseni & Brinker, LLP performed the FY17/18 audits. The CAC reviewed the Measure M audit at their October 29, 2018 meeting and found it to be acceptable.

An unqualified opinion is reported, meaning the financial statements are materially accurate. However, in regards to compliance with Measure M, there was one instance of material non-compliance noted. The Measure M funds are required to allocate LSR funds based on the formula detailed in the Measure M Strategic Plan. According to the Plan, the distribution formula for these funds is calculated based on a 50% road miles and 50% population formula. The funds for the Local Street Rehabilitation (LSR) program were not allocated correctly. The allocation that was distributed to the jurisdictions in FY17/18 was based solely on population data. Because of this miscalculation, nine Sonoma County jurisdictions were overfunded and the County of Sonoma was underfunded. This miscalculation was identified in the audit as a material weakness in internal controls and as material noncompliance. See page 16 of the audit for additional detail and the revised internal controls to prevent this from happening again.

There no management issues identified in the audits.

Policy Impacts:

None.

Fiscal Impacts:

The cost of \$35,400 for the three audits will be paid out of each of the following FY18/19 operating or administration budgets: \$15,900 from the SCTA operating budget, \$12,400 from the Measure M administration budget, and \$7,100 from the RCPA operating budget.

The Single Audit performed in addition to the annual audits will be paid out of FY18/19 SCTA operating budget in the amount of \$4,200.

The cost of these audits performed by Pisenti & Brinker, LLP total \$39,600.

Staff Recommendation:

Consider accepting the FY17/18 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, 2018

**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, 2018, 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, 2018, 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.

Emphasis of a Matter

As discussed in Note P. to the financial statements, SCTA has adopted the provisions of Government Accounting Standards Board Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, SCTA recognized a reduction to its beginning net position for the year ended June 30, 2018 in the amount of \$1,285,783.

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

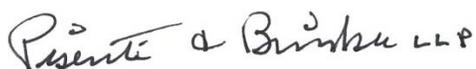
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SCTA's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, 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 19, 2018, 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.



Santa Rosa, California
November 19, 2018

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, 2018.

Financial highlights

- The assets and deferred outflows of resources of SCTA were less than liabilities and deferred inflows of resources at June 30, 2018 by approximately \$2.3 million.
- SCTA's total net position increased by \$5.8 million from June 30, 2017 to June 30, 2018. This increase was primarily due continued growth in sales tax revenues (increased 7.6% to \$24.8 million from the prior fiscal year) during the fiscal year ended June 30, 2018.
- At June 30, 2018 SCTA reported ending total fund balances of \$57.7 million, a decrease of \$479,713 in comparison with the June 30, 2017 total ending fund balances.
- Unrestricted net position for SCTA as of June 30, 2018 was a deficit of approximately \$5.5 million. This is a decrease to the deficit of approximately \$5.7 million compared to the deficit of approximately \$11.3 million at June 30, 2017.
- As of June 30, 2018, unassigned fund balance for the general fund was \$816,610 or 45.1% of total general fund expenditures for the fiscal year ended June 30, 2018.

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.

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.

Government-wide financial analysis

Condensed Statement of Net Position

June 30,	2017	2018
Assets		
Current assets	\$ 52,423,410	\$ 61,174,436
Restricted cash	7,377,884	7,304,639
Other non-current assets	5,330	4,264
Total assets	59,806,624	68,483,339
Deferred outflows of resources	1,660,206	1,287,827
Liabilities		
Current liabilities	8,430,125	17,898,281
Total non-current liabilities	61,023,145	53,673,064
Total liabilities	69,453,270	71,571,345
Deferred inflows of resources	74,293	480,199
Net Position		
Invested in capital assets	5,330	4,264
Restricted for TFCA	685,107	724,405
Restricted for Measure M debt service	2,509,822	2,505,726
Unrestricted	(11,260,992)	(5,514,773)
Total net position deficit	\$ (8,060,733)	\$ (2,280,378)

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 \$2.3 million at June 30, 2018 as compared to a deficit net position of approximately \$8.1 million at June 30, 2017.

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 \$58.5 million in revenue bonds outstanding.

Government-wide financial analysis (continued)

During the fiscal year ended June 30, 2018, SCTA's net position increased by \$5.8 million to an approximate net position of a negative \$2.3 million. This increase is primarily the result of continued growth in sales tax revenues, net of a beginning balance adjustment reducing net position by \$1.3 million for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Governmental activities increased SCTA's net position by \$7.1 million. Key elements of these activities during the fiscal year ended June 30, 2018 are identified below:

- SCTA recognized sales tax revenues for Measure M totaling \$24.8 million, which is an increase of \$1.7 million from the prior fiscal year. This increase is due to continuing improvements to the local economy.
- SCTA received \$1.8 million from state and federal sources towards various transportation improvement projects. The amount received increased by \$38 thousand from the prior fiscal year as a result of fluctuations in state grant funding.
- SCTA expenses for transportation improvement projects totaled \$1.7 million, a decrease of \$151 thousand from the previous year. This decrease is primarily related to the completion of the mode SHIFT project in December of 2017 and the Director of Climate Programs position being vacant for approximately 3 months.
- Measure M expenses totaled \$19.5 million, representing an increase of \$7.8 million from the previous year, due primarily to two Highway 101 projects (Marin Sonoma Narrows Phase B2 Phase 2 and C2) that had increased expenditures preparing the projects for construction advertisement. Additionally, Bike/Pedestrian and Local Street project expenses increased as compared to the prior year.

Government-wide financial analysis (continued)

Condensed Statement of Activities

Fiscal Year ended June 30,	2017	2018
Revenues:		
Program revenues:		
Transportation improvements	\$ 1,801,654	\$ 1,840,045
Transportation Fund for Clean Air	635,257	638,882
Measure M	1,550,070	1,632,825
General revenues:		
Sales tax revenues	23,044,870	24,785,653
Total revenues	27,031,851	28,897,405
Expenses:		
Transportation improvements	1,889,115	1,738,499
Transportation Fund for Clean Air	457,142	599,584
Measure M	11,645,413	19,493,184
Total expenses	13,991,670	21,831,267
Change in net position	13,040,181	7,066,138
Net position, beginning of year	(21,100,914)	(8,060,733)
Prior period adjustment (see note P)	-	(1,285,783)
Net position, beginning of year, as restated	(21,100,914)	(9,346,516)
Net position, end of year	\$ (8,060,733)	\$ (2,280,378)

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, 2018, SCTA's governmental funds reported ending fund balances of \$57.7 million, a decrease of \$480 thousand from June 30, 2017. SCTA had a restricted fund balance of approximately \$56.8 million as of June 30, 2018.

The general fund is the chief operating fund of SCTA. At June 30, 2018, the unassigned fund balance of the general fund was \$817 thousand.

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, 2018.
- 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

As of June 30, 2018, SCTA had long-term liabilities of \$60.3 million, a decrease of \$14.6 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 other post-employment benefits liability and compensated absences liability. The net pension liability decreased by \$781,660 primarily as a result of the change in actuarial assumptions.

Year ended June 30,	2017	2018
Sales Tax Revenue Bond, Series 2011, including unamortized premium	\$ 20,439,441	\$ 18,180,150
Sales Tax Revenue Bond, Series 2015, including unamortized premium	45,699,268	40,367,743
Net other employment benefits liability, as restated	1,285,783	1,282,277
Net pension liability	1,259,436	527,894
Total long-term liabilities	\$ 68,683,928	\$ 60,358,064

Additional information on SCTA's long-term liabilities can be found in Note F 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, 2017 and the California Department of Tax and Fee Administration (CDTFA) is projecting continued slow growth in sales tax revenues for the next fiscal year. This will directly impact the apportionment programs including Transit and Local Street Repairs (LSR) programs and indirectly affect the project programs of Highway 101, Local Streets Projects (LSP), Passenger Rail and Bike/Pedestrian programs.

Proceeds from the 2015 Series Sales Tax Revenue Bonds, were 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, 411 King Street, Santa Rosa, CA 95404.

Government-Wide Financial Statements

Sonoma County Transportation Authority

Statement of Net Position

June 30, 2018

Governmental
Activities

Assets

Cash and investments	\$	56,087,622
Sales tax receivable		3,838,990
Accounts receivable		586,426
Due from other governments		654,349
Pre-paid expense		7,049
Non-current assets:		
Restricted cash and investments:		
Revenue bonds debt service fund		4,798,913
Revenue bonds reserve fund		2,505,726
Capital assets - equipment, net		4,264
Total assets		68,483,339

Deferred outflows of resources

Deferred other postemployment benefits	119,823
Deferred pension	183,242
Deferred charge on refunding	984,762
Total deferred outflows of resources	1,287,827

Liabilities

Accounts payable	2,357,181
Due to other governments	747,830
Retention payable	12,756
Unearned revenue	7,703,500
Interest payable	218,515
Bonds payable, current	6,685,000
Compensated absences payable	173,499
Noncurrent liabilities:	
Bonds payable	51,862,893
Net other postemployment benefits liability	1,282,277
Net pension liability	527,894
Total liabilities	71,571,345

Deferred inflows of resources

Deferred other postemployment benefits	74,862
Deferred pension	405,337
Total deferred inflows of resources	480,199

Net Position

Net investment in capital assets		4,264
Restricted for:		
Transportation Fund for Clean Air (TFCA)		724,405
Measure M debt service		2,505,726
Unrestricted		(5,514,773)
Total net position deficit	\$	(2,280,378)

Sonoma County Transportation Authority

Statement of Activities

For the Fiscal Year Ended June 30, 2018

Functions / Programs	Expenses	<u>Program Revenues</u> Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:			
Measure M	\$ 19,493,184	\$ 1,632,825	\$ (17,860,359)
Transportation fund for clean air (TFCA)	599,584	638,882	39,298
Transportation improvement	1,738,499	1,840,045	101,546
Total governmental activities	\$ 21,831,267	\$ 4,111,752	(17,719,515)
 General revenues:			
Sales tax revenue			24,785,653
Total general revenues			24,785,653
Change in net position			7,066,138
Net position - beginning of year			(8,060,733)
Prior period adjustment (See Note P)			(1,285,783)
Net position - beginning of year, as restated			(9,346,516)
Net position - end of year			\$ (2,280,378)

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, 2018

	General	TFCA Special Revenue	Measure M Special Revenue	Measure M Debt Service	Total Governmental Funds
Assets					
Cash and investments	\$ 1,049,329	\$ 1,086,619	\$ 53,951,674	\$ -	\$ 56,087,622
Sales tax receivable	-	-	2,287,792	1,551,198	3,838,990
Deposits with others	-	-	586,426	-	586,426
Prepaid expense	7,049	-	-	-	7,049
Due from other governments	512,177	-	142,172	-	654,349
Restricted cash - revenue bond reserve	-	-	-	2,505,726	2,505,726
Restricted cash - debt service	-	-	-	4,798,913	4,798,913
Total assets	\$ 1,568,555	\$ 1,086,619	\$ 56,968,064	\$ 8,855,837	\$ 68,479,075
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 41,396	\$ 218,890	\$ 2,096,896	\$ -	\$ 2,357,182
Due to other governments	-	143,324	604,505	-	747,829
Unearned revenue	703,500	-	7,000,000	-	7,703,500
Retention payable	-	-	12,756	-	12,756
Total liabilities	744,896	362,214	9,714,157	-	10,821,267
Fund balances:					
Nonspendable	7,049	-	-	-	7,049
Restricted	-	724,405	47,253,907	8,855,837	56,834,149
Unassigned	816,610	-	-	-	816,610
Total fund balances	823,659	724,405	47,253,907	8,855,837	57,657,808
Total liabilities and fund balance	\$ 1,568,555	\$ 1,086,619	\$ 56,968,064	\$ 8,855,837	\$ 68,479,075

Sonoma County Transportation Authority

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

June 30, 2018

Total fund balances - governmental funds	\$	57,657,808
<p>Total net position reported in the statement of net position is different because:</p>		
<p>Certain amounts are not available to pay current period expenditures and, therefore, are not reported in the governmental funds:</p>		
Deferred outflows of resources		1,287,827
<p>Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds:</p>		
Capital assets - equipment, net		4,264
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:</p>		
Bonds payable including unamortized premium		(58,547,893)
Accrued interest payable		(218,515)
Compensated absences payable		(173,499)
Other post employment benefits liability		(1,282,277)
Pension liability		(527,894)
Deferred inflows of resources reported in the statement of net position		(480,199)
<hr/>		
Total net position deficit	\$	(2,280,378)

Sonoma County Transportation Authority

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

For the Fiscal Year Ended June 30, 2018

	General	TFCA Special Revenue	Measure M Special Revenue	Measure M Debt Service	Total Governmental Funds
Revenues					
Sales tax	\$ -	\$ -	\$ 15,638,115	\$ 9,147,538	\$ 24,785,653
Intergovernmental	1,753,741	627,388	944,255	-	3,325,384
Investment income	8,312	7,055	656,897	31,663	703,927
Miscellaneous	77,992	4,439	10	-	82,441
Total revenues	1,840,045	638,882	17,239,277	9,179,201	28,897,405
Expenditures					
Current:					
Salaries and employee benefits	1,334,377	-	-	-	1,334,377
Services and supplies	443,009	-	3,102,606	-	3,545,615
Administration	-	40,280	-	-	40,280
Contributions to other governments	32,024	559,304	14,699,406	-	15,290,734
Debt service:					
Principal	-	-	-	6,375,000	6,375,000
Interest	-	-	20,099	2,771,013	2,791,112
Total expenditures	1,809,410	599,584	17,822,111	9,146,013	29,377,118
Net change in fund balances	30,635	39,298	(582,834)	33,188	(479,713)
Fund balances at June 30, 2017	793,024	685,107	47,836,741	8,822,649	58,137,521
Fund balances at June 30, 2018	\$ 823,659	\$ 724,405	\$ 47,253,907	\$ 8,855,837	\$ 57,657,808

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, 2018

Net change in fund balances - total governmental funds \$ (479,713)

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 6,375,000

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 (25,466)

Change in interest payable 24,804

Change in net other postemployment benefits liability 48,467

Change in net pension liability 48,976

Amortization of bond premiums and deferred charge on refunding 1,075,136

Change in net position \$ 7,066,138

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, SCTA 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 J 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 \$540,960 for the year.

Unearned Revenue

Unearned revenue represents amounts collected before revenue recognition criteria are met.

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.

Note B. Summary of Significant Accounting Policies (continued)

OPEB

For purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the County's OPEB Plan and additions to/deductions from the County's OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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".

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.

Note B. Summary of Significant Accounting Policies (continued)

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.

Future Pronouncements

SCTA is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB statements:

GASB Statement No. 83, Certain Asset Retirement Obligations

Effective for reporting periods beginning after June 15, 2018, this Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

GASB Statement No. 87, Leases

Effective for reporting periods beginning after December 15, 2019, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

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, 2018 was 533 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).

Note C. Cash and Investments (continued)

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.

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. SCTA 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, 2018 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	(24,299)	(1,066)	-	-	(25,365)
Capital assets, net	\$ 5,330	\$ (1,066)	\$ -	\$ -	\$ 4,264

Note E. Unearned Revenue

On March 2, 2018 SCTA received an advance deposit of \$7,000,000 under a cooperative funding agreement with the City of Petaluma for the design and construction of a Highway 101 project. This amount was deferred, and revenue will be recognized as qualifying expenditures are incurred.

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2018

Note F. Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Sales Tax Revenue Bonds,					
Series 2011	\$ 19,815,000	\$ -	\$ (2,110,000)	\$ 17,705,000	\$ 2,190,000
Unamortized bond premium	624,441	-	(149,291)	475,150	-
Total 2011 Series Bonds	20,439,441	-	(2,259,291)	18,180,150	2,190,000
Sales Tax Revenue Bonds,					
Series 2015	40,955,000	-	(4,265,000)	36,690,000	4,495,000
Unamortized bond premium	4,744,268	-	(1,066,525)	3,677,743	-
Total 2015 Series Bonds	45,699,268	-	(5,331,525)	40,367,743	4,495,000
Total bonds	66,138,709	-	(7,590,816)	58,547,893	6,685,000
Net OPEB liability (as restated)	1,392,712	-	(110,435)	1,282,277	-
Net pension liability	1,259,436	-	(731,542)	527,894	-
Total long-term liabilities	\$ 68,790,857	\$ -	\$ (8,432,793)	\$ 60,358,064	\$ 6,685,000

Note G. Sales Tax Revenue Bonds

SCTA 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, 2018

Note G. 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 \$9,146,013 for the fiscal year ended June 30, 2018, representing 37% of the \$24,785,653 in Measure M sales tax revenue recognized during the same period. The debt service payments consisted of \$6,375,000 of principal payments on the 2011 and 2015 Bonds, and interest payments totaling \$2,771,013 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, 2018:

Fiscal Year Ending June 30:	Principal	Interest	Total
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	2,530,000	401,837	2,931,837
2023	2,650,000	285,588	2,935,588
2024-2025	5,635,000	238,481	5,873,481
Total requirements	\$ 17,705,000	\$ 2,837,968	\$ 20,542,968

Future years' amortization of bond premium for the 2011 Bonds are as follows as of June 30, 2018:

Fiscal Year Ending June 30:	Premium
2019	\$ 130,824
2020	111,515
2021	91,194
2022	69,860
2023	47,515
2024-2025	24,242
Total requirements	\$ 475,150

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2018

Note G. Sales Tax Revenue Bonds (continued)

The annual debt service requirements to maturity for the 2015 Bonds are as follows as of June 30, 2018.

Fiscal Year Ending June 30:	Principal	Interest	Total
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	5,215,000	995,375	6,210,375
2023	5,480,000	728,000	6,208,000
2024-2025	11,820,000	598,500	12,418,500
Total requirements	\$ 36,690,000	\$ 6,785,250	\$ 43,475,250

Future years' amortization of bond premium for the 2015 Bonds are as follows as of June 30, 2018:

Fiscal Year Ending June 30:	Premium
2019	\$ 944,556
2020	816,209
2021	681,486
2022	539,900
2023	391,024
2024-2025	304,568
Total requirements	\$ 3,677,743

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

Note H. 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), Strategic Growth Council Funds received from California Department of Conservation and contributions from SCTA member governments.

Note I. Due to Other Governments

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

Note J. 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-Marín 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 K. 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. The deductible for these occurrences is \$5,000.

SCTA participates in the County of Sonoma's self-insurance program providing \$300,000 per occurrence for workers' compensation claims. The self-insurance program is accounted for in the County's Risk Management Internal Service Fund. Excess worker's compensation liability coverage is maintained through participation in the California State Association of Counties, Excess Insurance Authority (CSAC-EIA).

Note L. 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.

Note L. Employees' Retirement Plan (continued)***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, 2018 were based on the Plan's valuation dated December 31, 2015. 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 10.35% - 13.52% of their annual covered salary based upon the member's age at the date of entry into the system and Plan B general members are required to contribute 10.37% 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, 2018, the SCTA contributed \$210,543 or approximately 16.53% of covered payroll.

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

At June 30, 2018, SCTA reported a liability of \$527,894 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017 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, 2017, SCTA's proportion was .313% which represents a decrease from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, SCTA recognized pension expense of \$168,057. 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, 2018, SCTA reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Sonoma County Transportation Authority

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2018

Note L. **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	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,657	\$ 14,010
Changes in assumptions	54,378	-
Net difference between projected and actual earnings on retirement plan investments	-	372,606
Changes in proportion and in differences between SCTA contributions and proportionate share of contributions	20,935	18,721
SCTA contributions subsequent to the measurement date	105,272	-
	\$ 183,242	\$ 405,337

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.

Deferred outflows of resources related to pensions resulting from SCTA contributions subsequent to the measurement date totaling \$105,272 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:

Year Ending June 30,	Amount
2019	\$ 21,941
2020	(64,764)
2021	(152,679)
2022	(131,865)
	\$ (327,367)

Note L. Employees' Retirement Plan (continued)

Actuarial Assumptions

The total pension liability was determined based on the December 31, 2017 actuarial valuation, using the following actuarial assumptions:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2017
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, 2017, 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.

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	\$ 1,563,780	\$ 527,894	\$ (337,795)

Note M. Other Postemployment Benefits (OPEB)

Plan Description

The County of Sonoma (County) maintains an Other Postemployment Healthcare Plan (OPEB or Plan). The Plan is a single employer defined benefit plan which is administered by the County. The authority to establish and amend benefit provisions of the Plan resides with the County Board of Supervisors. SCTA participates in the OPEB Plan.

The County established an OPEB trust with the Public Agency Retirement Services (PARS) in 2008 to accumulate resources to fund future benefit payments of the Plan. The OPEB trust is reported in the County of Sonoma's Comprehensive Annual Financial Report (CAFR) and can be found www.sonoma-county.org.

In accordance with a County Board of Supervisors approved salary resolution and applicable memorandum of understanding, the Plan includes unrepresented and represented employees hired prior to January 1, 2009, with at least 10 consecutive years of regular full-time paid employment. The Plan was closed to new participants on January 31, 2008.

Benefits Provided

Retirees and the County share in the cost of monthly premiums for medical coverage. The County contribution toward plan member premiums is a \$500 per month maximum contribution, an amount which is equal to the County's current contribution toward the cost of active, unrepresented Administrative Management employees' medical plans. Retirees may enroll eligible dependents in the County medical plan elected by the retiree, but the retiree is responsible for all premium costs in excess of the County's contribution. In the case of a Safety employee's line-of-duty death pursuant to the California labor code, dependents of the deceased employee are eligible to receive County-subsidized medical coverage. In addition to the monthly contribution, the County reimburses retirees hired prior to January 1, 2009, a fixed amount of \$96.40 per month for Medicare Part B premiums.

Contributions

The OPEB Plan funding policy provides for periodic contributions by the County. The contribution rate as a percentage of covered payroll is 8.8%, and is authorized annually by the County Board of Supervisors to finance the costs of benefits for plan members, with an additional amount to finance the unfunded accrued liability. Contributions to the OPEB Plan from SCTA were \$102,123 for the year ended June 30, 2018. Employees are not required to contribute to the OPEB Plan.

Note M. Other Postemployment Benefits (OPEB) (continued)

Contributions (continued)

The net OPEB liability and asset information is reported within certain defined timeframes as listed below:

Reporting Date	June 30, 2018
Valuation Date	June 30, 2017
Measurement Date	June 30, 2017

At June 30, 2018, SCTA reported a liability of \$1,282,277 for its proportionate share of the net OPEB liability. SCTA's covered payroll is used as the basis for determining its proportion of the OPEB amounts. At June 30, 2017, SCTA's proportion was .378%. At June 30, 2018 SCTA's proportion was .382% an increase of .04%.

Actuarial Methods and Assumptions

The Net OPEB Liability (NOL) was measured as of June 30, 2017 and 2016 and determined based on the total OPEB liability from actuarial valuations as of June 30, 2017 and 2016, respectively.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 and June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement, except the Excise Tax imposed by the Affordable Care Act and related statutes was reflected in the actuarial valuation as of June 30, 2017 and the investment rate of return varied between the years as noted:

Actuarial cost method	Entry Age Normal Cost Method
Inflation	3.00%
Investment rate of return	June 30, 2017: 6.50%, net of OPEB plan investment expense, including inflation June 30, 2016: 7.25%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.50%
Other assumptions	Analysis of actuarial experience per the January 1, 2012 through December 31, 2014 Actuarial Experience Study dated October 2, 2015 and the Economic Actuarial Assumption Study for December 31, 2015 Actuarial Valuation dated September 30, 2015 for the Sonoma County Employees' Retirement Association (SCERA). Mortality rates were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table

Note M. Other Postemployment Benefits (OPEB) (continued)

Actuarial Methods and Assumptions (continued)

The County Health Plan medical trends grade from 7.0% in 2017/2018 down to 5.0% over 4 years. County Health Plan drug trends grade from 8.0% in 2017/2018 down to 5.0% over 6 years. HMO Medical/Drug trends grade from 6.75% in 2017/2018 down to 5.0% over 7 years. ASO fees assumed trend was 0% in 2017/2018, then 5.0% thereafter.

Investments

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which the expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rate of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the table below.

The County’s Investment Guidelines for OPEB are detailed in the “Investment Guidelines Document – County of Sonoma Post-Employment Health Care Plan Investment Policy Document – June 2017”. The following is the Board’s adopted asset allocation policy for OPEB as of June 2018:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	29.54%	5.72%
Small Cap U.S. Equity	7.20%	6.44%
Developed International Equity	18.90%	6.69%
Emerging Market Equity	5.36%	8.67%
U.S. Core Fixed Income	13.50%	0.83%
Developed International Fixed Income	0.45%	0.31%
High Yield Fixed Income	0.60%	3.00%
Emerging Market Fixed Income	0.45%	3.92%
Real Estate	10.00%	4.61%
Farmland	5.00%	5.81%
Bank Loans	3.00%	2.18%
Unconstrained Bonds	3.00%	2.71%
Infrastructure	<u>3.00%</u>	6.25%
Total	100.00%	

Note M. Other Postemployment Benefits (OPEB) (continued)

Discount Rate

The discount rates used to measure the Total OPEB Liability (TOL) were 3.78% and 3.05% as of June 30, 2017 and June 30, 2016, respectively. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuarially determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2023. Subsequent to this date, the municipal bond rate of 3.58%, as of June 30, 2017 from the Bond Buyer index, was used as the investment return assumption for employer assets.

Sensitivity of SCTA's Proportionate Share of the Net OPEB Liability

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

The following presents SCTA's proportionate share of the Net OPEB liability if it were calculated using the discount rate of 3.78%, as well as what SCTA's proportionate share of the Net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.78%) or 1-percentage-point higher (4.78%) than the current rate, for measurement period ended June 30, 2017:

1% Decrease (2.78%)	Current Discount Rate (3.78%)	1% Increase (4.78%)
\$ 1,435,435	\$ 1,282,277	\$ 1,151,939

Sensitivity of SCTA's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following present SCTA's proportionate share of the Net OPEB liability if it were calculated using the trend rate that is 1%, higher as well as using trend rate 1% lower than the current trend rates, for measurement period ended June 30, 2017:

1% Decrease Trend Rate	Current Trend Rates	1% Increase Trend Rate
\$ 1,244,575	\$ 1,282,277	\$ 1,331,782

Note M. Other Postemployment Benefits (OPEB) (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

The net difference between projected and actual earnings on OPEB Plan investments is amortized over a 5-year period on a straight-line basis. One-fifth was recognized in OPEB expense during the measurement period, and the remaining net difference between projected and actual investment earnings on OPEB Plan investments at June 30, 2017, is to be amortized over the remaining 4-year period.

The changes in assumptions and differences between expected and actual experience are recognized over the average of the expected remaining service lives of all employees that are provided OPEB through the Plan (active and inactive) determined as of the beginning of the measurement period. For the measurement period ending June 30, 2017, the average is 2.95 years.

For the year ended June 30, 2018, SCTA recognized OPEB expense of \$57,618. At June 30, 2018, SCTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 3,903
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	8,932	-
Net differences between projected and actual earnings on plan investments	-	5,080
Changes of assumptions	-	65,879
Contributions made subsequent to the measurement date	110,891	-
Total	\$ <u>119,823</u>	\$ <u>74,862</u>

Note M. Other Postemployment Benefits (OPEB) (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources (continued)

The \$110,891 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2019	\$ (32,475)
2020	(30,915)
2021	(1,270)
2022	(1,270)
Total	\$ <u>(65,930)</u>

Defined Contribution Plan Description

For employees hired on or after January 1, 2009, the County provides a defined contribution into a Retiree Health Reimbursement Arrangement (HRA) account. Eligibility for this benefit is based upon completion of two full years of consecutive County regular service and have been a contributing member of the Sonoma County Employees Retirement Association. Upon completion of the initial eligibility requirements, the County provides (a) an initial contribution of \$2,400 to an HRA account established in the employee's name; this initial contribution of \$2,400 is based on full-time status and is prorated based on the employee's allocated position, and (b) thereafter contributes \$.58 per pay status hour, not including overtime, into the HRA account for each eligible employee. Once an employee has worked the two full years of service and the initial contribution into their HRA account is made, there are no further service requirements. All contributions into the Retiree HRA are made only while an employee is in active pay status, and upon separation of employment, there are no further post-employment contributions. Participants may access their HRA account at age 50 or upon retirement from the County, whichever is earlier, and may defer this date. There is no requirement to be enrolled in a County offered medical plan to receive this benefit. Retirees and dependents that elect coverage under a County-sponsored plan are responsible for all costs.

Note N. Deferred Compensation

The Deferred Compensation Benefit Plans are administered through a third-party administrator. The plan is excluded from the SCTA’s financial statements. The Deferred Compensation Benefit Plan is an employer discretionary, defined contribution plan established and governed under Internal Revenue Code Sections 401(a) and 457(b). The plan is available to employee groups based on bargaining unit and job class.

Employer-only annual contributions are calculated based upon a percentage of employee compensation. For the fiscal year ended June 30, 2018, SCTA’s contribution was \$10,805. SCTA offers employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$18,500 per calendar year.

Note O. Commitments

SCTA has the following contractual commitments related to its activities as of June 30, 2018:

Activity	Outstanding Commitment Balance
Measure M	\$ 46,518,396
Transportation Fund for Clean Air (TFCA)	625,663
Transportation Improvement	81,539
Total	\$ 47,225,598

Note P. Prior Period Adjustment

A prior period adjustment of \$1,285,783 was made to decrease beginning net position. The adjustment was made to reflect the prior period costs related to the recognition of the net other postemployment benefits liability.

The restatement of net position is summarized as follows:

Net position at July 1, 2017 as previously stated	\$ (8,060,733)
Net other postemployment benefits liability adjustment	<u>(1,285,783)</u>
Net position at July 1, 2017, as restated	<u><u>\$ (9,346,516)</u></u>

Required Supplementary Information

Sonoma County Transportation Authority

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

For the Fiscal Year Ended June 30, 2018

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

Last 10 Fiscal Years *

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
SCTA's proportion of the net pension liability	0.31%	0.32%	0.32%	0.31%	0.32%
SCTA's proportionate share of the net pension liability	\$ 527,894	\$ 1,259,436	\$ 1,309,554	\$ 672,050	\$ 779,172
 SCTA's covered employee payroll	 \$ 1,274,122	 \$ 1,185,073	 \$ 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	41.43%	106.27%	119.05%	66.69%	75.60%
Plan fiduciary net position as a percentage of the total pension liability	94.03%	85.92%	84.63%	90.88%	89.76%

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

Last 10 Fiscal Years *

	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially determined contribution	\$ 217,033	\$ 190,574	\$ 239,614	\$ 195,659
Contributions in relation to the actuarially determined contribution	217,033	190,574	239,614	195,659
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 SCTA's covered-employee payroll	 \$ 1,272,420	 \$ 1,227,147	 \$ 1,150,999	 \$ 989,162
Contributions as a percentage of covered-employee payroll	17.06%	15.53%	20.82%	19.78%

* Amounts were determined as of December 31st (the pension liability measurement date). Additional years will be presented as they become available. The information presented relates solely to the County of Sonoma funds and blended component units and not the Sonoma County Employee Retirement Association as a whole.

Sonoma County Transportation Authority

Schedule of SCTA's Proportionate Share of the Net OPEB Liability

For the Fiscal Year Ended June 30, 2018

	<u>2017-18</u>	<u>2016-17</u>
Proportion of the net OPEB liability	0.382%	0.378%
Proportionate share of the net OPEB liability	\$ 1,282,277	\$ 1,392,712
Covered payroll	\$ 1,227,147	\$ 1,150,999
Proportionate share of the net OPEB liability as a percentage of its covered payroll	104.49%	121.00%
Plan fiduciary net position as a percentage of the total OPEB liability	12.90%	10.25%

Amounts presented above were determined as of the measurement date, which is one year prior to the reporting date (the other postemployment benefit liability). Additional years will be presented as they come 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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 1,848,893	\$ 1,848,893	\$ 1,753,741	\$ (95,152)
Investment income	1,000	1,000	8,312	7,312
Other	92,040	92,040	77,992	(14,048)
Total revenues	<u>1,941,933</u>	<u>1,941,933</u>	<u>1,840,045</u>	<u>(101,888)</u>
Expenditures				
Current				
Salaries and benefits	1,264,000	1,263,500	1,334,377	(70,877)
Services and supplies	648,249	718,249	443,009	275,240
Contributions to other governments	30,000	30,000	32,024	(2,024)
Total expenditures	<u>1,942,249</u>	<u>2,011,749</u>	<u>1,809,410</u>	<u>202,339</u>
Net change in fund balance	<u>(316)</u>	<u>(69,816)</u>	<u>30,635</u>	<u>100,451</u>
Fund Balance at June 30, 2017	<u>793,024</u>	<u>793,024</u>	<u>793,024</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 792,708</u>	<u>\$ 723,208</u>	<u>\$ 823,659</u>	<u>\$ 100,451</u>

See accompanying Note to Budgetary Comparison 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, 2018

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ 610,792	\$ 644,505	\$ 627,388	\$ (17,117)
Investment income	5,082	5,082	7,055	1,973
Prior Year Revenue - Miscellaneous	-	6,568	4,439	(2,129)
Total revenues	<u>615,874</u>	<u>656,155</u>	<u>638,882</u>	<u>(17,273)</u>
Expenditures				
Current:				
Administration	40,281	40,281	40,280	1
Contributions to other governments	615,874	1,214,249	1,184,967	29,282
Encumbrances	-	(545,650)	(625,663)	80,013
Total expenditures	<u>656,155</u>	<u>708,880</u>	<u>599,584</u>	<u>109,296</u>
Net change in fund balance	<u>(40,281)</u>	<u>(52,725)</u>	<u>39,298</u>	<u>92,023</u>
Fund Balance at June 30, 2017	<u>685,107</u>	<u>685,107</u>	<u>685,107</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 644,826</u>	<u>\$ 632,382</u>	<u>\$ 724,405</u>	<u>\$ 92,023</u>

See accompanying Note to Budgetary Comparison 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, 2018

	Total Measure M Budgeted Amounts		Actual Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Special	Debt	Total	
			Revenue	Service	Measure M	
Revenues						
Sales tax revenue	\$ 22,874,106	\$ 23,201,027	\$ 15,638,115	\$ 9,147,538	\$ 24,785,653	\$ 1,584,626
Intergovernmental revenue	295,000	395,000	944,255	-	944,255	549,255
Investment income	293,500	303,500	656,897	31,663	688,560	385,060
Other	500	500	10	-	10	(490)
Total revenues	<u>23,463,106</u>	<u>23,900,027</u>	<u>17,239,277</u>	<u>9,179,201</u>	<u>26,418,478</u>	<u>2,518,451</u>
Expenditures						
Current:						
Services and supplies	4,201,660	4,701,660	3,102,606	-	3,102,606	1,599,054
Contributions to other governments	25,740,328	27,736,918	14,699,406	-	14,699,406	13,037,512
Debt service:						
Interest	2,791,012	2,795,012	20,099	2,771,013	2,791,112	3,900
Principal	6,379,000	6,379,000	-	6,375,000	6,375,000	4,000
Total expenditures	<u>39,112,000</u>	<u>41,612,590</u>	<u>17,822,111</u>	<u>9,146,013</u>	<u>26,968,124</u>	<u>14,644,466</u>
Net change in fund balance	<u>(15,648,894)</u>	<u>(17,712,563)</u>	<u>(582,834)</u>	<u>33,188</u>	<u>(549,646)</u>	<u>17,162,917</u>
Fund Balance at June 30, 2017	<u>56,659,390</u>	<u>56,659,390</u>	<u>47,836,741</u>	<u>8,822,649</u>	<u>56,659,390</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 41,010,496</u>	<u>\$ 38,946,827</u>	<u>\$ 47,253,907</u>	<u>\$ 8,855,837</u>	<u>\$ 56,109,744</u>	<u>\$ 17,162,917</u>

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, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation			
Highway Planning and Construction Cluster			
California Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HPLUL-6364(015)	\$ 182,304
California Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	FERPL16-6204(127)N	122,407
California Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	CMNI-6364(021)	19,765
California Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	CMNI-6364(018)	47,491
Metropolitan Transportation Commission Highway Planning and Construction (Federal-Aid Highway Program)	20.205	STPL-6084(206)	820,816
Metropolitan Transportation Commission Highway Planning and Construction (Federal-Aid Highway Program)	20.205	STPLNI-6084(199)	18,389
Highway Planning and Construction Cluster			1,211,172
Total Department of Transportation			1,211,172
Total expenditures of federal awards			\$ 1,211,172

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

Note A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards the Schedule includes the federal grant activity of the Sonoma County Transportation Authority (SCTA) under programs of the federal government for the year ended June 30, 2018. 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 accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Such expenditures are recognized following, as applicable, either the cost principles in Office of Management Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principals contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C. Indirect Cost Rate

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

Note D. Pass Through Funding

SCTA did not provide pass through funding to sub recipients during the fiscal year ended June 30, 2018.

The following is a roster of the Sonoma County Transportation Authority Board of Directors and the Executive Director at June 30, 2018.

Board of Directors	Agency
Carol Russell, Chair	City of Cloverdale
Susan Gorin, Vice Chair	County of Sonoma
Mark Landman	City of Cotati
Brigette Mansell	City of Healdsburg
Kathy Miller	City of Petaluma
Jake Mackenzie	City of Rohnert Park
Chris Coursey	City of Santa Rosa
Sarah Gurney	City of Sebastopol
Madolyn Agrimonti	City of Sonoma
David Rabbitt	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 Joe Naujokas	City of Healdsburg
Alternate Chris Albertson	City of Petaluma
Alternate Gina Belforte	City of Rohnert Park
Alternate Julie Combs	City of Santa Rosa
Alternate Michael Carnnachi	City of Sebastopol
Alternate Amy Harrington	City of Sonoma
Alternate Dominic Foppoli	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, 2018, and the related notes to the financial statements, which collectively comprise SCTA's basic financial statements, and have issued our report thereon dated November 19, 2018.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2018-001 that we consider to be a material weakness.

**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)

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2018-001.

SCTA's Response to Findings

SCTA's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. SCTA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Santa Rosa, California
November 19, 2018



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, 2018. 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, 2018.

**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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Santa Rosa, California
November 19, 2018

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statement audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes
 Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? Yes

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 federal programs: Unmodified

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
-------------	------------------------------------

Highway Planning and Construction Cluster

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

Finding 2018-001

**Material weakness in internal control
Material noncompliance**

Incorrect allocation of Local Streets Rehabilitation funds

Criteria: The Measure M Special Revenue Fund (the “Measure M Fund”) within the Sonoma County Transportation Authority is required to allocate Local Streets Rehabilitation funds based on the formula detailed in the Measure M Strategic Plan (the “Plan”). According to the Plan, the distribution formula for these funds is calculated based on a 50% road miles and 50% population calculation. Data for the calculation is updated and obtained annually using Department of Finance population figures and centerline miles as reported by the Metropolitan Transportation Commission from local jurisdictions.

Condition: The Measure M Fund did not allocate the Local Streets Rehabilitation funds in accordance with the formula distribution as outlined in the Plan.

Cause: The Measure M Fund allocated the Local Streets Rehabilitation funds based solely on the population data.

Effect or potential effect: Of the ten jurisdictions, nine Cities were overfunded by approximately \$522,000 in total and the County of Sonoma was underfunded by approximately \$522,000.

Recommendation: The Measure M Fund should implement internal controls to monitor the allocation of Local Streets Rehabilitation funds in accordance with the requirements of the Plan.

View of responsible officials: Management is in agreement with the finding and has taken action to correct the issue as discussed in the following Corrective Action Plan.

III. Federal Award Findings and Questioned Costs

No matters are reportable

No matters were reported in the prior year.

Sonoma County Transportation Authority

Corrective Action Plan

June 30, 2018

Finding Number: 2018-001 Incorrect allocation of Local Streets Rehabilitation (LSR) funds within the Measure M Special Revenue fund.

Planned Corrective Action: Management has made formatting changes to the allocation workbook that will simplify the allocation calculation. Management has added additional levels of internal controls to ensure multiple levels of review prior to allocation. Additional monitoring procedures have been put in place to further ensure appropriate allocation. Adjustments to the 2019 allocations will be made to provide the correct funding to the jurisdictions that were affected by this error.

FY18-19 Measure M LSR Earnings and Distribution allocations FY18-19 Workflow Internal Controls:

1. SCTA made a formatting change to the Measure M LSR Percentage Share Ratios workbook to make it easier to read for ACTTC's use. The Excel workbook now includes a Tab labeled "ACTTC Use LSR Earnings & Distb" to show only the table for the LSR Program Distribution Ratios (combined population/road mile formula (50/50 split).
2. The ACTTC Accountant will enter the LSR Percentage Share Ratios at the beginning of the fiscal year onto their LSR earnings and distribution spreadsheet.
3. The ACTTC Accounting Supervisor double-checks and verifies that the LSR Percentage Share Ratios are correct for the fiscal year, along with the associated calculations, linked voucher claim form, and journal.
4. SCTA Contracts Management and Bookkeeper will review and confirm the Percentage Share Ratios and calculations are correct on the LSR earnings and distribution spreadsheet, along with the linked voucher claim, and journal, before printing out. SCTA will print out ten (10) copies of the LSR earnings and distribution spreadsheet, the current FY LSR Percentage Share Ratio spreadsheet, individual voucher claims, and journal.
5. SCTA Contracts Management and Bookkeeper will route the print outs to the SCTA Department Analyst for review before routing the documents to the Measure M Program Manager for approval.
6. SCTA Department Analyst will forward the documents to the SCTA Program Manager for compliance review and approval to process.

7. The SCTA Program Manager will place a compliance stamp on each copy of the LSR earnings and distribution spreadsheet and review to determine if each jurisdiction is in compliance of the strategic plan and if payment is to be processed. In addition, the Measure M Program Manager will confirm that the Measure M LSR Percentage Share Ratios in the calculation of the earnings distribution spreadsheet is correct for the current fiscal year.
8. The SCTA Measure M Program Manager routes the compliance approved LSR voucher claims, and journal to the SCTA Director Projects & Programming for final review and signature approval to pay.
9. SCTA Director Projects & Programming will return the approved voucher claims and journal to the Contracts Management and Bookkeeper for data entry and processing payment in EFS.
10. SCTA Department Analyst receives an electronic notice that the vouchers are awaiting approval. SCTA Department Analyst will review each voucher and journal entry and approve electronically.
11. SCTA Director of Projects & Programming receives an electronic notice that the vouchers are awaiting approval. SCTA Director Projects & Programming will review each voucher and journal entry and approve electronically.

There will be a review of the documents, calculations, and percentage share ratios at each level of reviewer.

The SCTA Staff has reviewed and agreed to the new procedure on October 2, 2018.

Person responsible for Corrective Action Plan:

James Cameron, Director Projects & Programming

Anticipated Date of Completion:

SCTA payment of Measure M's LSR second quarter allocations will complete the correction, no later than February 28, 2019.



Sonoma County Regional Climate Protection Authority

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

For the Fiscal Year Ended June 30, 2018

**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, 2018, 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.

Independent Auditor's Report (continued)

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, 2018, 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.

Other Matters

Required Supplementary Information

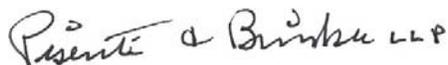
Accounting principles generally accepted in the United States of America require that the budgetary comparison information and management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the 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 19, 2018, 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.



Santa Rosa, California
November 19, 2018

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, 2018.

Financial highlights

- The assets of RCPA exceeded its liabilities at June 30, 2018 by \$140,169.
- RCPA's restricted net position at June 30, 2018 totaled \$140,169.

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 \$140,169 at June 30, 2018.

Condensed Statement of Net Position

June 30,	2017	2018
Assets		
Current assets	\$ 269,970	\$ 312,165
Liabilities		
Current liabilities	32,805	171,996
Net position - restricted	\$ 237,165	\$ 140,169

Governmental activities

Governmental activities for RCPA resulted in a decrease in net position balance of \$96,996 at June 30, 2018. Key elements of these activities during the fiscal year ended June 30, 2018 are identified on the following page.

Governmental fund

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, 2018, RCPA's governmental fund reported an ending fund balance of \$140,169.

Sonoma County Regional Climate Protection Authority

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

General fund budgetary highlights

Adjustments from the original approved budget were based on an expected increase in intergovernmental revenue of \$106,290. Associated adjustments to appropriated expenditures were based on an expected decrease of \$29,956.

Condensed Statement of Changes in Net Position

Year Ended June 30,	2017	2018
Revenues:		
Program revenues - Climate protection program	\$ 788,689	\$ 955,293
General revenues	1,946	3,878
Total revenues	790,635	959,171
Expenses:		
Climate protection program	808,679	1,056,167
Total expenses	808,679	1,056,167
Decrease in net position	(18,044)	(96,996)
Net position, beginning of year	255,209	237,165
Net position, end of year	\$ 237,165	\$ 140,169

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, 2017 and June 30, 2018 are due primarily to changes in program activity.

Economic Factors and Next Year's Budget

RCPA activities are primarily funded by local contributions from our member cities and partner agencies and from state and federal programs, which can be impacted by changes to state and federal budgets. In fiscal year 2017-18 RCPA activities were by two state grant programs: the California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program and the Bay Area Regional Energy Network (BayREN) overseen by the California Public Utilities Commission (CPUC). Activities funded by the California Energy Commission to address key market barriers for adoption of electric vehicles will continue through the calendar year 2020. The Bay Area Regional Energy Network is providing ratepayer funding overseen by the California Public Utilities Commission to the RCPA for calendar years 2017 and 2018. 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, 2018

	General Fund		Governmental Activities
	Governmental Fund Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 151,723	\$ -	\$ 151,723
Due from other governments	160,442	-	160,442
Total assets	\$ 312,165	-	312,165
Liabilities			
Accounts payable	\$ 171,996	-	171,996
Total liabilities	171,996	-	171,996
Fund balance/net position			
Fund balance			
Restricted	140,169	(140,169)	-
Total fund balance	140,169	(140,169)	-
Total liabilities and fund balance	\$ 312,165		
Net position			
Restricted		140,169	140,169
Total net position		\$ 140,169	\$ 140,169

Sonoma County Regional Climate Protection Authority

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

For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities Governmental Activities</u>
Expenditures/expenses			
Current:			
Services and supplies	\$ 1,056,167	\$ -	\$ 1,056,167
Total expenditures/expenses	<u>1,056,167</u>	<u>-</u>	<u>1,056,167</u>
Program revenues			
Intergovernmental revenue	<u>955,293</u>	<u>-</u>	<u>955,293</u>
Total program revenues	<u>955,293</u>	<u>-</u>	<u>955,293</u>
Deficiency of program revenues under expenditures/expenses	<u>(100,874)</u>	<u>-</u>	<u>(100,874)</u>
General revenues			
Investment income	<u>3,878</u>	<u>-</u>	<u>3,878</u>
Total general revenues	<u>3,878</u>	<u>-</u>	<u>3,878</u>
Net change in fund balance/net position	<u>(96,996)</u>	<u>-</u>	<u>(96,996)</u>
Fund balance/net position:			
June 30, 2017	<u>237,165</u>	<u>-</u>	<u>237,165</u>
June 30, 2018	<u>\$ 140,169</u>	<u>\$ -</u>	<u>\$ 140,169</u>

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, 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 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, 2018 was 533 days.

Note C. Cash and Investments (continued)

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, 2018 was 533 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 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, 2018.

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; injuries to employees; 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. The deductible for these occurrences is \$5,000.

RCPA participates in the County of Sonoma's self-insurance program providing \$300,000 per occurrence for workers' compensation claims. The self-insurance program is accounted for in the County's Risk Management Internal Service Fund. Excess worker's compensation liability coverage is maintained through participation in the California State Association of Counties, Excess Insurance Authority (CSAC-EIA).

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 891,234	\$ 997,524	\$ 955,293	\$ (42,231)
Investment income	1,800	1,800	3,878	2,078
Total revenues	893,034	999,324	959,171	(40,153)
Expenditures				
Current:				
Services and supplies	1,030,129	1,060,085	1,056,167	3,918
Total expenditures	1,030,129	1,060,085	1,056,167	3,918
Deficiency of revenues under expenditures	(137,095)	(60,761)	(96,996)	(36,235)
Fund balance, June 30, 2017	237,165	237,165	237,165	-
Fund balance, June 30, 2018	\$ 100,070	\$ 176,404	\$ 140,169	\$ (36,235)

See accompanying Note to Budget and Actual Schedule

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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, 2018

The following is a roster of the Sonoma County Regional Climate Protection Authority Board of Directors and the Executive Director at June 30, 2018.

Board of Directors	Agency
Carol Russell, Chair	City of Cloverdale
Susan Gorin, Vice Chair	County of Sonoma
Mark Landman	City of Cotati
Brigette Mansell	City of Healdsburg
Kathy Miller	City of Petaluma
Jake Mackenzie	City of Rohnert Park
Chris Coursey	City of Santa Rosa
Sarah Gurney	City of Sebastopol
Madolyn Agrimonti	City of Sonoma
David Rabbitt	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 Joe Naujokas	City of Healdsburg
Alternate Chris Albertson	City of Petaluma
Alternate Gina Belforte	City of Rohnert Park
Alternate Julie Combs	City of Santa Rosa
Alternate Michael Carnnachi	City of Sebastopol
Alternate Amy Harrington	City of Sonoma
Alternate Dominic Foppoli	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, 2018, and the related notes to the financial statements, which collectively comprise RCPA's basic financial statements, and have issued our report thereon dated November 19, 2018.

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.

**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)**

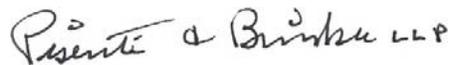
Independent Auditor's Report (continued)

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*.

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.



Santa Rosa, California
November 19, 2018



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

For the Fiscal Year Ended June 30, 2018

**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, 2018, 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.

Independent Auditor's Report (continued)

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, 2018, 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.

Other Matters

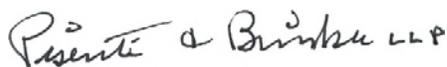
Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required 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 19, 2018, 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. That report is an integral part 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.



Santa Rosa, California
November 19, 2018

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

Balance Sheets - by Activity

June 30, 2018

	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	\$ 671,713	\$ 24,797,698	\$ 26,331,852	\$ 281,993	\$ 23,233	\$ 1,286,588	\$ 558,597	\$ 53,951,674	\$ -	\$ -	\$ -	53,951,674
Sales tax receivable	767,798	767,798	108,469	383,899	67,879	153,560	38,389	2,287,792	124,070	1,427,128	1,551,198	3,838,990
Due from other governments	-	-	122,407	-	-	19,765	-	142,172	-	-	-	142,172
Advances to other governments	522,680	-	63,746	-	-	-	-	586,426	-	-	-	586,426
Interfund receivable	-	950,000	-	-	-	-	-	950,000	-	-	-	950,000
Restricted cash - revenue bond reserves	-	-	-	-	-	-	-	-	626,432	1,879,294	2,505,726	2,505,726
Restricted cash - debt service	-	-	-	-	-	-	-	-	335,785	4,463,128	4,798,913	4,798,913
Total assets	\$ 1,962,191	\$ 26,515,496	\$ 26,626,474	\$ 665,892	\$ 91,112	\$ 1,459,913	\$ 596,986	\$ 57,918,064	\$ 1,086,287	\$ 7,769,550	\$ 8,855,837	\$ 66,773,901
Liabilities and fund balance												
Liabilities												
Accounts payable	\$ 675,327	\$ 392,856	\$ 643,799	\$ 283,807	\$ -	\$ 101,107	\$ -	\$ 2,096,896	\$ -	\$ -	\$ -	2,096,896
Retention payable	-	12,756	-	-	-	-	-	12,756	-	-	-	12,756
Interfund payable	-	-	-	-	950,000	-	-	950,000	-	-	-	950,000
Unearned revenue	-	-	7,000,000	-	-	-	-	7,000,000	-	-	-	7,000,000
Due to other governments	522,680	8,367	73,458	-	-	-	-	604,505	-	-	-	604,505
Total liabilities	1,198,007	413,979	7,717,257	283,807	950,000	101,107	-	10,664,157	-	-	-	10,664,157
Fund Balance												
Nonspendable	-	950,000	-	-	-	-	-	950,000	-	-	-	950,000
Restricted - Measure M Debt Service	-	-	-	-	-	-	-	-	1,086,287	7,769,550	8,855,837	8,855,837
Restricted - Measure M Programs	764,184	25,151,517	18,909,217	382,085	(858,888)	1,358,806	596,986	46,303,907	-	-	-	46,303,907
Total fund balance (deficit)	764,184	26,101,517	18,909,217	382,085	(858,888)	1,358,806	596,986	47,253,907	1,086,287	7,769,550	8,855,837	56,109,744
Total liabilities and fund balance	\$ 1,962,191	\$ 26,515,496	\$ 26,626,474	\$ 665,892	\$ 91,112	\$ 1,459,913	\$ 596,986	\$ 57,918,064	\$ 1,086,287	\$ 7,769,550	\$ 8,855,837	\$ 66,773,901

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

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, 2018

	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	\$ 4,957,129	\$ 4,957,132	\$ 1,511,421	\$ 2,478,566	\$ 494,586	\$ 991,427	\$ 247,854	\$ 15,638,115	\$ 744,696	\$ 8,402,842	\$ 9,147,538	\$ 24,785,653
Intergovernmental revenue	-	-	924,490	-	-	19,765	-	944,255	-	-	-	944,255
Investment income (loss)	10,156	273,573	336,676	5,049	11,449	14,652	5,342	656,897	(1,024)	32,687	31,663	688,560
Miscellaneous revenue	-	-	-	-	-	-	10	10	-	-	-	10
Total revenue	4,967,285	5,230,705	2,772,587	2,483,615	506,035	1,025,844	253,206	17,239,277	743,672	8,435,529	9,179,201	26,418,478
Expenditures												
Current:												
Services and supplies	-	435,477	2,505,475	-	719	19,765	141,170	3,102,606	-	-	-	3,102,606
Contributions to other governments	4,928,117	1,016,979	5,505,897	2,464,036	-	784,377	-	14,699,406	-	-	-	14,699,406
Debt Service:												
Interest	-	-	-	-	20,099	-	-	20,099	207,472	2,563,541	2,771,013	2,791,112
Principal	-	-	-	-	-	-	-	-	527,500	5,847,500	6,375,000	6,375,000
Total expenditures	4,928,117	1,452,456	8,011,372	2,464,036	20,818	804,142	141,170	17,822,111	734,972	8,411,041	9,146,013	26,968,124
Net change in fund balance	39,168	3,778,249	(5,238,785)	19,579	485,217	221,702	112,036	(582,834)	8,700	24,488	33,188	(549,646)
Fund balance at June 30, 2017	725,016	22,323,268	24,148,002	362,506	(1,344,105)	1,137,104	484,950	47,836,741	1,077,587	7,745,062	8,822,649	56,659,390
Fund balance at June 30, 2018	\$ 764,184	\$ 26,101,517	\$ 18,909,217	\$ 382,085	\$ (858,888)	\$ 1,358,806	\$ 596,986	\$ 47,253,907	\$ 1,086,287	\$ 7,769,550	\$ 8,855,837	\$ 56,109,744

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

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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018

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 2017 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 2017 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 in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application".

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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018

Note B. Summary of Significant Accounting Policies (continued)

Cash and Investments (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 \$540,960 for the year.

Unearned Revenue

Unearned revenue represents amounts collected before revenue recognition criteria are met.

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.

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, 2018 was 533 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, 2018

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. Measure M has the fair value measurements as of June 30, 2018:

- 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. Unearned Revenue

On March 2, 2018 SCTA received an advance deposit of \$7,000,000 under a cooperative funding agreement with the City of Petaluma for the design and construction of a Highway 101 project. This amount was deferred, and revenue will be recognized as qualifying expenditures are incurred.

Note E. 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, 2018

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

Debt service payments made from the Measure M Fund were \$9,146,013 for the fiscal year ended June 30, 2018, representing 37% of the \$24,785,653 in Measure M sales tax revenue recognized during the same period. The debt service payments consisted of \$6,375,000 of principal payments on the 2011 and 2015 Bonds, and interest payments totaling \$2,771,013 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, 2018:

Fiscal Year Ending June 30:	Principal	Interest	Total
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	2,530,000	401,837	2,931,837
2023	2,650,000	285,588	2,935,588
2024-2025	5,635,000	238,481	5,873,481
Total requirements	\$ 17,705,000	\$ 2,837,968	\$ 20,542,968

The annual debt service requirements to maturity for the 2015 Bonds are as follows as of June 30, 2018:

Fiscal Year Ending June 30:	Principal	Interest	Total
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	5,215,000	995,375	6,210,375
2023	5,480,000	728,000	6,208,000
2024-2025	11,820,000	598,500	12,418,500
Total requirements	\$ 36,690,000	\$ 6,785,250	\$ 43,475,250

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, 2018

Note F. 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, Measure M Funds are covered for general, automobile, crime and errors and omissions liability through Alliant Insurance Services. Limits of this coverage are \$1,000,000 per occurrence. The deductible for these occurrences is \$5,000.

SCTA participates in the County of Sonoma’s self-insurance program providing \$300,000 per occurrence for workers’ compensation claims. The self-insurance program is accounted for in the County’s Risk Management Internal Service Fund. Excess worker’s compensation liability coverage is maintained through participation in the California State Association of Counties, Excess Insurance Authority (CSAC-EIA).

Note G. 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-Marin 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	\$ 950,000

Note H. Commitments

The Measure M Special Revenue Fund has the following outstanding commitments related to its programs as of June 30, 2018:

Project	Outstanding Commitment Balance
Highway 101	\$ 20,472,793
Local Streets - Projects	23,372,799
Bicycle and Pedestrian	2,228,959
Passenger Rail	443,844
Total	\$ 46,518,395

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**

For the Fiscal Year Ended June 30, 2018

	Total Measure M Budgeted Amounts		Actual Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Special Revenue	Debt Service	Total Measure M	
Revenues						
Sales tax revenue	\$ 22,874,106	\$ 23,201,027	\$ 15,638,115	\$ 9,147,538	\$ 24,785,653	\$ 1,584,626
Intergovernmental revenue	295,000	395,000	944,255	-	944,255	549,255
Investment income	293,500	303,500	656,897	31,663	688,560	385,060
Other	500	500	10	-	10	(490)
Total revenues	<u>23,463,106</u>	<u>23,900,027</u>	<u>17,239,277</u>	<u>9,179,201</u>	<u>26,418,478</u>	<u>2,518,451</u>
Expenditures						
Current:						
Services and supplies	4,201,660	4,701,660	3,102,606	-	3,102,606	1,599,054
Contributions to other governments	25,740,328	27,736,918	14,699,406	-	14,699,406	13,037,512
Debt service:						
Interest	2,791,012	2,795,012	20,099	2,771,013	2,791,112	3,900
Principal	6,379,000	6,379,000	-	6,375,000	6,375,000	4,000
Total expenditures	<u>39,112,000</u>	<u>41,612,590</u>	<u>17,822,111</u>	<u>9,146,013</u>	<u>26,968,124</u>	<u>14,644,466</u>
Net change in fund balance	<u>(15,648,894)</u>	<u>(17,712,563)</u>	<u>(582,834)</u>	<u>33,188</u>	<u>(549,646)</u>	<u>17,162,917</u>
Fund Balance at June 30, 2017	<u>56,659,390</u>	<u>56,659,390</u>	<u>47,836,741</u>	<u>8,822,649</u>	<u>56,659,390</u>	<u>-</u>
Fund Balance at June 30, 2018	<u>\$ 41,010,496</u>	<u>\$ 38,946,827</u>	<u>\$ 47,253,907</u>	<u>\$ 8,855,837</u>	<u>\$ 56,109,744</u>	<u>\$ 17,162,917</u>

The note to budgetary comparison information is an integral 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, 2018

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, 2018, the related statements of revenues, expenditures and changes in fund balance – by activity for the year then ended, and the notes to the financials statements, and have issued our report thereon dated November 19, 2018.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2018-001 that we consider to be a material weakness.

**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)

Compliance and Other Matters

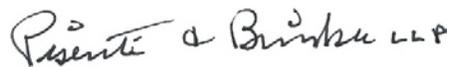
As part of obtaining reasonable assurance about whether the Measure M Funds' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2018-001.

Measure M Funds' Response to Findings

Measure M Funds' response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Measure M Funds' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Santa Rosa, California
November 19, 2018

Finding 2018-001

**Material weakness in internal control
Material noncompliance**

Incorrect allocation of Local Streets Rehabilitation funds

Criteria: The Measure M Special Revenue Fund (the “Measure M Fund”) is required to allocate Local Streets Rehabilitation funds based on the formula detailed in the Measure M Strategic Plan (the “Plan”). According to the Plan, the distribution formula for these funds is calculated based on a 50% road miles and 50% population calculation. Data for the calculation is updated and obtained annually using Department of Finance population figures and centerline miles as reported by the Metropolitan Transportation Commission from local jurisdictions.

Condition: The Measure M Fund did not allocate the Local Streets Rehabilitation funds in accordance with the formula distribution as outlined in the Plan.

Cause: The Measure M Fund allocated the Local Streets Rehabilitation funds based solely on the population data.

Effect or potential effect: Of the ten jurisdictions, nine Cities were overfunded by approximately \$522,000 in total and the County of Sonoma was underfunded by approximately \$522,000.

Recommendation: The Measure M Fund should implement internal controls to monitor the allocation of Local Streets Rehabilitation funds in accordance with the requirements of the Plan.

View of responsible officials: Management is in agreement with the finding and has taken action to correct the issue as discussed in the following Corrective Action Plan.

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

Corrective Action Plan

June 30, 2018

Finding Number: 2018-001 Incorrect allocation of Local Streets Rehabilitation (LSR) funds

Planned Corrective Action: Management has made formatting changes to the allocation workbook that will simplify the allocation calculation. Management has added additional levels of internal controls to ensure multiple levels of review prior to allocation. Additional monitoring procedures have been put in place to further ensure appropriate allocation. Adjustments to the 2019 allocations will be made to provide the correct funding to the jurisdictions that were affected by this error.

FY18-19 Measure M LSR Earnings and Distribution allocations FY18-19 Workflow Internal Controls:

1. SCTA made a formatting change to the Measure M LSR Percentage Share Ratios workbook to make it easier to read for ACTTC’s use. The Excel workbook now includes a Tab labeled “ACTTC Use LSR Earnings & Distb” to show only the table for the LSR Program Distribution Ratios (combined population/road mile formula (50/50 split).
2. The ACTTC Accountant will enter the LSR Percentage Share Ratios at the beginning of the fiscal year onto their LSR earnings and distribution spreadsheet.
3. The ACTTC Accounting Supervisor double-checks and verifies that the LSR Percentage Share Ratios are correct for the fiscal year, along with the associated calculations, linked voucher claim form, and journal.
4. SCTA Contracts Management and Bookkeeper will review and confirm the Percentage Share Ratios and calculations are correct on the LSR earnings and distribution spreadsheet, along with the linked voucher claim, and journal, before printing out. SCTA will print out ten (10) copies of the LSR earnings and distribution spreadsheet, the current FY LSR Percentage Share Ratio spreadsheet, individual voucher claims, and journal.
5. SCTA Contracts Management and Bookkeeper will route the print outs to the SCTA Department Analyst for review before routing the documents to the Measure M Program Manager for approval.
6. SCTA Department Analyst will forward the documents to the SCTA Program Manager for compliance review and approval to process.

7. The SCTA Program Manager will place a compliance stamp on each copy of the LSR earnings and distribution spreadsheet and review to determine if each jurisdiction is in compliance of the strategic plan and if payment is to be processed. In addition, the Measure M Program Manager will confirm that the Measure M LSR Percentage Share Ratios in the calculation of the earnings distribution spreadsheet is correct for the current fiscal year.
8. The SCTA Measure M Program Manager routes the compliance approved LSR voucher claims, and journal to the SCTA Director Projects & Programming for final review and signature approval to pay.
9. SCTA Director Projects & Programming will return the approved voucher claims and journal to the Contracts Management and Bookkeeper for data entry and processing payment in EFS.
10. SCTA Department Analyst receives an electronic notice that the vouchers are awaiting approval. SCTA Department Analyst will review each voucher and journal entry and approve electronically.
11. SCTA Director of Projects & Programming receives an electronic notice that the vouchers are awaiting approval. SCTA Director Projects & Programming will review each voucher and journal entry and approve electronically.

There will be a review of the documents, calculations, and percentage share ratios at each level of reviewer.

The SCTA Staff has reviewed and agreed to the new procedure on October 2, 2018.

Person responsible for Corrective Action Plan:

James Cameron, Director Projects & Programming

Anticipated Date of Completion:

SCTA payment of Measure M's LSR second quarter allocations will complete the correction, no later than February 28, 2019.

Staff Report

To: SCTA/RCPA Board of Directors
From: Brant Arthur, Community Affairs Specialist
Item: 4.1.1 – RFP for Marketing and Outreach Support for E-bike incentive program funded by the Bay Area Air Quality Management District
Date: December 10, 2018

Issue:

Shall the Board authorize the Executive Director to issue a request for proposals for marketing and outreach support to implement an e-bike incentive program?

Background:

RCPA was awarded \$250,460 in funding from the Bay Area Air Quality Management District's 2018 Climate Protection Grant program to develop and implement an e-bike incentive program in the portion of Sonoma County that falls within the district.

This program includes development of an outreach and marketing campaign as well as building partnerships with participating local bike retailers. The project is designed to increase e-bike use in Sonoma County by addressing two key barriers to adoption: (1) the lack of awareness about e-bikes and (2) the price premium for e-bikes over conventional bicycles. The program will provide a financial benefit to individuals who purchase an e-bike.

The bulk-purchase model has proven effective in growing electric vehicle (EV) adoption in Sonoma County. The e-bike incentive program follows Sonoma Clean Power's Drive EverGreen program, where negotiated dealer discounts are combined with additional incentives to encourage residents to adopt a new technology. Santa Rosa experienced the fastest growth rate in EV adoption of any California city in 2017 with the help of Drive EverGreen.

Two e-bike incentive periods are planned for the program, with expectations to offer e-bike incentives to individuals in spring and autumn 2019. By offering e-bike incentives in two periods, there will be an opportunity to learn from the first period and improve the program for the second period.

Goals for Engaging Outreach and Marketing Consultant

RCPA is seeking an Outreach and Marketing consultant or team of consultant to do the following:

- Develop an Outreach Plan for two e-bike incentive periods in 2019
- Develop a process to evaluate the success of the first incentive period to inform the second incentive period
- Develop messaging and marketing materials to successfully implement the Outreach Plan

The Outreach Plan should build on research conducted by RCPA to better understand potential challenges for participating bike retailers and should include opportunities to engage key community groups such as through targeted E-bike experience events. The evaluation process should provide important information and

data and the Outreach Plan should allow enough flexibility to adjust the second incentive period as necessary. The messaging and marketing strategy will be based on the Outreach Plan and RCPA staff drafted the RFP to allow for a team if individual firms cannot meet the requirements for both the Outreach and Marketing components of the request.

Policy Impacts:

E-bikes can reduce the need for single-occupancy vehicle travel for many residents as they reduce the amount of effort needed to cycle, expand the ability range for potential cyclists and can be faster than car trips in an urban setting. Implementing an e-bike incentive program supports the goals of the Shift Sonoma County Low Carbon Transportation Action Plan to reduce greenhouse gas emissions, shift away from single-occupancy vehicles and reduce vehicle miles traveled.

Fiscal Impacts:

The total BAAQMD grant is \$250,460. Of this, \$85,000 is reserved for outside consultants to design and implement marketing and outreach strategy for the E-bike incentive program. The RFP is drafted to allow joint/team proposals or to allow one consultant to deliver a proposal to meet all of these needs.

Staff Recommendation:

RCPA staff requests that the Board authorize the Executive Director to issue the attached Request for Proposals to secure marketing and outreach support to implement an e-bike incentive program.

Attachment:

Proposed Request for Proposals

December 11, 2018

Interested Parties:

The Sonoma County Regional Climate Protection Authority (RCPA) invites proposals from qualified consultants for professional services to develop an outreach plan, design marketing collateral and conduct events to support an e-bike bulk-discount and incentive program in the Southern portion of Sonoma County. The program is a pilot that may be replicated across the San Francisco Bay Area.

The tasks are set out in two scopes of work, one for marketing and one for outreach. Teams are welcome to submit proposals but must be formed on a prime-subcontractor basis. The total budget for the combined scopes, which includes the following objectives, is \$85,000:

Marketing:

- Define audience for e-bike consumers in southern Sonoma County;
- Develop messaging for outreach;
- Design collateral (e.g. poster, point of sale display, flyer, and social media content); and
- Develop program identity/branding (optional)

Outreach:

- Develop an outreach plan (detailing partners and outreach events);
- Develop a process to evaluate the success of the first incentive period to inform the second incentive period;
- Coordinate with businesses and other partners to distribute program information; and
- Manage four to six e-bike experience events across two incentive periods anticipated for mid-April to mid-May 2019 and mid-August to mid-September 2019.

Proposals must be submitted at or before 5:00 p.m. on January 11, 2019. An electronic copy of the proposal in .pdf format should be sent to Brant Arthur at brant.arthur@rcpa.ca.gov. Proposals and amendments to proposals received after the date and time specified above will not be considered. Questions regarding this RFP will be accepted through December 18, 2018 and should be directed in writing to Brant Arthur at brant.arthur@rcpa.ca.gov. Answers to the questions received will be posted online at <http://rcpa.ca.gov>.

Sincerely,



Suzanne Smith, Executive Director RCPA

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Marketing and/or Outreach Services for an E-bike Incentive Program
Southern Sonoma County

REQUEST FOR PROPOSALS

Marketing and/or Outreach Services for an E-bike Incentive Program in Southern Sonoma County

Sonoma County Regional Climate Protection Authority

**411 King Street
Santa Rosa, CA 95405**

(707) 565-5373

Key RFP Dates

Issued: December 11, 2018

Written Questions: December 18, 2018

Pre-Proposal Meeting: December 21, 2018

Submit Proposals: January 11, 2019, by 5:00 p.m

Interviews: January 16-18, 2019

Goal to select consultant: January 22, 2019

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SECTION 1: OVERVIEW

Introduction

The Sonoma County Regional Climate Protection Authority (RCPA), through a grant from the Bay Area Air Quality Management District (BAAQMD), is developing an e-bike incentive pilot program in the southern portion of Sonoma County that falls within the district.

The RCPA seeks to implement an e-bike bulk-discount and incentive program, including the development of an outreach plan and marketing collateral. The RCPA will work with participating local bike retailers to advertise and distribute the e-bike incentive. The RCPA seeks a qualified consultant to work with RCPA staff to develop an outreach plan and design marketing collateral that will help achieve the goal of incentivizing 175 residents in southern Sonoma County to buy an e-bike for transportation (with 10% of those residents living in low-income communities).

Negotiations may or may not be conducted with proposers; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since the selection and award may be made without discussion with any proposer. It is the intent of the RCPA to award a contract to the best-qualified firms, or team of firms, that demonstrates experience in project management, development of outreach plans and the design of marketing collateral suitable for an e-bike incentive pilot program.

This RFP does not commit the RCPA to enter into a contract and the RCPA is not responsible for any costs incurred in preparation and submission of Proposals or in anticipation of a contract.

The RCPA reserves the right to:

1. Reject any or all submittals
2. Issue subsequent Requests for Proposals
3. Alter the Selection Process Dates
4. Remedy technical errors in the RFP process
5. Investigate the qualifications of all firms under consideration
6. Confirm any part of the information furnished by a Proposer
7. Obtain additional evidence of managerial, financial or other capabilities
8. Approve or disapprove the use of particular subcontractors
9. Negotiate with any, all, or none of the Proposers
10. Solicit best and final offers from all or some of the Proposers
11. Award a contract to one or more Proposers

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12. Accept other than the lowest Proposal
13. Waive informalities and irregularities in Proposals

Background

RCPA was awarded \$250,460 in funding from the Bay Area Air Quality Management District's 2018 Climate Protection Grant program to develop and implement an e-bike incentive program in the portion of Sonoma County that falls within the district¹.

This program includes development of an outreach plan and marketing collateral along with outreach events to provide residents with an in-person e-bike experience. The project is designed to increase e-bike use in southern Sonoma County by addressing two key barriers to adoption: (1) the lack of awareness about e-bikes and (2) the price premium for e-bikes over conventional bicycles.

The project will promote and provide discounts and incentives for Type-1 e-bikes, or "pedelecs," bicycles where the motor only engages when the pedals are turned and assisted speeds are capped at 20 mph. Limiting this program to Type-1, non-mountain-bike, e-bikes is intended to ensure personal and public safety and focus on the use of these bicycles as a transportation alternative to driving.

Program Goals

1. 175 e-Bikes sold through participating retailers during program [stretch goal of 350 e-bikes]
2. 10% of e-bikes sold to residents in low-income communities
3. 20,000 Southern Sonoma County residents reached through digital advertising
4. 500 contacts at community events
5. Increased awareness on e-bikes measured through multiple surveys conducted during project

The Sonoma County Regional Climate Protection Authority (RCPA) coordinates community-wide climate solutions for a better future. The RCPA is governed by a twelve member Board of Directors comprised of representatives from the Sonoma County Board of Supervisors and Council Members from each of the nine cities – Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and Windsor. The RCPA coordinates climate protection activities countywide and performs a variety of important related functions including advocacy, project management, planning, finance, grant administration, and research.

¹ Map of the Sonoma County portion of the Bay Area Air Quality Management District and the Northern Sonoma County Air Pollution Control District:
https://sonomacounty.ca.gov/uploadedFiles/Sonoma_County_Portal/Air_Quality/Interactive_Maps/Air_Quality_District_Boundaries/Map_Source_Files/AirQualityLookupMap.html

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The Bay Area Air Quality Management District (BAAQMD), which funds the grant, is tasked with regulating stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties. It is governed by a 24-member Board of Directors composed of locally elected officials from each of the nine Bay Area counties, with the number of board members from each county being proportionate to its population.

Project Lead

The RCPA will be the primary point of contact and contract project manager for this effort to implement the E-Bike Incentive Pilot Program.

Eligibility Requirements

This RFP is open to all interested firms. Firms must certify in a cover letter that it meets the following conditions:

1. Is not in litigation adverse to SCTA/RCPA; or in other litigation that may have a significant and adverse impact on the ability to perform services for RCPA.
2. Does not represent clients in litigation adverse to SCTA/RCPA; or in other litigation that may have a significant and adverse impact on the ability to perform services for RCPA.
3. Has the resources and commitment to complete all components of the project in a timely manner, as outlined in the Scope of Work.
4. RCPA requires that the professional who signs the proposal as the project manager certify that he or she will be present at all meetings requested by RCPA staff members and will fully participate in the day-to-day management of the contract.

Proposal Requirements

Please provide an electronic .pdf version to Brant Arthur via email, brant.arthur@rcpa.ca.gov, no later than 5:00 p.m. on January 11, 2019. The proposal should not exceed 15 written pages (excluding cover letter, proposal cover, table of contents and supplemental information, such as firm brochures and resumes). Supplemental information and appendices should be relevant and brief. Text should use a minimum font size of 11. Proposals shall be organized using the following format:

1. **Cover Letter:** Identify the prime consultant and describe any subcontract arrangements. Please identify the person who is authorized to negotiate for the team, and indicate that the proposal represents a firm binding offer for 90 days.

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2. **Key Staff:** Identify a single point of contact (project manager) and all key team members, including relevant experience. Include a statement that key team members will not be removed or reassigned without prior approval of RCPA. Provide an organization chart of how the key staff is structured within the organization, and include all specialty sub-consultants that would be expected to be utilized on the project.
3. **Project Understanding and Approach:** Describe the understanding of marketing planning and collateral development for an e-bike incentive program. Describe your approach in meeting the task objectives outlined in Exhibit A of this RFP.
4. **Detailed Scope of Work and Management Approach:** Expanding on the scope of work outlined and the tasks included in the RFP, this section should present a detailed management approach to complete the tasks, including;
 - The detail on how to complete the tasks and timeline for completion
 - The personnel assigned to these tasks, with billable rates and total cost per task
 - The number of hours assigned per person per task
 - Total cost of all tasks proposed

This section should describe the consultant's approach to management of the work. If sub-consultants are to be used, provide similar information for each sub-consultant. This section should discuss the consultant's organization for this project, how the work assignments are structured, and the staffing. Discuss the firm/team's approach for completing the services for this project within budget. The proposal should include a staffing plan and an estimate of the total hours detailed by position.

5. **Project Schedule:** Please identify project phasing schedules, major project milestones, and key dates in the project schedule.
6. **Project Budget:** Please provide a project budget, showing the budget for each task, as outlined in this RFP. Include the level of effort for each staff person and billing rates for each person. Identify loaded hourly rates that include all costs rolled into the rate except travel. Travel, if any, should be a separate line item. RCPA has allocated up to \$85,000 for a winning proposal but is willing to consider adjustments if a compelling case can be made for the right proposal.
7. **References:** Provide at least three references (names and *current* phone numbers) from recent relevant work (previous three years) for the key project manager and designated staff members. Include a brief description of the projects associated with the reference, and the role of the respective team member.

8. **Professional Services Contract:** Please indicate your willingness to accept the terms and conditions in the RCPA's standard form of contract (see Exhibit C), or list those to which you take exception and, as appropriate, provide proposed alternate wording. It is not RCPA's intention to make substantial changes to the RCPA standard contract.

Appendices

Information considered by proposers to be pertinent to this project, and which has not been specifically solicited in any of the aforementioned sections, may be placed in a separate appendix section. Proposers are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials. Appendices should be relevant and brief.

Exceptions/Deviations

State any exceptions to, or deviations from, the requirements of this RFP and segregate "technical" exceptions from "contractual" exceptions. If proposers wish to propose alternative approaches to meeting the RCPA's technical or contractual requirements, these should be thoroughly explained, referencing the relevant section(s) of the RFP.

Debarment or Other Disqualification

Proposer must disclose any debarment or other disqualification as a vendor for any federal, state or local entities. Proposer must describe the nature of the debarment/disqualification, including where and how to find such detailed information.

SECTION 2: INSTRUCTIONS TO PROPOSERS

Examination of Proposal Documents

By submitting a proposal, proposer represents that they have thoroughly examined and become familiar with the work required under this RFP and that the firm is capable of performing quality work to achieve the scope of work as set forth in Exhibit A.

Addenda

Any changes to the requirements will be made by written addendum to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. RCPA will not be bound to any modifications to or deviations from the requirements set forth in this RFP as the result of verbal instructions.

Clarifications

1. Examination of Documents: All relevant documents pertaining to the E-bike Incentive Program are found in the appendices of this RFP.

2. Submitting Questions

- a. All questions must be in writing and must be received by the RCPA no later than 5pm on December 18, 2018. Thereafter the RCPA will enforce a Blackout period, see attached Blackout Notice Exhibit B.
- b. Any of the following methods of delivering written questions are acceptable as long as the questions are addressed to Brant Arthur at brant.arthur@rcpa.ca.gov and are received no later than the date and time specified above.
- c. Responses: Responses from the RCPA will be provided in writing during the pre-proposal meeting and posted online immediately following the pre-proposal meeting.

Pre-Proposal Meeting

A voluntary pre-proposal meeting to discuss the questions received related to the RFP shall be held on December 21, 2018, 10:30-11:30 a.m. at:

Sonoma County Regional Climate Protection Authority
411 King Street
Santa Rosa, CA 95404

Additional information will be provided for those wishing to attend the meeting remotely.

Submittal Procedure

1. Date and Time

Proposals must be submitted at or before 5:00 p.m. on January 11 , 2019. Proposals received after the above-specified date and time will not be considered.

2. Address and Identification of Proposals

An electronic copy of the proposal in .pdf format should be sent via email to Brant Arthur at brant.arthur@rcpa.ca.gov.

3. Acceptance of Proposals

The RCPA reserves the right to:

- a. Accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals or in the selection process;
- b. Request additional information of Proposers at its discretion;
- c. Withdraw this RFP at any time without prior notice and the RCPA makes no representations that any contract will be awarded to any Proposer responding to this RFP; and
- d. The RCPA reserves the right to postpone proposal openings for its own convenience.

4. Confidentiality of Proposals

Proposals received shall remain confidential until the contract, if any, resulting from this RFP has been finally negotiated and notice of intent to award has been issued. Thereafter, all information submitted in response to this request shall be deemed a public record. In the event that the Proposer desires to claim portions of its proposal as exempt from disclosure under the California Public Records Act, it is incumbent on the Proposer to clearly identify those portions with the word "confidential" printed on the lower right-hand corner of the page. RCPA will consider a Proposer's request for exemption from disclosure; however, RCPA will make its decision based on applicable laws. An assertion by the Proposer that the entire proposal is exempt from disclosure will not be honored. Firms are advised that the RCPA does not wish to receive confidential or proprietary information and those proposers are not to supply such information except when it is absolutely necessary. If any information or materials in any proposal submitted are labeled confidential or proprietary, the proposal shall include the following clause:

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[Legal name of proposer] shall indemnify, defend and hold harmless the RCPA, its officers, agents and employees from and against any request, action or proceeding of any nature and any damages or liability of any nature, specifically including attorneys' fees awarded under the California Public Records Act (Government Code §6250 et seq.) arising out of, concerning or in any way involving any materials or information in this proposal that [legal name of proposer] has labeled as confidential, proprietary or otherwise not subject to disclosure as a public record.

Pre-Contractual Expenses

Pre-contractual expenses are defined as expenses incurred by Proposer in:

1. Preparing its proposal in response to this RFP;
2. Submitting that proposal to the RCPA;
3. Negotiating with the RCPA any matter related to this proposal; or
4. Any other expenses incurred by Proposer prior to date of award, if any, of the Agreement.

The RCPA shall not, in any event, be liable for any pre-contractual expenses incurred by Proposer in the preparation of its proposal. Proposer shall not include any such expenses as part of its proposal.

Joint Offers

Where two or more proposers desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. RCPA intends to contract with a single firm and not with multiple firms doing business as a joint venture.

Proposers wishing to provide fewer than the required number of services should submit a letter of interest to be shared with all members during the pre-bid meeting.

Insurance and Agreement Provisions

The Proposer must satisfy the insurance requirements of the proposed Professional Services Agreement. The successful Proposer will be required to adhere to the provisions, terms, and conditions of the attached standard Professional Services Agreement (Exhibit C). Objections to any provisions must be identified in the proposal. No response will signify that the agreement is acceptable as written.

Unless otherwise authorized by RCPA, the selected consultant will be required to execute an agreement with the RCPA for the services requested within sixty (60) days of the RCPA's notice of intent to award. If agreement on terms and conditions acceptable to the RCPA cannot be achieved within that timeframe, or if, after reasonable attempts to negotiate such terms and conditions, it

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appears that an agreement will not be possible, as determined at the sole discretion of the RCPA, the RCPA reserves the right to retract any notice of intent to award and proceed with awards to other consultants, or not award at all.

Levine Act

The selected consultant team will be required to disclose on the record any contribution of \$250.00 or more which they have made to an RCPA Director within the twelve-month period preceding submission of the RFP. This applies to your company, any member of your team, any agents for you or other team members and to the major shareholders of any closed corporation, which is part of your team. If you have made a contribution which needs to be disclosed, you must provide written notice of the date, amount and receipt of the contribution(s) in writing to the RCPA Executive Director, Suzanne Smith. This information is required before the RCPA will execute any contract.

Lobbying

Any consulting firm submitting a proposal or a party representing a firm shall not influence or attempt to influence any member of the selection committee, any member of a city council within Sonoma County, the Board of Supervisors, and any member of the RCPA Board of Directors or any employee of the RCPA, with regard to the acceptance of a proposal. Any party attempting to influence the RFP process through ex-parte contact may be subject to rejection of their proposal.

SECTION 3: EVALUATION AND AWARD

Evaluation Procedure

An Evaluation Committee will be appointed to review all proposals received. The committee will be comprised of RCPA staff and may include outside personnel. The committee members will read the proposals separately then convene to discuss and review the written proposals. Each member of the selection panel will then evaluate each proposal using the criteria identified below to arrive at a “proposal score” in the range of 0 to 100 for each proposal. A list of top ranked proposals will be developed based upon the totals of each committee member’s score for each proposal.

RCPA employees will not participate in the selection process when those employees have relationships with a person or entity submitting a proposal which would subject those employees to the prohibition of Section 87100 of the Government Code. Any firm submitting a proposal who has such a relationship with a RCPA employee who may be involved in the selection process shall advise the RCPA of the name of the RCPA employee in the proposal.

The Evaluation Committee will review all proposals submitted on time. The committee will evaluate the proposals and make a selection based on the following criteria:

- Relevant experience of the key personnel assigned to the project (up to 20 points)
- Qualifications of the Firm, including relevant experience with projects of this type (up to 15 points)
- Experience developing outreach plans and designing marketing materials (up to 20 points)
- Clarity on approach to complete all tasks, including schedule, budget, and scope of work (up to 20 points)
- Project understanding (up to 20 points)
- Local Preference (up to 5 points)

The RCPA reserves the right to select a consultant based solely on written submittals and not convene oral interviews. If oral interviews are necessary, the selected Proposer will be requested to make a formal presentation. The Evaluation Committee will recommend one consultant from those interviewed. The recommendation will then be forwarded to the Executive Director for action.

During the evaluation period, the RCPA may interview some or all of the proposing firms. Interviews will be scheduled for January 16-18, 2019. No other interview dates will be provided; therefore, if a Proposer is unable to attend the interview on this date its proposal may be eliminated from further discussion. The interview may be conducted remotely and will consist of a short presentation by the

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Proposer after which the evaluation committee will ask questions related to the firm's proposal and qualifications. The committee will use pre-established criteria during the interview process to score and make their final recommendation.

If an interview process is conducted, the final compilation on which firms will be ranked, are weighted as follows: Proposal phase 75%; Interview phase 25%.

The RCPA reserves the right to select the proposal that in its sole judgment best meets the needs of the RCPA.

Award

Acceptance of a proposal or other material during the selection process does not constitute a contract and does not obligate the RCPA to award funds. Funding is subject to final contract approval by the RCPA Board of Directors. RCPA reserve the right to reject any and all responses without penalty and to act in the best interest of the RCPA. The RCPA will evaluate the proposals received and will submit the proposal considered to be the most competitive to the RCPA Board of Directors, for consideration and selection. The RCPA may also negotiate contract terms with the selected Proposer prior to award, and expressly reserves the right to negotiate with several Proposers simultaneously and, thereafter, to award a contract to the Proposer offering the most favorable terms to the RCPA.

Negotiations may or may not be conducted with Proposers; therefore, the proposal submitted should contain Proposer's most favorable terms and conditions, since the selection and award may be made without discussion with any Proposer.

Notification of Award

Proposers who submit a proposal in response to this RFP shall be notified by email regarding the firm who will be recommended for award of the contract. Such notification will be made ten (10) days before the date the contract is awarded.

SECTION 4: PROTESTS

Bid protests for contracts awarded for professional services shall be submitted and responded to in accordance with the following requirements.

Filing of Protest

Any directly affected party who is aggrieved in connection with the solicitation or award of a contract may file a protest regarding the procurement action.

Such protest must be filed in writing with:

Sonoma County Regional Climate Protection Authority
411 King Street
Santa Rosa, California 95404
Attention: Suzanne Smith

Protests must be filed within five (5) calendar days from the date notice of intent to award is issued. Failure to timely file a protest shall constitute a waiver of any right to protest. Untimely protests will not be accepted or considered. Any protest shall:

- State in detail each and every ground asserted for the protest, citing to the law, rule, local ordinance, procedure or bid provision on which the protest is based; and
- Identify the remedy sought.

Note: Specification related protests must be fully supported by technical data, test results, or other pertinent information that a rejected product or service offered is equal to or better than the specification requirement

Protest Resolution Process

Informal resolution

After receiving a protest, the Executive Director will, at the earliest convenience, contact the protesting party to seek informal resolution and/or to clarify the issues.

Written response

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Within fourteen (14) calendar days following contact with the protesting party for informal resolution, the Executive Director shall provide a written response to the protesting party. The letter constitutes the RCPA's final decision on the protest and shall be considered the final agency action.

No Stay of Procurement Action During a Protest

Nothing in these Policies and Procedures shall be deemed to prevent the RCPA from proceeding with negotiations or awarding a purchase order or contract while a protest is pending.

Remedies After an Award

If, after an award, it is determined by the Executive Director that a solicitation or award of a contract is in violation of this RFP or the protest procedures outlined above, then the following criteria will be employed to resolve the dispute.

1. If the person or entity awarded the contract or purchase order has not acted fraudulently, or in bad faith:
 - The contract or purchase order may be ratified and affirmed, provided it is determined that doing so is in the best interest of the RCPA; or
 - The contract/purchase order may be terminated.
2. If the person or entity awarded the contract or purchase order has acted fraudulently or in bad faith, the contract or purchase order shall be declared null and void

SECTION 5: TENTATIVE SCHEDULE

The following is a tentative project schedule and milestone requirements for the project.

Release RFP: December 11, 2018

Written Questions: December 18, 2018

Pre-Proposal Meeting: December 21, 2018

Proposals Due: January 11, 2019, by 5:00 p.m.

Interviews: January 16-18, 2019

Consultant Selection: January 22, 2019

Contract Approval: February 4, 2019

Kick-Off Meeting: February 6, 2019

First Incentive Period: April 19 to May 17, 2019

Second Incentive Period: August 15 to September 15, 2019

Project Completion: no later than November 29, 2019

EXHIBIT A: DRAFT SCOPES OF WORK AND SCHEDULE

The e-bike bulk-discount and incentive program is designed to increase e-bike use in Southern Sonoma County by addressing two key barriers to adoption: (1) the lack of awareness about e-bikes and (2) the price premium for e-bikes over conventional bicycles.

The overarching goal is to incentivize at least 175 Sonoma County residents in the BAAQMD section of the county to buy an e-bike for transportation during 2019 with 10% of those residents living in low-income communities.

The tasks are set out in two scopes of work, one for marketing and one for outreach. Respondents may submit proposals for either scope, or both scopes of work. Teams are encouraged to submit proposals, but must be formed on a prime-subcontractor basis. The Consultant will coordinate closely with RCPA on project management and administration. Coordination may include regular calls with RCPA on project status and progress.

Draft Project Schedule

Development of outreach plan and collateral: January 22, 2019 to March 15, 2019

First incentive period: April 19, 2019 to May 17, 2019

Second incentive period: August 15, 2019 to September 15, 2019

Final reports due to BAAQMD: November 29, 2019

Marketing

Objectives

- Define audience for e-bike consumers in southern Sonoma County;
- Develop messaging for outreach;
- Design collateral (e.g. poster, point of sale display, flyer, and social media content); and
- Develop program identity/branding (optional)

TASK 1. DISCOVERY AND AUDIENCE IDENTIFICATION

The E-bike Incentive Program addresses two main barriers for e-bike adoption: lack of awareness and higher costs compared to conventional bikes. Navigant Research identifies low consumer awareness and higher purchase price as two of the top barriers to e-bike adoption, in addition to insufficient cycling infrastructure in some communities and low gasoline prices.

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Many elements of the marketing strategy for the e-bike incentive program were determined in the grant proposal (see Exhibit F). These include:

- Monetary incentives to spur e-bike sales;
- Partnerships with local bike retailers (including additional e-bike discounts);
- E-bike experience events;
- Outreach coordination with local businesses and groups; and
- Digital marketing.

The grant agreement with BAAQMD also sets specific metrics for the program:

- 175 e-Bikes sold through participating retailers during the program, with a reach goal of 350 e-Bikes;
- 10% of e-bikes sold to residents of low-income communities;
- 500 contacts at community events; and
- 20,000 Southern Sonoma County residents through marketing efforts, including digital advertising.

Existing information

There is significant research on e-bike buyers and attitudes in North America, as well as local transportation information, to inform audience targeting and messaging for the e-bike incentive program:

- A North American Survey of Electric Bicycle Owners:
https://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1163&context=trec_reports
- Differences of Cycling Experiences and Perceptions between E-Bike and Bicycle Users in the United States: <https://www.mdpi.com/2071-1050/9/9/1662/pdf>
- Sonoma County Comprehensive Transportation Plan:
<http://scta.ca.gov/planning/comprehensive-transportation-plan/>
- Drive Evergreen Electric Vehicle Incentive Pilot Program Evaluation Report:
<https://energycenter.org/sites/default/files/docs/nav/research/Drive%20EverGreen%20EV%20Incentive%20Pilot%20Evaluation%20Report.pdf>
- Employer Commute Surveys

Needed information

A memo identifying specific target audiences for the purpose of the incentive program is needed to inform the outreach plan, as well as messaging for the development of collateral. RCPA staff will provide any existing information to support the identification of specific target audiences.

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DELIVERABLE: MEMO DESCRIBING TARGET AUDIENCES FOR E-BIKES IN SOUTHERN SONOMA COUNTY

TASK 2. DEVELOP MESSAGING

The E-bike Incentive Program will require messaging to support the development of marketing collateral and other outreach. This task includes:

- Providing guidance on the most effective framing and language to communicate with target audiences about the e-bike incentive program; and
- Providing specific messaging for bike retailers to fold into their own social media and marketing.

DELIVERABLE: MEMO SUMMARIZING MESSAGING FOR DEVELOPMENT OF COLLATERAL AND OUTREACH

TASK 3. DEVELOP COLLATERAL

The E-bike Incentive Program will require development of marketing collateral, which for this task could include:

- Program poster
- Point of sale display for local bike shops
- Program flyer for events
- Bike hanger to display incentive on e-bikes in local bike shops
- Social media content (images and example posts)

DELIVERABLE: FINAL COLLATERAL DESIGN FILES

TASK 4. PROGRAM IDENTITY/BRANDING (OPTIONAL)

The program may use simple branding, such as the “Sonoma E-bike Rebate”, but respondents may also propose more intensive work to develop program identity and branding with supporting information for how it would benefit outreach and metrics.

Outreach

Objectives

- Develop an outreach plan (detailing partners and outreach events);
- Develop a process to evaluate the success of the first incentive period to inform the second incentive period;
- Coordinate with businesses and other partners to distribute program information; and
- Manage four to six e-bike experience events across two incentive periods anticipated for mid-April to mid-May 2019 and mid-August to mid-September 2019.

TASK 1. DEVELOPMENT OF OUTREACH PLAN

Produce an outreach plan to support the e-bike incentive program during two incentive periods in mid-April to mid-May 2019 and mid-August to mid-September 2019. Specific details to address in the outreach plan include:

Audience

- Additional information based on target audience defined under the Marketing scope.
- Community based organizations to partner with on outreach.
- Businesses that are the best fit for outreach and events.
- Existing events to attend for outreach.

Tactics

- Plan for proactive engagement with target audiences.
- Plan for outreach with community partners.
- Location and type of in-person e-bike experience events to be held.
- Social media plan.
- Plan to address safety through outreach.
- Anticipate any additional support needed for community outreach during incentive periods.

Communities of Concern

- Specific low-income outreach strategies.
- Potential events to target communities of concern.

Evaluating Performance

- Program performance measures.

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- Marketing performance measures.
- Evaluation process to recommend changes for second incentive period.

DELIVERABLE: MARKETING PLAN FOR E-BIKE AWARENESS AND INCENTIVE PROGRAM

TASK 2. COORDINATE WITH BUSINESSES AND OTHER PARTNERS

Raise awareness of e-bikes and the incentive program at community events, workplaces and other locations outlined in the Community Outreach Plan. The task includes:

- Target workplaces and communities of concern adjacent to the SMART pathway or other Class 1 bike pathways in southern Sonoma County.
- Collaborate with community groups to promote the program to their membership (see Exhibit E for more information on communities of concern).
- Assess the role that e-bike experience events played in achieving outreach metrics for the first incentive period and the need for any adjustments during the second incentive period.

DELIVERABLE: SUMMARY OF WHERE MARKETING MATERIAL WAS MADE AVAILABLE TO PUBLIC AND ESTIMATED NUMBER OF PEOPLE REACHED.

TASK 3. MANAGE E-BIKE EXPERIENCE EVENTS

Hold e-bike demonstrations at public and employer events in partnership with participating local bike retailers. At these events, the public will be allowed to see and ride the e-bikes that are part of this discount and incentive program. In addition, marketing collateral developed for this program will be offered to the public.

These e-bike demonstration events will be held over the two anticipated incentive periods: mid-April to mid-May 2019, and mid-August to mid-September 2019. The task includes:

- During initial incentive period, conduct two or three events, including at Earth Day and Bike-to-Work day events in Southern Sonoma County.
- Assess the role that e-bike experience events played in achieving outreach metrics and the need for any adjustments.
- During the second incentive period, conduct another two or three events, including at any Drive Electric Day events in southern Sonoma County.
- Provide feedback on the effectiveness of outreach efforts for the final program report.

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DELIVERABLE: LIST OF E-BIKE DEMONSTRATION EVENTS, INCLUDING LOCATIONS AND TIMES. FOR EACH EVENT, ESTIMATED NUMBER OF RESIDENTS WHO STOPPED AT BOOTH AND ESTIMATED NUMBER OF E-BIKE RIDES TAKEN.

EXHIBIT B: BLACKOUT NOTICE

Upon release of this RFP, the Executive Director hereby directs all personnel associated with the RCPA to refrain from communicating with prospective Proposers and to refer all inquiries to the Executive Director or other authorized representative. This procedure is commonly known as a "blackout notice" and shall be imposed with the release of the RFP.

Proposers shall refrain from contacting the members of the RCPA Board of Directors regarding this RFP during the evaluation process. Any party attempting to influence the RFP process through ex parte contact may have their proposal rejected.

The notice may be issued in any format (e.g., letter or electronic) appropriate to the complexity of the RFP.

Blackout notices are not intended to terminate all communication with Proposers. Contracting officers should continue to provide information as long as it does not create an unfair competitive advantage or reveal proprietary data.

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EXHIBIT C: STANDARD AGREEMENT FOR CONSULTING SERVICES

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EXHIBIT D: SOUTHERN SONOMA COUNTY (BAAQMD)

There are two air districts in Sonoma County with separate territory, air pollution control programs, and regulations:

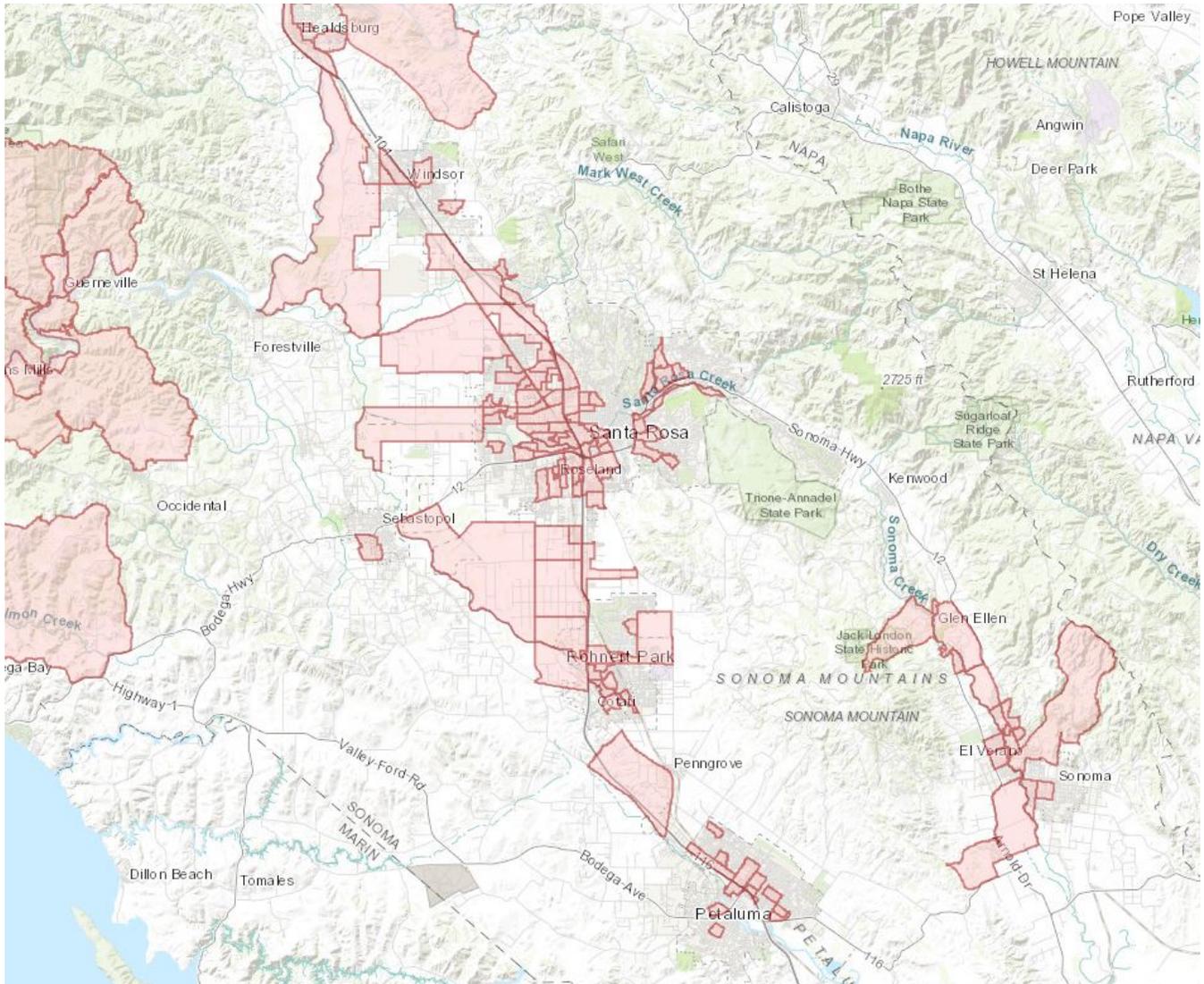
- Northern Sonoma County Air Pollution Control District
- Bay Area Air Quality Management District

The e-bike incentive program serves the Southern portion of Sonoma County covered by the Bay Area Air Quality Management District. Communities in this area include Bloomfield, Cotati, El Verano, Fulton, Glen Ellen, Graton, Kenwood, Penngrove, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Valley Ford and Windsor. For more information, visit: <https://www.nosocoair.net/>



EXHIBIT E: COMMUNITIES OF CONCERN IN SOUTHERN SONOMA COUNTY

This map shows communities of concern, as defined by SCTA, in Southern Sonoma County. This definition uses poverty level (30% of census block group households earning 200% or less of the federal poverty level) and a more detailed level of census geography than regional maps.



For an interactive version of this map, visit: <http://scta.ca.gov/planning/comprehensive-transportation-plan/sonoma-disadvantaged-communities/>

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EXHIBIT F: PROPOSAL FOR GRANT FUNDING

Staff Report

To: RCPA Board of Directors
From: Aleka Seville, Director of Climate Programs
Item: 4.1.2 – RCPA Activities Report
Date: December 10, 2018

Issue:

Information only.

Background:

Planning and Coordination

RCPA Coordination Committee

In November RCPA staff focused on creating an online survey to gather input from Coordination Committee members as part of our ongoing Needs Assessment. The survey focuses on past experience working with RCPA and the specific value add that that partnership created as well as future opportunities to work together to address challenges and barriers to climate action. In December, we will reconvene the group to focus on a priority topic identified by the group.

The Coordination Committee provides an opportunity for coordination between the cities, county agencies and various RCPA member representatives and partners engaged on different aspects of the RCPA Mission.

Climate Action Staff Working Group

In lieu of holding a Staff Working Group meeting in September, RCPA staff instead set up individual meetings with each city manager and staff working group member to inform the Needs Assessment. Questions focused on better understanding how RCPA has working with each city in the past, current city priorities and new opportunities to partner to achieve climate action goals.

Sonoma County Local Government Electric Vehicle Partnership

The Sonoma County Local Government Electric Vehicle (EV) Partnership serves as an important forum for local government staff working on expanding EVs in municipal fleets and municipally owned charging stations. The Partnership met on December 4th to discuss Americans with Disabilities Act (ADA) accessibility and charging station pricing considerations, as well as goals and how RCPA can best support EVs and infrastructure.

Fire Recovery

The Bay Area Air Quality Management District, Pacific Gas and Electric Company, and Sonoma Clean Power (SCP) have partnered to offer an integrated incentive program that gives customers access to multiple funding sources through one application process. Advanced energy rebuild incentives are available for property owners in Sonoma and Mendocino counties who are rebuilding homes lost in the October 2017 wildfires. Fire survivors can receive up to \$17,500 in incentives for including energy efficient features and equipment, renewable energy systems, electric vehicle charging stations, and water-efficient landscaping design. <https://sonomacleanpower.org/advancedenergyrebuild/>

RCPA staff continue to assist government and community partners with information resources and staff support for recovery and planning needs. The following are the most recent statistics for the Advanced Energy Rebuild program:

- Total Applications Submitted: Increased from 30 to 42
- Total Homes: Increased from 125 to 137 (41 single family, 96 multifamily)
- All-Electric Applications Submitted: Increased from 7 to 13
- Total Permits Pulled: Increased from 1857 to 1960 (7% participating in AER)
- E-mails to SCP about Advanced Energy Rebuild: Increased from 395 to 428
- People Signed up for Advanced Energy Rebuild mailing list: Increased from 329 to 335
- Website Views for Advanced Energy Rebuild: Increased from 6,523 to 6,880

RCPA staff nominated the Advanced Energy Rebuild Program to the Bay Area Metro Awards for the unique collaboration to improve our community following the October 2017 Wildfires. Winners will be selected by a jury representing ABAG, MTC and the community and a recognition ceremony is planned for May 2019. The Bay Area Metro Awards marks the first time ABAG and MTC have teamed up to honor specific projects, people and programs that are working to address the Bay Area's housing and transportation challenges. RCPA staff continue to work with SCP to support the City of Santa Rosa in following up on the October Study Session which provided information on our 2015 Greenhouse Gas (GHG) inventory update as well as on the costs and benefits of all-electric ready new construction.

Energy Program Coordination

Staff continues to meet with County of Sonoma Energy and Sustainability Division staff monthly to coordinate events and program details relating to energy programs.

Bay Area Climate Adaptation Network (BayCAN) North Bay Sub-regional Committee Meeting

BayCAN is a new network of staff and practitioners across all nine Bay Area Counties focused on identifying key adaptation issues, challenges and opportunities that the Bay Area region should be addressing. BayCAN organizers and members have proposed a "sub-regional" committee structure to ensure that issues unique to the South, Central and North Bay are highlighted and to better position us to share information and collaborate across nine counties. RCPA staff, along with staff from Sonoma Water and Marin and Napa counties, will participate in the first sub-regional

committee meeting for the North Bay on December 3rd. At the meeting the group will discuss which adaptation issues and challenges the North Bay sub-regional committee should focus on and how that work will advance the larger goals of BayCAN.

National Council for Science and the Environment Conference

RCPA staff will be attending the 2019 National Council for Science and the Environment (NCSE) Conference, January 8-9 in Washington DC. The NCSE Annual Conference (www.ncseconference.org) brings together a diverse community of experts for an enriching opportunity to collaborate on exciting projects, share research and best practices, and build professional relationships. Attendees include national and international leaders in education, government, civil society, and business. The conference is recognized for its notable presenters and innovative programming. NCSE 2019 will focus on *Sustainable Infrastructure & Resilience*. Sessions will explore the opportunities and challenges for sustainability at the convergence of built, natural, social, and cyber infrastructure. Attendees will also discuss examples of community resilience and discuss how to apply best practices in their community.

Implementation

California Energy Commission Shift Implementation

For RCPA's California Energy Commission (CEC) grant, staff continue efforts on local government zero emission vehicle awareness and implementation of the Fuel Shift Plan. A draft EV Actions Interim Report highlighting actions underway and actions completed by each of the 10 jurisdictions is being completed. RCPA staff have updated a guidance document outlining EV Charging Station Installation, and is reviewing with local governments. A list of best practices for EV charging station permitting has been compiled and presented to the Redwood Empire Association of Code Officials in November. RCPA staff is soliciting local input from local government staff on specific charging locations in order to meet 2030 charging needs identified in the Fuel Shift Plan. RCPA staff plans to engage local employers and businesses over the next several months to accelerate workplace charging in Sonoma County.

SCP's Drive EV incentive program closed on November 16th. RCPA staff collaborated to promote the program and provide support for customers new to EV's. The EV Knowledgebase, EV 101, is a resource that addresses frequently asked questions. EV 101 is a 24/7 responsive online resource for all your electric vehicle questions. Visit EV101.DriveEV.org for easy-to-understand information about common questions and tips for getting the most out of a modern electric car.

Bay Area Regional Energy Network

Single Family Program

RCPA and BayREN staff have been redesigning the Single Family Rebate program and will be transitioning to a new program in 2019. The new program is crucial to better reduce the high upfront costs for customers participating in home energy retrofits projects. The new design will make the program accessible to moderate income households, align improvements and increase program

participation. The new program will include an easy online energy assessment for homeowners to learn more about improving home energy efficiency. Partnering with Rising Sun, the program will implement green home visits to install features such as LEDs, low flow shower heads and weather-stripping. The free energy advisor will remain with the program, continuing to be an important resource in guiding participants through the program and answering questions. Participants will receive rebates for each measure (such as adding insulation or replacing equipment), the rebates will be capped at \$5,000. More information on the program design details, including launch updates, will be provided when available.

Bay Area Multifamily Building Enhancement Program

As of November 5, 2018, there are 9 multifamily properties in Sonoma County currently receiving no-cost energy efficiency technical assistance from the program, accounting for a total of 557 units. One multifamily property in construction, for a total of 287 units. One property completed construction with upgrades for 18 units. RCPA staff will attend a membership meeting of the California Apartment Association on December 13th for marketing and outreach to local multifamily property owners and property managers.

Codes and Standards

RCPA staff works with BayREN to support the efforts of local residents, businesses, and governments to help buildings comply with energy code and achieve zero net carbon emissions. RCPA staff continues to attend Redwood Empire Association of Code Officials (REACO) monthly meetings and provide energy code classes with jurisdictions. Trainings for 2018 concluded in October, with over 13 local trainings that served over 125 participants to increase understanding of developments in the Energy Code and promote best practice for compliance and enforcement.

RCPA staff attended the BayREN Regional Forum, Energy and Material Efficiency in Carbon Smart Buildings, on November 27th. The Forum examined the definition of “zero net carbon,” (ZNC) as well as how local governments can set policies for efficiency in energy and material use to achieve a ZNC built environment.

Water Bill Savings Program

RCPA staff continues to work with BayREN staff to support the development of a regional water bill savings program, an on-bill repayment of efficiency retrofits that the RCPA has helped to pioneer in California, enabled by the Water Bill Savings Act (SB 564 – McGuire). RCPA staff have been working with the Water Bill Savings Program team to update the program Concept Paper based on feedback gathered from MTC/ABAG executive staff and will share this document with the Water Bill Savings Program Committee to begin designing our outreach strategy for 2019. RCPA staff began the recruiting process in mid-October for a new Senior Planner (funded by BayREN) to manage the Water Bill Savings Program and will be conducting initial interviews in early December. RCPA and BayREN staff will present the Regional Program Model concept to ABAG’s Executive Board at their January meeting to gather input and feedback on proposed program scope and financing options.

Policy Impacts:

None.

Fiscal Impacts:

None.

Staff Recommendation:

Information only.

Staff Report

To: SCTA Board of Directors

From: Suzanne Smith

Item: 4.2.1 – report on Renewal Enterprise District (RED) joint powers authority

Date: December 10, 2018

Issue:

What is the status of a proposed regional approach to addressing housing needs, across jurisdictional boundaries, following the 2017 Sonoma Complex Fires?

Background:

When Sonoma County lost nearly 5,300 homes in the 2017 wildfires, the catastrophe exacerbated an already existing housing crisis. The urgent need to rebuild lost units and at the same time address the severe shortage of homes gave rise to the concept of the Renewal Enterprise District (RED), a vision of harnessing regional action to solve a regional crisis. The overarching goal of the RED is to catalyze and facilitate rapid development of additional new housing to meet a diversity of needs within the County and the City of Santa Rosa, and in a way that protects the environment, supports our economic renewal, and improves the well-being of all the County's residents.

The members of the City and County Ad Hoc Committees on Build and Re-build (Ad Hocs) recommended that the City of Santa Rosa and the County of Sonoma establish a new Joint Powers Authority (JPA) to implement a shared vision and agenda for regional housing development. Following that direction, County, City, and the Sonoma County Transportation Agency staff formed a working group of representatives from each organization to develop a Joint Powers Agreement.

The working group has finalized a draft Agreement for review and approval by the Board of Supervisors and the City Council, slated for December 4, 2018. That Agreement proposes the creation of the RED as a separate legal entity formed as a Joint Powers Authority by the City of Santa Rosa and the County of Sonoma with initial staffing and operations provided by existing City, County, and Community Development Commission (CDC) staff. Staff support from SCTA, RCPA, and Sonoma Clean Power will also be available.

The agreement provides a flexible framework for multi-jurisdictional collaboration. The RED creates a structure for development of funding and other incentives to facilitate and encourage climate-smart, resilient and affordable housing, as well as other community development projects. The JPA Board of Directors will define the precise scope of the RED's efforts. Creation of the RED also signals to the public, state and federal officials and outside investors and business interests that Santa Rosa and Sonoma County's local governments are serious about working together to overcome barriers to housing development.

The basic premise of the RED is to work across jurisdictions to market and attract developers, blend private financing and public funds, leverage state and federal grant funds, and facilitate creation of housing. The

housing proposed within the RED will meet established public policy goals for increased density, access to transit, protection of open space and community separators; improve energy efficiency, climate resilience, and affordability; and advance and ensure equitable access to housing.

While the County of Sonoma and the City of Santa Rosa are developing the RED, after a two-year pilot demonstration period, other jurisdictions are able to join this regional effort.

The Agreement sets forth a framework in which the County and the City, by sharing various powers within their jurisdictions, will:

- Facilitate efforts to develop housing, based on existing and in-process local land use plans
- Develop new incentives and define project criteria for which incentives are appropriate
- Pursue new opportunities and innovative new models for public-private partnerships
- Expand, pool, and leverage public and private financing
- Explore the most strategic and advantageous use of city- and county-owned land
- Leverage the regional housing planning tools and the technical and financial resources of Metropolitan Transit Commission (MTC)/Association of Bay Area Governments (ABAG)

The goals of this joint effort include:

- Achieving Sonoma County and City of Santa Rosa's fire recovery rebuild goals
- Meeting current and previously unmet regional housing needs
- Honoring community separators and urban growth boundaries, and implementing existing and in-progress General Plans and Specific Plans
- Incentivizing higher density, infill, and transit-oriented housing in Priority Development Areas, Transit Priority Areas, Designated Opportunity Zones, and Employment Investment Areas
- Promoting zero net energy development and advancing climate resiliency at the regional, neighborhood, and homeowner scale
- Ensuring affordability and equity in housing development
- Improving opportunities for area employers to recruit and retain a skilled workforce
- Ensuring transparency and accountability regarding achievement of housing goals

Formation of the RED will not shift any land use approval authority to the JPA. However, the RED eventually may streamline permitting and financing tools to help further housing production.

RED Project Parameters

Once the RED is formed and has access to capital or other incentives, a project should meet specified criteria to access those incentives. The governing Board of the JPA will establish the final criteria.

Some examples of project criteria recommended by staff include:

- increased levels of affordability in both rental and ownership projects;
- location within the boundaries of a specific plan adopted by the City of Santa Rosa or County of Sonoma, or on a parcel that falls entirely or partially within a locally-designated Priority Development Area, a Transit Priority Area, a Designated Opportunity Zone, an Employment Investment Area, or a Rural Investment Area; and

Staff also recommends that RED funding be made available for infrastructure and community facilities projects that directly serve individual RED housing projects. Community facilities could include community health clinics, affordable day care and after school programs, libraries, teen centers, and senior centers.

Governing Board

The RED will be governed by a Joint Powers Authority with the initial governing Board consisting of two elected officials each from the County of Sonoma and the City of Santa Rosa (“Founding Members”). The joint powers agreement establishing the JPA is structured to allow other jurisdictions to become part of the RED after a two-year pilot period. After that two year period, other cities within the County may join the JPA with one elected official per jurisdiction (“New Member”).

Voting

The Founding Members will have two votes, or one vote per representative. Each New Member will have one vote, or one vote per representative. Day-to-day decisions will require a simple majority of all members to pass. Major decisions, including financial commitments imposed on the members or an amendment to the Agreement, will require a unanimous vote.

Future Review of Governance

Under the Agreement, the JPA will hold a public meeting after two years from formation of the Agency to review the terms and conditions of the Agreement and to discuss whether any amendments to this Agreement are necessary or advisable, including the addition of New Members.

Financing

The RED will allow the City of Santa Rosa and the County of Sonoma to more easily pool their resources to leverage additional investment, with the potential to generate more funds than either jurisdiction can attract on its own.

The RED could seek additional financial resources from investors, funders, planners, and regulators at the regional, state and national levels, which could then be strategically leveraged under the RED construct. Staff believes that the RED concept – the creation of a new regional entity to promote housing – will itself attract such new investments.

Wherever possible, the members of the JPA will pursue grant funding to offset future costs. To date, the local agencies participating in the formation process have been successful in obtaining a \$1,000,000 Hewlett Foundation grant to fund development of the JPA, and a possible \$350,000 from the State of California’s Strategic Growth Council.

Staffing and Other Services

Initial staffing for the JPA will be under contract with member entities or third parties. The JPA may have an Executive Director, who may be an employee of one of the members. The Sonoma County Auditor-Controller-Treasurer-Tax Collector shall act as the initial Treasurer for the JPA, and perform all usual and customary duties of their offices, including but not limited to receiving all deposits, processing payments per direction, and other duties specified in Government Code section 6505.5. The JPA may transfer the responsibilities of the Treasurer, by a vote of the Board, to any other person or entity as the law may provide at the time (see e.g., Government Code section 6505.5). The Board shall also ensure a certified public accountant, or public accountant, in compliance with Government Code section 6505, conducts an independent annual audit.

Policy Impacts:

Following the 2017 Sonoma Complex fires staff from SCTA/RCPA have engaged with all of the jurisdictions about housing data and our committee structure served as a clearinghouse for information on emergency ordinances, ADUs, and other pertinent housing and land use matters. Out of those discussions, the concept of the RED emerged and SCTA/RCPA staff has helped navigate policy and legislative discussions. As the regional body most closely linked to housing, the City of Santa Rosa and County of Sonoma asked that SCTA continue playing a role in the JPA development and in helping secure funds. To that end, SCTA is the recipient of a Hewlett Foundation grant on behalf of the RED; staff serves in an advisory role and helps facilitate some outside support through the Hewlett grant.

Fiscal Impacts:

Existing staff from the City of Santa Rosa, the Community Development Commission, Permit Sonoma, and General Services will manage the JPA with support from outside consultants, legal counsel, accounting and the Auditor-Controller-Treasurer-Tax Collector, and supplemented by the Sonoma County Transportation Authority, Regional Climate Protection Agency, and Sonoma Clean Power.

The SCTA served as the recipient agency for a \$1M grant from the Hewlett Foundation with the understanding the City of Santa Rosa and County would guide the distribution of the funds to establish the JPA and initiate the work of the JPA.

Outside legal expertise was warranted in 2018 and SCTA entered into a contract with Goldfarb/Lipman to advise on CEQA, tax and housing policy. Staff is proposing the contract be extended until December 2019 with a not to exceed amount of \$100,000 of which \$40,000 was spent in 2018. The Hewlett grant will fully fund the contract amendment and costs associated with work prior to the grant were paid for by City of Santa Rosa.

Staff Recommendation:

Authorize continued participation by SCTA/RCPA staff and consider amendment to the Agreement No. SCTA18018-A2 with Goldfarb Lipman for legal services.

THE WILLIAM AND FLORA HEWLETT FOUNDATION

Office of the President

August 29, 2018

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

Reference: Grant #2018-7930

Dear Ms. Smith:

I am pleased to inform you that The William and Flora Hewlett Foundation (the "Foundation") has authorized a grant of \$1,000,000 over two years to the Sonoma County Transportation Authority ("Grantee") for the Renewal Enterprise District. The grant will be paid in two installments. This grant, with any income earned from investment of the grant funds, is for the Renewal Enterprise District.

In order for the Foundation to make payment, Grantee must accept the terms of the grant as set forth in the following paragraphs. The terms of this award letter constitute the entire agreement between the Foundation and the Grantee and supersede any prior oral or written understandings or communications between them. Please note that the Foundation reserves the right to cancel this grant if a signed copy of this Agreement is not received by the Foundation within 60 days of the date first written above.

Tax Status. Grantee confirms that it is a governmental unit referred to in Section 170(c)(1) of the Internal Revenue Code, or a Federal, state, local, or foreign government body, agency, or instrumentality that is treated as an organization described in Code Sections 501(c)(3) and 509(a)(1).

Use of Grant Funds. Grantee agrees that the grant funds, with any income earned from the investment of the grant funds (together, "the grant funds"), will be used exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code, and only in support of the activities described in Grantee's proposal of August 15, 2018 and the budget attached thereto. Funds not used during the term of the grant (August 31, 2018 to August 31, 2020) must be returned to the Foundation unless an extension is approved at Grantee's request and in the Foundation's discretion.

Grantee agrees to repay to the Foundation any portion of the grant funds expended in violation of this Agreement.

- a. **Prohibited Use of Funds.** Grantee agrees to not use any portion of the grant funds to any extent for any of the following:
 - a. To participate in any political campaign on behalf of or in opposition to any candidate for public office or to otherwise influence the outcome of any specific public election as described in Section 4945(d)(2) of the Internal Revenue Code; or
 - b. For any non-charitable purposes.

Prohibition on Lobbying Activity. No grant funds may be used for the carrying on of propaganda or attempting to influence legislation within the meaning of Internal Revenue Code Sections 501(h), 4945(d)(1) and 4945(e) and related regulations (these provisions include local, state, federal, and foreign legislation), and neither Grantee nor the Foundation has entered into any agreement, oral or written, to the contrary.

Please note that in the event Grantee uses any of the grant funds to influence governmental action in ways permissible under the Internal Revenue Code and the terms of this Agreement, Grantee may have lobby reporting or other disclosure requirements under the laws of a particular state or other jurisdiction; note further, that state law may include influencing state administrative agencies within the definition of lobbying. Grantee acknowledges that Grantee is solely responsible for complying with any and all applicable lobby reporting or other disclosures.

Special Limitations for Ballot Questions. The Foundation intends that the grant funds shall not be used to influence the qualification or passage of any ballot question or similar legislative decision put to voters. As an essential condition for receiving the grant funds, Grantee shall not use any portion of the grant funds in any manner that would cause the Foundation to be identified as funding reportable lobbying, or require the Foundation to register under any applicable state or local disclosure law, except as may otherwise be provided in this Agreement.

Human Subject Research. Safeguarding the rights and welfare of human subjects involved in research is principally the responsibility of the Grantee. However, while the Foundation does not micromanage or seek to interfere in the implementation of grants, Grantees conducting human subject research must have appropriate standards to ensure compliance with generally accepted research ethics. If grant funds will be used in whole or in part for research involving human subjects, Grantee represents and warrants that it has such rules and review processes in place and that these rules and processes will be followed. (Such processes may include: obtaining and maintaining institutional review board (or a research ethics review committee) approval, and informed consent of participating research subjects.) Grantee agrees that any subgrant or subcontract awarded by Grantee in its performance of the

activities under this grant shall include similar rules and processes in regards to human subject research.

Grantee Control of Funds. Grantee acknowledges that there is no agreement, oral or written, whereby the Foundation has designated or earmarked any part of the grant funds for any specific named organization or individual. Furthermore, Grantee retains full authority and control over the selection process of any re-grants contemplated under the proposal. Specifically, any re-grants will be approved by the Grantee’s Board of Directors or its designee. The Foundation may not select re-grantees.

Reporting. Grantee agrees to submit narrative and financial reports on use of the grant funds during the grant period. Reports should be submitted according to the following schedule:

Reporting requirements	Due date
Interim Reports	08/31/2019
Final Reports	09/30/2020

For your convenience, please see “Reporting Requirements” enclosed with this letter for further instructions on preparing these reports. *Please use the grant reference number located on the first page of this letter in all reports and correspondence.*

Grant Payment. The Foundation’s disbursement of payments is contingent upon the Foundation’s determination, in its sole discretion, that satisfactory performance of the grant purpose has occurred and is likely to continue to occur. Funding may be modified or discontinued, and any grant funds must be repaid, if at any time the Foundation determines that the conditions of this Agreement are not being met or that satisfactory performance has not occurred.

Payment will be made as follows, subject to the contingencies provided in this grant agreement letter:

Projected date	Amount	Contingency
Within 30 days of receipt of signed letter agreement	\$500,000	Receipt of signed grant agreement letter
Within 30 days of approval of interim reports	\$500,000	Submission of satisfactory interim reports and expenditure of at least 75% of prior payment

Grant payments will be made by wire transfer into the Grantee’s bank account in accordance with the instructions on the signed wire transfer form, which is incorporated herein by reference.

Compliance with Laws; Government Officials. Grantee represents and warrants to the Foundation that Grantee is legally authorized to enter into this Agreement and that Grantee has complied with and will continue to comply with all applicable local, state, federal and international laws or requirements, including laws governing contacts with government officials (e.g., anti-bribery laws such as the Foreign Corrupt Practices Act) and anti-terrorism laws and sanctions, in connection with the performance of the activities under this grant.

Grantee further represents and warrants, except as otherwise set forth in this Agreement, that there is no agreement, written or oral, between the Foundation and the Grantee whereby the Foundation may direct the activities of the Grantee, including, if applicable, causing the selection of any government official to attend or participate in any event or activity of the Grantee. The Grantee exercises control over that selection process and makes the selection completely independent of the Foundation. Grantee acknowledges that the Foundation is relying upon the representations made by the Grantee in this section in determining that there is no legal impediment to the Foundation's making a grant to the Grantee.

Anti-Terrorism. You will not use funds provided under this Grant Agreement, directly or indirectly, in support of activities (a) prohibited by U.S. laws related to combatting terrorism; (b) with or related to parties on the List of Specially Designated Nationals (www.treasury.gov/sdn); or (c) with or related to countries against which the U.S. maintains a comprehensive embargo (currently, Cuba, Iran, (North) Sudan, Syria, North Korea, and the Crimea Region of Ukraine), unless such activities are fully authorized by the U.S. government under applicable law and specifically approved by the Foundation in its sole discretion. Further, you represent that Grantee is not the target of economic or trade sanctions, and Grantee will immediately inform the Foundation if Grantee becomes the target of economic or trade sanctions, including any ownership or control of Grantee by one or more persons on the List of Specially Designated Nationals.

Intellectual Property. Grantee will retain all rights, including intellectual property rights, in and to final works resulting from projects supported by Foundation grant funds (the "Work Product"), and nothing in this Agreement will be deemed or interpreted to transfer ownership of any such rights to the Foundation. Nevertheless, to ensure that Foundation's grants have as broad an impact as possible, the Foundation requires grantees to license Work Product through an open license. Accordingly, Grantee agrees to make Work Product available to the public in a readily accessible format (e.g., on Grantee's public website) under the most recent version of the Creative Commons Attribution license (CC BY). In addition, the Foundation acknowledges that Grantee retains the right to also make the Work Product available under separate license terms, in its discretion.

Full legal text of the above referenced license is available at the following URL and Grantee should take the time to read and understand the license terms and conditions:

- <http://creativecommons.org/licenses/by/4.0/legalcode> (a summary may be found at <http://creativecommons.org/licenses/by/4.0/>)

The Foundation respects the intellectual property rights of others. Accordingly, the Foundation requires, and Grantee represents and warrants to the Foundation, that the Work Product produced hereunder are the original work of Grantee, or that Grantee has obtained sufficient rights, licenses, and permissions to distribute and license Work Product under CC BY, except and solely with respect to any particular item in the Work Product that is expressly identified in writing as owned by a third party not licensed under CC BY.

Notification. Grantee agrees to notify the Foundation immediately of any organizational changes during the term of the grant, including, but not limited to, changes in key personnel and changes in tax status, and changes in the project timing or goals. Any such notification shall be provided in writing, which may be by electronic mail to the Program Officer or other Foundation representative responsible for overseeing this grant.

Evaluation. The Foundation may choose to conduct an evaluation of the effectiveness of this grant (the “Evaluation”) either individually or as part of a broader Foundation strategy. Grantee agrees to cooperate in the Evaluation and provide such information to the Foundation or its representatives as necessary.

Grantee further agrees that the Foundation can disseminate to the public the results of the Evaluation, including any data created in connection with the Evaluation. In such cases, the Foundation may share the results of the Evaluation with the Grantee and may provide an opportunity for the Grantee to comment.

Grant Disclosure and Acknowledgement. The Foundation supports transparency and will disclose its grants as required by law and through its own digital content, principally its website (www.hewlett.org) and automated feeds to other data sources in the foundation sector. This data generally includes grantee name, grant amount, duration, award date and purpose. No additional permission from the Foundation is required for a grantee to share this information. The Foundation encourages, but does not require, grantees to include the Foundation in lists of funders and annual reports as a matter of transparency and accountability. Similarly, the Foundation encourages, but does not require, that Grantees that use our funds specifically for nonpartisan research and analysis should disclose us as a funder, as a matter of sound research practice. When it serves an organization’s charitable goals and strategies, grantees are also welcome to acknowledge the Foundation’s support in other ways. To ensure that the Foundation’s grantmaking programs are portrayed accurately, any other use of the Foundation’s brand, such as its name, logo or names of its staffers, in cases including but not limited to titles of programs, research reports, paid advertisements, press releases, in meeting materials and digital content, must be reviewed and preapproved by the Foundation. Grantees receiving project support should acknowledge Foundation

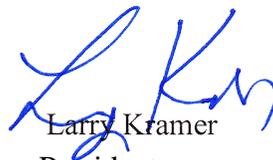
support only in relation to the relevant project being funded. All requests for approval should be directed to the appropriate [Communications Officer](#). (<http://www.hewlett.org/communicating-about-your-grant/>) The Communications Department endeavors to review and respond to requests within five business days.

Upon the expiration of this Agreement (including any Foundation-approved extensions) or the termination of this Agreement, or at the request of the Foundation at any time, Grantee shall immediately discontinue the use of the Foundation's name and logo in electronic materials and shall discontinue use within a reasonable period of time for printed materials. All uses beyond this period must be pre-approved in writing by the Foundation, which may be granted or withheld in the sole and absolute discretion of the Foundation.

Signature. Please have a corporate officer authorized to sign on behalf of the Grantee **sign and return** a copy of this grant agreement letter in its entirety to the Foundation to indicate the Grantee's acceptance of the terms of the grant. Grantee will return a signed copy of the entire grant agreement letter to the Foundation electronically by emailing a scanned copy to grantagreements@hewlett.org, which will ensure faster processing of your grant payment. Delivery of an executed signature page of this grant agreement by electronic mail in portable document format (PDF) will be effective as delivery of a manually-executed signature page of the grant agreement. Alternatively, Grantee may return an original signed copy of the grant agreement letter by mail to the Foundation's offices at 2121 Sand Hill Road, Menlo Park, CA 94025, Attention: Grants Management. For grant agreement letters submitted by email, the Grantee agrees to provide the original signed copy to the Foundation at the Foundation's request. This grant agreement may be executed by Grantee and the Foundation in one or more counterparts, each of which will be deemed an original and all of which will constitute one and the same agreement.

Foundation Contact. Should you have any questions related to this grant, please contact Fay Twersky, Program Director or Leeanne Oue, Program Associate for Philanthropy. We are pleased to be able to assist you.

Sincerely,


Larry Kramer
President

Sonoma County Transportation Authority
August 29, 2018
Page 7 of 7

LK
Enclosures
cc: Christy Pichel

ACCEPTANCE: On behalf of Sonoma County Transportation Authority, I hereby accept and agree to be legally bound by the terms of the grant as set forth herein.

Date: _____ *By:* _____ *Title:* _____

SECOND AMENDMENT TO AGREEMENT BETWEEN GOLDFARB & LIPMAN LLP AND SONOMA COUNTY TRANSPORTATION AUTHORITY

The Agreement for Consulting Services by and between Goldfarb & Lipman, LLP (hereinafter referred to as Consultant), and the Sonoma County Transportation Authority (hereinafter referred to as SCTA) dated April 15, 2018 (Agreement) is hereby amended as follows:

- A. The first sentence of Section 2, Payment is amended to read: “For all services and incidental costs required hereunder, Consultant shall be paid on a time and material/expense basis, however, that total payments to Consultant shall not exceed \$100,000, without the prior written approval of SCTA.” The remainder of Section 2, Payment shall remain the same.
- B. This Amendment is effective July 1, 2018.
- C. A total of \$40,747 has been spent as of August 31, 2018, leaving \$59,253 available for 2019.
- D. The first sentence of Section 3, Term of Agreement is amended to read: “The term of this Agreement shall be from April 15, 2018 to December 31, 2019, unless terminated earlier in accordance with the provisions of Article 4 below.
- E. All other terms and conditions of the Agreement shall remain in full force and effect.

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

CONSULTANT

DATED: _____

By: _____

Karen Tiedemann, Goldfarb & Lipman, LLP

SONOMA COUNTY TRANSPORTATION AUTHORITY

DATED: _____

By: _____

Suzanne Smith, SCTA

APPROVED AS TO FORM:

DATED: _____

By: _____

Cory O’Donnell, SCTA Counsel

Staff Report

To: Sonoma County Transportation Authority
From: Janet Spilman, Director of Planning
Item: 4.2.2 – Review of traffic mitigation fees and projects
Date: December 10, 2018

Issue:

Should the SCTA review and update projects eligible for regional traffic mitigation fees collected by the City of Rohnert Park as per SCTA Agreement SCTA05003?

Background:

In 2006, the City of Rohnert Park, applied to LAFCO for permission to annex land now known as the University District. During this process it was acknowledged by all parties that the project would have significant traffic impacts, both within and beyond City boundaries. The developer of the University District agreed to make payments to help fund mitigation for those regional impacts.

It was determined that the SCTA was the most appropriate entity to hold the funds and was charged with allocating the funds to eligible projects in a process to be determined. At the time, traffic impacts in the Penngrove area were an unmitigated concern and a high priority for the County. The SCTA already had a financial commitment, through Measure M, to improve circulation in the Penngrove Area by means of some yet undefined transportation project.

Development of the University District, imminent in 2007, took much longer because of the economic downturn the following year. Only as of 2017, has Rohnert Park begun to collect fees and pass them to the SCTA as per the agreement.

In the intervening decade, traffic conditions and project priorities have shifted. A review of the original agreement has been undertaken with staff from Rohnert Park, Cotati, the County and SCTA legal counsel to determine the best and most appropriate use of the funds moving forward.

Results:

1. The working group recognized that the widening of Hwy 101 has made improvements in traffic circulation in and around Penngrove. Improved access to Hwy 101 would provide additional relief. There has been no other feasible project developed that would provide more benefit than the Hwy 101 project.
2. The working group has developed a list of projects and set of criteria for project selection that meet the requirements of the original agreement.
3. The City of Rohnert Park is developing another regional traffic mitigation fee program that would expand the geographical scope of projects. SCTA may consider partnering with Rohnert Park and/or other cities developing regional programs.

Policy Impacts:

The concept of regional traffic mitigation fees has been discussed several times since 2002. The challenge was historically trying to balance the needs of existing residents and impacts of new development. The vast difference between the amount of potential funds collected from new development and the high cost of infrastructure projects diminished the viability of a regional fee program until Measure M was approved by voters to help relieve the traffic impacts from existing residents. With the success of Rohnert Park's original program discussed in this report and the promise of the proposed program as examples, there may be an opportunity for further collaboration in this area.

Financial Impacts:

Rohnert Park has transferred \$1,386,000 of the potential total of approximately \$7 million in traffic mitigation fees to the SCTA. The SCTA has expended \$768 of mitigation fees in County Counsel expenses.

Recommended Action:

Accept the list of projects and selection criteria developed by working group.

Exhibits:

Agreement SCTA05003

Lists of projects and criteria

**AGREEMENT FOR DISPOSITION OF REGIONAL TRAFFIC MITIGATION
FUNDS FROM THE UNIVERSITY DISTRICT SPECIFIC PLAN**

**BETWEEN
THE SONOMA COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF ROHNERT PARK**

This Agreement for Disposition of Regional Traffic Impact Funds from the University District Project (hereinafter "Agreement") is made and entered into as of February 5, 2007 ("Effective Date") by and between the **CITY OF ROHNERT PARK ("CITY")** and the **SONOMA COUNTY TRANSPORTATION AUTHORITY ("AUTHORITY")**.

RECITALS

1. On July 25, 2006, **CITY** adopted Ordinance No. 761 approving a development agreement ("UDSP Development Agreement") between **CITY** and University District LLC and Vast Oak Properties L.P. ("Developer") for development of that certain property known as the University District Specific Plan, which is described and depicted in Exhibit "A" attached hereto ("UDSP Project").
2. The UDSP Project environmental impact report ("UDSP EIR") identified regional traffic impacts that the Developer and **CITY** are unable to mitigate unilaterally primarily because they are outside **CITY**'s jurisdiction.
3. Section 4.02 of the UDSP Development Agreement (attached hereto as Exhibit "B" and incorporated by reference herein) includes a provision requiring Developer to pay to **CITY** \$3,500 per market rate residential unit toward mitigating regional traffic impacts ("Impact Fees") until such time as a regional traffic impact fee is established. After establishment of such a regional traffic impact fee, Developer shall pay the regional traffic impact fee in lieu of the \$3,500 per unit. Under the UDSP Development Agreement, Impact Fees are to be used exclusively for regional traffic improvements (projects located outside of the Urban Growth Boundary of the City of Rohnert Park) approved by **CITY** which mitigate regional traffic impacts identified in the UDSP EIR ("Regional Traffic Projects").
4. Regional Traffic Projects eligible for funding under this Agreement may include projects that will relieve traffic in the Penngrove area. Based upon the transportation and traffic analysis in Section 3.11 of the UDSP EIR, the unincorporated Penngrove area will experience a significant increase in the level of traffic congestion due to the UDSP development. The **AUTHORITY** will establish a process to allocate Impact Fees to Regional Traffic Projects in conjunction with Measure M sales tax funds and other available funding sources.
5. Mitigation of the regional traffic impacts of the University District Specific Plan through execution by **CITY** and **AUTHORITY** of this Agreement is a condition to approval

by the Local Agency Formation Commission of the County of Sonoma of the University District Specific Plan and the annexation of the area within the plan into **CITY**. In order to assist **CITY** to meet this condition of approval, **CITY** has proposed that those Impact Fees collected by Developer be transferred by **CITY** to **AUTHORITY** for use by **AUTHORITY** to fund Regional Traffic Projects.

6. **AUTHORITY** warrants to **CITY** that **AUTHORITY** is capable of and possesses the skill, experience, ability, background, certification, and knowledge to approve, fund, and oversee the Regional Traffic Projects and to allocate the Impact Fees to such projects only.

7. **CITY** wishes to transfer to **AUTHORITY** all Impact Fees collected from Developer, and **AUTHORITY** is willing to accept such Impact Fees and to allocate those Impact Fees exclusively to Regional Traffic Projects, in compliance with Section 4.02 of the UDSP Development Agreement.

8. **AUTHORITY** and **CITY** desire to enter into this Agreement to define a framework to enable the two parties to work cooperatively in funding and managing Regional Traffic Projects.

NOW, THEREFORE, in consideration of the foregoing, **AUTHORITY** and **CITY** do hereby agree as follows:

SECTION I

CITY AGREES:

1. Payment of Regional Traffic Impact Funds. **CITY** shall, on an annual basis, transfer all Impact Fees collected from Developer pursuant to Section 4.02 of the UDSP Development Agreement (the "Regional Traffic Impact Funds") to **AUTHORITY** for allocation to Regional Traffic Projects.

2. Delegation of Authority. **CITY** hereby delegates to **AUTHORITY** its authority and responsibility under Section 4.02 of the UDSP Development Agreement to approve Regional Traffic Projects for the specific purpose of mitigating regional traffic impacts identified in the UDSP EIR; provided, however, that **AUTHORITY** shall not approve any Regional Traffic Project without first consulting with **CITY** as provided in Section II, Paragraph 1 below.

SECTION II

AUTHORITY AGREES:

1. Performance of Regional Traffic Projects. **AUTHORITY** shall be responsible for approval of, and allocation of Regional Traffic Impact Funds to, Regional Traffic Projects to be implemented by eligible public entities. **AUTHORITY** shall consult with **CITY** prior to

making any final decision to approve any Regional Traffic Project.

2. Allocation of Funds. **AUTHORITY** shall allocate the Regional Traffic Impact Funds exclusively to those Regional Traffic Projects which serve the specific purpose of mitigating regional traffic impacts as identified in the UDSP EIR. If **CITY** consents to **AUTHORITY**'s approval of a Regional Traffic Project during the consultation required by Section II, Paragraph 1, it shall be conclusively presumed that such Regional Traffic Project serves the specific purpose of mitigating regional traffic impacts as identified in the UDSP EIR.

3. Segregation of Funds. **AUTHORITY** shall hold the Regional Traffic Impact Funds in a separate, unique account and allocate interest earned on held funds to said account.

4. Return of Funds. **AUTHORITY** shall return to **CITY** any funds in the Regional Traffic Impact Funds account that have not been committed in writing or expended by **AUTHORITY** for the construction of the Regional Traffic Projects as of August 24, 2021.

5. Administrative Expenses. **AUTHORITY** shall charge reasonable administrative expenses to the Regional Traffic Impact Funds account similar to those expenses incurred in administering Measure M monies.

6. Reporting Requirements. **AUTHORITY** shall provide **CITY** with an annual accounting of revenue, interest, and expenditures relating to the Regional Traffic Impact Funds.

7. Compliance with Laws. With regard to the Regional Traffic Projects, **AUTHORITY** shall at all times use reasonable care to comply with all applicable laws of the United States, the State of California, the County, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement. Notwithstanding the foregoing, **CITY** recognizes and understands that legal challenges to the Regional Traffic Projects may occur, and **CITY** agrees that **AUTHORITY** shall not be deemed to have breached the provisions of this Paragraph solely because a legal challenge to a Regional Traffic Project is successful.

8. Records. For the duration of the Agreement, and for five (5) years following the discharge of this Agreement, **AUTHORITY** shall make available to **CITY** all records relating to the performance of this Agreement.

SECTION III

IT IS MUTUALLY AGREED:

1. Term. This Agreement will remain in effect until discharged as provided in Paragraph 2 or 12 of this Section III.

2. Discharge. This Agreement shall be subject to discharge as follows:

a. This Agreement may be canceled by a party for breach of any material obligation, covenant or condition hereof by the other party, upon notice to the breaching party. With respect to any breach which is reasonably capable of being cured, the breaching party shall have thirty (30) days from the date of the notice to initiate steps to cure. If the breaching party diligently pursues cure, such party shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted by the non-breaching party. On cancellation, the non-breaching party retains the same rights as a party exercising its right to terminate under the provisions of Paragraph 2(b) below, except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance. If the Agreement is canceled by **CITY** because **AUTHORITY** has failed to meet the requirements to use the Regional Traffic Impact Funds towards regional traffic impacts identified in the UDSP EIR, **CITY** may, at its option, demand repayment of all unexpended and uncommitted funds and funds determined by audit not to have been expended or committed as provided for in this Agreement, with interest accrued thereon.

b. By mutual consent of both parties, this Agreement may be terminated at any time. Upon termination by mutual consent, **AUTHORITY** shall repay to **CITY** any unexpended and uncommitted funds originally provided to **AUTHORITY** under this Agreement, and any interest that has accrued thereon.

c. Notwithstanding anything in this Section III, Paragraph 2 to the contrary, **CITY** may not discharge, cancel, or terminate this Agreement if **AUTHORITY** has entered into an agreement with any third party for the funding and implementation of any Regional Traffic Project to be funded, in whole or in part, by Regional Traffic Impact Funds provided or to be provided by **CITY** under this Agreement, and the discharge, cancellation, or termination would preclude **AUTHORITY** from fully performing its duties and obligations under the third-party agreement, unless such discharge, cancellation, or termination is due to **AUTHORITY**'s breach of any uncured, material obligation, covenant, or condition hereof, in which event **CITY** may discharge, cancel, or terminate this Agreement under the provisions of Section III, Paragraph 2(a) notwithstanding any third party agreement.

3. Indemnity. Each party to this Agreement (the "Indemnifying Party") agrees to accept all responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release the other party (the "Indemnified Party") (including the Indemnified Party's supervisors, officers, agents, and employees) from and against any and all liabilities, actions, claims, damages, disabilities, or expenses that may be asserted by any person or entity, including the Indemnifying Party, to the extent resulting from the Indemnifying Party's own negligence or willful misconduct in connection with the performance of this Agreement, but excluding liabilities, actions, claims, damages, disabilities, or expenses to the extent caused by or due to the negligence or willful misconduct of the Indemnified Party. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for the parties hereto or their agents under workers' compensation acts, disability benefit acts, or other employee benefit acts.

4. Notices. Any notice which may be required under this Agreement 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 hereto.

To **CITY:** Darrin Jenkins
City of Rohnert Park
6750 Commerce Blvd.
Rohnert Park, CA 94928
707-588-2200
dajenkins@rpcity.org

To **AUTHORITY:** Suzanne Smith
Executive Director
Sonoma County Transportation Authority
520 Mendocino Avenue, Suite 240
Santa Rosa, CA 95401
707-565-5373
suzsmith@sctainfo.org

5. 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 the Agreement.

6. Integration. This 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.

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

8. Independent Agency. **AUTHORITY** renders its services under this Agreement as an independent agency. None of the **AUTHORITY**'s agents or employees shall be agents or employees of the **CITY**.

9. Assignment. The Agreement may not be assigned, transferred, hypothecated, or pledged by any party without the express written consent of the other party.

10. Successors. This Agreement 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 Agreement other than as provided above.

11. Severability. Should any part of this Agreement 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 Agreement, which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

12. Survival. The covenants and obligations in Section II, Paragraphs 4, 6, and 8, and indemnification in Section III, Paragraph 3 of this Agreement shall survive the discharge (by cancellation or earlier termination) of this Agreement.

13. Limitation. All obligations of **CITY** to transfer funds under the terms of this Agreement are expressly subject to **CITY**'s continued authorization to collect and transfer the Impact Fees provided by Developer. If for any reason **CITY**'s right to collect or expend such Impact Fees is terminated or suspended in whole or part, **CITY** shall promptly notify **AUTHORITY**, and the parties shall consult on a course of action. If, after twenty-five (25) working days, a course of action is not agreed upon by the parties, this Agreement shall be terminated.

[Signatures to Follow on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY OF ROHNERT PARK

**SONOMA COUNTY
TRANSPORTATION AUTHORITY**

By: [Redacted Signature]

Vicki Vidak-Martinez, Mayor

Per Resolution No. 2007-15 adopted by the City Council at its meeting of January 23, 2007

By: [Redacted Signature]

Robert John, Chairman

ATTEST:

APPROVED AS TO SUBSTANCE:

By: [Redacted Signature]

Terri Griffin, Deputy City Clerk



[Redacted Signature] Suzanne Smith, Executive Director

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

By: [Redacted Signature]

City Attorney

By: [Redacted Signature]

Authority Counsel

University District Specific Plan Regional Traffic Mitigation Funds Disposition Agreement

**Between the SONOMA COUNTY TRANSPORTATION AUTHORITY
and CITY OF ROHNERT PARK**

EXHIBIT A

DESCRIPTION AND DEPICTION OF UDSP PROPERTY

(For Staff Insertion)

Exhibit A

UDSP Regional Traffic Funds Disposition Agreement
City of Rohnert Park
Page 1 of 1

982422v2A 80078/0016

Exhibit A
Description and Depiction of UDSP Property

Real property in the unincorporated area of the County of Sonoma, State of California, described as follows:

Parcel One:

Lying in Rancho Cotati and being a portion of the lands of Henry Himebauch Anderson as described in Book 864 of Official Records at Page 194, being more particularly described as follows:

Beginning at a point on the Westerly property line of the lands of Anderson, said point being the Southeast corner of Parcel IV of the lands of the County of Sonoma as described in Book 2166 of Official Records, at Page 300 said point bears North 89° 23' 40" East 190.01 feet from a set iron pipe; thence leaving said line North 89° 23' 40" East 1692.29 feet to the Northwest corner of the parcel conveyed to the State of California by deed recorded March 28, 1967 in Book 2260 of Official Records, Page 173, Sonoma County Records; thence along the West line of said parcel South 0° 02' 40" West 300 feet to a point; thence North 89° 23' 40" East 95 feet to a point; thence South 0° 02' 40" West 80 feet to a point; thence South 89° 23' 40" West 95 feet to a point; thence South 0° 02' 40" West 510 feet to the South line of said Anderson parcel; thence West along said South line 1692.29 feet to the Southwest corner of said Anderson parcel; thence North 0° 02' 20" West 871.50 feet to the point of beginning.

Parcel Two:

An easement for private and public road and incidental purposes over the following described parcel:

Beginning at a point which bears North 89° 23' 40" East 95 feet distant from the Northeast corner of the above described parcel; thence North 89° 23' 40" East 100 feet; thence South 0° 02' 40" West 380 feet; thence South 89° 23' 40" West 100 feet to a point; thence North 0° 02' 40" East 380 feet to the point of beginning.

APN: 047-131-026-000 and 047-131-027-000

Exhibit A
Description and Depiction of UDSP Property

Real property in the unincorporated area of the County of Sonoma, State of California, described as follows:

TRACT ONE

Parcel One

Being a portion of that tract conveyed to Frank H. Denman and George B. Murphy and David R. Risk and James C. Risk, by Deed dated February 23, 1911 and recorded in Book 272 of Deeds, page 200, Sonoma County Records, and commencing at a stake marked 30 and 31, standing on the South boundary of the lands conveyed to Denman and Murphy by said Risk Brothers, from which a stake marked "Risk" standing at the Southwest corner of said land bears West 40.45 chains distant; thence along the South boundary of said lands East, 10.32 chains to a stake marked 32 and 33; thence North across said lands, at 19.15 chains a stake marked 32 and 33, standing on the South side of a road laid out across said lands of Denman and Murphy, at 19.45 chains to the center of said road; thence along the center of said road South 89° 30' West, 10.32 chains to a point from which a stake marked 30 and 31 standing on the South side of said road bears South 30 links distant; thence South 19.35 chains to the point of beginning.

Parcel Two

An easement 60 feet in width for general road and public utility purposes, the centerline of which is the same as the East line of the parcel of land conveyed to James Tasley by Deed recorded in Book 2307 at page 590, Sonoma County Records.

APN: 045-262-001

TRACT TWO

Parcel One

Being a portion of the tract conveyed to Frank H. Denman and Geo B. Murphy, by David R. Risk and James C. Risk by Deed dated February 23, 1911 and recorded in Book 272 of Deeds, Page 200, Sonoma County Records, and commencing at a stake marked "34", standing on the South boundary of said Lands and at the Northeast corner of Lands conveyed to Geo H. Anderson by Cotati Company, by Deed recorded in Book 181 of Deeds, Page 477, and Sonoma County Records; thence along said line West 10.26 chains to a stake marked 32 and 33; thence North 19.15 chains to a stake marked 32 and 33, standing on the South line of a 40 foot road laid out across said lands of Frank H Denman and Geo B. Murphy, and along South line of lands of H. Comstock, at 19.45 chains to center of road; thence along center of same, North 89° 30' East, 10.26 chains; thence leaving said road South 30 links, a stake marked 34 and 35, standing on the South side of said road, 19.57 chains the point of commencement.

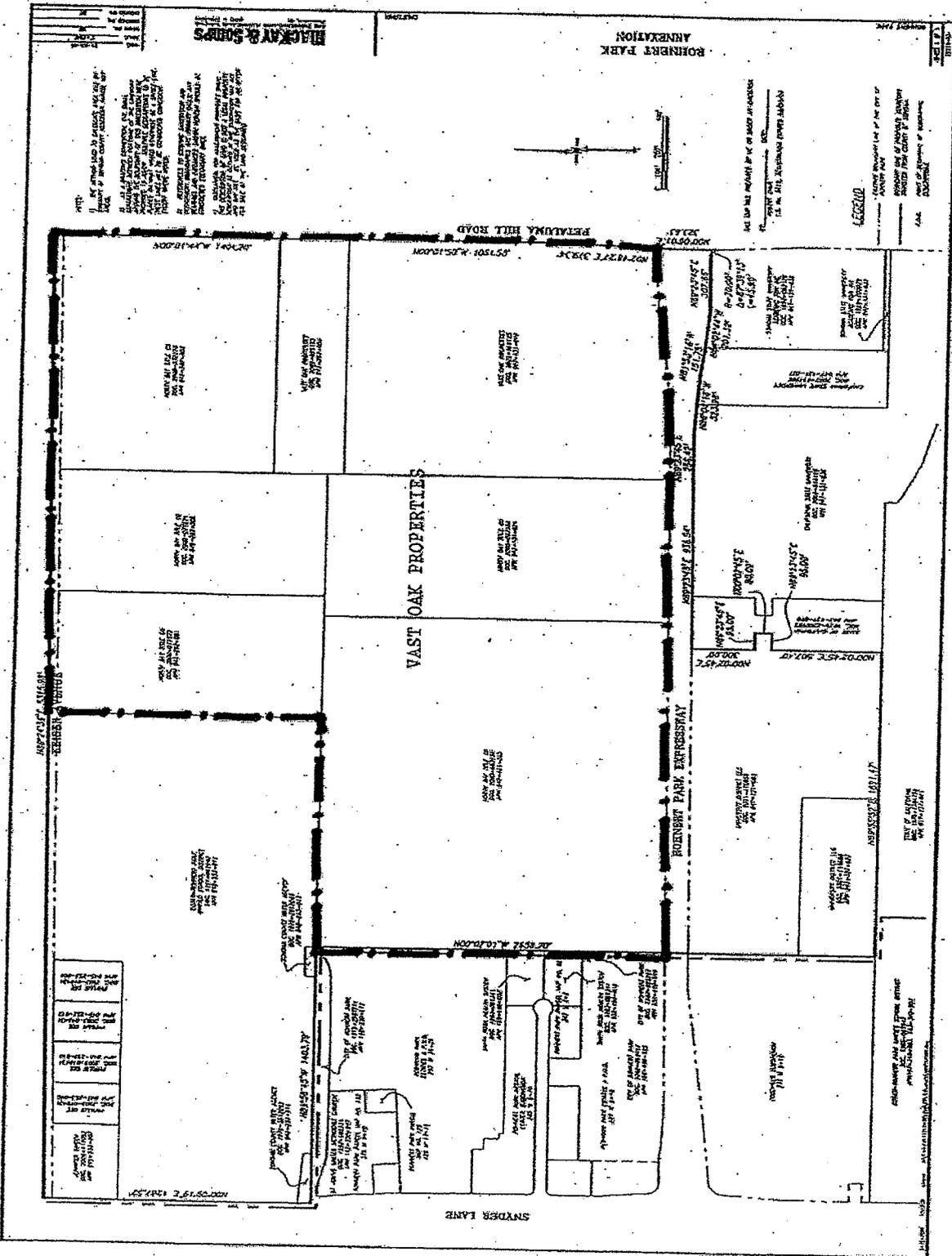
Excepting therefrom any portion of said land lying Easterly of the agreed boundary line as described in that certain Boundary Line Agreement and Quitclaim Deed executed by and between North Bay Title Company and Cottonwood Enterprises recorded March 21, 1994 under Document No. 1994 0037474 Sonoma County Records

Also excepting therefrom any portion of said land lying Easterly of the agreed boundary line as

First American Title

Exhibit A

Description and Depiction of UDSP Property



University District Specific Plan Regional Traffic Mitigation Funds Disposition Agreement

**Between the SONOMA COUNTY TRANSPORTATION AUTHORITY
and CITY OF ROHNERT PARK**

EXHIBIT B

SECTION 4.02 OF UDSP DEVELOPMENT AGREEMENT

Section 4.02 Regional Traffic Improvement Fee.

Developer agrees to pay, at the time of issuance of a building permit for each residential and/or commercial unit or building within the Project, any future regional traffic improvement impact fee enacted by City (or by City, other area municipalities and/or the County of Sonoma) pursuant to the Mitigation Fee Act (Government Code Section 66000, *et seq.*) that is consistently applied on a city-wide basis to all substantially similar types of development projects. If no regional traffic impact fee has been enacted at the time of issuance of a building permit for such residential or commercial unit or building, then Developer shall pay City, at the time of permit issuance, a fee ("**Regional Traffic Fee**") equal to Three Thousand Five Hundred Dollars (\$3,500) for each market rate residential unit to mitigate the regional traffic impacts of the Project. Developer shall be entitled to a credit against the Regional Traffic Fee for Developer's actual out-of-pocket costs paid to unaffiliated third parties in connection with Developer's construction and installation of City approved regional traffic improvements, if any. For purposes of this Section 4.02, City approved regional traffic improvements shall include regional roadway and traffic improvements that mitigate regional traffic impacts identified in the EIR, as selected by City from time to time in its discretion. Roadway and traffic improvements included within the PFFP or required by the Project Approvals or the MMRP, including the Rohnert Park Expressway and Keiser Avenue improvements and various traffic signals on Petaluma Hill Road, shall not be considered City approved regional traffic improvements for purposes of this Section 4.02. All Regional Traffic Fees paid by Developer shall be held by City in a separate account and used exclusively for City approved regional traffic improvements which mitigate regional traffic impacts identified in the EIR. If, within fifteen (15) years of the Effective Date of this Agreement, such Regional Traffic Fees have not been committed in writing or expended by City for the construction of regional traffic improvements that meet the criteria set forth above, City shall return such unexpended and uncommitted Regional Traffic Fees to Developer.

In consideration of Developer's agreement to pay the Regional Traffic Fee as provided in subsection 4.02A, above, City covenants that for the five (5) year period commencing on the Effective Date and continuing until the fifth (5th) anniversary thereof, City will not enter into any development agreement pursuant to the Development Agreement Statute for any residential development within a Specific Plan area or for any other residential project that includes 100 or more market rate dwelling units, unless such development agreement contains a provision obligating the developer of such project to pay a regional traffic improvement fee, the amount of which shall be determined by City in its reasonable discretion based upon the project's regional traffic impacts, as identified in the applicable CEQA document

Exhibit B

UDSP Regional Traffic Funds Disposition Agreement
City of Rohnert Park
Page 1 of 2

for the project. City's obligations under this subsection 4.02B shall immediately terminate in the event that City, by itself or in cooperation with other area municipalities, enacts a regional traffic improvement impact fee pursuant to the Mitigation Fee Act.

Evaluation Criteria

- Capacity Improvements – This criterion would prioritize projects that are identified as necessary to provide capacity for planned growth included in General Plans or project-specific environmental impact reports. The criterion would incentivize the construction of needed improvements, by providing funding for the remaining unfunded share.
- Safety Improvements – This criterion would be a measure of the project’s potential safety enhancements for both vehicle and/or active transportation modes within the study area through means such as collision histories or evaluations by a licensed traffic engineer.
- Active Transportation Enhancements – This criterion would measure the project’s ability to construct new or improve active (pedestrian and bicycle) transportation facilities that are identified in an adopted transportation planning document. It is noted that the projects included in the regional fee may be exclusively focused on enhancing capacity for vehicular traffic, but those projects that would also expand the network for pedestrians and bicyclists by adding sidewalks, bike lanes, etc. would have an advantage if this criterion were applied.
- Right-of-Way Constraints – The project’s impact to existing right-of-way constraints would be considered for this criterion. If the right-of-way constraints impact the feasibility of the project, the lower the score.
- Readiness for Construction – This criterion would measure the ability to readily construct the project. Projects that are “shovel-ready” and include a higher level of matching funds would score higher than those that are still in the conceptual stage or do not have any matching funding.
- Benefit – The project’s estimated benefit relative to other projects or its benefits-to-cost ratio could be used as a criterion. The greater the benefit or lower the benefits-to-cost ratio, the lower the score. Benefit means benefitting the greatest number of existing or future users, by transportation mode.
- Community Input – Community support can be demonstrated by, but not limited to, adoption of the project by the governing body in a local or regional transportation plan (CIP, TIF, etc.).

Scoring

For all categories, a scale of one to five will apply as follows:

- 5 – very positive
- 4 – positive
- 3 – neutral
- 2 – negative
- 1 – very negative

Weight Factors

Each criterion would be given a weight factor in terms of percentages such that the sum of all the rating factors is 100 percent. Using the seven evaluation criteria, the average weight factor would be approximately 14 percent. The weighting should be assigned such that the resulting assignments produce less than a 50 percent difference between categories; in other words, the category with the highest weight is not more than 50 percent above the category with the lowest weight.

Potential Projects - RP Regional Mitigation Fee Program

rev. Nov 2018

	Location	Jurisdiction	Description	Current Cost	Source
1	US 101 north onramp @ Commerce/Old Red	Cotati	convert NB left turn to through lane	\$ 100	Cotati TIF
2	SR116 @ Old Red	Cotati	traffic signal & intersection improvements	\$ 81	Cotati TIF
3	Old Red @ St. Joseph	Cotati	traffic signal & intersection improvements	\$ 791	Cotati TIF
4	Old Red @ Willam-George Street	Cotati	traffic signal & intersection improvements	\$ 791	Cotati TIF
5	Old Red @ East Cotati	Cotati	intersection widening and turn pockets	\$ 134	Cotati TIF
6	East Cotati @ Charles	Cotati	traffic signal & intersection improvements	\$ 813	Cotati TIF
7	East Cotati @ Lasalle	Cotati	traffic signal & intersection improvements	\$ 828	Cotati TIF
8	Cotati citywide bike-ped completion	Cotati	complete bicycle/ped network and close sidewalk gaps	\$ 1,091	Cotati TIF
9	Cotati citywide bike-ped safety	Cotati	program to improve safety based on percent of other costs	\$ 873	Cotati TIF
10	Petaluma Hill Road @ Crane Creek Trail	Sonoma County	new traffic signal	\$ 550	Crane Creek Grant App
11	Petaluma Hill Road @ Keiser	Rohnert Park	traffic signal & intersection improvements	\$ 1,521	RP PFFP
12	Petaluma Hill Road @ Valley House	Rohnert Park	traffic signal & intersection improvements	\$ 1,521	RP PFFP
13	SMART path - Golf Course to Santa Rosa city limits	Sonoma County		\$ 2,500	estimate
14	Petaluma Hill Road	Sonoma County	widen to 3 lanes	\$ 11,200	Sonoma County General Plan
15	West Railroad - Pet Hill to US 101	Sonoma County	widen to 3 lanes	\$ 12,550	Sonoma County General Plan
16	Adobe Road @ Pet Hill	Sonoma County	traffic signal & intersection improvements	\$ 1,521	Southeast and SOMO EIRs
17	Railroad @ Pet Hill	Sonoma County	signalization and possible realignment	\$ 1,521	Southeast and SOMO EIRs
18	Old Red @ East Railroad	Sonoma County	signalization	\$ 1,521	Southeast and SOMO EIRs

Total \$ 39,910

Staff Report

To: Sonoma County Transportation Authority
From: Janet Spilman, Director of Planning
Item: 4.2.3 - Planning Activities Report
Date: December 10, 2018

Issue:

Information only.

DATA MANAGEMENT AND FORECASTING

- **Travel Model Validation** – Staff and consultants continue to make progress on revalidating the Sonoma County Travel Model. Consultants are currently checking highway and transit networks and processing traffic counts that have been provided by local jurisdictions
- **Modeling and analysis support** – Mapping, modeling, and analytic support has been provided for projects in unincorporated Sonoma County.
- **Land use data and analysis** – Staff continues to update general plan build out estimates which are used as part of the travel demand modeling program. Draft results for some jurisdictions have been provided to local planning staff for review and SCTA staff continue to prepare updated build out estimates for remaining jurisdictions.

PLANS

- **Transit Integration and Efficiency Study** –The consulting team conducted Stakeholder Interviews in late October and is developing technical memorandums with documentation and preliminary evaluation for each topic area. The Steering Committee and consulting team continue to hold bi-weekly project management check-in calls.
- **Plan Bay Area 2050** – Staff is participating the development of *Horizon*, the prelude to PBA 2050, which will launch next year. Staff continues to review materials that will be used to analyze projects and future scenarios as part of MTC’s modeling efforts.

PROGRAM MANAGEMENT

- **Safe Routes to School** –Implementation of the 5 year Safe Routes to School program is underway with approval of the contract with Sonoma County Bicycle Coalition in September.
- **Bike Share Pilot Program** –SCTA and TAM are utilizing responses from the Request for Information to develop a draft Request for Proposals. Partner agency staff will be asked to review scope, policy, and vendor evaluation language in the Request for Proposals.

- **Emergency Ride Home Program** – Staff continues to promote awareness of the new countywide Emergency Ride Home Program, which will reimburse rides home in cases of a qualifying emergency for anyone who works in Sonoma County and gets to work using an alternative transportation option, such as carpooling, vanpooling, public transit, bicycling, or walking. Program rules, restrictions, and reimbursement forms are available online. scta.ca.gov/ERH
- **Santa Rosa Car Share Pilot Program** – The average monthly unique users of the two Zipcars in Santa Rosa remains around ten; however, the number of monthly reservations has declined since June. Staff continues to work with Zipcar to raise awareness and promote the program. Santa Rosa residents and employees can take advantage of complementary first-year new Zipcar memberships and members who signed up under the previous year promotion may receive \$35 in driving credit after annual renewal subsidized by the grant. Zipcar.com/SantaRosa

ADMINISTRATION OF ALTERNATIVE TRANSPORTATION FUNDING

- **Transportation for Clean Air Fund, County Program Manager (TFCA, CPM)** – SCTA has completed a routine fiscal audit of the TFCA CPM program. Staff will send out the Fiscal Year 2019-2020 Call for Projects in January or February 2019.

COORDINATION & OUTREACH

Local Activities

- Spare the Air Resources Team – Worked with the Resources Team on outreach to employers on commute programs and website improvements.

Regional Coordination

- MTC/ABAG committees: Regional Advisory Working Group, Regional Modeling Working Group; Transit Finance Working Group, Active Transportation Working Group, Transportation Demand Management Working Group
- CMA Planners meetings
- Bay Area County Transportation Authority meeting
- Bay Area Partnership Board meeting

Policy Impacts:

All activities are consistent with SCTA policy.

Staff Recommendation:

Information only.

Staff Report

To: SCTA/RCPA Board of Directors
From: Suzanne Smith, Executive Director
Item: 4.4 – 2019 Legislative Principles and professional services agreement for advocacy in Sacramento
Date: December 10, 2018

Issue:

Shall the SCTA/RCPA approve the proposed 2019 Legislative Principles? Shall the RCPA extend its contract with Dunn Consulting for advocacy services in Sacramento?

Background:

Each year the SCTA and RCPA adopt legislative principles to help guide staff and Board members on legislative matters at the State and federal levels. These are meant to be general guidelines and when specific legislative measures are in process, the Board is often asked to review and take a position.

The RCPA has a contract with Dunn Consulting for advocacy and legislative strategy support in Sacramento. The proposed contract would extend those services for 2019. Keith Dunn provided significant help over the past several years on bills related to the Water Bill Saving Program, removing the sunset for RCPA, disaster relief and housing.

Policy Impacts:

None.

Fiscal Impacts:

The cost of the contract with Dunn Consulting is \$15,000 and is included in the RCPA budget.

Staff Recommendation:

Consider adopting the 2019 SCTA and RCPA Legislative Principles and approving contract RCPA1905 with Dunn Consulting.

2019 Legislative Principles

CLIMATE CHANGE

1. Monitor the federal and State processes related to climate change, resilience and adaptation, 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:
 - a. CPUC activities related to energy and energy efficiency
 - b. Cap and trade
 - c. Public goods charge
 - d. Carbon pricing
 - e. Climate adaptation and resource protection
 - f. Climate smart infrastructure investments
 - g. Pre-disaster planning
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 past State legislative efforts related to clean energy, energy efficiency, vehicle miles traveled, and climate planning
5. Monitor and participate in discussions related to fire recovery and rebuild efforts at a local, regional, State and federal level.
6. Oppose efforts to reduce or divert funding from climate protection and support efforts to protect, preserve and enhance climate protection funding.

2019 Legislative Principles

TRANSPORTATION

1. Monitor the development of a new federal infrastructure bill and advocate for funding and policy measures that align with local priorities for SMART, bus transit, State Route 37, local road maintenance and bicycle/pedestrian projects.
2. Monitor any efforts at the federal and State level to implement funding or financing mechanisms that could affect 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 will build more projects, quickly.
4. Monitor legislative or administrative proposals related to overall funding levels for transportation infrastructure, operations and maintenance in Sonoma County.
5. Advocate for reduction of the voter threshold for special sales tax measures.
6. Oppose efforts to reduce or divert funding from transportation projects and support efforts to repay, protect and preserve transportation funding.
7. Focus on advocacy for funding distribution approaches that support local needs and priorities.
8. Explore opportunities to provide funding for maintenance of the system including new ideas such as incentives to communities that prioritize low carbon transportation options.
9. Support efforts to streamline the Active Transportation Program in order to deliver more projects, quickly.
10. Monitor legislative and regulatory efforts related to capturing sales tax revenue from internet sales in light of the Supreme Court decision *South Dakota v. Wayfair*.
11. Monitor progress on the 2020 Census and support actions that ensure an accurate count.
12. Support policies that enable technological innovations to improve mobility, while protecting the public's interest.

Professional Services Agreement for Assistance with Climate Change Policy Advocacy

This agreement (“Agreement”) is by and between Sonoma County **Regional Climate Protection Authority** (“RCPA”) and **Dunn Consulting**, a sole proprietorship (“Consultant”). The Effective Date of this Agreement is January 1, 2019.

RECITALS

- A. Consultant represents that he is duly qualified with expertise in climate change policy, advocacy, legislative strategy, and related services in the State of California.
- B. Consultant will provide consulting services to RCPA in support of monitoring legislative activity, representing RCPA in various forums related to policy advocacy, and providing policy advice, strategy and implementation ideas in partnership RCPA staff and Board members.

In consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

1. RECITALS

- 1.1. The above recitals are true and correct.

2. LIST OF EXHIBITS

- 2.1. The following exhibits are attached hereto and incorporated herein:
 - a. Exhibit A: Scope of Work
 - b. Exhibit B: Insurance Requirements

3. SCOPE OF SERVICES

- 3.1. *Consultant’s Specified Services:* Consultant shall perform the services described in Exhibit A (Scope of Work), within the times or by the dates provided for in Exhibit A and pursuant to Article 9 (Prosecution of Work). In the event of a conflict between the body of this Agreement and Exhibit A, the provisions in the body of this Agreement shall control.
- 3.2. *Cooperation with RCPA:* Consultant shall cooperate with RCPA in the performance of all work hereunder. Consultant shall coordinate the work with RCPA’s Project Manager. Contact information and mailing addresses:

3.3.

RCPA	Consultant
Project Manager: Suzanne Smith 411 King Street Santa Rosa, CA 95404 Phone: 707-565-5374 Email: Suzanne.Smith@scta.ca.gov	Contact: Keith Dunn 1121 L Street, #700 Sacramento, CA 95814 Phone: 916-273-6567 Email: keithdunn@me.com
Remit invoices to: Susan Underwood Same address as above or Email: Susan.Underwood@scta.ca.gov	Remit payments to: Same as above.

3.4. *Performance Standard and Standard of Care:* Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with the standards of a reasonable professional having specialized knowledge and expertise in the services provided under this Agreement and in accordance with all applicable federal, state and local laws, it being understood that acceptance of Consultant’s work by RCPA shall not operate as a waiver or release. RCPA has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. If RCPA determines that any of Consultant’s work is not in accordance with such level of competency and standard of care, RCPA, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with RCPA to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 6 (Termination); or (d) pursue any and all other remedies at law or in equity.

4. PAYMENT

- 4.1. *Total Costs:* Total costs under this Agreement shall not exceed \$15,000.
- 4.2. *Method of Payment:* Consultant shall be paid in accordance with the following terms:
 - a. Consultant shall receive a monthly retainer not to exceed \$1,250.
 - b. Expenses not expressly authorized by the Agreement shall not be reimbursed.
- 4.3. *Invoices:* Consultant shall submit its bills in arrears on a monthly basis, based on monthly retainer cap of \$1,250.
- 4.4. *Monthly Reports with Invoices:* Payment of invoices is subject to receipt of the monthly reports required under Exhibit A.

5. **TERM OF AGREEMENT**

- 5.1. This Agreement shall expire on December 31, 2019, unless terminated earlier in accordance with the provisions of Article 6 (Termination).

6. **TERMINATION**

- 6.1. *Termination Without Cause:* Notwithstanding any other provision of this Agreement, at any time and without cause, either party shall have the right, in its sole discretion, to terminate this Agreement by giving 5 days written notice to the other party.
- 6.2. *Termination for Cause:* Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, RCPA may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.
- 6.3. *Delivery of Work Product and Final Payment Upon Termination:* In the event of termination, Consultant, within 14 days following the date of termination, shall deliver to RCPA all materials and work product subject to Paragraph 11.7 and shall submit to RCPA an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.
- 6.4. *Payment Upon Termination:* Upon termination of this Agreement by RCPA, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total payment; provided, however, that if services are to be paid on a per-hour or per-day basis, then Consultant shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to termination times the applicable hourly or daily rate; and further provided, however, that if RCPA terminates the Agreement for cause pursuant to Paragraph 6.2, RCPA shall deduct from such amounts the amount of damage, if any, sustained by RCPA by virtue of the breach of the Agreement by Consultant.
- 6.5. *Authority to Terminate:* RCPA's right to terminate may be exercised by RCPA's Executive Director.

7. **INDEMNIFICATION**

- 7.1. Consultant agrees to accept responsibility for loss or damage to any person or entity, including RCPA, and to defend, indemnify, hold harmless, and release RCPA, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person

or entity, including Consultant, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant or its agents, employees, contractors, subcontractors, or invitees hereunder, whether or not there is concurrent negligence on RCPA's part, but, to the extent required by law, excluding liability due to RCPA's conduct. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents, employees, contractors, subcontractors, or invitees under workers' compensation acts, disability benefits acts, or other employee benefit acts. This indemnity provision survives the Agreement.

8. INSURANCE

8.1. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit B (Insurance Requirements).

9. PROSECUTION OF WORK

9.1. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

10. EXTRA OR CHANGED WORK

10.1. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not significantly change the scope of work or significantly lengthen time schedules may be executed by the RCPA's Executive Director in a form approved by County Counsel. The parties expressly recognize that RCPA personnel are without authorization to order all other extra or changed work or waive Agreement requirements. Failure of Consultant to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of RCPA.

11. REPRESENTATIONS OF CONSULTANT

- 11.1. *Status of Consultant:* The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of RCPA and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits RCPA provides its employees. In the event RCPA exercises its right to terminate this Agreement pursuant to Article 6 (Termination), Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.
- 11.2. *Taxes:* Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold RCPA harmless from any liability which it may incur to the United States or to the State of California or to any other public entity as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case RCPA is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish RCPA with proof of payment of taxes on these earnings.
- 11.3. *Records Maintenance:* Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to RCPA for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.
- 11.4. *Conflict of Interest:* Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if required by law or requested to do so by RCPA, Consultant shall submit a completed Fair Political Practices Commission Statement of Economic Interests (Form 700) with RCPA within 30 calendar days after the Effective Date of this Agreement and each year thereafter during the term of this Agreement, or as required by state law.
- 11.5. *Nondiscrimination:* Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

- 11.6. *Assignment of Rights:* Consultant assigns to RCPA all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Consultant in connection with this Agreement. Consultant agrees to take such actions as are necessary to protect the rights assigned to RCPA in this Agreement, and to refrain from taking any action which would impair those rights. Consultant's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as RCPA may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of RCPA. Consultant shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of RCPA.
- 11.7. *Ownership and Disclosure of Work Product:* All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement shall be the property of RCPA. RCPA shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to RCPA all such documents, which have not already been provided to RCPA in such form or format as RCPA deems appropriate. Such documents shall be and will remain the property of RCPA without restriction or limitation. Consultant may retain copies of the above described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of RCPA.

12. DEMAND FOR ASSURANCE

- 12.1. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article 12 limits RCPA's right to terminate this Agreement pursuant to Article 6 (Termination).

13. ASSIGNMENT AND DELEGATION

- 13.1. *Consent:* Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.
- 13.2. *Subcontracts:* Notwithstanding the foregoing, Consultant may enter into subcontracts with the subconsultants specifically identified herein. If no subconsultants are listed, then no subconsultants will be utilized in the performance of the work specified in this Agreement.
- 13.3. *Change of Subcontractors or Subconsultants:* If, after execution of the Agreement, parties agree that subconsultants not listed in Paragraph 13.2 will be utilized, Consultant may enter into subcontracts with subconsultants to perform other specific duties pursuant to the provisions of this Paragraph 13.3. The following provisions apply to any subcontract entered into by Consultant other than those listed in Paragraph 13.2 above:
- a. Prior to entering into any contract with subconsultant, Consultant shall obtain RCPA approval of subconsultant. RCPA's Board of Directors must approve the selection of any subconsultant if the amount payable to subconsultant under the agreement exceeds \$25,000. In connection with such approval, Consultant shall provide RCPA with copies of the responses to Consultant's Request for Proposals (RFP) to subconsultants, the names of key personnel who will be performing work under the agreement, and an explanation of Consultant's reasons for choosing the recommended subconsultant based upon the criteria in the RFP.
 - b. All agreements with subconsultants shall (a) contain indemnity requirements in favor of RCPA in substantially the same form as that contained in Article 7, (b) contain language that the subconsultant may be terminated with or without cause upon reasonable written notice, and (c) prohibit the assignment or delegation of work under the agreement to any third party.
- 13.4. *Summary of Subconsultants' Work:* Consultant shall provide RCPA with a summary of work performed by subconsultants with each invoice submitted under Paragraph 4.3. Such summary shall identify the individuals performing work on behalf of subconsultants and the total amount paid to subconsultant, broken down by the tasks listed in the Scope of Work.

14. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS, AND MAKING PAYMENTS

- 14.1. *Method of Delivery:* All notices, bills, and payments shall be made in writing and shall be given by personal delivery, U.S. Mail, courier service, or electronic means. Notices, bills, and payments shall be addressed as specified in Paragraph 3.2.

- 14.2. *Receipt:* When a notice, bill, or payment is given by a generally recognized overnight courier service, the notice, bill, or payment shall be deemed received on the next business day. When a copy of a notice, bill, or payment is sent by electronic means, the notice, bill, or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill, or payment is deposited in the U.S. mail and postmarked on the date of the electronic transmission (for a payment, on or before the due date), (2) the sender has a written confirmation of the electronic transmission, and (3) the electronic transmission is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills, and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this Article 14.

15. **MISCELLANEOUS PROVISIONS**

- 15.1. *No Waiver of Breach:* The waiver by RCPA of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.
- 15.2. *Construction:* To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and RCPA acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and RCPA acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- 15.3. *Consent:* Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.
- 15.4. *No Third-Party Beneficiaries:* Except as provided in Article 7 (Indemnification), nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- 15.5. *Applicable Law and Forum:* This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or in the forum nearest to the city of Santa Rosa, in the County of Sonoma.

- 15.6. *Captions:* The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- 15.7. *Merger:* This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.
- 15.8. *Survival of Terms:* All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- 15.9. *Time of Essence:* Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last signed by the parties to the Agreement.

Approved as to form:

By: _____
Cory O'Donnell, RCPA Counsel

Date: _____

Sonoma County Regional Climate Protection Authority

Dunn Consulting

By: _____
Suzanne Smith
Executive Director, RCPA

By: _____
Keith Dunn
President, Dunn Consulting

Date: _____

Date: _____

Insurance Documentation is on file with RCPA

Exhibit A

Scope of Work

1. TASKS

- 1.1. Develop an advocacy strategy to help advance climate change policy matters important to RCPA;
- 1.2. Identify key stumbling blocks to successfully achieving policy advocacy and strategize how to overcome them;
- 1.3. Provide lobbying services specifically related to energy efficiency, renewable energy, drought, municipal financing and reducing GHG emissions from the transportation sector;
- 1.4. Work with RCPA representatives to implement the lobbying strategy;
- 1.5. Work with Sonoma County's legislative delegation on climate change related policy activities;
- 1.6. Provide updates on the status of climate change legislation and related matters;
- 1.7. Inform policy and advocacy strategies for the Highway 37 corridor, adaptation funding for infrastructure and related financing and funding mechanisms;
- 1.8. Organize meetings in Sacramento as needed;
- 1.9. Provide monthly reports, letter format acceptable, along with invoices to RCPA;
- 1.10. File with state or federal officials any forms or reports required of lobbyists under state or federal law.

Exhibit B

Insurance Requirements

With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

RCPA reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

1. INSURANCE

1.1. **Workers Compensation and Employers Liability Insurance**

- a. Required if Consultant has employees.
- b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with minimum limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- d. Required Evidence of Insurance: Certificate of Insurance.
- e. If Consultant currently has no employees, Consultant agrees to obtain the above-specified Workers Compensation and Employers' Liability insurance should any employees be engaged during the term of this Agreement or any extensions of the term.

1.2. **General Liability Insurance**

- a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, RCPA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by RCPA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon RCPA's written

request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving the RCPA.

- d. Sonoma County RCPA, its officers, agents, and employees, shall be additional insured(s) for liability arising out of operations by or on behalf of the Consultant in the performance of this Agreement.
- e. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- f. The policy definition of “insured contract” shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the “f” definition of insured contract in Insurance Services Office form CG 00 01, or equivalent).
- g. The policy shall cover inter-insured suits between the additional insureds and Consultant and include a “separation of insureds” or “severability” clause which treats each insured separately.
- h. Required Evidence of Insurance:
 - i. Copy of the additional insured endorsement or policy language granting additional insured status, and
 - ii. Certificate of Insurance.

1.3. Automobile Liability Insurance

- a. Minimum Limit: \$300,000 Combined Single Limit per Accident; or Bodily Injury: \$100,000 per person/\$300,000 per accident and Property Damage: \$50,000 per accident.
- b. Required Evidence of Insurance:
 - i. Copy of Auto Policy Declarations Page; or
 - ii. Certificate of Insurance.

1.4. Standards for Insurance Companies

- a. Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

1.5. Documentation

- a. The Certificate of Insurance must include the following reference: TW 13/14-152.
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Evidence of Insurance on file with RCPA for the entire term of this Agreement and any additional periods if specified in Sections 1.1, 1.2, or 1.3, above.
- c. The name and address for mailing Additional Insured endorsements and Certificates of Insurance is: Sonoma County RCPA, its officers, agents, and employees, 490 Mendocino Avenue, Suite 206, Santa Rosa, CA 95403-9019.

- d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Consultant shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

1.6. Policy Obligations

- a. Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

1.7. Material Breach

- a. If Consultant fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. RCPA, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, RCPA may purchase the required insurance, and without further notice to Consultant, RCPA may deduct from sums due to Consultant any premium costs advanced by RCPA for such insurance. These remedies shall be in addition to any other remedies available to RCPA.

Staff Report

To: SCTA/RCPA Board of Directors
From: Brant Arthur, Community Affairs Specialist
Item: 4.5 – Community Affairs Report
Date: December 10, 2018

News

Hwy 101 project moves forward after Prop 6 defeat

California transportation officials awarded Sonoma County \$85 million in 2018 to add carpool lanes to Highway 101 from Corona Road to Lakeville Highway. The funding is from SB1, the state gas tax increase passed last year. This funding was then threatened by the Prop 6 recall effort, which was defeated in November.

With the funding now secure, the final Sonoma County phase of the project to widen the freeway to six lanes from Windsor to Novato will go ahead. The final segment will break ground just as another highway project at the Sonoma-Marin county line wraps up. Earlier this month, northbound traffic shifted onto a new a new bridge over San Antonio Creek, marking a significant milestone.

Read more online: <https://www.petaluma360.com/news/8946793-181/gas-tax-repeal-defeated-petaluma?sba=AAS>

2019 Measure M Strategic Plan

Measure M has been used for fourteen years to leverage outside funds for transportation projects in Sonoma County, with an average ratio of five outside dollars for every local dollar when it comes to Highway 101 funding. The Measure M Strategic Plan is a collection of policies and guidance, as well as a programming and planning document. The 2019 plan refines previous revenue projections, past programming and polices, and provides two more years of programming through 2022-23.

Read the full plan online: <http://scta.ca.gov/wp-content/uploads/2018/11/2019-StrategicPlan-final-ADA.pdf>

Using Carshare for the Holidays

With friends and family visiting for the holidays, carshare can be a great option for anyone needing an extra vehicle. The SCTA and the City of Santa Rosa manage a grant-funded partnership with Zipcar to make getting in and around Sonoma County even easier. Each Zipcar reservation covers gas, insurance, maintenance, parking and 180 miles per day.

Santa Rosa residents and employees enjoy a complimentary first-year membership (\$95 savings) and for a limited-time, new members are also awarded \$25 of free driving credit (the credit will automatically apply towards your first reservation).

Zipcar has another offer running through December 24, 2018. If you use a Zipcar to pick a tree this holiday season, just post a photo of the fresh tree on your Zipcar and tag @zipcarnorcal using #TreeHaulin to get \$10 in free driving!

For more information: <http://zipcar.com/santarosa>

Upcoming Events

- **12/4/18** - Climate Tech Finance Opportunities for Bay Area Local Governments, 12-2 pm, [register here](#)
- **12/5/18** - Take Control of Your Home Energy and Water Costs Workshop, Santa Rosa, 6-7:30 pm, <https://www.facebook.com/events/199059594345894/>
- **1/8-9/19** - The National Council for Science and the Environment's 2019 Annual Conference on Sustainable Infrastructure and Resilience, Washington, DC.

Partner news

MTC Survey Seeks Insight into Lyft and Uber Impacts

MTC and the San Francisco County Transportation Authority sent postcards to some 100,000 randomly-selected Bay Area households in November, inviting residents to participate in a survey seeking insight into Lyft and Uber impacts. Another 20,000 invitations will be mailed in early December. The survey is part of each agency's planning efforts, with the collected data used to refine statistical models of future travel patterns.

Participation in the study will help answer questions about how the Bay Area can maintain and improve mobility, accessibility and connectivity for residents as the region's population grows, as new travel choices emerge, and as travel patterns evolve. Data collected in this study will be treated confidentially and used only for transportation planning and research purposes.

For more information, visit: <https://mtc.ca.gov/whats-happening/news/new-survey-seeks-insight-lyft-and-uber-impacts-answers-other-bay-area-mobility>

Social media / Community outreach

SCTA Facebook:

- **518** page likes
- **2,093** people reached in the last month
- **238** post engagements in the last month

RCPA Facebook:

- **566** page likes
- **268** people reached in the last month
- **81** post engagements in the last month

CA37 Facebook:

- **571** page likes
- **638** people reached in the last month
- **249** post engagements in the last month

Newsletter:

- Monthly newsletters for SCTA and RCPA were sent **November 1, 2018**
- The SCTA newsletter was sent to **322** recipients with a **26%** open and **5%** click rate
- The RCPA newsletter was sent to **233** recipients with a **42%** open and **14%** click rate
- A Drive EV reminder was sent to **473** recipients with a **32%** open and **2%** click rate

Other notes:

- SCTA website had **573** active users over the last month
- RCPA website had **325** active users over the last month
- Top SCTA webpages are the Homepage, Measure M, Staff, and Meetings and Events.
- Top RCPA webpages are the Homepage, CA2020, Staff, and About RCPA.
- Twitter has relatively low public interest (SCTA **95** followers, RCPA **135** and SR37 **12**)

Relevant news

Sonoma County adds vulture art aiming to divert scofflaw truckers from troublesome bridge

The Press Democrat – November 1, 2018

<https://www.pressdemocrat.com/news/8896086-181/sonoma-county-adds-vulture-art>

Santa Rosa to Receive 'Electrify America' Investments in Vehicle Charging Stations

Sonoma County Gazette - Nov 1, 2018

<https://www.sonomacountygazette.com/sonoma-county-news/rcpa-electrification-announcement>

Defeat of California's Proposition 6 gas-tax repeal pleases North Bay contractors, transportation officials

North Bay Business Journal - November 8, 2018

<https://www.northbaybusinessjournal.com/northbay/sonomacounty/8923475-181/california-proposition-6-gas-tax-road-construction>

Sonoma County high schools reduce commute carbon footprint

The Windsor Times – Nov 8, 2018

http://www.sonomawest.com/the_windsor_times/news/sonoma-county-high-schools-reduce-commute-carbon-footprint/article_27af7f42-e37b-11e8-8614-b39937001a4c.html

Northern California transportation projects spared as Prop. 6 goes down

San Francisco Chronicle - Nov. 8, 2018

<https://www.sfchronicle.com/politics/article/10-Northern-California-road-and-transit-projects-13373554.php>

Thumbs up: Cleaner skies, less traffic

The Press Democrat – November 15, 2018

<https://www.pressdemocrat.com/opinion/8956284-181/thumbs-up-cleaner-skies-less>

Poll: Is Sonoma prepared for the next wildfire?

Sonoma Index-Tribune - November 15, 2018

<https://www.sonomanews.com/opinion/8906307-181/poll-is-sonoma-prepared-for?sba=AAS>

Sonoma County residents to participate in traffic survey

Sonoma Index-Tribune - November 15, 2018

<https://www.sonomanews.com/news/8960560-181/sonoma-county-residents-to-participate>

Gas tax repeal defeated, Petaluma highway project moves forward

The Argus-Courier - November 17, 2018

<https://www.petaluma360.com/news/8946793-181/gas-tax-repeal-defeated-petaluma>

\$400M Station Avenue project OK'd as new city hub for Sonoma County's Rohnert Park

The Press Democrat – November 19, 2018

<https://www.northbaybusinessjournal.com/northbay/sonomacounty/8976154-181/sonoma-station-avenue-transit-oriented-development>

Government climate report warns of worsening US disasters

Sonoma Index-Tribune - November 23, 2018

<https://www.sonomanews.com/news/8990475-181/government-climate-report-warns-of>

Photos



Highway 101 Marin Sonoma Narrows (B3 Segment)



Bike path under Highway 101 at San Antonio Creek (estimated opening August 2019)

Citizens Advisory Committee MEETING AGENDA

November 26, 2018 at 4:00 p.m.

Sonoma County Transportation Authority

****NEW MEETING LOCATION****

411 King Street

Santa Rosa, California 95404

ITEM

1. Introductions
2. Public Comment
3. Administrative - Approval of Notes October 29, 2018* - ACTION
4. Measure M – DISCUSSION/ACTION
 - a. Measure M Project Presentations – Sonoma County Transportation and Public Works
 - i. Airport Boulevard Landscape Improvements
 - ii. Forestville Bypass (Roundabout)
 - b. Measure M Monthly Financial Reports*
5. Highway Updates – DISCUSSION
 - a. Resilient SR37 Program presentation:
http://scta.ca.gov/wp-content/uploads/2018/11/20181108_SR37-Program_Final.pdf
 - b. Highway 101 SB-1 funds are no longer at risk:
<http://santarosapressdemocrat.ca.newsmemory.com/?publink=3bbbf6b0>
6. Announcements
7. Adjourn

*Materials attached

** Materials to be handed out

The next **SCTA** meeting will be **December 10, 2018**

The next **CAC** meeting will be **January 28, 2019**

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 411 King Street, Santa Rosa, CA 95404 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.

Countywide Bicycle & Pedestrian Advisory Committee

MEETING AGENDA

November 27, 2018– 1:30 p.m.

Sonoma County Transportation Authority
SCTA Large Conference Room

****NEW MEETING LOCATION****
411 King Street
Santa Rosa, California 95404

ITEM

1. Introductions
2. Approval of Meeting Notes: September 25, 2018 - **DISCUSSION / ACTION***
3. Public Comment
4. Roundtable Updates – Discussion
5. Notice of Elections for 2019 – Discussion*
6. Active Transportation Program, Cycle 4 Updates – Discussion
7. TFCA/TDA3 FY 18-19 Quarter 1 Report – Information*
8. Vision Zero and Data Dashboard Grant Application – Discussion*
9. Micro-Mobility Use Cases and Regulation, Staff Report and Presentation – Discussion*
10. Bike Share Updates - Discussion
11. Other Business / Comments / Announcements – Discussion
12. Adjourn – **ACTION**

*Materials attached

**Materials to be handed out

The next **SCTA/RCPA** meeting will be held December 10, 2018
The next **CBPAC** meeting will be held January 22, 2018

Copies of the full Agenda Packet are available at www.scta.ca.gov.

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 *COUNTYWIDE BICYCLE & PEDESTRIAN ADVISORY COMMITTEE* after distribution of the agenda packet are available for public inspection in the Sonoma County Transportation Authority office at 411 King Street, 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. TO REDUCE GHG EMISSIONS: Please consider bicycling, carpooling or taking transit to this meeting. For more information check www.511.org, www.GoSonoma.org.

Transit Paratransit Coordinating Committee

MEETING AGENDA

November 20, 2018

Sonoma County Transportation Authority

****NEW MEETING LOCATION****
411 King Street
Santa Rosa, California 95404

ITEM

1. Introductions
2. Approval of Meeting Notes: September 18, 2019 – DISCUSSION / ACTION*
3. Notice of Officer Elections for 2019 – Discussion*
4. Roundtable Updates - Discussion
 - 4.1. Transit / Paratransit Operators
 - 4.2. Mobility Partners Reports
5. Articles of Interest – Information*
 - 5.1. “California’s gas tax increase is here to stay,” The Sacramento Bee - <https://www.sacbee.com/news/politics-government/capitol-alert/article220929475.html>
6. Public Comment
7. Items for Next Agenda – Discussion
8. Other Business / Comments / Announcements
9. Adjourn

*Materials attached.

The next **SCTA** meeting will be held **December 10, 2018**

The next **TPCC** meeting will be held **January 15, 2019**

Copies of the full Agenda Packet are available at www.scta.ca.gov.

ACCOMMODATION FOR PERSONS LIVING WITH A DISABILITY: 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 **Transit Paratransit Coordinating Committee** after distribution of the agenda packet are available for public inspection in the Sonoma County Transportation Authority office at 411 King Street, 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.