ESTA BOARD AGENDA

Regular Meeting

Friday, July 14, 2023 at 9:00am
City of Bishop Council Chambers
301 West Line St, Bishop, California
The Agenda is available at www.estransit.com

Chairperson: Karen Schwartz **Vice-Chairperson: Chris Bubser**

Board Members:

Chris Bubser (Mammoth Lakes)
Karen Schwartz (Bishop)
Karen Kong (Bishop)
Trina Orrill (Inyo County)
Jeff Griffiths (Inyo County)
Rhonda Duggan (Mono County)
Bill Sauser (Mammoth Lakes)
Bob Gardner (Mono County)

Note: In compliance with the Americans with Disabilities Act, if an individual requires special assistance to participate in this meeting, please contact Eastern Sierra Transit at (760) 872-1901 ext. 15 or 800-922-1930. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 13.102-35.104 ADA Title II)

Voice recorded public comment: To submit public comment via recorded message, please call 760-872-1901 ext. 12 by 4pm Thursday, July 13. State your name and the item number(s) on which you wish to speak. The recordings will be limited to two minutes. These comments may be shared at the appropriate time during the board meeting.

Email public comment: To submit an emailed public comment to the Board please email pmoores@estransit.com by 4pm Thursday, July 13, and provide your name, the number(s) on which you wish to speak, and your comment. These comments will be shared with all attending Board members.

HOW TO VIRTUALLY ATTEND THE ESTA BOARD MEETING:
Join the ZOOM meeting on your computer or mobile device by using this link:

https://us02web.zoom.us/j/88953118675?pwd=ZkRJYUVFY0ZHT3E4S1BldDNLRXcwdz09

The meeting passcode is 753752.

Remember, to eliminate feedback, use only one source of audio for the meeting, not both the phone and the computer.

Begin Recording Meeting & Call to Order

Roll Call

Pledge of Allegiance

Public Comment*: The Board reserves this portion of the agenda for members of the public to address the Eastern Sierra Transit Authority Board on any items not on the agenda and within the jurisdiction of the Board. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

*Check meeting attendees. Read emails and/or phone calls submitted.

A. Consent Agenda (Board Action Required)

The following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the ESTA or public wishes an item removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by ESTA Board members, without the removal of the item from the Consent Agenda.

A-1 Approval of Regular Meeting Minutes of June 9, 2023

B. Information Agenda (Receive and File Only)

The following items are presented as information only. Staff is prepared to answer questions on these items, and may verbally emphasize points as necessary. Otherwise, if no member of the public or Board wishes to open a discussion, the Information Agenda will stand as presented, and the meeting will move to the next section.

B-1 Executive Director's Report
B-2 Transportation Development Act Audit
B-3 GASB 75 Report
B-4 Financial Report for 2022/23

C. Closed Session

C-1 CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Board to meet in closed session concerning the following item: DISCUSSION/POSSIBLE ACTION Conference with Executive Director Labor Negotiations. (Pursuant to Government Code Section 54957.6)

C-2 Report on Closed session as required by law.

D. Action Agenda (Board Action Required)

D-1 Executive Director Contract

E. Board Member Comments

F. Adjournment

The next regularly scheduled meeting is August 11, 2023 at 11:00 am, in Bishop, CA. Check ESTA website for details on attending the meeting.

Eastern Sierra Transit Authority
Minutes of June 9, 2023 Meeting

Call to Order - 11:00 A.M. Friday, June 9 2023

Chairperson Schwartz called The meeting of Eastern Sierra Transit Authority to order at 11:00 am in the Town of Mammoth Lakes Council Chambers.

ROLL CALL
A quorum was established by roll call.

PRESENT:
Chairperson Karen Schwartz, Boardmember Sauser, Boardmember Orrill, Boardmember Kong and Boardmember Griffiths

ABSENT:
Boardmember Duggan, Boardmember Bubser and Boardmember Gardner.

Pledge of Allegiance

Chairperson Schwartz led the Pleadge of Allegiance.

Public Comment: NONE

Consent Agenda
It was moved by Board Member Sauser and seconded by Board Member Kong
to approve the consent Agenda
A-1 Approval of Regular Meeting Minutes of April 14, 2023
A-2 FY 2023-2024 Budget
A-3 Mammoth Lakes Service Contract

The motion passed 5-0 with Directors Gardner, Duggan & Bubser absent

Information Agenda
B-1 Executive Directors Report
There was discussion between the board and Mr. Moores
B-2 Financial Report FY 2022/23

Chairperson Schwartz closed the regular session at 11:10 to open in closed session

Closed session ended at 12:02 and Chairperson Schwartz said there is nothing to report

D-1 Executive Directors Contract was tabled for the next board meeting.

D-2 Bishop Creek Shuttle Discontinuation
Chairperson Schwartz opened the meeting to public comment.
2 members of the public spoke.

There was discussion between the boardmembers.

It was moved by Board Member Griffiths and seconded by Board Member Kong
to discontinue the Bishop Creek Shuttle.
The Motion passes 4-1 with Board Members Gardner, Bubser and Duggan absent.

D-3 6 Month Service Review
It was moved by Board Member Griffiths and seconded by Board Member Sauser
to accept the 6 month Service Review.

The motion passed 5-0 with Board Members Gardner, Bubser and Duggan absent.

Board Member comments:
Boardmember Schwartz commented on the Whitney Alley Project. To create safe & efficent pedestrian, bicycle and vehicle traffic circulation. And transform asphalt parking lots and alleyways into green corridors, pedestrian plazas and paths. Presentation & Workshop June 22, 2023, 5:30 - 7:00 pm.
Board Member Jeff Griffits said that his favorite niece took the bus from Reno for the first time and it was delightful.
Chairperson Sauser also said that relatives came for a visit and enjoy riding the Mammoth Trolley.

Adjournment
The meeting was adjourned at 12:31 pm to the next regular meeting scheduled to be held July 14th, 2023 at 9:00 am in the City Of Bishop Council Chambers, 301 West Line St., Bishop,CA

Recorded & prepared by:

____
Linda Robinson
Board Clerk
Eastern Sierra Transit Authority

Minutes approved:

July 14, 2023
Agenda Item B-1

STAFF REPORT

Subject: Executive Director's Report
Presented by: Phil Moores, Executive Director

Employee of the Quarter

Please join me in congratulating Max Laue as ESTA's employee of the quarter. Max received 3 nominations from his coworkers. One coworker stated, "Max is a hardworking, dedicated employee who looks to solve issues and find no fault. Max fills in during extra board shifts without comments or complaints. Also assists with manual tasks to help improve bus safety."

Another coworker stated, "Max is an asset to Mammoth ESTA. Performs duties exceptionally, assists drivers in bus operations, knowledge, repairs, etc. Dependable and reliable. Makes team feel safe when driving carpool vehicle."

The third coworkers states, "Max is a hard worker and a good driver."

WAY TO GO MAX, AND THANK YOU!!!!

Ridership

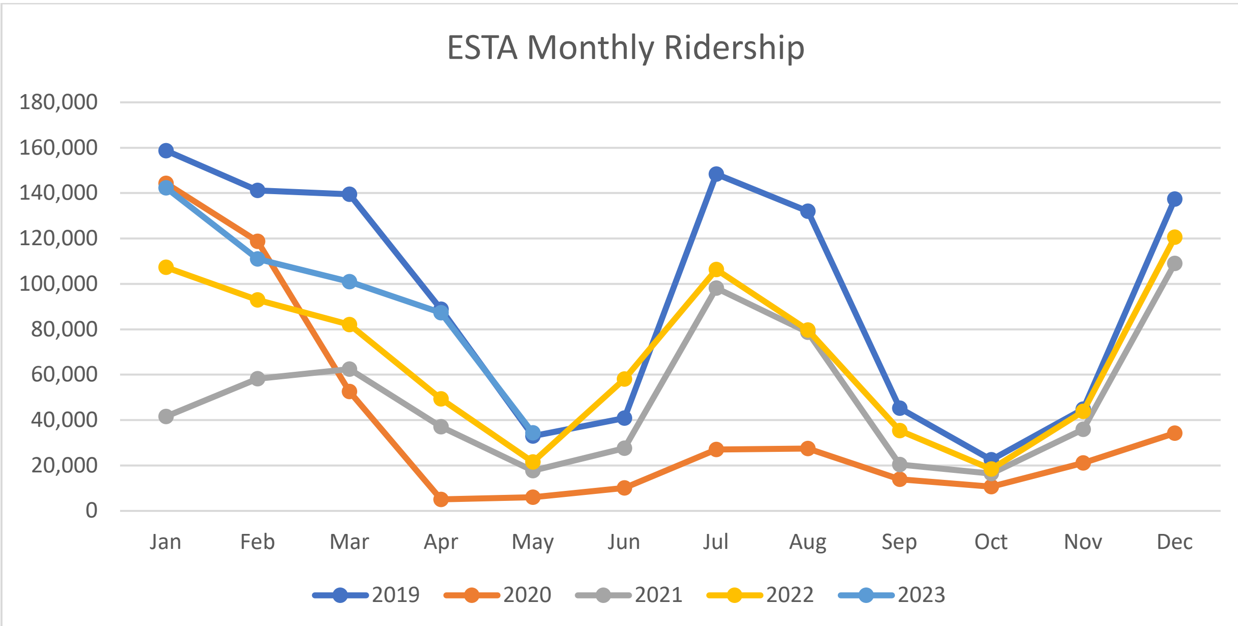
Most transit agencies across the country are back to at least 50% of pre-Covid ridership. However, some are suffering debilitating losses in fare revenue and ridership. New York MTA was around 64% at the start of the year. Chicago, Massachusetts, Pennsylvania, and Washington DC all hovered around 57%. San Francisco's BART system is struggling at just 40% of pre-Covid numbers.

ESTA's ridership is continuing to trend upwards with both April/May ridership coming in stronger than last year. For the year, numbers are finally reaching 2019 pre-Covid levels. There were no significant service cancellations effecting April/May ridership.

April Ridership Report							
Route	Pre-Covid 2019	2020	2021	2022	2023	Change Current vs. Last year	% Change Current vs Pre-Covid
BEN	22.00	2.00	24.00	5.00	6.00	1	-73%
BISDAR	3,693.00	1,354.00	2,551.00	3,166.00	3,383.00	217	-8%
BPTCAR	19.00	20.00	2.00	18.00	14.00	-4	-26%
LANC	487.00	73.00	237.00	366.00	389.00	23	-20%
LP/BIS	213.00	106.00	220.00	222.00	224.00	2	5%
LPDAR	396.00	299.00	429.00	370.00	390.00	20	-2%
MAMFR	19,018.00	2,942.00	7,942.00	10,770.00	14,854.00	4,084	-22%
MDAR	498.00	28.00	213.00	200.00	248.00	48	-50%
MMSA	63,132.00	0.00	24,841.00	33,145.00	66,474.00	33,329	5%
MXP	380.00	96.00	195.00	276.00	425.00	149	12%
NRIDER	309.00	57.00	178.00	236.00	303.00	67	-2%
RENO	545.00	84.00	467.00	607.00	597.00	-10	10%
WLK	117.00	25.00	10.00	14.00	14.00	0	-88%
Total	88,829	5,086	37,309	49,395	87,321	37,926	-2%

May Ridership Report							
Route	Pre-Covid 2019	2020	2021	2022	2023	Change Current vs. Last year	% Change Current vs Pre-Covid
BEN	29.00	2.00	12.00	2.00	4.00	2	-86%
BISDAR	3,635.00	1,523.00	2,425.00	3,215.00	3,729.00	514	3%
BPTCAR	11.00	6.00	5.00	15.00	20.00	5	82%
LANC	525.00	82.00	334.00	525.00	467.00	-58	-11%
LP/BIS	302.00	165.00	240.00	459.00	251.00	-208	-17%
LPDAR	367.00	216.00	339.00	408.00	492.00	84	34%
MAMFR	24,209.00	3,403.00	12,960.00	15,068.00	13,369.00	-1,699	-45%
MDAR	566.00	49.00	235.00	193.00	196.00	3	-65%
MMSA	1,200.00	0.00	0.00	552.00	13,686.00	13,134	1041%
MULE	484.00	223.00	182.00	0.00	0.00	0	-100%
MXP	430.00	110.00	185.00	254.00	459.00	205	7%
NRIDER	379.00	78.00	301.00	300.00	406.00	106	7%
OTR	0.00	0.00	0.00	520.00	448.00	-72	0%
REDS	0.00	0.00	0.00	0.00	0.00	0	0%
RENO	689.00	95.00	518.00	674.00	846.00	172	23%
WLK	137.00	18.00	16.00	5.00	5.00	0	-96%
Total	32,963	5,970	17,752	22,190	34,378	12,188	4%

The chart below shows the ridership by month since pre-Covid. The blue line is 2019, and the light blue line is 2023. Things are looking up!



July 14, 2023
Agenda Item B-2

STAFF REPORT

Subject: Triennial Transportation Development Act Audit – Inyo County
Presented by: Phil Moores, Executive Director

Background

In 2022, the Inyo County Local Transportation Commission (ICLTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates State of California Transportation Development Act funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Although not mandatory, audits of Article 8 funding recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Eastern Sierra Transit Authority (ESTA) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Conclusions

There are no compliance findings submitted with this audit. There are two functional findings recommending, one, a stronger oversight of service information distributed throughout the service area, and two, develop marketing and IT plans.

In response to this finding one, we have developed a brochure location list and intend to regularly check and revise content in these places. Finding two is a matter of staff time and money, and will be considered accordingly.

Recommendation

Receive and file.

Inyo County Local Transportation Commission

Triennial Performance Audit of the Eastern Sierra Transit Authority FY 2019/20 - FY 2021/22

FINAL REPORT
JUNE 2023

moore & associates

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Table of Exhibits

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Chapter 1 | Executive Summary

In 2022, the Inyo County Local Transportation Commission (ICLTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates State of California Transportation Development Act funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Although not mandatory, audits of Article 8 funding recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Eastern Sierra Transit Authority (ESTA) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the ESTA's public transit program for the period:

- Fiscal Year 2019/20,
- Fiscal Year 2020/21, and
- Fiscal Year 2021/22.

The Eastern Sierra Transit Authority (ESTA) provides a variety of bus services, including deviated fixed routes, local in-town dial-a-ride services, multiple town-to-town services throughout the Highway 395 and Highway 6 corridors, and interregional service (CREST) extending from Reno, Nevada, to Lancaster, California, with connections to the Los Angeles area. The ESTA operates four routes along Highway 395 and three community routes from 6:10 a.m. to 8:05 p.m. In partnership with the Town of Mammoth Lakes, the ETSA operates a free year-round bus service throughout Mammoth Lakes called the Purple Line. The Purple Line operates daily from 7:00 a.m. to 6:00 p.m.

Additionally, the ESTA offers seasonal routes. In the summer, the ESTA operates two trolleys and a shuttle service in the Mammoth Lakes area. In the winter, four fixed routes and one night trolley are operated.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates, Inc. believes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with ESTA staff, analysis of program performance, and an audit of program compliance and function, the auditors present no compliance findings.

Status of Prior Recommendations

The prior audit – completed in September 2020 by Michael Baker International for the three fiscal years ending June 30, 2019 – included three recommendations:

1. Continue procurement of on-board security cameras.
   Status: Implemented.

2. Update the capital vehicle replacement plan.
   Status: Implemented.

3. Re-evaluate in-house 45-day vehicle inspections as part of the Bishop operations facility project and Short Range Transit Plan Update.
   Status: Implementation in progress.

Findings and Recommendations

Based on discussions with ESTA staff, analysis of program performance, and a review of program compliance and function, the auditors submit no compliance findings for ESTA.

The auditors identified one functional finding. While this finding is not a compliance finding, the audit auditors believe it warrants inclusion in this report:

1. The ESTA does not provide effective oversight of the service information distributed throughout the service area.

In completing this Triennial Performance Audit, Moore & Associates, Inc. submits the following recommendations for the ESTA's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	The ESTA should enhance its service information program to ensure updated service brochures are available throughout the community and old brochures are removed from distribution locations.	Medium	ASAP/ ongoing
2	The ESTA should consider developing formal marketing and information technology plans as supplements to its recently completed Short Range Transit Plan.	Medium	FY 2023/24

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Eastern Sierra Transit Authority public transit program covers the three-year period ending June 30, 2022. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2022, the Inyo County Local Transportation Commission (LTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the ESTA as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the ESTA included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
    - Assessment of internal controls,
    - Test of data collection methods,
    - Calculation of performance indicators, and
    - Evaluation of performance.
4. Comparison of data reporting practices:
    - Internal reports,
    - State Controller Reports, and
    - National Transit Database.
5. Examination of the following functions:
    - General management and organization;
    - Service planning;
    - Scheduling, dispatching, and operations;
    - Personnel management and training;
    - Administration;
    - Marketing and public information; and
    - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

The methodology for the Triennial Performance Audit of the ESTA included thorough review of documents relevant to the scope of the audit, as well as information contained on the ESTA's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;

- Accident/road call logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with ESTA representatives on March 30, 2023. The audit team met with Phil Moores (Executive Director) and Dawn Vidal (Administration Manager), and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
    - Compliance with statutory and regulatory requirements,
    - Status of prior recommendations,
    - Consistency among reported data,
    - Performance measures and trends,
    - Functional audit, and
    - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the Eastern Sierra Transit Authority's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The ESTA considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with ESTA staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance issues were identified for the ESTA.

Developments Occurring During the Audit Period

The FY 2019/20 – FY 2021/22 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how the COVID-19 pandemic impacted the organization, but also how it responded to the crisis.

In the 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provides temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provides additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of the COVID-19 pandemic while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2022/23.
2. Waives the annual productivity improvement requirement of Section 99244 through FY 2022/23.
3. Adds a temporary provision exempting operators from farebox recovery ratio requirements through FY 2024/25 provided they expend at least the same amount of local funds as in FY 2018/19.
4. Expands the definition of "local funds" to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
5. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
6. Requires the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22.
7. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also calls for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance*	FY 2019/20: January 29, 2021 FY 2020/21: January 28, 2022 FY 2021/22: February 2, 2023
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2019/20: January 7, 2021 FY 2020/21: January 26, 2022 FY 2021/22: January 30, 2023
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	**Bishop:** November 6, 2018 November 6, 2019 November 5, 2020 November 5, 2021 **Mammoth Lakes:** September 11, 2018 September 24, 2019 October 8, 2020 November 15, 2021 **Lone Pine:** September 10, 2018 September 25, 2019 August 21, 2020 July 21, 2021 **Walker:** June 11, 2019 July 22, 2020 July 21, 2021
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	

** While the FY 2021/22 State Controller Report was technically submitted late, the auditor is waiving a finding due to the report being submitted within two days of the deadline.*

Compliance Element	Reference	Compliance	Comments
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2019/20: +1.25% FY 2020/21: +9.34% FY 2021/22: -2.98%
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2019/20: 37.98% FY 2020/21: 28.10% FY 2021/22: 48.82%
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	ESTA's defined benefit pension plan, the California Public Employee's Retirement System, provides retirement and disability annual cost of living adjustments, and death benefits to plan members and beneficiaries. Active plan members in ESTA's defined pension plan are required to contribute either 8%, 7%, or 6.25% of their annual covered salary depending upon the plan in which the employee participates. ESTA is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	

Compliance Element	Reference	Compliance	Comments
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Eastern Sierra Transit Authority has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in September 2020 by Michael Baker International. for the three fiscal years ending June 30, 2019 – included three recommendations:

1. Continue procurement of on-board security cameras.

   Discussion: During the prior audit period, the ESTA installed cameras on multiple buses in the fleet, and staff have continued working towards procuring additional on-board video cameras (giving priority to vehicles used on 395 or Express Routes and Mammoth Lakes fixed routes due to their longer trip time and/or passenger count). Additional cameras were installed in 2019 and all new bus procurements include cameras. Staff concurred that cameras are useful and said they intend to look for funding to complete the fleet installment.

   Progress: All new bus procurements include cameras. The ESTA agrees that onboard cameras provide excellent protection against liability and enhance investigations.

   Status: Implemented.

2. Update the capital vehicle replacement plan.

   Discussion: The prior audit noted the ESTA had success in procuring funding for replacement of its fleet vehicles. Most of the fleet was currently within the useful life standard for transit vehicles. The fleet inventory showed the estimated timing of when older and higher mileage vehicles will need to be sold and replaced. However, several industry factors were weighing on a need for the ESTA to further update the vehicle replacement plan and extend its replacement schedule longer into the future. One significant factor is the California Air Resources Board Innovative Clean Transit requirements for conversion of transit fleets to zero-emission vehicles.

   Each transit operator in California is required to submit a complete Zero-Emission Bus Rollout Plan showing how it plans to achieve a full transition to zero-emission buses (ZEBs). While the due date for the rollout plan for small operators like the ESTA was not for several years, the auditor noted capital vehicle replacement and procurement takes considerable advance planning, with near-term purchases of buses impacting what the fleet composition will be when ZEBs will need to be procured. The prior auditor noted the TAM Plan could serve as a basis for an update to the ESTA's capital replacement strategy for the fleet.

   The auditor recommended ESTA start to plan, schedule, and budget for this rollout conversion of the fleet and infrastructure, accounting for the replacement schedule of each vehicle in the near and long term. The design and engineering of the new operations facility might also consider integrating zero-emission infrastructure and vehicle operations and storage to match future investments and compatibility.

Progress: The Capital Replacement Plan was revised in early 2021 and includes a ten-year look-ahead to zero-emissions fleet conversion. A ZEV transition plan is in development and should be ready by late summer of 2023.

Status: Implemented.

3. Re-evaluate in-house 45-day vehicle inspections as part of the Bishop operations facility project and Short Range Transit Plan Update.

Discussion: This recommendation was carried forward from the FY 2014-FY 2016 audit for further consideration in context of the design of the new facility and transit plan update. The ESTA studied the option of having the 45-day (3,000 mile) vehicle inspection conducted in-house, rather than currently contracting out the service. In spite of identified challenges with economical and logistical feasibility, the new Bishop operations facility might enable such efforts in terms of configuration and equipment to allow some level of light-duty vehicle inspections to be conducted in-house.

It was recommended in the past that the cost and operational feasibility to bring this service in-house be further evaluated given issues with timely recording of maintenance inspections. The prior auditor noted that the Short Range Transit Plan (SRTP) analyzed the cost of in-house maintenance and found that minor maintenance tasks could be considered for an expanded ESTA staff once the Bishop operations facility improvements were completed. An update of the SRTP should re-evaluate the feasibility of in-house maintenance. The Organizational Assessment Report also made a recommendation for the ESTA fleet operations with regard to in-house maintenance. With the eventual transition to zero-emission vehicles and a more diversified alternative fueled fleet, the prior auditor recommended consideration be given to planning and investing in staff development for light-duty maintenance versus full reliance on contracted services.

Progress: In November 2021, the ESTA hired a new training/driving/maintenance position to assist with minor vehicle maintenance. While no inspections are being done on site yet, it is intended this position will expand to 45-day inspections. The delay in implementation has been due to the demands of an aging fleet. However, the ESTA is expecting to receive new vehicles over the next year to eighteen months that will free up time to bring the 45-day inspections in-house.

The new position does handle more minor maintenance than before, especially if a vehicle fails a pre-trip inspection. Tools for conducting the 45-day inspection process are still in the budget. There are some issues with restrictions for when work cannot be done safely by one person (such as with a running engine or lifted vehicle).

Status: Implementation in progress.

Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the Eastern Sierra Transit Authority both internally as well as to outside entities during the audit period.

- **Operating cost:** Operating costs reported in the TDA audit and to the State Controller are fully consistent. The greatest variance is between the National Transit Database (NTD) report and the other documents in FY 2021/22. That year the total reported to the NTD was 18.3 percent higher than the audited amount. The cause of the variance is unknown.

- **Fare Revenue:** Variances in fare revenue between the NTD reports and other reports is due primarily to differences in what revenues are reported. ESTA includes marketing and Mammoth Mountain Ski Area (MMSA) revenues in its definition of fare revenues for the TDA fiscal audit, monthly performance reports, and the State Controller Report.

- **Vehicle Service Hours (VSH):** Vehicle service hours reported to external entities are fully consistent with one another. Data reported in the monthly performance reports is close, but may be preliminary (unaudited) data.

- **Vehicle Service Miles (VSM):** Vehicle service miles reported to external entities are fully consistent with one another. Data reported in the monthly performance reports is close, but may be preliminary (unaudited) data.

- **Passengers:** Ridership data reported to external entities are fully consistent with one another in FY 2019/20 and FY 2021/22. Data reported in the monthly performance reports is close, but may be preliminary (unaudited) data. In FY 2020/21, fixed-route ridership was reported as 837,631, resulting in system ridership of 888,586. This is more than twice the system ridership reported elsewhere. It appears fixed-route vehicle service miles was erroneously reported as ridership in FY 2020/21.

- **Full-Time Equivalent (FTE) Employees:** The data reported to the State Controller was consistent with the TDA definition.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual $)			
TDA fiscal audit	$4,761,576	$4,646,088	$4,385,775
Monthly Performance Reports	$4,433,259	$4,281,611	$4,520,858
National Transit Database	$4,421,210	$4,246,445	$5,187,138
State Controller Report	$4,761,576	$4,646,088	$4,385,775
Fare Revenue (Actual $)			
TDA fiscal audit	$1,808,606	$1,305,608	$2,141,316
Monthly Performance Reports	$1,808,606	$1,325,413	$2,141,315
National Transit Database	$1,426,025	$784,471	$789,537
State Controller Report	$1,808,606	$1,305,608	$2,141,316
Vehicle Service Hours (VSH)			
Monthly Performance Reports	52,466	49,069	52,095
National Transit Database	54,113	50,955	52,795
State Controller Report	54,112	50,955	52,796
Vehicle Service Miles (VSM)			
Monthly Performance Reports	863,766	838,087	880,446
National Transit Database	863,539	837,631	879,326
State Controller Report	863,539	837,631	879,326
Passengers			
Monthly Performance Reports	880,531	379,312	775,124
National Transit Database	880,529	378,961	772,942
State Controller Report	880,559	888,586	772,942
Full-Time Equivalent Employees			
State Controller Report	60	60	60

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the auditors performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667[1]. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period[2]:

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,

[1] CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

[2] Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.[3] For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

[3] A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for the ESTA, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the ESTA's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the National Transit Database may not reflect other revenues reported as fare revenue to the State Controller.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The ESTA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. The ESTA's calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. The ESTA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

System-wide, operating cost experienced a net 7.9 percent decrease during the audit period, and a 9.4 percent net increase across the last six years. Fare revenue (which includes marketing and Mammoth Mountain Ski Area revenues) increased during the six-year period. However, slight declines (9.2 percent and 27.8 percent) occurred in FY 2019/20 and FY 2020/21 due to the COVID-19 pandemic. The system experienced a large increase (64 percent) in FY 2021/22, resulting in a 18.4 percent increase during the audit period.

Vehicle service hours (VSH) declined between FY 2018/19 and FY 2020/21, partly due to the COVID-19 pandemic. This resulted in a net 2.4 percent decrease during the audit period and a net 5.8 percent decrease during the six-year period. Vehicle service miles (VSM) steadily decreased during three of the last six-years. This resulted in an overall net increase of 1.8 percent during the audit period and 8.1 percent decrease over the six-year period. Ridership fluctuated every year, though the most significant decline occurred in FY 2020/21 as a result of the ongoing COVID-19 pandemic. This led to a 12.2 percent net decrease during the audit period and a 35.8 percent net decrease across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Despite decreases in operating cost during the audit period, cost-related metrics increased due to corresponding decreases in other performance measures. Operating cost per passenger was impacted the most, given the 12.2 percent decrease in ridership during the audit period. Passenger-related metrics fell slightly during the audit period, with passengers per VSH decreasing 10 percent and passengers per VSM decreasing 13.8 percent.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual $)	$4,007,477	$4,460,758	$4,596,353	$4,761,576	$4,646,088	$4,385,775
Annual Change		*11.3%*	*3.0%*	*3.6%*	*-2.4%*	*-5.6%*
Fare Revenue (Actual $)	$1,882,654	$1,882,467	$1,992,457	$1,808,606	$1,305,608	$2,141,316
Annual Change		*0.0%*	*5.8%*	*-9.2%*	*-27.8%*	*64.0%*
Vehicle Service Hours (VSH)	56,059	58,183	56,756	54,112	50,955	52,796
Annual Change		*3.8%*	*-2.5%*	*-4.7%*	*-5.8%*	*3.6%*
Vehicle Service Miles (VSM)	956,551	961,915	944,365	863,539	837,631	879,326
Annual Change		*0.6%*	*-1.8%*	*-8.6%*	*-3.0%*	*5.0%*
Passengers	1,203,953	1,075,093	1,123,564	880,559	378,961	772,942
Annual Change		*-10.7%*	*4.5%*	*-21.6%*	*-57.0%*	*104.0%*
Employees	46	60	60	60	60	60
Annual Change		*30.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Performance Indicators						
Operating Cost/VSH (Actual $)	$71.49	$76.67	$80.98	$87.99	$91.18	$83.07
Annual Change		*7.2%*	*5.6%*	*8.7%*	*3.6%*	*-8.9%*
Operating Cost/Passenger (Actual	$3.33	$4.15	$4.09	$5.41	$12.26	$5.67
Annual Change		*24.7%*	*-1.4%*	*32.2%*	*126.7%*	*-53.7%*
Passengers/VSH	21.48	18.48	19.80	16.27	7.44	14.64
Annual Change		*-14.0%*	*7.1%*	*-17.8%*	*-54.3%*	*96.9%*
Passengers/VSM	1.26	1.12	1.19	1.02	0.45	0.88
Annual Change		*-11.2%*	*6.5%*	*-14.3%*	*-55.6%*	*94.3%*
Farebox Recovery	47.0%	42.2%	43.3%	38.0%	28.1%	48.8%
Annual Change		*-10.2%*	*2.7%*	*-12.4%*	*-26.0%*	*73.7%*
Hours/Employee	1,218.7	969.7	945.9	901.9	849.3	879.9
Annual Change		*-20.4%*	*-2.5%*	*-4.7%*	*-5.8%*	*3.6%*
TDA Non-Required Indicators						
Operating Cost/VSM	$4.19	$4.64	$4.87	$5.51	$5.55	$4.99
Annual Change		*10.7%*	*5.0%*	*13.3%*	*0.6%*	*-10.1%*
VSM/VSH	17.06	16.53	16.64	15.96	16.44	16.66
Annual Change		*-3.1%*	*0.6%*	*-4.1%*	*3.0%*	*1.3%*
Fare/Passenger	$1.56	$1.75	$1.77	$2.05	$3.45	$2.77
Annual Change		*12.0%*	*1.3%*	*15.8%*	*67.7%*	*-19.6%*

Sources: FY 2016/17 – FY 2018/19 data from State Controller Reports. FY 2019/20 – FY 2021/22 financial data from ESTA Financial Statement Reports. FY 2019/20 – FY 2021/22 operational data from State Controller Reports except for FY 2020/21 ridership, which is from the National Transit Database report.

Exhibit 6.2 System Ridership

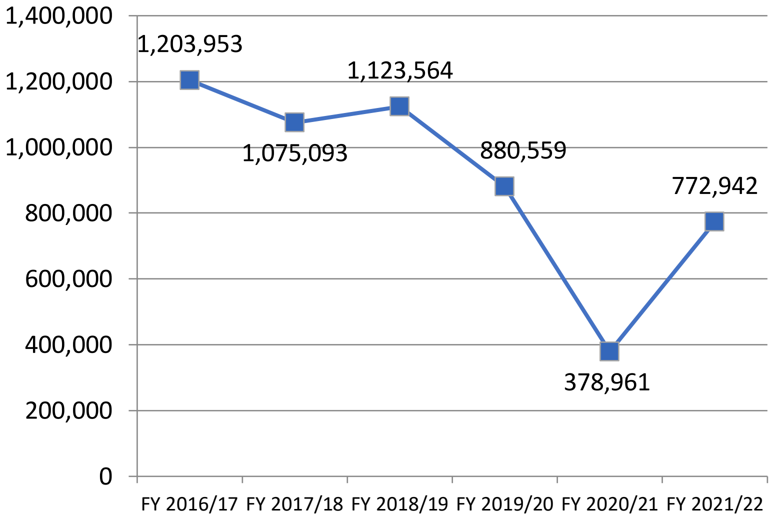


Exhibit 6.3 System Operating Cost/VSH

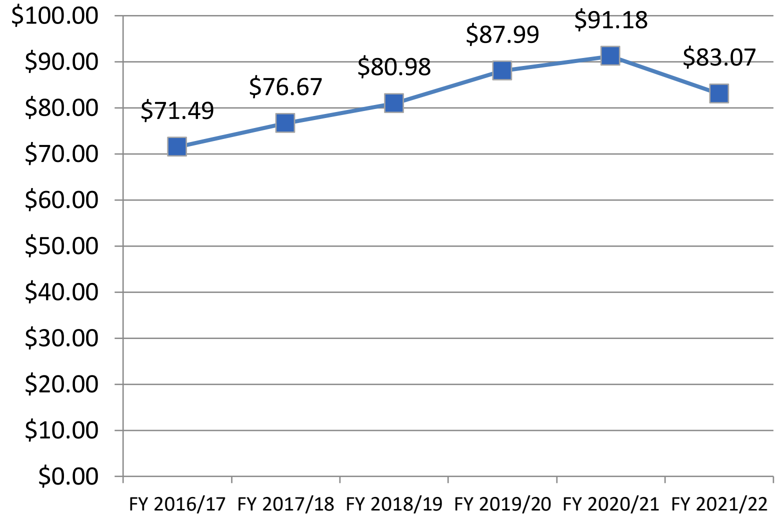


Exhibit 6.4 System Operating Cost/VSM

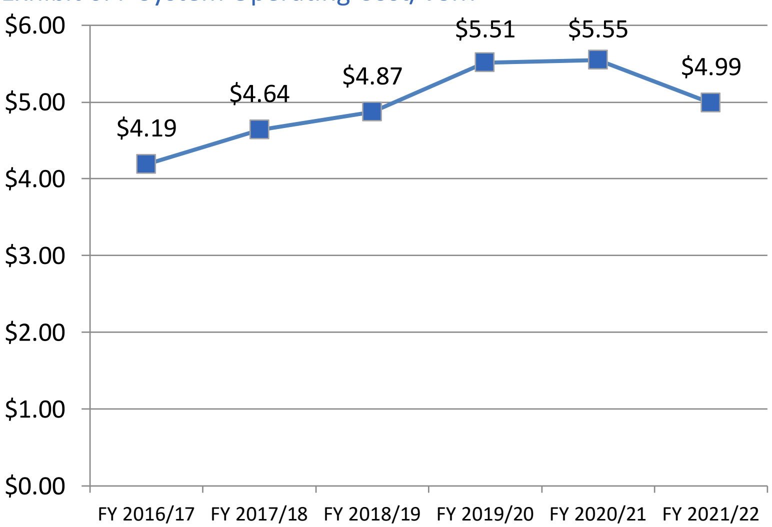


Exhibit 6.5 System VSM/VSH

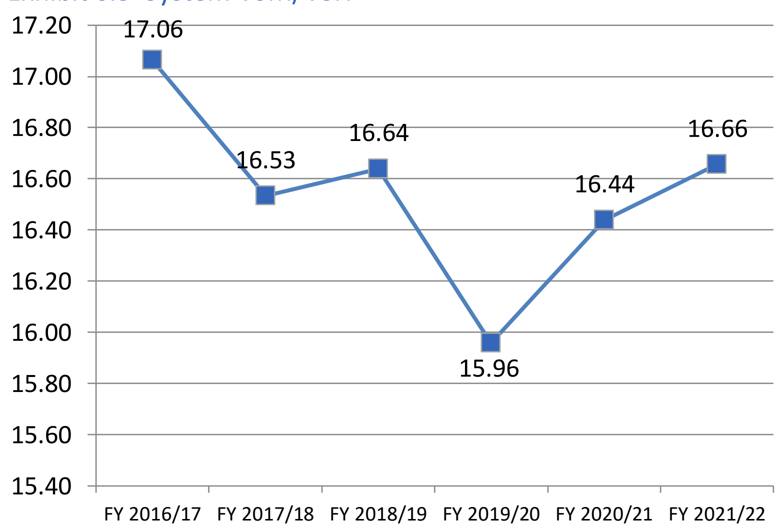


Exhibit 6.6 System Operating Cost/Passenger

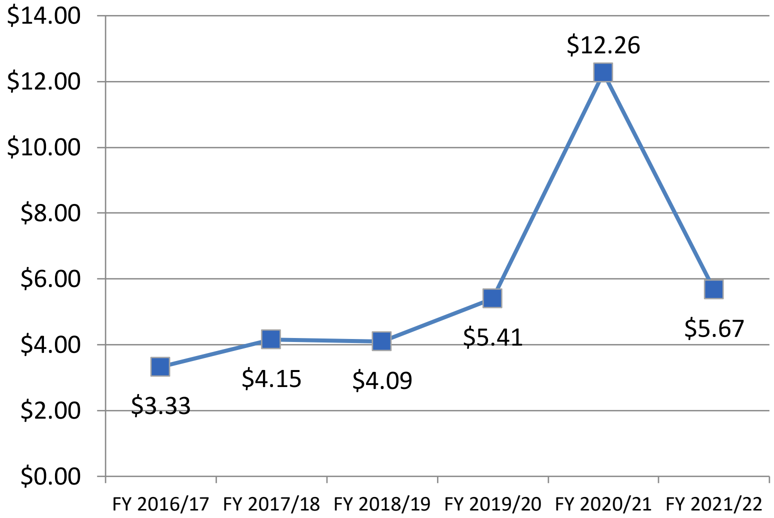


Exhibit 6.7 System Passengers/VSH

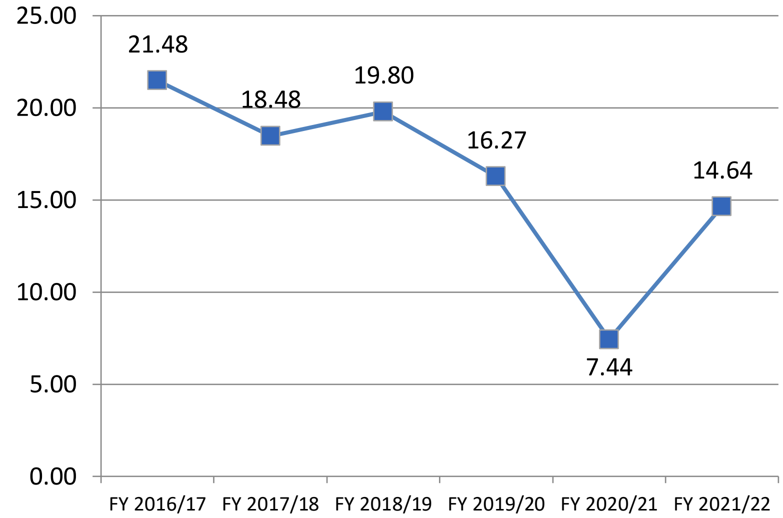


Exhibit 6.8 System Passengers/VSM

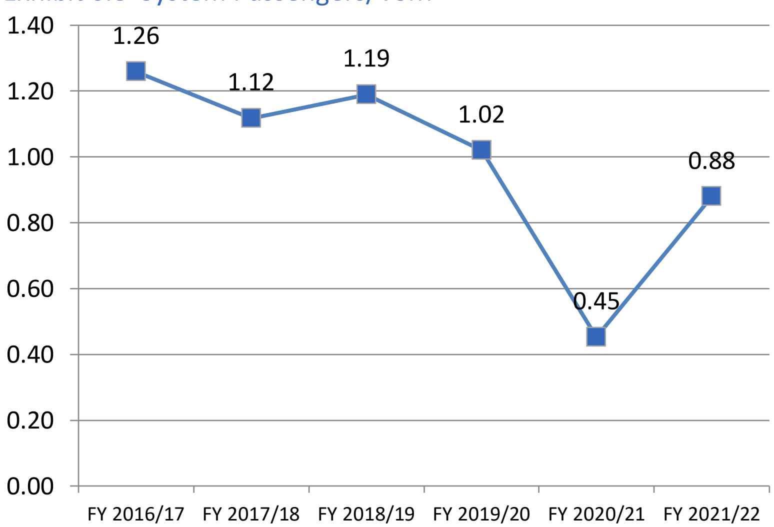


Exhibit 6.9 System VSH/FTE

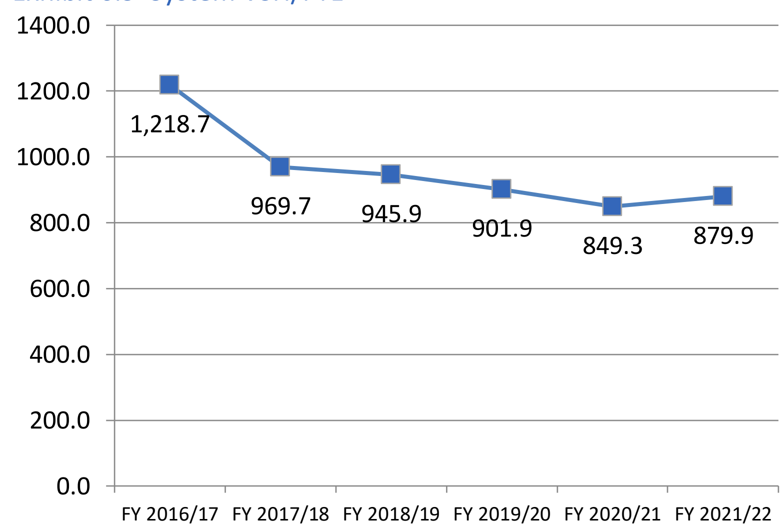


Exhibit 6.10 System Farebox Recovery

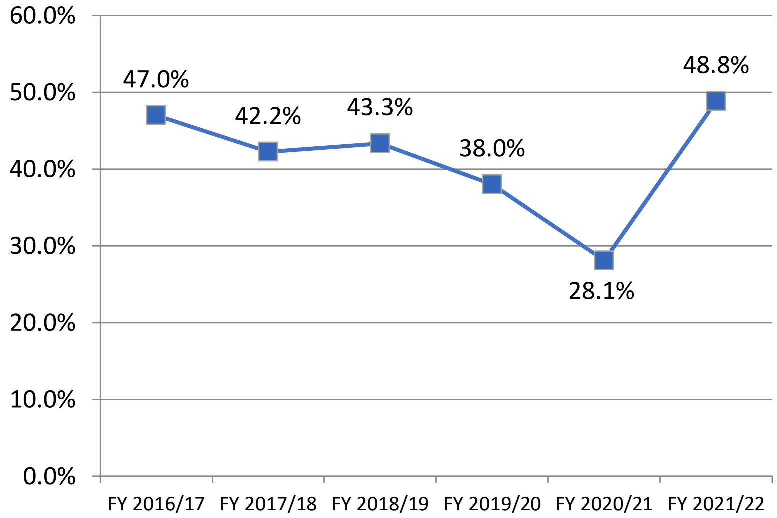
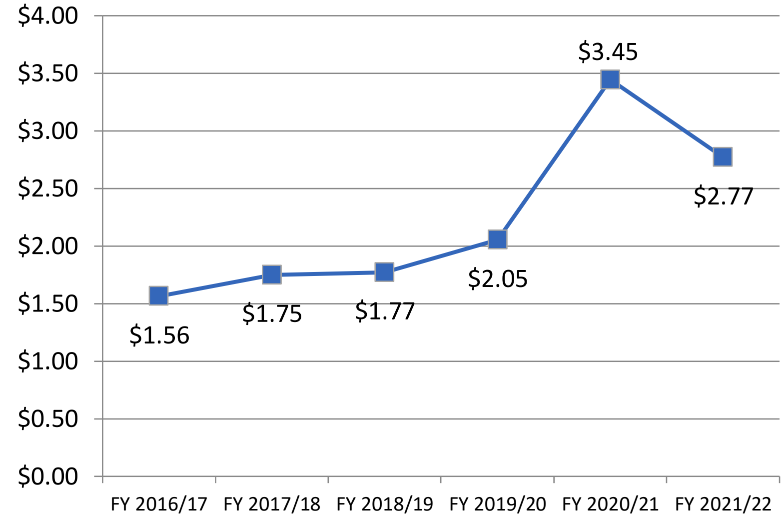


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

Fixed-route vehicle service hours decreased two of the three years of the audit period. This resulted in a net 6.5 percent decrease across the six-year period and a net 0.9 percent decrease during the audit period. Vehicle service miles decreased through FY 2020/21, falling 6.8 percent during the six-year period and increasing a net 1.7 percent during the audit period. Ridership fluctuated with the most significant decrease occurring in FY 2020/21 (58.8 percent). Ultimately ridership experienced a net decrease of 12.5 percent during the audit period.

Passenger-related productivity metrics (passengers per VSH and passengers per VSM) saw decreases of 11.7 percent and 14 percent, respectively.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Vehicle Service Hours (VSH)	39,129	40,221	40,516	36,909	34,204	36,585
Annual Change		*2.8%*	*0.7%*	*-8.9%*	*-7.3%*	*7.0%*
Vehicle Service Miles (VSM)	784,147	786,830	778,806	718,672	702,923	731,113
Annual Change		*0.3%*	*-1.0%*	*-7.7%*	*-2.2%*	*4.0%*
Passengers	1,147,838	1,015,675	1,065,842	834,033	343,730	730,071
Annual Change		*-11.5%*	*4.9%*	*-21.7%*	*-58.8%*	*112.4%*
Employees	34	50	50	50	50	50
Annual Change		*47.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Performance Indicators						
Passengers/VSH	29.33	25.25	26.31	22.60	10.05	19.96
Annual Change		*-13.9%*	*4.2%*	*-14.1%*	*-55.5%*	*98.6%*
Passengers/VSM	1.46	1.29	1.37	1.16	0.49	1.00
Annual Change		*-11.8%*	*6.0%*	*-15.2%*	*-57.9%*	*104.2%*
Hours/Employee	1,150.9	804.4	810.3	738.2	684.1	731.7
Annual Change		*-30.1%*	*0.7%*	*-8.9%*	*-7.3%*	*7.0%*
TDA Non-Required Indicators						
VSM/VSH	20.04	19.56	19.22	19.47	20.55	19.98
Annual Change		*-2.4%*	*-1.7%*	*1.3%*	*5.5%*	*-2.8%*

Sources: FY 2016/17 – FY 2018/19 data from State Controller Reports. FY 2019/20 – FY 2021/22 operational data from State Controller Reports except for FY 2020/21 ridership, which is from the National Transit Database report.

Exhibit 6.13 Fixed-Route Ridership

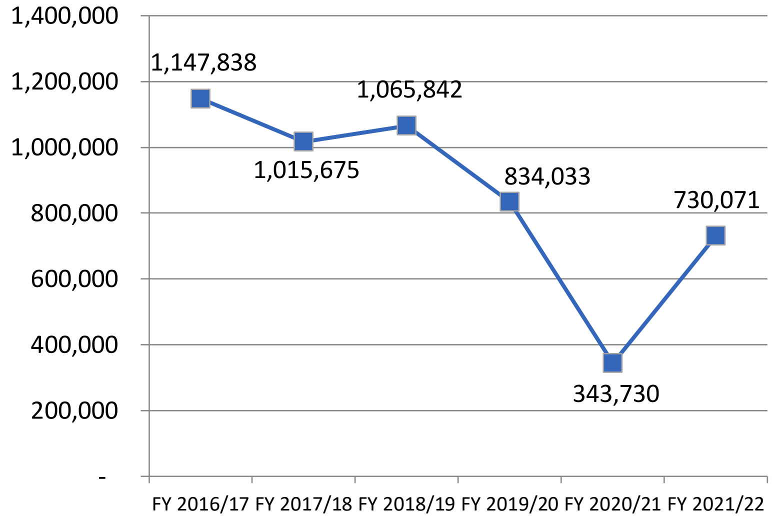


Exhibit 6.14 Fixed-Route VSM/VSH

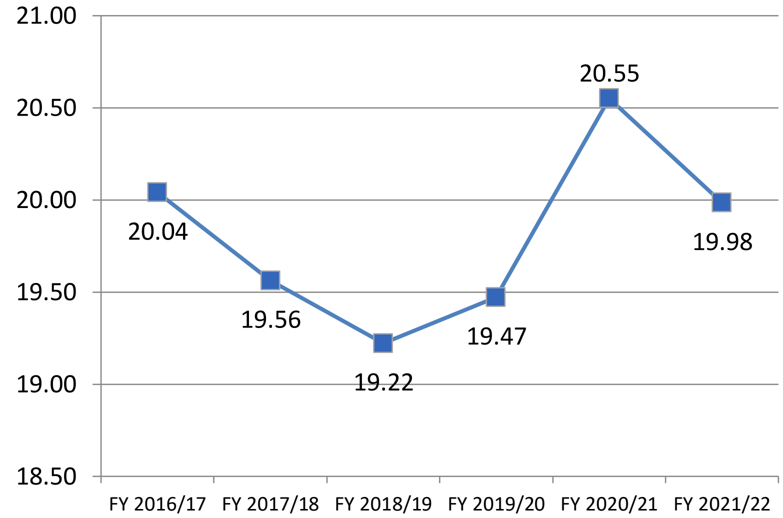


Exhibit 6.15 Fixed-Route Passengers/VSH

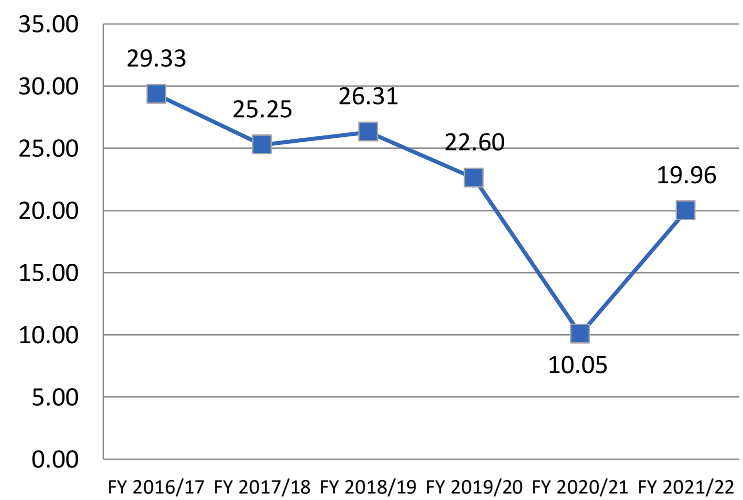


Exhibit 6.16 Fixed-Route Passengers/VSM

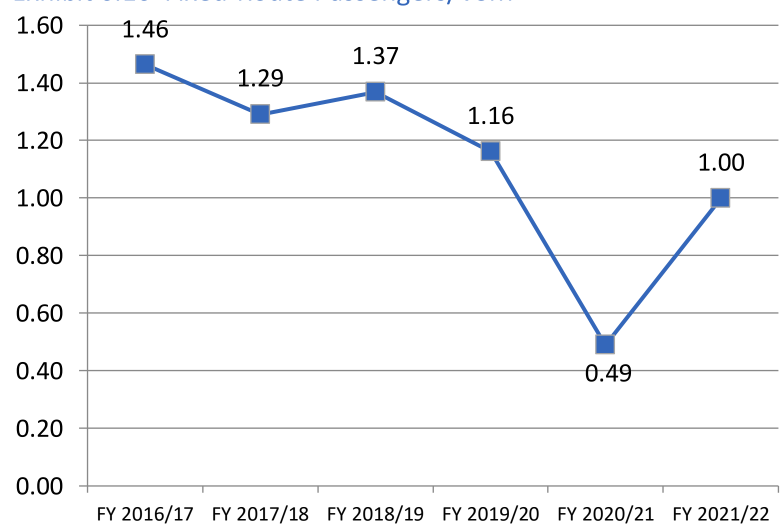
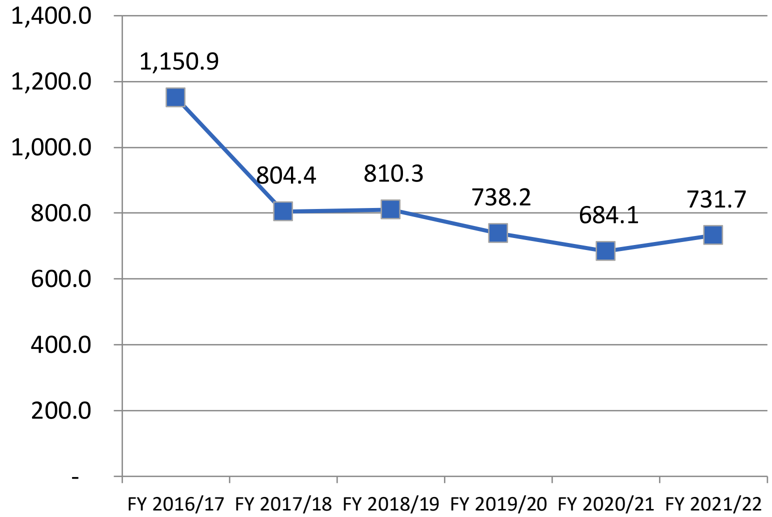


Exhibit 6.17 Fixed-Route VSH/FTE



Demand-Response Performance Trends

Demand-response vehicle service hours decreased two of the three years of the audit period. This resulted in a net 4.2 percent decrease across the six-year period and a net 5.8 percent decrease during the audit period. Vehicle service miles decreased through FY 2020/21, falling 14 percent during the six-year period and increasing a net 2.3 percent during the audit period. Ridership fluctuated with the most significant decrease occurring in FY 2020/21 (24.3 percent). Ultimately ridership experienced a net decrease of 7.9 percent during the audit period.

Passenger-related productivity metrics (passengers per VSH and passengers per VSM) saw decreases of 2.2 percent and 9.9 percent, respectively.

Exhibit 6.18 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Vehicle Service Hours (VSH)	16,930	17,962	16,240	17,203	16,751	16,211
Annual Change		*6.1%*	*-9.6%*	*5.9%*	*-2.6%*	*-3.2%*
Vehicle Service Miles (VSM)	172,404	175,085	165,559	144,867	134,708	148,213
Annual Change		*1.6%*	*-5.4%*	*-12.5%*	*-7.0%*	*10.0%*
Passengers	56,115	59,418	57,722	46,526	35,231	42,871
Annual Change		*5.9%*	*-2.9%*	*-19.4%*	*-24.3%*	*21.7%*
Employees	12	10	10	10	10	10
Annual Change		*-16.7%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Performance Indicators						
Passengers/VSH	3.31	3.31	3.55	2.70	2.10	2.64
Annual Change		*-0.2%*	*7.4%*	*-23.9%*	*-22.2%*	*25.7%*
Passengers/VSM	0.33	0.34	0.35	0.32	0.26	0.29
Annual Change		*4.3%*	*2.7%*	*-7.9%*	*-18.6%*	*10.6%*
Hours/Employee	1,410.8	1,796.2	1,624.0	1,720.3	1,675.1	1,621.1
Annual Change		*27.3%*	*-9.6%*	*5.9%*	*-2.6%*	*-3.2%*
TDA Non-Required Indicators						
VSM/VSH	10.18	9.75	10.19	8.42	8.04	9.14
Annual Change		*-4.3%*	*4.6%*	*-17.4%*	*-4.5%*	*13.7%*

Sources: FY 2016/17 – FY 2018/19 data from State Controller Reports. FY 2019/20 – FY 2021/22 operational data from State Controller Reports except for FY 2020/21 ridership, which is from the National Transit Database report.

Exhibit 6.24 Demand-Response Ridership

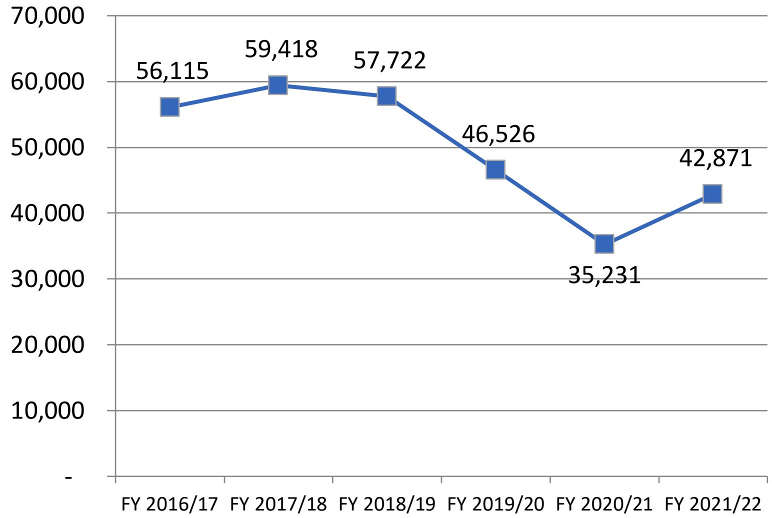


Exhibit 6.25 Demand-Response VSM/VSH

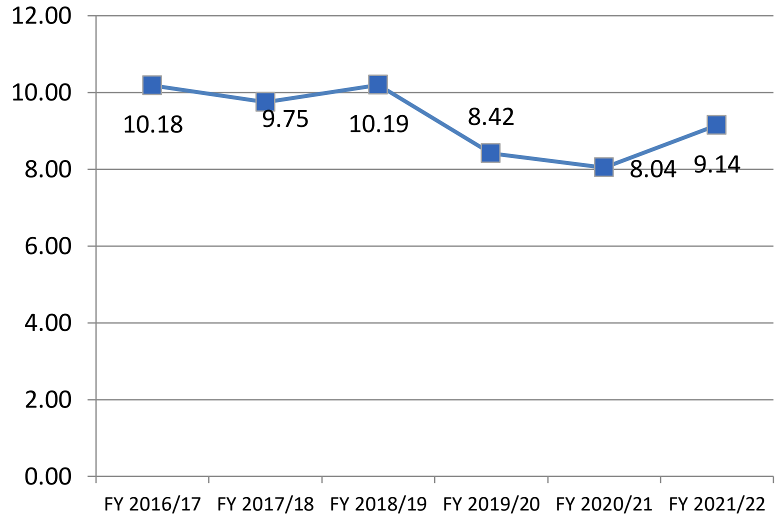


Exhibit 6.26 Demand-Response Passengers/VSH

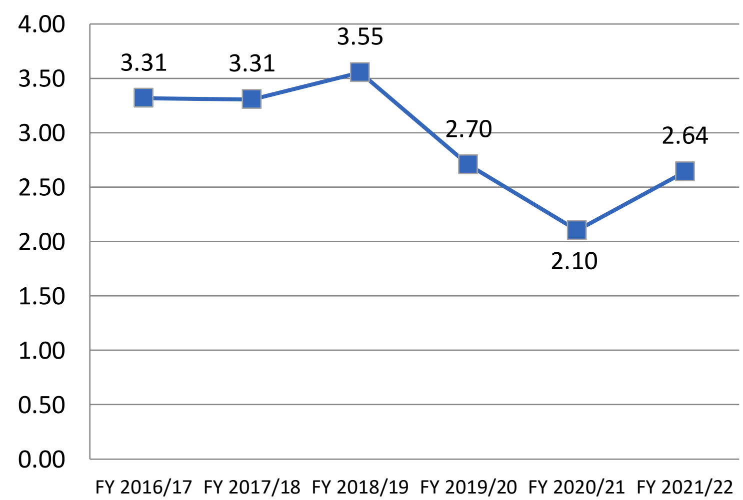


Exhibit 6.27 Demand-Response Passengers/VSM

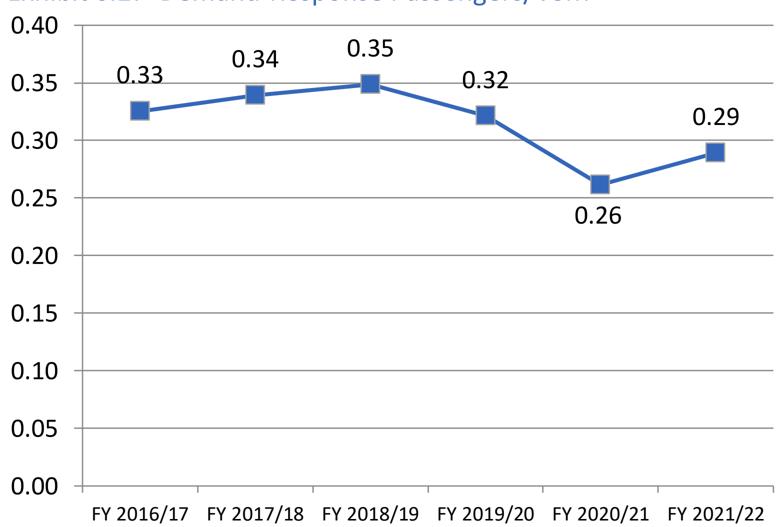
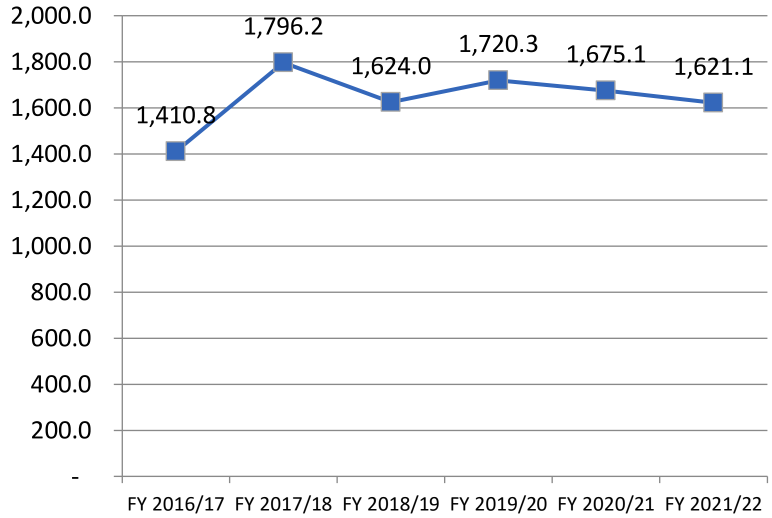


Exhibit 6.28 Demand-Response VSH/FTE



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Chapter 7 | Functional Review

A functional review of the Eastern Sierra Transit Authority's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the ESTA's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the ESTA through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

Service Overview

The Eastern Sierra Transit Authority (ESTA) provides a variety of bus services, including deviated fixed routes, local in-town dial-a-ride services, multiple town-to-town services throughout the Highway 395 and Highway 6 corridors, and interregional service (CREST) extending from Reno, Nevada, to Lancaster, California, with connections to the Los Angeles area. The ESTA operates four routes along Highway 395 and three community routes. Some stops are on-call stops that require 24-hour advance notice. In partnership with the Town of Mammoth Lakes, the ETSA operates a free year-round bus service throughout Mammoth Lakes called the Purple Route. The Purple Line operates daily from 7:00 a.m. to 6:00 p.m.

Additionally, the ESTA offers seasonal routes. In the summer, the ESTA operates two trolleys and a shuttle service in the Mammoth Lakes area. In the winter, additional fixed routes and one night trolley are operated.

Transit fares are distance-based and vary significantly by route and destination. Discounted fares are available to customers age 60 and up, persons with disabilities, and youth under age 16. Children under age five ride free with a fare-paying adult. All other riders pay the base Adult fare.

The ESTA also offers multi-ride non-cash fare media which can be purchased onboard from drivers, at the Bishop and Mammoth Lakes offices, by phone, and online..

Exhibit 7.1 ESTA routes/services and fares

Route	Service Days	Service Span	Adult fare range	Discounted fare range
Hwy 395 Routes				
Lone Pine – Reno (Hwy 395 North)	Monday – Friday	NB: 6:10 a.m. – 12:10 p.m. SB: 1:30 p.m. – 7:40 p.m.	$2.00 - $59.00	$1.75 - $53.00
Mammoth Lakes – Lancaster (Hwy 395 South)	Monday – Friday	SB: 7:50 a.m. – 12:45 p.m. NB: 2:00 p.m. – 7:00 p.m.	$2.00 - $39.00	$2.00 - $36.00
Lone Pine – Bishop (Lone Pine Express)	Monday - Friday	NB: 6:10 a.m. – 6:20 p.m. SB: 6:50 a.m. – 7:40 p.m.	$3.50 - $7.25	$3.00 – $6.50
Bishop – Mammoth Lakes (Mammoth Express)	Monday – Friday	NB: 6:35 a.m. – 7:00 p.m. SB: 7:50 a.m. – 8:05 p.m.	$2.00 - $7.00	$1.75 - $6.00
Community Routes				
Bishop Creek Shuttle (summer only)	Daily (June – September)	AM: 8:00 a.m. – 9:45 a.m. PM: 4:00 p.m. – 5:45 p.m.	$5.00 - $20.00	N/A
Benton – Bishop	Tuesday & Friday	SB: 8:25 a.m. – 9:30 a.m. NB: 2:30 p.m. – 3:30 p.m.	$3.00 - $6.00	$2.25 - $5.25
Bridgeport – Gardnerville/Carson City	Wednesday	NB: Departs 9:30 a.m. on request only	$5.50 - $13.00	$4.50 - $11.00
Mammoth Routes				
Year-round				
Purple Route	Daily	7:00 a.m. – 6:00 p.m.	Free	
Winter only				
Red Line	Daily (November – May)	7:00 a.m. – 5:30 p.m.	Free	
Blue - Yellow Line	Daily (early & late season)	9:00 a.m. – 5:00 p.m.	Free	
Blue Line	Daily (December - April)	7:05 a.m. – 5:20 p.m.	Free	
Yellow Line	Daily (December - April)	7:30 a.m. – 5:30 p.m.	Free	
Green Line	Daily (December - April)	7:30 a.m. – 5:30 p.m.	Free	
Mammoth Lakes Night Trolley	Daily	5:40 p.m. – 2:00 a.m.	Free	

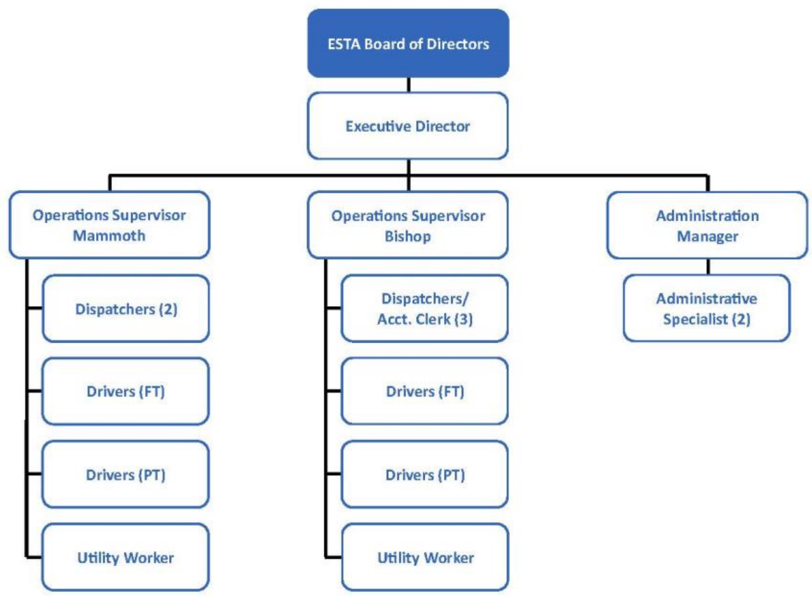
Route	Service Days	Service Span	Adult fare range	Discounted fare range
Summer only				
Mammoth Town Trolley	Daily (May – November)	7:00 a.m. – 2:00 a.m.	Free	
Lakes Basin Trolley	Daily (May – September)	9:00 a.m. – 6:00 p.m.	Free	
Reds Meadow Shuttle	Daily (June – September)	7:30 a.m. – 6:15 p.m.	$15.00 - $75.00	$7.00 - $35.00
Dial-A-Ride				
Bishop Dial-A-Ride (general public)	Monday – Thursday Friday Saturday Sunday	7:00 a.m. – 6:30 p.m. 7:00 a.m. – 2:00 a.m. 8:30 a.m. – 2:00 a.m. 8:00 a.m. – 1:00 p.m.	$3.00 - $5.00	
Lone Pine Dial-A-Ride (general public)	Monday – Friday Wednesday (to/from Keeler)	7:30 a.m. – 3:30 p.m. 8:00 a.m. – 3:00 p.m.	$3.00 - $5.00	
Mammoth Lakes Dial-A-Ride (general public)	Monday – Friday	8:00 a.m. – 5:00 p.m.	$3.00 - $5.00	
Walker Area Dial-A-Ride (general public)	Monday – Friday Wednesday (to/from Gardnerville)	8:00 a.m. – 4:00 p.m.	$3.00 - $5.00	

General Management and Organization

The Eastern Sierra Transit Authority's programs are monitored on a monthly, quarterly, and annual basis. Subordinates are involved in program management and reporting, including safety, training and maintenance programs. There have been no major issues. Minor issues have resulted in immediate changes, including the installation of eyewash stations following an employee's eye injury.

Programs are organized and monitored by the Executive Director with roles and lines of reporting clearly defined. The Executive Director solicits reports and monitors activities, including the safety program that requires quarterly meetings with staff.

Exhibit 7.2 Organizational Chart



Service changes that occurred during the audit period include:

- Discontinuation of the June Lake, Mammoth Limited, and Tecopa routes;
- Addition of Bridgeport to Carson City service, Walker to June Lake service, and Keeler Dial-A-Ride service;
- Expansion of Bishop Dial-A-Ride; and
- Addition of the Bishop airport stop.

Ridership and driver availability were measured and considered as part of all service changes. Following service discontinuations, driver availability was improved and revenue saved. For added service, ridership is measured monthly. Existing ridership standards were used to measure performance (no new key performance indicators were developed). Results were generally as expected, though the Bishop Dial-A-Ride experienced better-than-expected productivity, especially during the added hour of service.

The ESTA partners with two RTPAs: the Inyo County and Mono County Local Transportation Commissions (LTCs). The Executive Director attends both Commission meetings monthly and serves as an *ex officio* member of both. The ESTA also enjoys a positive and effective relationship with its peers, Caltrans, and the FTA. It coordinates with YARTS, Washoe RTC, Kern Transit, RidgeRunner (City of Ridgecrest), Antelope Valley Transit Authority, and many others through the California Association for Coordinated Transportation (CalACT). The ESTA shares and requests information from peers, the RTPA, Caltrans, and the FTA. The Executive Director also participates in regional programs and information-sharing activities.

Transit operations were significantly impacted by the COVID-19 pandemic. The primary problems were the immediate loss of revenue, ridership, and manpower. Ridership dropped by 85 percent and has since recovered to 12 percent to 20 percent below pre-COVID numbers, depending on the month. Local riders were the first to come back, as did the Reno route. Lifeline services are slower to rebound, with some riders lost to COVID. ESTA management believes ridership will continue to recover, especially given the higher-than-normal snowfall occurring during the Winter/Spring 2023 season.

One lingering effect of the pandemic is a higher awareness of illness in the workplace. Employees are less likely to come to work when they are sick. The most important lesson learned was that social distancing negatively impacts public transit. Otherwise profitable routes cannot be successful if ridership is cut in half with no reduction in operating costs.

Service Planning

The ESTA's goals and objectives are clearly laid out in its two-year Strategic Business Plans. The Director updates the Board regarding goals and relevance on a quarterly basis as part of the Executive Director's Report. The Short Range Transit Plan is updated every five years, with the most recent update having been completed in June 2022 as part of a joint Coordinated Public Transit – Human Services Transportation Plan and Short Range Transit Plan. Ongoing planning occurs annually through budget planning, Overall Work Plan development, and Regional Transportation Improvement Plan development.

Transit needs are identified annually through separate unmet transit needs processes held by the Inyo County and Mono County LTCs. Public meetings are also held throughout the region annually to solicit feedback. Other public requests are received throughout the year. All feedback is evaluated through the various planning departments invested in transit.

The Social Services Transportation Advisory Committee (SSTAC) ensures the needs of special populations and riders are effectively represented. Comments and requests are researched and evaluated for potential implementation. The entire ESTA fleet is wheelchair-accessible. Lifeline routes are maintained to ensure remote and low-demand areas remain connected to critical services within the region, despite often low productivity.

Public participation activities are generally conducted to support major service changes and fare changes, as well as part of planning efforts. All efforts are consistent with the ESTA's Title VI Plan, and notices are made available in Spanish. Meetings are held in locations throughout Inyo and Mono counties. Advisory committees are organized in over half a dozen communities throughout the region, including June Lake, Long Valley, Bridgeport, Mono Basin, the Antelope Valley, Mammoth Lakes, and Bishop.

The most recent survey conducted for all modes occurred during the most recent update of the Short Range Transit Plan and Coordinated Public Transit – Human Services Transportation Plan. The surveys were conducted in September and October 2021, as well as February and March 2022. Riders of routes requiring reservations were emailed access to the online survey. Physical surveys were available on all modes and surveyors were available onboard the routes to communicate and collect completed surveys. Dial-A-Ride passengers were mailed surveys with self-addressed stamped envelopes.

Administration

The Executive Director oversees the budgeting process. The Administrative Manager assists with research and makes recommendations to the Director. The Board of Directors is involved in updates and final approval. The ESTA's fiscal management practices reflect a conservative budgeting approach, establishes the level of cost recovery required from the provision of various services, reviews the cost of services annually, and plans and budgets for future capital needs, as well as maintenance and operation of existing assets. New services, employee growth, and upcoming projects are considered and tracked throughout the year to ensure future needs are anticipated and planned for.

Comparisons of budgeted and actual revenues and expenses occurs at least monthly, with financial reports prepared five business days prior to ESTA Board meetings. These reports include year-to-date actual expenses, trends, and forecasts. Financial data is managed using Inyo County's OneSource software platform. Invoices are entered by ESTA administrative staff and approved by the Administrative Manager.

The Administrative Manager is responsible for overseeing "expected" grant processes and timelines. The Executive Director and the Administrative Manager work together on planning grants. Current, pending, and closed grants are tracked on a spreadsheet by the Administrative Manager. The ESTA's biggest concern is missing grant opportunities they are not aware of, and keeps in contact with Caltrans and subscribes to industry updates to ensure it does not miss such opportunities.

Accident and injury events are reported and investigated. Policies are written to prevent similar events. Insurance claims are pursued as needed. The reporting procedure starts with an employee reporting an incident, followed by tracking, investigating, and reporting. The ESTA is a member of the California Joint Powers Insurance Authority (CJPIA), through which it maintains workers' compensation and liability insurance.

Regular tracking and reporting enables the ESTA to effectively monitor its safety programs. The ESTA received an award for outstanding workers' compensation performance from the CJPIA. The Executive Director is responsible for proactive safety and loss prevention activities. The ESTA maintains an emergency action plan.

Contracts with Mammoth Mountain Ski Area and the Town of Mammoth Lakes are maintained annually. The Town of Mammoth Lakes reimburses the ESTA for revenue hours and invoices for maintenance services provided. The Mammoth Mountain Ski Area reimburses the ESTA for revenue service hours. Contracts are managed through billing processes and effective communication. Progress payments are not linked to performance. All contracts over $99,000 require approval by the ESTA Board.

Employees complete their own timesheets and submit them to their supervisor for review and approval. Payroll is downloaded to ADP and reviewed by the Administrative Specialist and the Administrative Manager. Direct deposit is offered and utilized by a majority of employees. Physical employee records are securely stored and electronic data can only be accessed by the administrative team and executive leadership.

The administrative specialist is responsible for accounts receivable as well as accounts payable. Financial information is entered into Inyo County's OneSource software. Payments are made by Inyo County. Receipt of goods and services is verified prior to paying invoices.

The ESTA maintains a procurement handbook and policy, which dictates purchasing activities. Procurement practices conform to FTA requirements. Competitive procurements are used when the procurement policy dictates. Requests for Proposals and quotes are used when the purchase meets the qualifying standards in the policy.

The ESTA does not have an internal audit function.

Marketing and Public Information

Marketing responsibilities are currently handled in-house. The ESTA maintains the transit websites and provides service brochures that are updated seasonally. The ESTA utilizes local radio marketing, social media, and newspapers to advertise its services. Paper brochures are available in local offices, visitor centers, colleges and lodging locations. Brochures are also available on the ESTA website.

ESTA management believes the agency would benefit from a more robust brochure program. Some locations are stocked with non-current brochures, and some brochures could be more professional-looking. Staff check in with brochure distribution locations periodically. The ESTA intends to reach out to a local graphic designer to see about improving its brochures this year.

Marketing is considered during the budgeting process. At that time, staff identify what media will be used and how much it will cost. There is no current formal marketing plan. Promotional outreach to the public has included bulk distribution of postcards regarding local community routes; postcards promoting the Bishop Dial-A-Ride expansion; Dial-A-Ride promotion in newspapers; promotion of the Mule Trolley during Mule Days; and Reno, Lancaster, and Mammoth express routes are promoted in *El Sol* the for Spanish speaking community. Social media and the ESTA's web page are used to promote routes and educate the public about service interruptions. Social media posts include "entertaining" content such as photos of locations such as Red's Meadow, announcement of Employee of the Quarter, and other such content.

Public perception of the ESTA is generally positive. The ESTA could potentially benefit from increased coordination with local employers and schools, especially since there is little data regarding student ridership.

The ESTA does not document all phone calls, only valid complaints. Complaints that can be resolved by the dispatcher are addressed and logged. Complaints that cannot be handled by the dispatcher are forwarded to leadership and the problem and resolution documented. The operations supervisor tracks all complaints on a spreadsheet.

Scheduling, Dispatch, and Operations

The ESTA service is operated in house. Employees are represented by an in-house employee's association. There are currently 11 part-time non-benefitted employees, ten 75 percent-benefitted employees, and 16 100 percent-benefitted employees. Seventy-five percent-benefitted employees are guaranteed 28 to 34 hours per week. One hundred percent-benefitted employees work at least 35 hours per week, though many are working more. In January 2023, four 75 percent-benefitted employees were changed to 100 percent-benefitted employees because they were working more than 40 hours per week and wanted the increased benefits and continued hours. The Mammoth hub location has one extra board driver available for service coverage; this individual also helps with utility and dispatch. Twice yearly drivers submit schedule requests to the Location Supervisors who manage the schedule. Other drivers fill in for scheduled and unscheduled absences.

Vehicles are primarily route-specific. Keys to all available vehicles are ready for drivers to take when they arrive to work. Keys to vehicles that are scheduled for maintenance or are unsafe to operate are withheld. Drivers must have air brake and passenger endorsements to operate specific routes. Drivers without air brake endorsements are prohibited from operating vehicles with air brakes. This does not have a significant effect on scheduling, as all newer drivers are being trained for their air brake endorsement.

The ESTA utilizes manual (vault-style) fareboxes on the Reno and Lancaster routes, while a fare bag is used on all other routes and services. Drivers drop the fare bags into a drop box in the office, while the fareboxes are emptied by the operations supervisor or the administrative specialist. The Reno and Lancaster routes typically have a higher cash volume. The administration team verifies the bag for each route. Cash is processed at a money counting station monitored by cameras and out of sight from the public. Deposits are conducted daily. Receipts and documentation are sent to Inyo County auditors the same day as the deposit.

The ESTA has its bus yard at the Bishop airport. Administrative offices had been located in a building at the airport, yet the ESTA had to leave to accommodate the Transportation Security Administration (TSA). The ESTA rented mobile offices and has been planning to construct a new administrative building at the airport. However, this effort has been impacted by ongoing litigation between the Los Angeles Department of Water and Power and Inyo County, as the ESTA has been unable to obtain a lease for the property and get reimbursement for the project. Therefore, the project is on hold until the litigation can be resolved. In the meantime, the ESTA is utilizing a rented facility out of which it is able to operate comfortably.

Personnel Management and Training

Staffing, specifically for Mammoth services, are heavily impacted by lack of housing in the area. Employees need to commute from Bishop. Drivers' pay has increased by seven dollars an hour in the last year. Beginning in 2022, the ESTA partnered with the Town of Mammoth to offer year-round seasonal driver positions. The town employs individuals for streets and roads and parks and recreation during the off-season, and they drive for ESTA during the peak season. This has been an effective, innovative partnership that has resulted in a successful collaboration between the two entities, to the benefit of all parties. At present there are four full-time shared positions. Recruitment in Bishop has been easier. Recruitment tactics include the following:

- "Media blitzes" (bilingual radio and newspaper advertisements);
- Radio interviews;
- Refer a Friend program with the drivers;
- $1,000 sign-on program in Mammoth (the Town pays the premiums for this incentive);
- Social media;
- The ESTA web page;
- Online job boards such as Indeed and Chamber websites;
- Contacting former employees to advise about wage increases;
- Offering creative benefits like the Mammoth Mountain Ski Area (MMSA) Ski Pass;
- Having booths at community events;
- Notifying employment partners such as colleges, California EDD, and the Paiute Tribe Training Centers about opportunities;
- Posting flyers at coffee shops, community centers, and other locations; and
- Speaking at schools and to community groups.

The ESTA has found that radio and newspapers advertisements receive the most feedback, with Indeed and Facebook posts picking up traction as well. It has had success with an application that can be completed on a mobile device.

Most recruits require comprehensive training. Among those already possessing a commercial driver's license, approximately 75 percent do not have passenger endorsements. Fully licenses drivers can be hired at a higher pay scale with Executive Director approval.

Various activities are used to motivate employees, including gift cards and thank you notes for employees that receive positive feedback from coworkers or the public. There is also an Employee of the Quarter recognition program. Apart from the ongoing COVID-19 pandemic, turnover is modest. Some recent reasons for turnover include older drivers who retired or resigned due to the pandemic, the housing shortage, and seasonal work. Annual job performance evaluations are completed for the Executive Director, Administrative Manager and staff, Dispatchers, and Operations Supervisors.

The ESTA offers a comprehensive four- to six-week training program for new employees as well as annual transit training, staff administrative training, and post-accident training. Driver trainers are certified through the Transportation Safety Institute (TSI). Additional trainings include behind-the-wheel trainers and Human Resource trainers. The ESTA contracts with a private DMV examiner for drive testing and the California DMV for written testing. All training meets state requirements. Vehicles are appropriately equipped with safety equipment.

The ESTA has clear policies regarding excessive tardiness and absenteeism as well as a progressive discipline policy. Supervisors review with Human Resources for oral and written reprimands to ensure consistency. The Executive Director participates in decisions regarding suspensions/reductions in pay, demotions, and dismissals.

Both full- and part-time employees receive holiday premium pay, CalPERS 457 option, access to the Employee Assistance Program, free travel for themselves and family members, and MMSA passes (for

Mammoth employees). Full-time employees also receive medical, dental, vision, and hearing insurance; holiday pay and two floating holidays; paid time off; life insurance; CalPERS retirement benefits; and maternity leave through FMLA. Benefits are communicated through the offer letter to benefitted employees and highlighted during orientation. Formal letters are provided for changes in benefits.

Maintenance

The ESTA's preventive maintenance program includes periodic inspections based on mileage and exceeds manufacturer specifications. Compliance with tracked through a PMI log. At present, maintenance occasionally conflicts with regular vehicle use. Warranty work is tracked, though most of the buses are currently beyond warranty limits.

Most work beyond that which can be undertaken with normal tools (such as basic headlight or wheelchair lift repairs) are sent out. Mammoth contracts with the Town of Mammoth Lakes maintenance department. Mammoth's maintenance facility is equipped with a sufficient number of bays and lifts. Bishop does not have a maintenance facility.

Current records are kept in a locked office, while archived records are locked in a storage container in the Bishop yard. While parts are generally ordered as needed, any parts stocked in the inventory are secured. All parts are tracked through invoices and software.

Maintenance is notified promptly of vehicle breakdowns. Lock out/tag out procedures are used to keep unsafe vehicles and shop equipment from being used.

The average age of the transit vehicles is 10 years, with an average mileage of 160,000 miles. There is a vehicle replacement program in effect, with most replacements funded through a mix of grants and local funds. The current revenue fleet is detailed in Exhibit 7.3.

Exhibit 7.3 ESTA's Transit Fleet

Vehicle #	Year	Make	Model	Fuel	PAX + WC	Location	Mode	Route
200	2009	Ford	Carpool Van	Gas	14	Bishop	Reserve	Lancaster
302	2013	Dodge	Braun Van	Gas	5	Walker	DAR	Walker DAR
601	2012	Ford	E-450 Cutaway	Gas	16/12+2	Walker	FR/DAR	BPT-GARD
602	2013	Ford	E-450 Cutaway	Gas	16/12+2	Mammoth	FR/DAR	DAR
604	2013	Ford	E-450 Cutaway	Gas	16/12+2	Lone Pine	FR/DAR	LP DAR
607	2013	Ford	E-450 Cutaway	Gas	20/16+2	Mammoth	FR	Purple
608	2014	Ford	E-450 Cutaway	Gas	16/12+2	Bishop	FR/DAR	DAR
609	2014	Ford	E-450 Cutaway	Gas	16/12+2	Lone Pine	FR/DAR	DAR
611	2014	Ford	E-450 Cutaway	Gas	16/12+2	Bishop	FR/DAR	DAR
612	2014	Daimler	Sprinter Van	Diesel	14/7+2	Bishop	FR/DAR	DAR
613	2014	Daimler	Sprinter Van	Diesel	14/7+2	Bishop	FR/DAR	DAR
614	2014	Daimler	Sprinter Van	Diesel	14/7+2	Bishop	FR/DAR	DAR
615	2014	Daimler	Sprinter Van	Diesel	14/7+2	Bishop	FR/DAR	DAR
616	2015	Ford	E-450 Cutaway	Gas	20/16+2	Mammoth	FR	Purple
617	2016	Ford	E-450 Cutaway	Gas	20/16+2	Mammoth	FR/DAR	Purple
618	2022	Ford	E-450 Cutaway	Gas	20/16+2	Bishop	FR/DAR	DAR
619	2022	Ford	E-450 Cutaway	Gas	20/16+2	Bishop	FR/DAR	DAR
706	2008	Blue Bird	Xcel 102	Diesel	33	Mammoth	FR	Fixed-Route

Vehicle #	Year	Make	Model	Fuel	PAX + WC	Location	Mode	Route
710	2013	Ford	F-550 Cutaway	Diesel	25/19+2	Bishop	FR	LPX/MMX
711	2013	Ford	F-550 Cutaway	Diesel	21/17+2	Bishop	FR	Fixed-Route
712	2013	Ford	F-550 Cutaway	Diesel	25/19+2	Bishop	FR	Mammoth Express
713	2014	Freightliner	Defender Cutaway	Diesel	25/19+2	Bishop	FR	395 Reno/Lancaster
714	2014	Freightliner	Defender Cutaway	Diesel	25/19+2	Bishop	FR	395 Reno/Lancaster
715	2014	Ford	F-550 Cutaway	Diesel	25/19+2	Bishop	FR	395 Reno/Lancaster
716	2019	Freightliner	Defender Cutaway	Diesel	25/19+2	Bishop	FR	395 Reno/Lancaster
717	2020	Freightliner	Defender Cutaway	Diesel	33/27+2	Bishop	FR	395 Reno/Lancaster
801	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
802	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
803	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
804	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
805	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
806	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
807	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
808	2012	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
809	2013	El Dorado	Axess	Diesel	37+2	Mammoth	FR	MMSA/Reds
810	2012	El Dorado	EZ Rider II	Diesel	37+2	Mammoth	FR	MMSA/Reds
811	2012	El Dorado	EZ Rider II	Diesel	37+2	Mammoth	FR	MMSA/Reds
812	2012	El Dorado	EZ Rider II	Diesel	37+2	Mammoth	FR	MMSA/Reds
900	2016	Hometown Trolley	Villager	Diesel	26+2	Mammoth	FR	Trolley Routes
901	2006	Supreme Trolley	Classic America	Diesel	26+2	Mammoth	FR	Trolley Routes
902	2017	Hometown Trolley	Villager	Diesel	26+2	Mammoth	FR	Trolley Routes
903	2018	Hometown Trolley	Villager	Diesel	26+2	Mammoth	FR	Trolley Routes
905	2006	Supreme Trolley	Classic America	Diesel	26+2	Mammoth	FR	Trolley Routes
906	2006	Supreme Trolley	Classic America	Diesel	26+2	Mammoth	FR	Trolley Routes
908	2006	Supreme Trolley	Classic America	Diesel	26+2	Mammoth	FR	Trolley Routes
908	2006	Supreme Trolley	Classic America	Diesel	26+2	Mammoth	FR	Trolley Routes
904	2020	Hometown Trolley	Villager	Diesel	26+3	Mammoth	FR	Trolley Routes
910	2022	Hometown Trolley	Villager	Diesel	26+4	Mammoth	FR	Trolley Routes

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Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates, Inc. finds the Eastern Sierra Transit Authority to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings

Based on discussions with ESTA staff, analysis of program performance, and an audit of program compliance and function, the auditors present no compliance findings.

The auditors have identified one functional finding. While this finding is not a compliance finding, the auditors believe it warrants inclusion in this report:

1. The ESTA does not provide effective oversight of the service information distributed throughout its service area.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the ESTA's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there are no compliance findings, only functional findings and recommendations are presented below.

Functional Finding 1: The ESTA does not provide effective oversight of the service information distributed throughout its service area.

Criteria: The functional area "Marketing and Public Information" includes the publishing and distribution of service information such as schedules and descriptions of service. This can be accomplished through printed materials, such as brochures, as well as through digital formats available online.

Condition: During the site visit, ESTA management acknowledged some shortcomings regarding its service brochures. This included both the brochures themselves, several of which could use a redesign to make them appear more professional. In addition, staff noted old versions of brochures were still available in some locations, which can cause public confusion.

Cause: It is common for the focus of any marketing program to be on getting information out in the community.

Effect: When service information changes frequently, such as with seasonal service offerings, it can be easy to overlook removing old information, which can cause confusion among customers.

Recommendation 1: The ESTA should enhance its service information program to ensure updated service brochures are available throughout the community and old service brochures are removed from distribution locations.

Recommended Action: The ESTA should develop a more robust service information distribution program that ensures only current service information is maintained at distribution locations. Points of contact at each distribution location should be identified, and when new brochures are available, all old materials should be removed and destroyed. The ESTA may also wish to engage a graphic designer to update the design of the brochure.

Timeline: As soon as possible/ongoing.

Anticipated Cost: Variable, depending upon the effort required.

Recommendation 2: The ESTA should consider developing formal marketing and information technology plans as supplements to its recently completed Short Range Transit Plan.

Recommended Action: A formal marketing plan can maximize the value of dollars set aside for marketing by proactively planning activities and strategies. An information technology plan, which may overlap with the marketing plan in several areas, should also be considered. Both can be developed as a supplement to the recently completed Short Range Transit Plan and would not necessarily require a completely new planning effort. Development of these plans would benefit the ESTA by recommending strategies and tactics (including costs) that can be budgeted annually or as special projects, especially if additional funding is required for implementation.

Timeline: FY 2023/24.

Anticipated Cost: Depends on the scope of the planning efforts.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	The ESTA should enhance its service information program to ensure updated service brochures are available throughout the community and old brochures are removed from distribution locations.	Medium	ASAP/ ongoing
2	The ESTA should consider developing formal marketing and information technology plans as supplements to its recently completed Short Range Transit Plan.	Medium	FY 2023/24

July 14, 2023
Agenda Item B-3

STAFF REPORT

Subject: General Accounting Standards (GASB 75)
Presented by: Phil Moores, Executive Director

Background

A few years back, the ESTA Board approved an Other Post-Employment Benefits (OPEB) funding policy and associated trust. Contributing to the OPEB trust has favorable effects on the discount rate used to calculate ESTA's long term liabilities. The trust contributes to the agency's financial stability, and ensures benefits are paid.

GASB 75 requires the attached report be included in ESTA's financial statements each fiscal year. The information included in this report reflects ESTA's practice of contributing to the OPEB in addition to paying retiree health benefits. The report is through FYE 2023, June 30, 2023.

Recommendation

Receive and file.

July 6, 2023

Phil Moores
Executive Director
Eastern Sierra Transit Authority
565 Airport Road
Bishop, CA 93514

Re: Eastern Sierra Transit Authority Other Post-Employment Benefits
GASB 75 Actuarial Report for the Fiscal Year Ending June 30, 2023

Dear Mr. Moores:

We are pleased to enclose our actuarial report providing financial information about the other post-employment benefit (OPEB) liabilities of the Eastern Sierra Transit Authority. The report's text describes our analysis and assumptions in detail.

The primary purpose of this report is to provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in ESTA's financial statements for the fiscal year ending June 30, 2023. The information included in this report reflects ESTA's recent practice of contributing some amount to the OPEB trust each year in addition to paying retiree health benefits.

The exhibits presented are based on a roll forward of the June 30, 2021, actuarial valuation results, and on the employee and plan data provided to us for that valuation. ESTA also provided information on retiree benefit payments, trust contributions and reimbursements and total covered employee payroll for the current fiscal year. As with any analysis, the soundness of the report is dependent on the inputs. Please review the information shown in the report to be comfortable that it matches your records.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of ESTA employees who provided valuable time and information to enable us to prepare this report. Please let us know if we can be of further assistance.

Sincerely,

Catherine L. MacLeod

Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary

Enclosure

Eastern Sierra Transit Authority

GASB 75 Actuarial Report
Measured as of June 30,2022
For Fiscal Year End June 30, 2023 Financial Reporting

Submitted July 2023

MacLeod Watts

Table of Contents

A. Executive Summary

This report presents actuarial information regarding the other post-employment benefit (OPEB) program of the Eastern Sierra Transit Authority (ESTA). The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2023.

Important background information regarding the valuation process can be found in the Appendices. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary present various exhibits and other relevant information appropriate for disclosures under GASB 75.

This report is based on a roll forward of the results of the June 30, 2021, valuation. A new biennial valuation should be prepared as of June 30, 2023. Results of that valuation will first be applied to prepare that GASB 75 report for ESTA's fiscal year ending June 30, 2024.

OPEB Obligations of ESTA

ESTA provides continuation of medical insurance coverage to its retiring employees. This coverage may create one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities**: An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. In this program, ESTA pays a portion of medical premiums for qualifying retirees. Details are provided in Supporting Information Section 2.
- **Implicit subsidy liabilities**: An "implicit subsidy" exists when premiums are developed using blended active and retiree claims experience. In this situation, premiums charged for retirees may not be sufficient to cover expected medical claims[1] and the premiums charged for active employees are said to "implicitly subsidize" retirees. This OPEB program includes implicit subsidy liabilities for retiree coverage prior to coverage under Medicare.
- **Other subsidy liabilities**: Pooled plans that do not blend active and retiree premiums likely generate subsidies between employers and retirees within the pool. In the CalPERS medical program, the premium rates for Medicare-covered retirees are based only on retiree claims experience of the pool. A recent actuarial practice note indicated these subsidies should be included in plan liabilities to the extent they are paid by the employer.[2] We believe there is no other subsidy liability for Medicare retirees required to be valued for this plan.

We determine explicit subsidy liabilities using the expected direct payments promised by the plan toward retiree coverage. We determine the implicit and other subsidy liabilities as the projected difference between (a) estimated retiree medical claim costs by age and (b) premiums charged for retiree coverage. See Appendices for more information on this process.

[1] In rare situations, premiums for retiree coverage may be high enough that they subsidize active employees' claims.

[2] Exceptions exist for 1) Medicare Advantage Plans, treated as if their premiums are age-based due to the nature of the Federal subsidies paid to these plans, and 2) when employer explicit subsidies to Medicare-covered retirees are low and no part of any potential pool subsidy is expected to be paid by the employer.

Executive Summary
(Continued)

OPEB Funding Policy

ESTA's OPEB funding policy affects the calculation of GASB 75 liabilities by impacting the discount rate used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes at or above an actuarially determined contribution (ADC) each year. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits.

1) When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate. The Fidelity Municipal Bond AA 20 Year Maturity Yield index selected by ESTA is 3.69% on the current measurement date (June 30, 2022).
2) When the agency contributes 100% or more of each year's ADC, then GASB 75 supports use of the trust rate of return to develop the OPEB liability. The expected annual long-term return is 4.7%. Refer to page 8 for more information.
3) When assets are set aside in an irrevocable trust, but annual OPEB contributions are less than the Actuarially Determined Contributions, paragraphs 36-41 of GASB 75 describe the analysis to be prepared to determine the discount rate. In this analysis, we consider the most recent 5-year history of ESTA contributions as a percentage of the ADC to project future contribution levels.

As a result of this analysis, we estimated the 5-year average of OPEB contributions for the period 2019-2023 as a percentage of the ADCs to be 44.4%. From this, we developed the resulting discount rate for accounting purposes to be equal to 3.75% for the current measurement period.

Actuarial Assumptions

The actuarial "demographic" assumptions (i.e., rates of retirement, death, disability or other termination of employment) used in this report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plan(s) covering ESTA employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits.

Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

Executive Summary
(Continued)

Important Dates Used in the Valuation

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2023
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021, to June 30, 2022
Valuation Date	June 30, 2021

Significant Results and Differences from the Prior Valuation

This report is based on a roll forward of the June 30, 2021, valuation. No benefit changes and no material changes in plan members or premium rates were reported to MacLeod Watts from those reported to us for the 2021 valuation was prepared. As such, no new census data was collected, and no plan experience was determined. No assumptions were changed other than an update to the discount rate, as discussed earlier. Investment experience (the difference between actual and expected trust earnings) was determined.

Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2023

The plan's impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan's impact on Net Position on the measurement date can be summarized as follows:

Items	For Reporting At Fiscal Year Ending June 30, 2023
Total OPEB Liability	$ 493,010
Fiduciary Net Position	(91,646)
Net OPEB Liability	**$ 401,364**
Adjustment for Deferred Resources:	
Deferred (Outflows)	(142,815)
Deferred Inflows	713,332
Impact on Statement of Net Position	**$ 971,881**
OPEB Expense, FYE 6/30/2023	**$ 9,064**

Executive Summary
(Concluded)

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for ESTA's financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. ESTA should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend ESTA consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

B. Results Measured as of June 30, 2022

ESTA's OPEB liability measured as of June 30, 2022, was determined based on a "roll-forward" of the June 30, 2021, valuation. A roll-forward valuation moves the plan liability forward based on expected changes. For this type of valuation, we do not collect new plan data, and we generally do not change any actuarial assumptions. One exception is that changes in the liability discount rate reflecting changes in the municipal bond index or updated trust earnings expectations are reflected as of the new measurement date. Updated trust assets as of the measurement date are also reflected in the roll-forward valuation.

GASB allows roll-forward valuations to be performed in the year following the full biennial valuation if no material changes to the plan or the plan's members have occurred. Examples of material changes would include significantly different terminations or retirements during the year than were assumed, or a change in the retirement plan provisions. No such events or plan amendments were reported by ESTA in the current measurement period.

The chart below reconciles the liability reported last year to that obtained by the roll-forward valuation as of the end of the current fiscal year.

Reconciliation of Changes During Measurement Period	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at Fiscal Year Ending 6/30/2022 *Measurement Date 6/30/2021*	$ 513,088	$ 43,987	$ 469,101
Expected Changes During the Period:			
Service Cost	112,504		112,504
Interest Cost	12,104		12,104
Expected Investment Income		3,467	(3,467)
Authority Contributions		69,292	(69,292)
Benefit Payments	(9,753)	(9,753)	-
Total Expected Changes During the Period	114,855	63,006	51,849
Expected at Fiscal Year Ending 6/30/2023 *Measurement Date 6/30/2022*	$ 627,943	$ 106,993	$ 520,950
Unexpected Changes During the Period:			
Change Due to Investment Experience		(15,347)	15,347
Change Due to Change in Discount Rate	(134,933)		(134,933)
Total Unexpected Changes During the Period	(134,933)	(15,347)	(119,586)
Balance at Fiscal Year Ending 6/30/2023 *Measurement Date 6/30/2022*	$ 493,010	$ 91,646	$ 401,364

C. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year end June 30, 2023. ESTA is classified for GASB 75 purposes as a single employer.

Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2023 *Measurement Date is June 30, 2022*	**ESTA**
Items Impacting Net Position:	
Total OPEB Liability	$ 493,010
Fiduciary Net Position	(91,646)
Net OPEB Liability (Asset)	401,364
Deferred (Outflows) Due to:	
Assumption Changes	(56,483)
Plan Experience	-
Investment Experience	(12,278)
Deferred Contributions	(74,054)
Deferred Inflows Due to:	
Assumption Changes	328,719
Plan Experience	384,587
Investment Experience	26
Impact on Statement of Net Position, FYE 6/30/2023	**$ 971,881**
Items Impacting OPEB Expense:	
Service Cost	$ 112,504
Cost of Plan Changes	-
Interest Cost	12,104
Expected Earnings on Assets	(3,467)
Recognition of Deferred Outflows:	
Assumption Changes	30,943
Plan Experience	-
Investment Experience	3,069
Recognition of Deferred (Inflows):	
Assumption Changes	(67,817)
Plan Experience	(78,264)
Investment Experience	(8)
OPEB Expense, FYE 6/30/2023	**$ 9,064**

Accounting Information
(Continued)

Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End *Measurement Date*	**6/30/2022** *6/30/2021*	**6/30/2023** *6/30/2022*	**Change During Period**
Total OPEB Liability	$ 513,088	$ 493,010	$ (20,078)
Fiduciary Net Position	(43,987)	(91,646)	(47,659)
Net OPEB Liability (Asset)	469,101	401,364	(67,737)
Deferred (Outflows) Due to:			
Assumption Changes	(87,426)	(56,483)	30,943
Plan Experience	-	-	-
Investment Experience	-	(12,278)	(12,278)
Deferred Contributions	(69,292)	(74,054)	(4,762)
Deferred Inflows Due to:			
Assumption Changes	261,603	328,719	67,116
Plan Experience	462,851	384,587	(78,264)
Investment Experience	34	26	(8)
Impact on Statement of Net Position	$ 1,036,871	$ 971,881	$ (64,990)

Change in Net Position During the Fiscal Year	
Impact on Statement of Net Position, FYE 6/30/2022	$ 1,036,871
OPEB Expense (Income)	9,064
Authority Contributions During Fiscal Year	(74,054)
Impact on Statement of Net Position, FYE 6/30/2023	$ 971,881

OPEB Expense	
Authority Contributions During Fiscal Year	$ 74,054
Deterioration (Improvement) in Net Position	(64,990)
OPEB Expense (Income), FYE 6/30/2023	$ 9,064

Accounting Information
(Continued)

Change in Fiduciary Net Position During the Measurement Period

	ESTA
Fiduciary Net Position at Fiscal Year Ending 6/30/2022 *Measurement Date 6/30/2021*	**$ 43,987**
Changes During the Period:	
Investment Income	(11,880)
Authority Contributions	69,292
Benefit Payments	(9,753)
Net Changes During the Period	47,659
Fiduciary Net Position at Fiscal Year Ending 6/30/2023 *Measurement Date 6/30/2022*	**$ 91,646**

Expected Long-term Return on Trust Assets

In April 2022, PARS published an expected return of 5.30% for the Moderately Conservative Portfolio, prior to offset for non-imbedded investment related fees. This expected return was determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). These ranges 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 and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in this table.

Portfolio (Investment Strategy)		Moderately Conservative
Asset Class	Expected Return	Weight
Equity		**30.00%**
Large Cap Core	6.80%	15.50%
Mid Cap Core	7.10%	3.00%
Small Cap Core	7.90%	4.50%
Real Estate	6.60%	1.00%
International	7.30%	4.00%
Emerging Markets	7.30%	2.00%
Fixed Income		**65.00%**
Short Term Bond	3.30%	14.00%
Intermediate Term Bond	3.90%	49.25%
High Yield	6.10%	1.75%
Alternatives		
Cash	2.40%	**5.00%**
Expected Return		5.30%
Expected Standard Deviation		5.28%

Non-imbedded fees were estimated to reduce the expected yield above by 60 basis points (0.60%), reducing the net expected return on trust assets to 4.70% per year.

Accounting Information
(Continued)

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 7.08 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

When applicable, changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability changes attributable to benefit changes occurring during the period, if any, are recognized immediately.

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2023.

Eastern Sierra Transit Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 56,483	$ 328,719
Differences Between Expected and Actual Experience	-	384,587
Net Difference Between Projected and Actual Earnings on Investments	12,252	-
Deferred Contributions	74,054	-
Total	$ 142,789	$ 713,306

ESTA will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2024	$ (107,607)
2025	(111,227)
2026	(128,354)
2027	(132,214)
2028	(135,285)
Thereafter	(29,884)

Accounting Information
(Continued)

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for accounting purposes for the fiscal year end 2023 is 3.75%. Healthcare Cost Trend Rate was assumed to start at 5.8% (increase effective January 1, 2023) and grade down to 3.9% for years 2076 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	**Current - 1% 2.75%**	**Current 3.75%**	**Current + 1% 4.75%**
Total OPEB Liability	561,888	493,010	436,461
Increase (Decrease)	68,878		(56,549)
% Increase (Decrease)	14.0%		-11.5%
Net OPEB Liability (Asset)	470,242	401,364	344,815
Increase (Decrease)	68,878		(56,549)
% Increase (Decrease)	17.2%		-14.1%
Change in Healthcare Cost Trend Rate	**Current Trend - 1%**	**Current Trend**	**Current Trend + 1%**
Total OPEB Liability	417,626	493,010	587,437
Increase (Decrease)	(75,384)		94,427
% Increase (Decrease)	-15.3%		19.2%
Net OPEB Liability (Asset)	325,980	401,364	495,791
Increase (Decrease)	(75,384)		94,427
% Increase (Decrease)	-18.8%		23.5%

Accounting Information
(Continued)

Schedule of Changes in ESTA's Net OPEB Liability and Related Ratios

Fiscal Year Ending	**6/30/2023**	**6/30/2022**	**6/30/2021**	**6/30/2020**	**6/30/2019**	**6/30/2018**
Measurement Date	*6/30/2022*	*6/30/2021*	*6/30/2020*	*6/30/2019*	*6/30/2018*	*6/30/2017*
Discount Rate on Measurement Date	*3.75%*	*1.95%*	*2.45%*	*3.13%*	*3.62%*	*3.56%*
Total OPEB liability						
Service Cost	$ 112,504	$ 174,252	$ 147,791	$ 131,215	$ 76,297	$ 74,075
Interest Cost	12,104	31,985	31,389	28,599	19,066	16,306
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(530,397)	-	(17,416)	(40,212)	-
Changes of assumptions	(134,933)	(292,491)	100,632	60,271	-	-
Benefit payments	(9,753)	(3,028)	(4,151)	(8,699)	(2,294)	(2,116)
Net change in total OPEB liability	(20,078)	(619,679)	275,661	193,970	52,857	88,265
Total OPEB liability - beginning	513,088	1,132,767	857,106	663,136	610,279	522,014
Total OPEB liability - ending (a)	$ 493,010	$ 513,088	$ 1,132,767	$ 857,106	$ 663,136	$ 610,279
Plan fiduciary net position						-
Contributions - employer	$ 69,292	$ 46,441	4,151	8,699	2,294	2,116
Net investment income	(11,880)	574				
Benefit payments	(9,753)	(3,028)	(4,151)	(8,699)	(2,294)	(2,116)
Net change in plan fiduciary net position	47,659	43,987	-	-	-	-
Plan fiduciary net position - beginning	43,987	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ 91,646	$ 43,987	$ -	$ -	$ -	$ -
Net OPEB liability - ending (a) - (b)	$ 401,364	$ 469,101	$ 1,132,767	$ 857,106	$ 663,136	$ 610,279
Covered-employee payroll	$ 2,153,393	$ 1,758,682	$ 1,361,712	$ 1,507,323	$ 1,469,433	$ 1,285,438

Accounting Information
(Continued)

Schedule of Changes in ESTA's Net OPEB Liability and Related Ratios
(concluded)

Fiscal Year Ending	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	*6/30/2022*	*6/30/2021*	*6/30/2020*	*6/30/2019*	*6/30/2018*	*6/30/2017*
Discount Rate on Measurement Date	*3.75%*	*1.95%*	*2.45%*	*3.13%*	*3.62%*	*3.56%*

Notes to Schedule - assumptions used to develop the results

Valuation Date	6/30/2021		6/30/2019	6/30/2017
Actuarial cost method	Entry Age Normal		Entry Age Normal	n/a
Amortization method	Level % Pay		Level % of Pay	n/a
Amortization period	28 years	29 years	30 years	n/a
Asset valuation method	Market Value		Market Value	n/a
Inflation	2.50%		n/a	n/a
Healthcare cost trend rates	5.8% in 2023, decreasing to 3.9% by 2076		6% in 2019, decreasing by 0.1% until reaching 5% in 2029	6% in 2017; 5% for 2018 and later years
Salary increases	3.00%		3.00%	3.00%
Retirement age	50 to 75		60 to 63	62
Mortality	CalPERS 2021 Experience Study		RP 2014 Tables	RP 2014 Tables
Mortality Improvement	MW Scale 2022		n/a	n/a

Accounting Information
(Continued)

Schedule of Contributions

This exhibit shows the Actuarially Determined Contribution (ADC), ESTA's contribution, and the excess or shortfall.

Estimated payroll for the fiscal year ending June 30, 2023 should be replaced with actual, when known.

Fiscal Year End	6/30/2023	6/30/2022	6/30/2021
Actuarially Determined Contribution	$ 90,169	$ 86,295	$ 169,156
Contributions in relation to the actuarially determined contribution	74,054	69,292	46,441
Contribution deficiency (excess)	$ 16,115	$ 17,003	$ 122,715
Covered employee payroll	*$ 2,218,000*	$ 2,153,393	1,758,682
Contributions as a percentage of covered employee payroll	3.34%	3.22%	2.64%
Percent of ADC contributed	82.13%	80.30%	27.45%

Notes to Schedule - assumptions used to develop Actuarially Determined Contributi

Valuation Date	6/30/2021		6/30/2019
Actuarial cost method	Entry Age Normal		Entry Age Normal
Amortization method	Level % of Pay		Level % of Pay
Amortization period	28 years	29 years	30 years
Asset valuation method	Market Value		Market Value
Inflation	2.5% per year		n/a
Healthcare cost trend rates	5.8% in 2023, decreasing to 3.9% by 2076		6% in 2019, decreasing by 0.1% until reaching 5% in 2029
Salary increases	3% per year		3.00%
Investment rate of return	4.7% per year		4.00%
Retirement age	50 to 75		60 to 63
Mortality	CalPERS 2021 Experience Study		RP 2014 Tables
Mortality Improvement	MW Scale 2022		n/a

Accounting Information
(Continued)

Detail of Changes to Net Position

The chart below details changes to all components of Net Position.

Eastern Sierra Transit Authority	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows: Assumption Changes	(d) Deferred Outflows: Plan Experience	(d) Deferred Outflows: Investment Experience	(d) Deferred Outflows: Deferred Contributions	(e) Deferred Inflows: Assumption Changes	(e) Deferred Inflows: Plan Experience	(e) Deferred Inflows: Investment Experience	Impact on Statement of Net Position (f) = (c) - (d) + (e)
Balance at Fiscal Year Ending 6/30/2022 *Measurement Date 6/30/2021*	$ 513,088	$ 43,987	$ 469,101	$ 87,426	$ -	$ -	$ 69,292	$ 261,603	$ 462,851	$ 34	$ 1,036,871
Changes During the Period:											
Service Cost	112,504		112,504								112,504
Interest Cost	12,104		12,104								12,104
Expected Investment Income		3,467	(3,467)								(3,467)
Authority Contributions		69,292	(69,292)								(69,292)
Changes of Benefit Terms	-		-								-
Benefit Payments	(9,753)	(9,753)	-								-
Assumption Changes	(134,933)		(134,933)					134,933			-
Plan Experience	-		-						-		-
Investment Experience		(15,347)	15,347			15,347					-
Recognized Deferred Resources				(30,943)	-	(3,069)	(69,292)	(67,817)	(78,264)	(8)	(42,785)
Contributions After Measurement Date							74,054				(74,054)
Net Changes in Fiscal Year 2022-2023	(20,078)	47,659	(67,737)	(30,943)	-	12,278	4,762	67,116	(78,264)	(8)	(64,990)
Balance at Fiscal Year Ending 6/30/2023 *Measurement Date 6/30/2022*	$ 493,010	$ 91,646	$ 401,364	$ 56,483	$ -	$ 12,278	$ 74,054	$ 328,719	$ 384,587	$ 26	$ 971,881

Accounting Information
(Continued)

Schedule of Deferred Outflows and Inflows of Resources

A listing of all deferred resource bases used to develop the Net Position and Pension Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2022

Deferred Outflow or (Inflow)						Balance	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	Source	Impact on Net OPEB Liability (NOL)	Initial Amount	Period (Yrs)	Annual Recognition	as of Jun 30, 2022	2021-22 (FYE 2023)	2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	2026-27 (FYE 2028)	Thereafter
6/30/2018	Assumption Changes	Decreased NOL	$ (40,212)	5.40	$ (7,447)	$ (2,977)	$ (7,447)	$ (2,977)	$ -	$ -	$ -	$ -	$ -
6/30/2019	Plan Experience	Decreased NOL	(17,416)	5.20	(3,349)	(4,020)	(3,349)	(3,349)	(671)	-	-	-	-
6/30/2019	Assumption Changes	Increased NOL	60,271	5.20	11,591	13,907	11,591	11,591	2,316	-	-	-	-
6/30/2020	Assumption Changes	Increased NOL	100,632	5.20	19,352	42,576	19,352	19,352	19,352	3,872	-	-	-
6/30/2021	Plan Experience	Decreased NOL	(530,397)	7.08	(74,915)	(380,567)	(74,915)	(74,915)	(74,915)	(74,915)	(74,915)	(74,915)	(5,992)
6/30/2021	Assumption Changes	Decreased NOL	(292,491)	7.08	(41,312)	(209,867)	(41,312)	(41,312)	(41,312)	(41,312)	(41,312)	(41,312)	(3,307)
6/30/2021	Investment Earnings	Decreased NOL	(42)	5.00	(8)	(26)	(8)	(8)	(8)	(10)	-	-	-
6/30/2022	Assumption Changes	Decreased NOL	(134,933)	7.08	(19,058)	(115,875)	(19,058)	(19,058)	(19,058)	(19,058)	(19,058)	(19,058)	(20,585)
6/30/2022	Investment Earnings	Increased NOL	15,347	5.00	3,069	12,278	3,069	3,069	3,069	3,069	3,071	-	-

Accounting Information
(Continued)

ESTA Contributions to the Plan

ESTA contributions to the Plan occur as benefits are paid to or on behalf of retirees and/or as contributions are made to the OPEB trust. Benefit payments may occur in the form of direct payments for premiums ("explicit subsidies") and/or indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies"). For details on Important Background Information, see Appendices.

ESTA reported the following OPEB contributions paid during the measurement period.

For the Measurement Period, Jul 1, 2021 thru Jun 30, 2022	ESTA
Authority	
(a) Contribution To PARS	$ 59,539
(b) Benefits Paid Directly to Retirees	2,542
(c) Implicit Subsidy Payment	7,211
PARS	
(d) Benefits Paid Directly to Retirees	-
(e) Reimbursements to Authority	-
Total Benefits Paid During the MP, (b)+(c)+(d)	9,753
Authority Contribution During the MP, (a)+(b)+(c)-(e)	69,292

ESTA's OPEB contributions reported as made after the measurement date but prior to the current fiscal year end are shown in the chart below.

For the Fiscal Year, Jul 1, 2022 thru Jun 30, 2023	ESTA
Authority	
(f) Contribution To PARS	$ 60,000
(g) Benefits Paid Directly to Retirees	2,791
(h) Implicit Subsidy Payment	11,263
PARS	
(i) Benefits Paid Directly to Retirees	-
(j) Reimbursements to Authority	-
Total Benefits Paid During the Current FY, (g)+(h)+(i)	14,054
Authority Contribution During the Current FY, (f)+(g)+(h)-(j)	74,054

Accounting Information
(Continued)

Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from ESTA. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2023	2,791	-	2,791	7,743	3,520	11,263	14,054
2024	3,129	5,457	8,586	-	2,913	2,913	11,499
2025	3,449	9,046	12,495	-	6,434	6,434	18,929
2026	3,790	12,550	16,340	-	7,185	7,185	23,525
2027	4,150	16,363	20,513	-	6,988	6,988	27,501
2028	4,421	21,534	25,955	-	10,388	10,388	36,343
2029	4,589	24,710	29,299	-	13,782	13,782	43,081
2030	4,760	28,582	33,342	-	9,685	9,685	43,027
2031	4,935	31,855	36,790	-	13,679	13,679	50,469
2032	5,111	35,047	40,158	-	16,844	16,844	57,002
2033	5,287	38,897	44,184	-	12,679	12,679	56,863
2034	5,461	41,736	47,197	-	15,493	15,493	62,690
2035	5,630	44,369	49,999	-	13,444	13,444	63,443
2036	5,792	46,947	52,739	-	14,775	14,775	67,514
2037	5,943	49,559	55,502	-	11,564	11,564	67,066

The amounts shown in the Explicit Subsidy table reflect the expected payment by ESTA toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date (“current retirees”) and those expected to retire after the valuation date (“future retirees”).

The amounts shown in the Implicit Subsidy table reflect the estimated excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees’ coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.

Accounting Information
(Concluded)

Sample Journal Entries

OPEB Accounts at Beginning of Fiscal Year	By Source Debit	By Source Credit	Sources Combined Debit	Sources Combined Credit
Net OPEB Liability		469,101		469,101
Deferred Outflow:				
Assumption Changes	87,426			
Plan Experience	-			
Investment Experience	-			
Contribution Subsequent to MD	69,292			
Deferred Outflows			156,718	
Deferred Inflow:				
Assumption Changes		261,603		
Plan Experience		462,851		
Investment Experience		34		
Deferred Inflows				724,488

Record Benefits Paid to Retirees	Debit	Credit
Net OPEB Liability	2,791	
Cash		2,791

Record Contributions to the Trust	Debit	Credit
Net OPEB Liability	60,000	
Cash		60,000

Record Implicit Subsidy Payment	Debit	Credit
Net OPEB Liability	11,263	
Premium Expense		11,263

Record End of Year Updates to OPEB Accounts	By Source Debit	By Source Credit	Sources Combined Debit	Sources Combined Credit
Net OPEB Liability		6,317		6,317
Deferred Outflow:				
Assumption Changes		30,943		
Plan Experience				
Investment Experience	12,278			
Contribution Subsequent to MD	4,762			
Deferred Outflows				13,903
Deferred Inflow:				
Assumption Changes		67,116		
Plan Experience	78,264			
Investment Experience	8			
Deferred Inflows			11,156	
OPEB Expense	9,064		9,064	

D. Funding Information

Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes. ESTA has been prefunding its OPEB liability by contributing 100% or more of the Actuarially Determined Contribution (ADC) each year.

Different terminology is sometimes used by actuaries and accountants when referring to key liability and expense components. Here are some of these terms which are often interchangeable:

Actuarial Funding Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	N/A; typically not reported for accounting purposes
Actuarially Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets	Fiduciary Net Position
Unfunded Actuarially Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

ESTA approved development of Actuarially Determined Contributions (ADC) based on the following two components, which are then adjusted with interest to ESTA's fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The ADC determined for ESTA's fiscal year ending June 30, 2023, was developed based on the June 30, 2021 actuarial valuation using a 4.70% discount rate (and assumed trust rate of return). A summary is shown below:

Discount Rate		**4.70%**
Actuarial Accrued Liability (projected)	$	434,201
Actuarial Value of Assets (projected)		91,646
Unfunded Actuarial Accrued Liability (UAAL)		342,555
Amortization Factor*		22.6449
Actuarially Determined Contribution for FYE 2023		
Amortization of UAAL		15,127
Normal Cost		72,995
Interest to Fiscal Year End		2,047
Total ADC	**$**	**90,169**

*Determined on a level % of pay basis over a closed 30 year period; 28 years remain for FYE 2023

The ADC determined on this basis should provide for trust sufficiency, based on the current plan provisions and employee data, if all assumptions are exactly realized *and providing that ESTA contribute 100% or more of the total ADC each year*. When an agency commits to funding the trust at or above the ADC, GASB 75 allows use of the expected long term trust return to be used as the discount rate in determining the plan liability. Even so, the ADC developed on this basis does not guarantee trust sufficiency due to the non-trivial risk that the assumptions used to determine plan contributions may not be realized.

E. Certification

The purpose of this report is to provide actuarial information in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75) for other postemployment benefits provided by the Eastern Sierra Transit Authority (ESTA). We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein.

In preparing this report we relied without audit on information provided by ESTA. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75. Plan results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

This report is prepared solely for the use and benefit of ESTA and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions: ESTA may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and ESTA may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. The signing actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: June 28, 2023

Catherine L. MacLeod	*J. Kevin Watts*
Catherine L. MacLeod, FSA, FCA, EA, MAAA	J. Kevin Watts, FSA, FCA, MAAA

F. Supporting Information

Section 1 - Summary of Employee Data

Active members: ESTA reported 45 active employees in the data provided to us for the June 30, 2021 valuation. Of these, 23 were shown as currently enrolled in the medical program while 22 employees were waiving coverage. Age and service information is summarized below.

Distribution of Benefits-Eligible Active Employees								
	Years of Service							
Current Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up	Total	Percent
Under 25							0	0%
25 to 29	2	1					3	7%
30 to 34							0	0%
35 to 39	1						1	2%
40 to 44	1						1	2%
45 to 49		2					2	4%
50 to 54	1	3	2				6	13%
55 to 59	1	5					6	13%
60 to 64	1	7	2	1			11	24%
65 to 69	2	4	1	1			8	18%
70 & Up		2	2	3			7	16%
Total	9	24	7	5	0	0	**45**	**100%**
Percent	20%	53%	16%	11%	0%	0%	**100%**	

Valuation	June 2019	June 2021
Average Attained Age for Actives	57.3	59.7
Average Years of Service	5.6	6.0

Inactive members: While 20 retirees are eligible for coverage, only 2 are currently enrolled and receiving ESTA paid medical benefits. The low participation rate to date likely reflects the portion of the premium paid by ESTA, though this has been increasing as part of a 20-year phase in since 2007. We anticipate some modest additional increase in future retiree participation once this benefit is fully phased in.

Retirees by Age	
Retiree 1	66.5
Retiree 2	69.2
Average Age:	
On 6/30/2021	67.9
At retirement	63.1

Supporting Information
(Continued)

Section 1 - Summary of Employee Data
(continued)

Summary of Plan Member Counts: The numbers of those members currently or potentially eligible to receive benefits under the OPEB plan are required to be reported in the notes to the financial statements.

Summary of Plan Member Counts	
Number of active plan members	45
Number of inactive plan members currently receiving benefits	2
Number of inactive plan members entitled to but not receiving benefits	18

Supporting Information
(Continued)

Section 2 - Summary of Retiree Benefit Provisions

OPEB provided: ESTA reported that the only OPEB provided is retiree medical coverage.

Access to coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous PEPRA employee) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with ESTA to be eligible to continue medical coverage through ESTA be entitled to the benefits described below. *It is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not the retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution*.

Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event.

Benefits provided: ESTA contracted with CalPERS for medical coverage in 2007 and executed an "unequal" PEMHCA resolution. This defines ESTA's contribution toward the cost of *active employee* medical plan premiums to be the PEMHCA minimum employer contribution (MEC)[3]. The MEC was $149 per month in 2022, increasing to $151 per month in 2023.

Under this resolution, ESTA's contribution toward *retiree* medical benefits is determined by multiplying:

- 5% *times*
- The number of prior years the employer has been contracted with PEMHCA *times*
- The contribution provided toward active employee health benefits (i.e., the MEC).

Thus, retirees received $111.75 per month in 2022 and $120.80 per month in 2023.

Current premium rates: The 2022 CalPERS monthly medical plan rates in the Region 2 rate group are shown in the table below. If different rates apply where the member resides outside of this area, those rates are reflected in the valuation, but not listed here. The additional CalPERS administration fee is assumed to be separately expensed and was not projected as an OPEB liability in the valuation.

Region 2 2022 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
PERS Platinum	882.18	1,764.36	2,293.67	381.94	763.88	1,293.19
PERS Gold	587.78	1,175.56	1,528.23	377.41	754.82	1,107.49

[3] We assume that ESTA maintains a flexible benefit plan providing additional benefits for active employees and that these additional payments are not required to be provided to retired employees to meet PEMHCA requirements.

Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. The actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

Important Dates

Fiscal Year End	June 30, 2023
GASB 75 Measurement Date	June 30, 2022 (last day of the prior fiscal year)
Valuation Date	June 30, 2021

Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology (Appendix 2 to this report).

Pre-Medicare retiree premiums are blended with premiums for active members. Medicare-eligible retirees are covered by plans which are rated solely on the experience of Medicare retirees with no subsidy by active employee premiums.

Monthly baseline premium costs were set equal to the active single premiums shown in the chart in Section 2. Representative claims costs derived from the dataset provided by CalPERS are shown in the chart on the following page. Age-based claims were applied for all retirees not yet eligible for Medicare.

Medicare-eligible retirees are covered by plans which are rated solely on the experience of Medicare retirees with no subsidy by active employee premiums. The employer's contribution is less than the lowest age adjusted premium and, as such, any subsidy between retirees in this pool is paid by other retirees. Age-based premiums were not developed for these members.

Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Development of Age-related
Medical Premiums (continued)

Expected Monthly Claims by Medical Plan for Selected Ages						
		Male				
Region	**Medical Plan**	50	53	56	59	62
Region 2	PERS Gold PPO	$ 606	$ 715	$ 830	$ 951	$ 1,082
Region 2	PERS Platinum PPO	748	882	1,025	1,175	1,335
		Female				
Region	**Medical Plan**	50	53	56	59	62
Region 2	PERS Gold PPO	$ 751	$ 825	$ 888	$ 959	$ 1,057
Region 2	PERS Platinum PPO	927	1,018	1,096	1,184	1,305

Economic Assumptions

Municipal Bond Index — Fidelity Municipal Bond AA 20 Year Maturity Yield Index 3.69% on June 30, 2022, and 1.92% on June 30, 2021

Long Term Return on Assets — 4.70% as of June 30, 2022 and 4.70% as of June 30, 2021

Discount Rate — *For accounting:* 3.75% as of June 30, 2022 and 1.95% as of June 30, 2021
For funding (ADCs): 4.70% on June 30, 2023

General Inflation Rate — 2.5% per year

Salary Increase — 3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years and to determine the amortization payment component of the Actuarially Determined Contribution.

Healthcare Trend — Medical plan premiums and estimated claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2022	Actual	2044-2049	4.7%
2023	5.8%	2050-2059	4.6%
2024	5.6%	2060-2066	4.5%
2025	5.4%	2067-2068	4.4%
2026-2027	5.2%	2069-2070	4.3%
2028-2029	5.1%	2071	4.2%
2030-2038	5.0%	2072-2073	4.1%
2039	4.9%	2074-2075	4.0%
2040-2043	4.8%	2076 & later	3.9%

Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Healthcare Trend (continued)	The healthcare trend shown above was developed using the Getzen Model 2022_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2028 20.3%; Resistance Point 20%; Year after which medical growth is limited to growth in GDP 2075. The PEMHCA minimum employer contribution is assumed to increase by 4.0% per year.

Participant Election Assumptions

Participation Rate	*Active employees:* 70% of employees currently enrolled are assumed to continue their current plan election in retirement. If not currently enrolled, a 35% probability that the employee would elect coverage in retirement and select coverage in the PERS Gold Region 2 plan. *Retired participants*: Existing medical plan elections for retirees enrolled in coverage are assumed to be continued until the retiree's death. Retirees not currently enrolled are assumed to remain unenrolled.
Spouse Coverage	*Actives:* 30% of employees are assumed to be married and to elect coverage for their spouse in retirement. Surviving spouses are assumed to retain coverage until their death. Husbands are assumed to be 3 years older than their wives. *Retired participants*: Existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse ages are used; if unknown, husbands are assumed to be 3 years older than their wives. Spouse gender is assumed to be the opposite of the employee.
Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

Supporting Information
(Concluded)

Section 3 - Actuarial Methods and Assumptions

Demographic Assumptions

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. The representative mortality rates were the published CalPERS rates, projected as described below.

Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2015 (see Appendices)	
Service Retirement Rates	Classic Tier 1:	2.5% @ 55 *(Miscellaneous)*
	Classic Tier 2:	2.0% @ 60 *(Miscellaneous)*
	PEPRA:	2.0% @ 62 *(Miscellaneous)*
	Other:	2.0% @ 55 *(Miscellaneous)*

For sample rates of assumed mortality, service and disability retirement and separation (termination) prior to retirement at selected ages, please refer to our June 30, 2021, valuation report and/or the CalPERS experience study referenced above.

Software and Models Used in the Valuation

ProVal - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

Age-based premiums model – developed internally and reviewed by an external consultant at the time it was developed. See discussion on Development of Age-Related Medical Premiums and Appendices.

Getzen model – published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.

Changes in assumptions or methods as of the Measurement Date

Discount Rate	*For accounting:* Changed from 1.95% as of June 30, 2021, to 3.75% as of June 30, 2022, based on the change in the applicable municipal bond index and the results of updated analysis prepared as described in GASB 75 paragraphs 36- 41.

Appendix 1: Important Background Information

General Types of Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

<table>
<tr><td colspan="3">Expected retiree claims</td></tr>
<tr><td colspan="2">Premium charged for retiree coverage</td><td>Covered by higher active premiums</td></tr>
<tr><td>Retiree portion of premium</td><td>Agency portion of premium
Explicit subsidy</td><td>Implicit subsidy</td></tr>
</table>

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.

Under GASB 45, for actuarial valuations dated prior to March 31, 2015, an exception allowed plan employers with a very small membership in a large "community-rated" healthcare program to avoid reporting of implicit subsidy liability. Following a change in Actuarial Standards of Practice and in accordance with GASB 75 requirements, this exception is no longer available.

Valuation Process

The valuation was based on employee census data and benefits provided by ESTA. A summary of the employee data is provided in Table 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records were reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on ESTA as to its accuracy. The valuation was based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends

Important Background Information
(Continued)

in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future premium rates;
- A change in the subsidy provided by the Agency toward retiree premiums;
- Longer life expectancies of retirees;
- Significant changes in estimated retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or contribution levels other than were assumed; and/or
- Changes in the discount rate used to value the OPEB liability

Important Background Information
(Continued)

Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and required supplementary information (RSI) in the financial reports of state and local governmental employers.

Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition*: Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected and actual trust earnings:	5-year straight-line recognition
All other amounts:	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.

Important Background Information
(Continued)

Implicit Subsidy Plan Contributions

An implicit subsidy occurs when estimated retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year's "implicit subsidy". Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year's implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
Prior to Implicit Subsidy Adjustment		
Premiums Paid by Agency During Fiscal Year	$ 411,000	$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
After Implicit Subsidy Adjustment		
Premiums Paid by Agency During Fiscal Year	$ 411,000	$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	$ 388,000	$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year's premium expense for active employees.

Discount Rate

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.

Important Background Information
(Concluded)

Actuarial Funding Method and Assumptions

The "ultimate real cost" of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the "incidence of cost". GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period's service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.

Appendix 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g., GASB 75) and actuarial standards (e.g., ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant*. For example, a claims cost curve might show that, if a 50-year-old male has $1 in claims, then on average a 50-year-old female has claims of $1.25, a 30-year male has claims of $0.40, and an 8-year-old female has claims of $0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.

Appendix 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

(1) Short-term mortality improvement rates should be based on recent experience.
(2) Long-term mortality improvement rates should be based on expert opinion.
(3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2022** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

MacLeod Watts Scale 2022 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2021 which has two segments – (1) historical improvement rates for the period 1951-2017 and (2) an estimate of future mortality improvement for years 2018-2020 using the Scale MP-2021 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2020 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2021-2030. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2030-2044. The SSA's Intermediate Scale has a final step down in 2045 which is reflected in the MacLeod Watts scale for years 2045 and thereafter. Over the ages 95 to 118, the SSA improvement rate is graded to zero.

Scale MP-2021 can be found at the SOA website and the projection scales used in the 2021 Social Security Administrations Trustees Report at the Social Security Administration website.

Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Discount Rate – Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Excise Tax – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). The tax was repealed in December 2019.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Fiduciary Net Position –The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments.

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together, and a 'blended' group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Glossary
(Continued)

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency's financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees' Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as 'belonging' to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of "Actuarial Present Value"

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility

Agenda Item #B-4
July 14, 2023

STAFF REPORT

Subject: Financial Report – FY 2022/23

Initiated by: Dawn Vidal, Administration Manager

The year-to-date roll-up and year end forecast for the 2022/23 fiscal year are included on the following pages. Reports are as of July 8,2023.

Much of ESTA's revenue is claimed on a reimbursement basis so it is normal to see low revenue amounts until after the end of the fiscal year. All revenue is coming in as expected. Next month's expenses will reflect a more accurate picture as we are still receiving invoices for June 2023.

Gas was budgeted at $5.75 per gallon and averaged $4.16 in May. FY to date average is $4.45 per gallon.

Fuel and vehicle maintenance do not reflect Town of Mammoth Lakes invoicing for May-June.

5173- Maintenance of Equipment Materials is over budget primarily because our Bishop utility workers have done more of the minor maintenance in-house than in years past.

Utilities are over budget primarily due to snow removal at the Mammoth Office.

Financial information as of: 6/30/2023 % of Fiscal Year: 100% Revenue & Expenses Still Outstanding

153299 - EASTERN SIERRA TRANSIT - ROLL UP

OPERATING

Revenue

		FY 22/23 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
4061	LOCAL TRANSPORTATION TAX	1,590,020	1,864,841	(274,821)	117%	1,590,020	-	
4065	STATE TRANSIT ASST	478,666	630,696	(152,030)	132%	630,696	152,030	
4301	INTEREST FROM TREASURY	35,000	45,342	(10,342)	130%	45,342	10,342	
4498	STATE GRANTS	80,044	125,243	-	156%	125,243	45,199	
4499	STATE OTHER	78,839	58,928	19,911	75%	78,839	-	
4555	FEDERAL GRANTS	961,740	248,178	713,562	26%	961,740	-	Generally billed at end of FY
4599	OTHER AGENCIES	1,078,792	636,928	441,864	59%	1,078,792	-	
4747	INSURANCE PAYMENTS	-				-	-	
4819	SERVICES & FEES	2,405,107	2,123,140	281,967	88%	2,405,107	-	
4959	MISCELLANEOUS REVENUE	24,000	61,739	(37,739)	257%	55,057	31,057	Lefever Advertising
4999	PRIOR YEARS REIMBURSEMENTS	0	0	0		0	-	\
	Revenue Total:	**6,732,208**	**5,795,035**	**982,372**	**86%**	**6,970,836**	238,628	

Operating Expenditure:

		FY22/23 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
5001	SALARIED EMPLOYEES	1,706,981	1,660,908	46,073	97%			
5003	OVERTIME	126,320	180,928	(54,608)	143%			
5005	HOLIDAY OVERTIME	125,926	146,393	(20,467)	116%			
5012	PART TIME EMPLOYEES	535,472	427,168	108,304	80%			
	Wages subtotal	**2,494,699**	**2,415,398**	**79,301**	**97%**	**2,494,699**	-	New EEA Wages 1/2/2023
5021	RETIREMENT & SOCIAL SECURITY	61,898	47,571	14,327	77%	**61,898**	-	
5022	PERS RETIREMENT	260,870	180,262	80,608	69%	**260,870**	-	
5025	RETIREE HEALTH BENEFITS	3,720	-	3,720	0%	**3,720**		
5031	MEDICAL INSURANCE	329,850	203,645	126,205	62%	**329,850**	-	Rate Increase 1/1/23
5043	OTHER BENEFITS	37,983	37,616	367	99%	**37,983**	-	
5045	COMPENSATED ABSENCE EXPENSE	205,039	165,941	39,098	81%	**205,039**	-	
5046	OPEB EXPENSE	60,000	60,000	-	100%	**60,000**	-	Paid in Advance
5047	EMPLOYEE INCENTIVES	11,600	11,040	560	95%	**11,600**	-	
5111	CLOTHING	2,500	3,043	(543)	122%	**3,043**	(543)	
5152	WORKERS COMPENSATION	100,638	105,028	(4,390)	104%	**105,028**	(4,390)	Prepaid
5154	UNEMPLOYMENT INSURANCE	40,000	1,067	38,933	3%	**40,000**	-	
5158	INSURANCE PREMIUM	195,440	190,893	4,547	98%	**195,440**	-	Prepaid
5171	MAINTENANCE OF EQUIPMENT	727,333	596,199	131,134	82%	**727,333**	-	Does not include May-June TOML
5173	MAINTENANCE OF EQUIPMENT-M	18,400	33,256	(14,856)	181%	**31,623**	33,256	Utility/more in house labor
5191	MAINTENANCE OF STRUCTURES	5,000	-	5,000	0%	**5,000**	-	

Operating Expenditure:		FY22/23 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
5211	MEMBERSHIPS	1,400	1,384	16	99%	1,400	-	
5232	OFFICE & OTHER EQUIP < $5,000	16,900	13,550	3,350	80%	16,900		
5238	OFFICE SUPPLIES	9,000	6,172	2,828	69%	9,000	-	
5253	ACCOUNTING & AUDITING SERVIC	51,168	46,063	5,105	90%	51,168	-	
5260	HEALTH - EMPLOYEE PHYSICALS	7,001	7,513	(512)	107%	7,513	(512)	
5263	ADVERTISING	45,902	31,289	14,613	68%	45,902	-	
5265	PROFESSIONAL & SPECIAL SERVICE	312,595	172,054	140,541	55%	312,595	-	
5291	OFFICE, SPACE & SITE RENTAL	229,740	200,821	28,919	87%	224,528		
5311	GENERAL OPERATING EXPENSE	89,376	74,317	15,059	83%	89,376	-	
5326	LATE FEES & FINANCE CHARGES	300	58	242	19%	300	-	
5331	TRAVEL EXPENSE	17,099	7,328	9,771	43%	17,099	-	
5332	MILEAGE REIMBURSEMENT	28,000	21,579	6,421	77%	28,000	-	
5351	UTILITIES	81,846	140,483	(58,637)	172%	140,483	(58,637)	Snow Removal at Mammoth Yard
5352	FUEL & OIL	895,964	641,334	254,630	72%	895,964	-	Does not include May-JuneTOML
5539	OTHER AGENCY CONTRIBUTIONS	52,000	-	52,000	0%	-		JE for $32,500 pending
5901	CONTINGENCIES	124,150	-	124,150	0%	124,150	-	
	Expenditure Total:	**6,517,411**	**5,414,904**	**1,102,507**	**83%**	**6,537,504**		

TRANSFERS Expenditure		FY22/23 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
5798	CAPITAL REPLACEMENT	145,781	145,781	145,781	1	145,781	-	
5801	OPERATING TRANSFERS OUT	-				-	-	
Expenditure Total:		145,781	145,781	145,781	1	145,781	-	
NET	TRANSFERS		291,562					

Projected Revenue less Projected Expenses:	**433,332**
Less Capital Trolley Match:	**69,000**
Less Capital Replacement Transfers:	**145,781**
Less Capital Structures & Improvements:	**13,801**
Operating Balance:	**204,750**

CAPITAL ACCOUNT Revenue		FY 22/23 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
4066	PTMISEA	92,000	92,897	(897)	101%	92,000	-	
4067	STATE TRANSIT ASST-CAPITAL	377,707	15,835	361,872	4%	377,707	-	Vehicle matching funds
4495	STATE GRANTS - CAPITAL	45,209	-	45,209	0%	45,209	-	LCTOP Electric Vehicle
4557	FEDERAL GRANTS - CAPITAL	1,376,575	189,167	1,187,408	14%	1,376,575	-	Vehicles(5310, 5339a)
4911	SALE OF FIXED ASSETS						-	

Capital Expenditures

5640	STRUCTURES & IMPROVEMENTS	13,801	4,881	8,920	35%	13,801	-	
5650	EQUIPMENT						-	
5655	VEHICLES	2,266,219	698,120	1,568,099	31%	2,266,219	-	New Vehicles (5310, 5339(a))
	Expenditure Total:	**2,280,020**	**703,002**	**1,577,018**	**31%**	**2,280,020**	-	

Projected Capital Revenue Less Projected Expenses :	**(388,529)**
Plus Trolley Funding in Operating Revenue:	
Plus Reds Radio Funding in Operating Revenue:	
Plus Structures & Improvements in Operating Revenue:	**13,801**
Plus LCTOP fund balance for Electric Vehicle:	**162,989**
Capital Balance:	**(211,739)**

Breakdown of 4819 Service & Fees Revenue	
MMSA Fees	1,045,058
Red's Revenue	594,693
All Other Passenger Fares	483,390
Total 4819	2,123,140

COUNTY OF INYO

Budget to Actuals with Encumbrances by Key/Obj

Ledger: GL

As of 6/30/2023

Object	Description	Budget	Actual	Encumbrance	Balance	%
Key: 153298 - ESTA - BUDGET						
OPERATING						
Revenue						
Expenditure						
NET OPERATING		0.00	0.00	0.00	0.00	
CAPITAL ACCOUNT						
Revenue						
NET CAPITAL ACCOUNT		0.00	0.00	0.00	0.00	
Key: 153299 - EASTERN SIERRA TRANSIT						
OPERATING						
Revenue						
4061	LOCAL TRANSPORTATION TAX	1,590,020.00	1,864,841.14	0.00	(274,821.14)	117.28
4065	STATE TRANSIT ASST	478,666.00	630,696.93	0.00	(152,030.93)	131.76
4301	INTEREST FROM TREASURY	35,000.00	45,342.17	0.00	(10,342.17)	129.54
4498	STATE GRANTS	80,044.00	125,243.00	0.00	(45,199.00)	156.46
4499	STATE OTHER	78,839.00	58,928.46	0.00	19,910.54	74.74
4555	FEDERAL GRANTS	961,740.00	248,177.53	0.00	713,562.47	25.80
4599	OTHER AGENCIES	1,078,792.00	636,928.23	0.00	441,863.77	59.04
4819	SERVICES & FEES	2,405,107.00	2,123,140.33	0.00	281,966.67	88.27
4959	MISCELLANEOUS REVENUE	24,000.00	61,738.59	0.00	(37,738.59)	257.24
	Revenue Total:	6,732,208.00	5,795,036.38	0.00	937,171.62	86.07
Expenditure						
5001	SALARIED EMPLOYEES	1,706,981.00	1,660,908.36	0.00	46,072.64	97.30
5003	OVERTIME	126,320.00	180,928.23	0.00	(54,608.23)	143.23
5005	HOLIDAY OVERTIME	125,926.00	146,392.94	0.00	(20,466.94)	116.25
5012	PART TIME EMPLOYEES	535,472.00	427,168.45	0.00	108,303.55	79.77
5021	RETIREMENT & SOCIAL SECURITY	61,898.00	47,571.32	0.00	14,326.68	76.85
5022	PERS RETIREMENT	260,870.00	180,262.33	0.00	80,607.67	69.10
5025	RETIREE HEALTH BENEFITS	3,720.00	0.00	0.00	3,720.00	0.00
5031	MEDICAL INSURANCE	329,850.00	203,644.71	0.00	126,205.29	61.73
5043	OTHER BENEFITS	37,983.00	37,616.46	0.00	366.54	99.03
5045	COMPENSATED ABSENCE EXPENSE	205,039.00	165,940.65	0.00	39,098.35	80.93
5046	OPEB EXPENSE	60,000.00	60,000.00	0.00	0.00	100.00
5047	EMPLOYEE INCENTIVES	11,600.00	11,039.91	0.00	560.09	95.17
5111	CLOTHING	2,500.00	3,043.08	0.00	(543.08)	121.72
5152	WORKERS COMPENSATION	100,638.00	105,028.00	0.00	(4,390.00)	104.36
5154	UNEMPLOYMENT INSURANCE	40,000.00	1,067.02	0.00	38,932.98	2.66
5158	INSURANCE PREMIUM	195,440.00	190,893.00	0.00	4,547.00	97.67
5171	MAINTENANCE OF EQUIPMENT	727,333.00	596,198.99	0.00	131,134.01	81.97
5173	MAINTENANCE OF EQUIPMENT-	18,400.00	33,225.93	0.00	(14,825.93)	180.57
5191	MAINTENANCE OF STRUCTURES	5,000.00	0.00	0.00	5,000.00	0.00
5211	MEMBERSHIPS	1,400.00	1,384.00	0.00	16.00	98.85
5232	OFFICE & OTHER EQUIP < $5,000	16,900.00	13,549.68	0.00	3,350.32	80.17
5238	OFFICE SUPPLIES	9,000.00	6,171.74	0.00	2,828.26	68.57
5253	ACCOUNTING & AUDITING SERVICE	51,168.00	46,062.51	0.00	5,105.49	90.02
5260	HEALTH - EMPLOYEE PHYSICALS	7,001.00	7,512.96	0.00	(511.96)	107.31
5263	ADVERTISING	45,902.00	31,289.20	0.00	14,612.80	68.16
5265	PROFESSIONAL & SPECIAL SERVICE	312,595.00	172,053.81	0.00	140,541.19	55.04
5291	OFFICE, SPACE & SITE RENTAL	229,740.00	200,821.42	0.00	28,918.58	87.41

COUNTY OF INYO

Budget to Actuals with Encumbrances by Key/Obj

Ledger: GL

As of 6/30/2023

Object	Description	Budget	Actual	Encumbrance	Balance	%
5311	GENERAL OPERATING EXPENSE	89,376.00	74,317.05	0.00	15,058.95	83.15
5326	LATE FEES & FINANCE CHARGES	300.00	58.11	0.00	241.89	19.37
5331	TRAVEL EXPENSE	17,099.00	7,328.34	0.00	9,770.66	42.85
5332	MILEAGE REIMBURSEMENT	28,000.00	21,578.69	0.00	6,421.31	77.06
5351	UTILITIES	81,846.00	140,483.05	0.00	(58,637.05)	171.64
5352	FUEL & OIL	895,964.00	641,334.37	0.00	254,629.63	71.58
5539	OTHER AGENCY CONTRIBUTIONS	52,000.00	0.00	0.00	52,000.00	0.00
5901	CONTINGENCIES	124,150.00	0.00	0.00	124,150.00	0.00
	Expenditure Total:	6,517,411.00	5,414,874.31	0.00	1,102,536.69	83.08
NET OPERATING		214,797.00	380,162.07	0.00	(165,365.07)	
NON-OPERATING						
Revenue						
NET NON-OPERATING		0.00	0.00	0.00	0.00	
CAPITAL ACCOUNT						
Revenue						
4066	PTMISEA	92,000.00	92,897.20	0.00	(897.20)	100.97
4067	STATE TRANSIT ASST-CAPITAL	377,707.00	15,835.00	0.00	361,872.00	4.19
4495	STATE GRANTS - CAPITAL	45,209.00	0.00	0.00	45,209.00	0.00
4557	FEDERAL GRANTS - CAPITAL	1,376,575.00	189,167.00	0.00	1,187,408.00	13.74
	Revenue Total:	1,891,491.00	297,899.20	0.00	1,593,591.80	15.74
Expenditure						
5630	LAND IMPROVEMENTS	13,801.00	0.00	0.00	13,801.00	0.00
5640	STRUCTURES & IMPROVEMENTS	13,801.00	4,881.37	0.00	8,919.63	35.36
5655	VEHICLES	2,266,219.00	698,120.45	0.00	1,568,098.55	30.80
	Expenditure Total:	2,293,821.00	703,001.82	0.00	1,590,819.18	30.64
NET CAPITAL ACCOUNT		(402,330.00)	(405,102.62)	0.00	2,772.62	
TRANSFERS						
Revenue						
4798	CAPITAL REPLACEMENT	0.00	145,781.00	0.00	(145,781.00)	0.00
	Revenue Total:	0.00	145,781.00	0.00	(145,781.00)	0.00
Expenditure						
5798	CAPITAL REPLACEMENT	145,781.00	145,781.00	0.00	0.00	100.00
	Expenditure Total:	145,781.00	145,781.00	0.00	0.00	100.00
NET TRANSFERS		0.00	145,781.00	0.00	(145,781.00)	
153299	**Total:**	(333,314.00)	(24,940.55)	0.00	(308,373.45)	

(https://finance.inyoco.net/Production/Navigation/Search) GL8001_UNDESIGNATED_FUND_BALANCE

Complete

COUNTY OF INYO

UNDESIGNATED FUND BALANCES

AS OF 06/30/2023

		Claim on Cash 1000	Accounts Receivable 1100,1105,1160	Loans Receivable 1140	Prepaid Expenses 1200	Accounts Payable 2000	Loans Payable 2140	Deferred Revenue 2200	Computed Fund Balance	Encumbrances	Fund Balance Undesignated
ESTA	**- EASTERN SIERRA TRANSIT AUTHORI**										
1532	EASTERN SIERRA TRANSIT	5,004,246	1,758	28,392	318,623	67,968			5,285,051		5,285,051
1533	ESTA ACCUMULATED CAPITAL	1,684,924							1,684,924		1,684,924
1534	ESTA GENERAL RESERVE	539,841							539,841		539,841
1535	ESTA BUDGET STAB RESERVE	215,934							215,934		215,934
1536	REDS MEADOW ROAD MAINTI	185,031							185,031		185,031
6809	SRTP TRANSPORT PLAN	35,970	21,236						57,206		57,206
6814	JARC-MAMMOTH EXPRESS	5,000					5,000				
6820	NON-EMERENCY TRAN REIM	5,807				417	10,485		(5,095)		(5,095)
6821	BISHOP YARD-ESTA	2,072					7,000		(4,928)		(4,928)
6822	LCTOP-ELECTRIC VEHICLE	484					5,907		(5,423)		(5,423)
6824	ESTA-LCTOP	28,890	38		2,451	190			31,189		31,189
6825	BISHOP ADMIN BUILDING	71,667							71,667		71,667
ESTA	**Totals**	7,779,866	23,032	28,392	321,074	68,575	28,392		8,055,397		8,055,397
	Grand Totals	**7,779,866**	**23,032**	**28,392**	**321,074**	**68,575**	**28,392**		**8,055,397**		**8,055,397**

July 14, 2023
Agenda Item D-1

STAFF REPORT

Subject: Executive Director’s Contract
Presented by: Phil Moores, Executive Director

Background

The current Executive Director’s employment contract was initiated and approved by the Board in October of 2018 **(Attachment A)**. The contract called for annual reviews and consideration of compensation adjustments. Pursuant to your Board’s direction, attached for your consideration is a contract amendment effective April 3, 2023.

Required Board Action

If the Board intends to change my salary and/or benefits, Government Code Section 54953(c)(3) requires the following:

> “Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive… during the open meeting in which the final action is to be taken…”

In other words, if the Board decides to adjust my salary and/or benefits, you are required to summarize the package deal during this open session. There is no exact way that the report is required to be made, so you may simply read out my title, salary, any other direct monetary benefits, and a brief list of non-monetary benefits like health insurance, vacation, etc. That information is set forth in the proposed revisions to “Attachment B” to my employment agreement with ESTA. Here is a list of salary adjustments since being hired:

2018 $118,600 ($00.00 increase. Hired at same salary as previous employer)

2019 $118,600 ($00.00 increase. I made this sacrifice as a good will gesture to ESTA and the pending driver, dispatch, and utility Employee Association contract negotiations)

2020 $118,600 ($00.00 increase. Covid-19, enough said)

2021 $122,158 (3% increase was less than staffs)

2022 $128,244 (5%)

Recommendation

Approve the submitted employment contract for the Executive Director, which includes a ____% salary increase effective April 3, 2023.

**AGREEMENT BETWEEN THE EASTERN SIERRA TRANSIT AUTHORITY
AND
FOR THE PROVISION OF PERSONAL SERVICES
AS THE EXECUTIVE DIRECTOR**

INTRODUCTION

WHEREAS, Phil Moores (hereinafter referred to as "Executive Director") has been duly appointed as EXECUTIVE DIRECTOR for the Eastern Sierra Transit Authority; and

WHEREAS, The Eastern Sierra Transit Authority (hereinafter referred to as "ESTA") and Executive Director desire to set forth the manner and means by which Executive Director will be compensated for performance of duties;

NOW THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, ESTA and Executive Director hereby agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK.

The Executive Director shall furnish to ESTA, those services and work set forth in Attachment A, attached hereto and by reference incorporated herein.

Services and work provided by the Executive Director under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state, and county laws, ordinances, and resolutions.

2. TERM.

The term of this Agreement shall be from November 5, 2018 until terminated as provided below.

3. CONSIDERATION.

A. Compensation. ESTA shall pay Executive Director in accordance with the Schedule of Fees (set forth as Attachment B) for the services and work described in Attachment A which are performed by Executive Director.

B. Travel and Per Diem. ESTA shall reimburse Executive Director for the travel expenses and per diem which Executive Director incurs in providing services and work under this Agreement. Travel and per diem expenses will be reimbursed in accordance with ESTA's Expense and Use of Public Resources Policy, however, the Executive Director will not be reimbursed for intra-region travel by private automobile to destinations less than seventy-five (75) miles from Bishop, California.

C. No Additional Consideration. Except as expressly provided in this Agreement, Executive Director shall not be entitled to, nor receive, from ESTA, any additional consideration, compensation, salary, wages, or other type of remuneration for services rendered under this Agreement.

D. Manner of Payment. Executive Director will be paid in the same manner and on the same schedule of frequency as other ESTA employees.

E. Federal and State Taxes. From all payments made to Executive Director by ESTA under the terms and provisions of this Agreement, ESTA shall withhold all appropriate federal and state income taxes (resident and non-resident).

4. WORK SCHEDULE.

Executive Director's obligation is to perform the services and work identified in Attachment A which are needed within ESTA. It is understood by Executive Director that the performance of these services and work will require a varied schedule. Executive Director, in arranging his schedule, will coordinate and make arrangements to fulfill the requirements of the services and work which is necessary.

5. REQUIRED LICENSES, CERTIFICATES, AND PERMITS.

Any licenses, certificates, or permits required by the federal, state, county, or municipal governments for Executive Director to provide the services and work described in Attachment A must be procured by Executive Director and be valid at the time Executive Director enters into this Agreement. Further, during the term of this Agreement, Executive Director must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, and professional licenses or certificates. ESTA will pay the cost of the licenses, certificates, and permits necessary for Executive Director to obtain and maintain a commercial driver's license and associated certificates in accordance with ESTA's Commercial Driver's License Reimbursements Policy. All other licenses, certificates, and permits will be procured and maintained in force by Executive Director at no expense to ESTA unless pre-authorized by the Board of Directors. Executive Director will provide ESTA, at ESTA's request, with evidence of current and valid licenses, certificates and permits which are required to perform the services identified in Attachment A. Where there is a dispute between Executive Director and ESTA as to what licenses, certificates, and permits are required to perform the services identified in Attachment A, ESTA reserves the right to make such determinations for purposes of this Agreement.

6. OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.

ESTA shall provide Executive Director with such supplies, reference materials, telephone service, and staff as is deemed necessary by ESTA for Executive Director to provide the services identified in Attachment A to this Agreement.

7. ESTA PROPERTY.

A. Supplies, Equipment, etc. All supplies, equipment, tools, protective or safety devices, badges, identification cards, keys, uniforms, vehicles, reference materials, furniture, appliances, etc. provided to Executive Director by ESTA pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of ESTA. Executive Director will use reasonable care to protect, safeguard and maintain such items while they are in Executive Director's possession.

B. Products of Executive Director's Work and Services. Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs, computer disks, computer tapes, memory chips, soundtracks, audio recordings, films, audio-visual presentations, exhibits, reports, studies, works of art, inventions, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or are the result or product of, Executive Director's services or work under this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of ESTA. At the termination of the Agreement, Executive Director will convey possession and title to all such properties to ESTA.

8. WORKERS' COMPENSATION.

ESTA shall provide workers' compensation coverage to Executive Director for all acts performed in the course and scope of providing the services described in Attachment A to this Agreement. In the event a claim is made by Executive Director for injuries received in the course and scope of providing such services, ESTA's liability shall be limited to workers' compensation benefits payable under the California Labor Code.

9. STATUS OF EXECUTIVE DIRECTOR.

All acts of Executive Director relating to the performance of this Agreement shall be performed by Executive Director as an employee of ESTA. Executive Director has no authority to bind, incur any obligation on behalf of, or exercise any right or power vested in, ESTA, except as expressly provided by law, defined in the ESTA Joint Powers Agreement, or set forth in Attachment A.

10. DEFENSE AND INDEMNIFICATION.

In the event the Executive Director is sued for acts performed within the course and scope of providing services and work described in Attachment A of this Agreement, ESTA shall defend, indemnify, and hold the Executive Director harmless from any and all liability arising from such acts as required by law.

11. TERMINATION AND DISCIPLINE.

Executive Director's services under this Agreement may be terminated by ESTA without cause, and at will, for any or no reason by giving to Executive Director ninety (90) days written notice of such intent to terminate.

Executive Director may terminate this Agreement without cause, and at will, for any reason whatsoever by giving thirty (30) days written notice of such intent to terminate to ESTA.

12. ASSIGNMENT.

This is an agreement for the personal services of Executive Director. ESTA has relied upon the skills, knowledge, experience, and training of Executive Director as an inducement to enter into this Agreement. Executive Director shall not assign or subcontract this Agreement, or any part of it, without the express written consent of ESTA.

13. NONDISCRIMINATION.

Executive Director agrees to comply with various provisions of the federal, state, and county statutes, laws, and ordinances applicable to ESTA, and providing that no person in the United States shall, on the grounds of race, color, religion, ancestry, sex, age, physical handicap, or national origin, be subjected to discrimination.

14. CONFIDENTIALITY.

Executive Director agrees to comply with various provisions of the federal, state, and county laws and ordinances providing that information and records kept, maintained, or accessible by ESTA, shall be privileged, restricted, or confidential. Disclosure of such confidential, privileged, or protected information shall be made by Executive Director only as allowed by law.

15. CONFLICTS.

Executive Director agrees that he has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the work and services under this Agreement. Executive Director agrees to complete and file appropriate conflict of interest statements.

16. POST AGREEMENT COVENANT.

Executive Director agrees not to use any confidential, protected, or privileged information which is gained from ESTA in the course of providing services and work under this Agreement, for any personal benefit, gain, or enhancement. Further, Executive Director agrees for a period of two years after the termination of this Agreement, not to seek or accept any employment with any entity, association, corporation, or person who, during the term of this Agreement, has had an adverse or conflicting interest with ESTA, or who has been an adverse party in litigation with ESTA, and concerning such, Executive Director by virtue of this Agreement has gained access to ESTA's confidential, privileged, protected, or proprietary information.

17. AMENDMENT.

This Agreement may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form, and executed with the same formalities as this Agreement, and attached to the original Agreement to maintain continuity.

18. NOTICE.

Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which Executive Director or ESTA shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first-class mail to the respective parties as follows:

ESTA
Chairperson – Board of Directors
P.O. Box 1357
Bishop, CA 93515

Executive Director:
Phil Moores
191 Alpine Drive
Aspendell, CA 93514

19. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term or provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

//// ////

AGREEMENT BETWEEN EASTERN SIERRA TRANSIT AUTHORITY
AND PHIL MOORES
FOR THE PROVISION OF PERSONAL SERVICES
AS THE ESTA EXECUTIVE DIRECTOR

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 19 DAY OF October, 2018.

ESTA

By: Kirk A. Stapp
Print or Type Name

Kirk A Stapp
Signature

Dated: 10/19/18

EXECUTIVE DIRECTOR

By: Phil Moores
Print or Type Name

Phil Moores
Signature

Dated: 10/8/18

ATTACHMENT B

AGREEMENT BETWEEN THE EASTERN SIERRA TRANSIT AUTHORITY AND PHIL MOORES FOR THE PROVISION OF PERSONAL SERVICES AS THE ESTA EXECUTIVE DIRECTOR

TERM FROM: APRIL 3, 2023 TO: Termination

SCHEDULE OF FEES:

- Salary: $__________ annually.
- Retirement: Classic Calpers 2% at 55 formula, and 100% paid by ESTA.
- Health Insurance: PERS Choice (employee contribution = 17%), PERS Select (employee contribution = 13%), or monthly stipend of $408, if no health plan is selected.
- Vision/Dental/Hearing Reimbursement: $1,500/yr. plus $600/yr. for qualifying dependents.
- Comprehensive Leave: Employee will accrue at the 4-10 year rate.
- Paid Holidays: 12 per year
- Life Insurance: $50,000, paid by ESTA

I. ESTA will make the same adjustment to the Executive Directors salary, benefits, allowances, and other forms of compensation as for other employees except as provided in the paragraph below.

II. The ESTA Board will review the performance of the Executive Director at least annually and may at that time adjust compensation as determined to be fair and reasonable. Should any adjustment be made at this time, the date of such adjustment will become the anniversary date for any subsequent compensation changes subject to paragraph I. above.

AMENDMENT NUMBER ___3__ TO
AGREEMENT BETWEEN THE EASTERN SIERRA TRANSIT AUTHORITY
AND
___PHIL MOORES___
FOR THE PROVISION OF PERSONAL SERVICES
AS THE ESTA EXECUTIVE DIRECTOR

WHEREAS, the Eastern Sierra Transit Authority (hereinafter referred to as "ESTA") and Phil Moores (hereinafter referred to as "Contractor"), have entered into an Agreement to provide personal services contractor services dated October 19, 2018.

WHEREAS, ESTA and Contractor do desire and consent to amend such Agreement as set forth below.

WHEREAS, such Agreement provides that it may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties thereto, if such amendment or change is in written from, and executed with the same formalities as such Agreement, and attached to the original Agreement to maintain continuity.

ESTA and Contractor hereby amend such Agreement via a revised ATTACHMENT B, which is attached hereto and incorporated herein.

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 14th DAY OF JULY, 2023.

ESTA	**CONTRACTOR**
By: ______________________ signature	By: __________________________ signature
_________________________ Print name	____________________________ print name
Dated: __________________	Dated: _____________________

The effective date of this Amendment to the Agreement is April 3, 2023. All the other terms and conditions of the Agreement are unchanged and remain the same.