



# ESTA BOARD AGENDA

Special Meeting

Friday, February 4, 2022 at 11:00am

**In accordance with Executive Order N-29-20 the meeting will be held virtually.**

The Agenda is available at [www.estransit.com](http://www.estransit.com)

**Chairperson: Bill Sauser**

**Vice-Chairperson: Dan Totheroh**

Board Members:

Kirk Stapp (Mammoth Lakes)  
Karen Schwartz (Bishop)  
Jim Ellis (Bishop)  
Dan Totheroh (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, February 3rd. 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 played 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](mailto:pmoores@estransit.com) by 4pm Thursday, February 3rd and provide your name, the number(s) on which you wish to speak, and your comment. These comments will be emailed to all Board members and can be provided anytime leading up to and throughout the meeting.

**HOW TO ATTEND THE ESTA BOARD MEETING:**

Listen to the meeting via phone by calling 669-900-9128 enter meeting code: 760-871-1901#, if prompted, use password 753752. Join the ZOOM meeting on your computer or mobile device by using this link:

<https://us02web.zoom.us/j/7608711901?pwd=VS9TeE4rU0NleWFCY0JTOVhzaIEyQT09>

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

**Call to Order (Begin recording meeting)**

## **Pledge of Allegiance**

## **Roll Call**

## **Bill 361 – Public Meetings**

### **Background:**

*The Governors Executive Order 9-29-20 has expired. This Order allowed for Brown Act exceptions regarding virtual public meetings. AB 361 provides the opportunity for local governments to assess circumstances and continue meeting virtually if necessary.*

### **Recommendation:**

*Request Board adopt findings pursuant to AB 361 that: A) the Board reconsidered the circumstances of the existing State of Emergency issued on March 4, 2020, in response to the COVID-19 pandemic; and B) local officials continue to recommend measures to promote social distancing, and/or the state of emergency continues to directly impact the ability of the members to meet safely in person.*

**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. Information Agenda**

- A-1 Executive Director Report
  - Reporting on ESTA activities and performance
- A-2 Financial Report for 2021/22
- A-3 Ridership Report
- A-4 Financial Audit Report FY20-21

## **B. Action Agenda**

- B-1 EEA Wages
- B-2 Mammoth Lakes Service Contract

## **C. Consent Agenda**

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.

- C-1 Approval of Regular Meeting Minutes of January 14, 2022
- C-2 Grant Application Resolution

#### **D. Board Member Comments**

#### **E. Adjournment**

The next regularly scheduled meeting is March 11, 2022 at 9:00 am. Check ESTA website for details on attending the meeting.

## STAFF REPORT

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

### **Administration**

Amber Starbuck has joined the ESTA team as Administration Specialist, filling in Dawn Vidal's previous position. Amber brings experience in Human Resources and strengthens our team. We are fully staffed in administration positions including Dispatch and Utility.

Jose Esteban is our Employee of the Quarter from Mammoth. Jose clearly loves his job and finds the mix of people from all over the world fascinating to talk to. He speaks multiple languages and earned a degree in civil engineering. Coworkers and passengers alike appreciate Jose's terrific attitude and ready smile.

### **2021 Recruitment Recap**

Like other employers in our community and Nationwide, Eastern Sierra Transit Authority had challenges filling open positions in 2021. We had open dispatch positions that we were able to fill, but open driving positions continue to be difficult.

In 2021 we had 13 drivers who ended their employment with ESTA and 2 that reduced their availability. The reasons drivers left are:

| <b>Reason</b>   | <b>Number of Employees</b> |
|-----------------|----------------------------|
| Retired         | 3                          |
| Left Area       | 3                          |
| Other position  | 5                          |
| No Snow Driving | 1                          |
| Health          | 1                          |

We worked hard to fill these positions and others that were open prior to folks leaving and we were able to hire and license nine new drivers. Of the nine drivers, seven are actively driving at this time. Our partnership with the TOML/Sign on Bonus reflects six drivers who started in the summer and two this winter. Four of the summer and the two winter drivers are actively driving for us. The ninth driver was hired for Bishop. Feedback from the

Mammoth drivers indicates that the sign on bonus was a factor in applying. Our employee Refer-a-Friend promotion did not yield results this year.

This winter was particularly challenging for recruitment. We were aggressive with our radio, newspaper, social media, various job boards and website- but results were lacking. MAWS advertising created a distraction for both potential and existing drivers.

In 2022 we will continue to work hard and look for creative ways to get our message out. A possible increase in starting pay and the creation of four year-round positions in Mammoth will help. If we are able to continue our Sign on Bonus program with the Town, we should continue to see applications from this initiative as well. As safety (Covid) allows we will return to job fairs and other community events to recruit in person. Eastern Sierra Transit is a great place to work- we will continue to spread the word.

### **Service**

The extra hour of Bishop Dial-a-Ride service in the evenings has been growing in popularity, and as a result additional coverage has been added on Friday nights. We now have regulars at the new hour riding ESTA that previously did not have access due to work hours.

### **Bishop Airport**

We have been increasing riders at the airport and we added a bus shelter for passenger comfort while they wait.

### **Vehicle Branding**

Our new buses will have a new look. Going forward, all purchased buses will look like this:



**Strategic Business Plan**

This report covers last quarter (Oct-Nov-Dec). Covid continues to prevent us from making some goals such as productivity, recruiting, and training. Actually, productivity would have been green but for the Life Line routes which are not bouncing back very quickly.

| Category                       | Standard            | Reporting Cycle | Target                    | Current                      | YTD           | GOAL |
|--------------------------------|---------------------|-----------------|---------------------------|------------------------------|---------------|------|
| SAFETY                         | Accidents           | Quarterly       | 1.00 per 100k miles       | 1.2                          | 1.3           |      |
|                                | Safety Hazards      | Quarterly       | Address All               | yes                          | yes           |      |
|                                | Injuries            | Quarterly       | 3-lost work, 3-med only   | 0,1                          | 0,1           |      |
|                                | Customer Perception | Annual          | 90%                       | 95.2%                        |               |      |
| SERVICE QUALITY AND EFFICIENCY | Productivity        | Quarterly       | FR-17, IFR-2, DAR-3, LL-4 | 27,1.7,2.8,.3                | 30,2.2,3.1,.4 |      |
|                                | Service Delivery    | Quarterly       | 99%                       | 100%                         | 99.09%        |      |
|                                | On Time Performance | Quarterly       | DAR-90%, IFR-80%,FR-90%   | DAR = 91%                    |               |      |
|                                | New Service         | Annual          | Research New Ideas        | yes                          | yes           |      |
|                                | Comments            | Quarterly       | 0.075                     | 0.064                        | 0.088         |      |
| REVENUE AND RESOURCES          | Constrained Budget  | Monthly         | At or Under Budget        | yes                          | yes           |      |
|                                | Audit Findings      | Annual          | No Findings               | 0                            | 0             |      |
|                                | Capital Purchase    | Annual          | Subjective                | yes                          | yes           |      |
| HUMAN RESOURCES                | Recruiting          | Biannual        | Subjective                | no                           | no            |      |
|                                | Training            | Annual          | Annual Hours              | no                           | no            |      |
|                                | Performance         | Annual          | Evaluations*              | yes                          |               |      |
|                                | Internal Policies   | Annual          | Address All               | ongoing                      |               |      |
|                                | Succession Plan     | Annual          | Address All               | ongoing                      |               |      |
| FLEET AND FACILITY             | Vehicle Replacement | Annual          | Active Fleet-75%          | 89%                          |               |      |
|                                | Road Calls          | Quarterly       | 3 per 100,000 miles       | 0.4                          | 0.4           |      |
|                                | Attractiveness      | Annual          | 90%                       | yes                          |               |      |
|                                | Maintenance         | Quarterly       | various                   | 87%                          | 87%           |      |
|                                | Optimal Fleet Size  | Annual          | Dispose of Excess         | yes                          |               |      |
| INNOVATION AND DESIGN          | IT Program          | Annual          | Subjective                | yes                          | yes           |      |
|                                | Bishop Building     | Quarterly       | Facility Completed        | Temporary facility completed |               |      |
|                                | Zero Emissions      | Quarterly       | Plan Completion           | under construction           |               |      |
| LEADERSHIP                     | Funding Partners    | Annual          | ED Evaluation             | yes                          | yes           |      |
|                                | Stakeholders        | Annual          | ED Evaluation             | yes                          | yes           |      |
|                                | SBP Communication   | Annual          | ED Evaluation             | yes                          | yes           |      |

**STAFF REPORT**

Subject: Financial Report – FY 2021/22  
Initiated by: Dawn Vidal, Administration Manager

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The year-to-date roll-up and year end forecast for the 2021/22 fiscal year are included on the following pages. Reports are as of January 29, 2022.

Revenue is coming in as expected. Much of ESTA’s revenue is claimed on a reimbursement basis so it is normal to see low revenue amounts.

It is expected that 5232 Office & Other Equip <\$5,000 will be over budget due to unexpected purchases consisting in part of employee lockers and furniture.

It is expected that 5291 Office Space & Site Rental will be over budget. This is primarily due to the Bishop mobile office rent being more than anticipated. An analysis of current and future expenditures relating to this rental presented to the board at a future meeting.

5640 Structures & Improvements is \$3,232 over budget. These are items related to the Bishop Mobile Office. All items relating to the office were coded there upon the advice of the Inyo County Auditor’s office to keep them out of the operating budget. At least some of this will be re-classed before year end.

Gas was budgeted at \$4.50 per gallon and averaged \$4.02 per gallon in December, with a fiscal year average of \$3.85 per gallon (15% below budget).

Overall maintenance and fuel costs are low due to not yet having the invoices for Mammoth base expenses for October through December.

We had higher than usual utility bills for snow removal and heating in December we may go over budget depending on needs for the balance of winter.

The following table details the year-to-date revenue and expenses by budget line item and includes a year-end forecast.

Financial information as of: 1/29/2022

% of Fiscal Year: 58%

153299 - EASTERN SIERRA TRANSIT - ROLL UP

| OPERATING Revenue |                            | FY21/22 Budget   | YTD Actual       | Balance          | % of Budget | Year End Forecast | YE Forecast Variance | Comments  |
|-------------------|----------------------------|------------------|------------------|------------------|-------------|-------------------|----------------------|---|
| 4061              | LOCAL TRANSPORTATION TAX   | 1,802,209        | 1,022,133        | 780,076          | 57%         | 1,802,209         | -                    | \$50,134 will fund Site Improvement in capital budget |
| 4065              | STATE TRANSIT ASST         | 338,363          | 90,447           | 247,916          | 27%         | 338,363           | -                    |   |
| 4301              | INTEREST FROM TREASURY     | 25,000           | 2,645            | 22,355           | 11%         | 25,000            | -                    |   |
| 4498              | STATE GRANTS               | 34,142           | 34,142           | -                | 100%        | 34,142            | -                    | LCOP paid in advance.                                 |
| 4499              | STATE OTHER                | 76,449           | 25,091           | 51,358           | 33%         | 76,449            | -                    |   |
| 4555              | FEDERAL GRANTS             | 1,466,345        | 4,084            | 1,462,261        | 0%          | 1,466,345         | -                    |   |
| 4599              | OTHER AGENCIES             | 1,147,731        | 415,628          | 732,103          | 36%         | 1,147,731         | -                    | \$69K of budget is Capital for Trolley                |
| 4747              | INSURANCE PAYMENTS         | -                | -                | -                | -           | -                 | -                    |   |
| 4819              | SERVICES & FEES            | 1,861,192        | 1,111,687        | 749,505          | 60%         | 1,861,192         | -                    |   |
| 4959              | MISCELLANEOUS REVENUE      | 12,000           | 7,690            | 4,310            | 64%         | 12,000            | -                    |   |
| 4999              | PRIOR YEARS REIMBURSEMENTS | -                | 10,738           | 0                | -           | -                 | -                    |   |
|                   | <b>Revenue Total:</b>      | <b>6,763,431</b> | <b>2,724,286</b> | <b>4,049,883</b> | <b>40%</b>  | <b>6,763,431</b>  | <b>-</b>             |   |

| Operating Expenditure: |                              | FY21/22 Budget   | YTD Actual       | Balance          | % of Budget | Year End Forecast | YE Forecast Variance | Comments   |
|------------------------|------------------------------|------------------|------------------|------------------|-------------|-------------------|----------------------|--|
| 5001                   | SALARIED EMPLOYEES           | 1,577,789        | 722,315          | 855,474          | 46%         |                   |                      |  |
| 5003                   | OVERTIME                     | 125,662          | 68,632           | 57,030           | 55%         |                   |                      |  |
| 5005                   | HOLIDAY OVERTIME             | 124,726          | 85,085           | 39,641           | 68%         |                   |                      |  |
| 5012                   | PART TIME EMPLOYEES          | 488,243          | 235,133          | 253,110          | 48%         |                   |                      |  |
|                        | <b>Wages subtotal</b>        | <b>2,316,420</b> | <b>1,111,164</b> | <b>1,205,256</b> | <b>48%</b>  | <b>2,316,420</b>  | <b>-</b>             |  |
| 5021                   | RETIREMENT & SOCIAL SECURITY | 57,216           | 23,336           | 33,880           | 41%         | 57,216            | -                    |  |
| 5022                   | PERS RETIREMENT              | 261,870          | 118,677          | 143,193          | 45%         | 261,870           | -                    |  |
| 5025                   | RETIREE HEALTH BENEFITS      | 2,640            | -                | 2,640            | 0%          | 2,640             | -                    |  |
| 5031                   | MEDICAL INSURANCE            | 259,790          | 103,410          | 156,380          | 40%         | 259,790           | -                    | Does not include Dec or Jan. or Dec.                 |
| 5043                   | OTHER BENEFITS               | 37,999           | 14,138           | 23,861           | 37%         | 37,999            | -                    |  |
| 5045                   | COMPENSATED ABSENCE EXPENSE  | 161,501          | 99,062           | 62,439           | 61%         | 161,501           | -                    |  |
| 5046                   | OPEB EXPENSE                 | 59,539           | 59,539           | -                | 100%        | 59,539            | -                    | Lump sum payment made.                               |
| 5047                   | EMPLOYEE INCENTIVES          | 6,300            | 2,742            | 3,558            | 44%         | 6,300             | -                    |  |
| 5111                   | CLOTHING                     | 1,500            | 1,251            | 249              | 83%         | 1,500             | -                    |  |
| 5152                   | WORKERS COMPENSATION         | 105,500          | 105,033          | 467              | 100%        | 105,500           | -                    | Paid in advance.                                     |
| 5154                   | UNEMPLOYMENT INSURANCE       | 45,000           | 265              | 44,735           | 1%          | 45,000            | -                    |  |
| 5158                   | INSURANCE PREMIUM            | 202,770          | 202,297          | 473              | 100%        | 202,770           | -                    | Paid in advance.                                     |
| 5171                   | MAINTENANCE OF EQUIPMENT     | 789,673          | 262,119          | 527,554          | 33%         | 789,673           | -                    | Haven't received bills for Oct-Dec for Mammoth Lakes |
| 5173                   | MAINTENANCE OF EQUIPMENT-M   | 18,400           | 9,179            | 9,221            | 50%         | 18,400            | -                    |  |



| Operating Expenditure:    |                                | FY21/22 Budget   | YTD Actual       | Balance          | % of Budget | Year End Forecast | YE Forecast Variance | Comments   |
|---------------------------|--------------------------------|------------------|------------------|------------------|-------------|-------------------|----------------------|--|
| 5191                      | MAINTENANCE OF STRUCTURES      | 5,000            | -                | 5,000            | 0%          | 5,000             | -                    |  |
| 5211                      | MEMBERSHIPS                    | 1,320            | 999              | 321              | 76%         | 1,320             | -                    |  |
| 5232                      | OFFICE & OTHER EQUIP < \$5,000 | 16,015           | 14,726           | 1,289            | 92%         | 16,015            | -                    | May go over budget. Unbudgeted purchases.  |
| 5238                      | OFFICE SUPPLIES                | 9,500            | 5,534            | 3,966            | 58%         | 9,500             | -                    |  |
| 5253                      | ACCOUNTING & AUDITING SERVICE  | 49,750           | 21,675           | 28,075           | 44%         | 49,750            | -                    |  |
| 5260                      | HEALTH - EMPLOYEE PHYSICALS    | 7,001            | 1,846            | 5,155            | 26%         | 7,001             | -                    |  |
| 5263                      | ADVERTISING                    | 43,202           | 23,104           | 20,098           | 53%         | 43,202            | -                    |  |
| 5265                      | PROFESSIONAL & SPECIAL SERVICE | 447,593          | 108,330          | 339,263          | 24%         | 447,593           | -                    |  |
| 5291                      | OFFICE, SPACE & SITE RENTAL    | 208,297          | 113,984          | 94,313           | 55%         | 212,101           | (3,804)              | Bishop Admin office rent is more than budgeted. Reds permit was more than expected.  |
| 5311                      | GENERAL OPERATING EXPENSE      | 104,716          | 35,873           | 68,843           | 34%         | 104,716           | -                    |  |
| 5326                      | LATE FEES & FINANCE CHARGES    | 300              | 115              | 185              | 38%         | 300               | -                    |  |
| 5331                      | TRAVEL EXPENSE                 | 16,499           | 4,926            | 11,573           | 30%         | 16,499            | -                    |  |
| 5332                      | MILEAGE REIMBURSEMENT          | 32,355           | 5,676            | 26,679           | 18%         | 32,355            | -                    |  |
| 5351                      | UTILITIES                      | 68,204           | 37,412           | 30,792           | 55%         | 68,204            | -                    |  |
| 5352                      | FUEL & OIL                     | 686,902          | 205,633          | 481,269          | 30%         | 686,902           | -                    | Haven't received bills for Oct-Dec for Mammoth Lakes   |
| 5539                      | OTHER AGENCY CONTRIBUTIONS     | 30,000           | 31,837           | 30,000           | 106%        | 31,837            | (1,837)              | \$31,873 contribution has been made to the Reds Road Fund. Note this is a transfer, rather than an actual report and does not show on the budget to actual report. |
| 5901                      | CONTINGENCIES                  | 80,000           | -                | 80,000           | 0%          | 80,000            | -                    |  |
| <b>Expenditure Total:</b> |                                | <b>6,132,772</b> | <b>2,723,880</b> | <b>3,440,729</b> | <b>44%</b>  | <b>6,138,413</b>  |                      |  |

| TRANSFERS Expenditure     |                         | FY21/22 Budget | YTD Actual | Balance        | % of Budget | Year End Forecast | YE Forecast Variance | Comments                    |
|---------------------------|-------------------------|----------------|------------|----------------|-------------|-------------------|----------------------|-----------------------------|
| 5798                      | CAPITAL REPLACEMENT     | 185,780        | -          | 185,780        | -           | 185,780           | -                    |                             |
| 5801                      | OPERATING TRANSFERS OUT | 319,511        | -          | 319,511        | -           | 319,511           | -                    | Excess LTF for new building |
| <b>Expenditure Total:</b> |                         | <b>185,780</b> | <b>-</b>   | <b>185,780</b> | <b>-</b>    | <b>185,780</b>    | <b>-</b>             |                             |

NET TRANSFERS

Projected Revenue less Projected Expenses: 625,018  
 Less Capital Trolley Match: 69,000  
 Less Capital Replacement Transfers: 185,780  
 Less Capital Structures & Improvements: 53,368  
 Operating Balance: 316,870

| CAPITAL ACCOUNT Revenue |                            | FY21/22 Budget | YTD Actual | Balance   | % of Budget | Year End Forecast | YE Forecast Variance | Comments               |
|-------------------------|----------------------------|----------------|------------|-----------|-------------|-------------------|----------------------|------------------------|
| 4066                    | PTMISEA                    | 92,000         | -          | 92,000    | 0%          | 92,000            | -                    |                        |
| 4067                    | STATE TRANSIT ASST-CAPITAL | 383,698        | -          | 383,698   | 0%          | 383,698           | -                    | Vehicle matching funds |
| 4495                    | STATE GRANTS - CAPITAL     | 19,188         | 19,118     | 70        | 100%        | 19,188            | -                    | LCTOP Electric Vehicle |
| 4557                    | FEDERAL GRANTS - CAPITAL   | 1,376,575      | -          | 1,376,575 | 0%          | 1,376,575         | -                    | Vehicles(5310, 5339a)  |
| 4911                    | SALE OF FIXED ASSETS       |                |            |           |             |                   | -                    |                        |

**Capital Expenditures**

|      |                           |                  |               |                  |           |                  |                |  |
|------|---------------------------|------------------|---------------|------------------|-----------|------------------|----------------|--|
| 5640 | STRUCTURES & IMPROVEMENTS | 50,136           | 53,368        | (3,232)          | 106%      | 53,368           | (3,232)        | Bishop Admin Office Related, may be reclassified at a later date. Funded with operating revenue. |
| 5650 | EQUIPMENT                 | 16,240           | 6,240         | 10,000           | 38%       | 16,240           | -              | Reds Radios & Electric Charger   |
| 5655 | VEHICLES                  | 2,074,119        | -             | 2,074,119        | 0%        | 2,074,119        | -              | New Vehicles (5310, 5339(a))   |
|      | <b>Expenditure Total:</b> | <b>2,140,495</b> | <b>59,608</b> | <b>2,080,887</b> | <b>3%</b> | <b>2,143,727</b> | <b>(3,232)</b> |  |

|   |                  |
|---|------------------|
| <b>Projected Capital Revenue Less Projected Expenses :</b>      | <b>(272,266)</b> |
| <b>Plus Trolley Funding in Operating Revenue:</b>               | <b>69,000</b>    |
| <b>Plus Reds Radio Funding in Operating Revenue:</b>            | <b>6,240</b>     |
| <b>Plus Structures &amp; Improvements in Operating Revenue:</b> | <b>50,136</b>    |
| <b>Plus LCTOP fund balance for Electric Vehicle:</b>            | <b>143,871</b>   |
| <b>Capital Balance:</b>   | <b>(3,019)</b>   |

**COUNTY OF INYO**  
**Budget to Actuals with Encumbrances by Key/Obj**

Ledger: GL

As of 1/29/2022

| Object                                      | Description                    | Budget       | Actual       | Encumbrance | Balance      | %      |
|---|--------------------------------|--------------|--------------|-------------|--------------|--------|
| <b>Key: 153298 - ESTA - BUDGET</b>          |                                |              |              |             |              |        |
| <b>OPERATING</b>                            |                                |              |              |             |              |        |
| <b>Revenue</b>                              |                                |              |              |             |              |        |
| <b>Expenditure</b>                          |                                |              |              |             |              |        |
| <b>NET OPERATING</b>                        |                                | 0.00         | 0.00         | 0.00        | 0.00         |        |
| <b>CAPITAL ACCOUNT</b>                      |                                |              |              |             |              |        |
| <b>Revenue</b>                              |                                |              |              |             |              |        |
| <b>NET CAPITAL ACCOUNT</b>                  |                                | 0.00         | 0.00         | 0.00        | 0.00         |        |
| <b>Key: 153299 - EASTERN SIERRA TRANSIT</b> |                                |              |              |             |              |        |
| <b>OPERATING</b>                            |                                |              |              |             |              |        |
| <b>Revenue</b>                              |                                |              |              |             |              |        |
| 4061  | LOCAL TRANSPORTATION TAX       | 1,802,209.00 | 1,022,133.29 | 0.00        | 780,075.71   | 56.71  |
| 4065  | STATE TRANSIT ASST             | 338,363.00   | 90,447.00    | 0.00        | 247,916.00   | 26.73  |
| 4301  | INTEREST FROM TREASURY         | 25,000.00    | 2,645.38     | 0.00        | 22,354.62    | 10.58  |
| 4498  | STATE GRANTS                   | 34,142.00    | 34,142.00    | 0.00        | 0.00         | 100.00 |
| 4499  | STATE OTHER                    | 76,449.00    | 25,090.90    | 0.00        | 51,358.10    | 32.82  |
| 4555  | FEDERAL GRANTS                 | 1,466,345.00 | 4,083.83     | 0.00        | 1,462,261.17 | 0.27   |
| 4599  | OTHER AGENCIES                 | 1,147,731.00 | 415,628.45   | 0.00        | 732,102.55   | 36.21  |
| 4819  | SERVICES & FEES                | 1,861,192.00 | 1,111,687.22 | 0.00        | 749,504.78   | 59.72  |
| 4959  | MISCELLANEOUS REVENUE          | 12,000.00    | 7,689.84     | 0.00        | 4,310.16     | 64.08  |
| 4999  | PRIOR YEARS REIMBURSEMENTS     | 0.00         | 10,738.07    | 0.00        | (10,738.07)  | 0.00   |
|   | <b>Revenue Total:</b>          | 6,763,431.00 | 2,724,285.98 | 0.00        | 4,039,145.02 | 40.27  |
| <b>Expenditure</b>                          |                                |              |              |             |              |        |
| 5001  | SALARIED EMPLOYEES             | 1,577,789.00 | 722,314.69   | 0.00        | 855,474.31   | 45.78  |
| 5003  | OVERTIME                       | 125,662.00   | 68,631.57    | 0.00        | 57,030.43    | 54.61  |
| 5005  | HOLIDAY OVERTIME               | 124,726.00   | 85,084.73    | 0.00        | 39,641.27    | 68.21  |
| 5012  | PART TIME EMPLOYEES            | 488,243.00   | 235,132.85   | 0.00        | 253,110.15   | 48.15  |
| 5021  | RETIREMENT & SOCIAL SECURITY   | 57,216.00    | 23,335.57    | 0.00        | 33,880.43    | 40.78  |
| 5022  | PERS RETIREMENT                | 261,870.00   | 118,677.08   | 0.00        | 143,192.92   | 45.31  |
| 5025  | RETIREE HEALTH BENEFITS        | 2,640.00     | 0.00         | 0.00        | 2,640.00     | 0.00   |
| 5031  | MEDICAL INSURANCE              | 259,790.00   | 103,409.69   | 0.00        | 156,380.31   | 39.80  |
| 5043  | OTHER BENEFITS                 | 37,999.00    | 14,138.00    | 0.00        | 23,861.00    | 37.20  |
| 5045  | COMPENSATED ABSENCE EXPENSE    | 161,501.00   | 99,061.56    | 0.00        | 62,439.44    | 61.33  |
| 5046  | OPEB EXPENSE                   | 59,539.00    | 59,539.00    | 0.00        | 0.00         | 100.00 |
| 5047  | EMPLOYEE INCENTIVES            | 6,300.00     | 2,742.22     | 0.00        | 3,557.78     | 43.52  |
| 5111  | CLOTHING                       | 1,500.00     | 1,250.78     | 0.00        | 249.22       | 83.38  |
| 5152  | WORKERS COMPENSATION           | 105,500.00   | 105,033.00   | 0.00        | 467.00       | 99.55  |
| 5154  | UNEMPLOYMENT INSURANCE         | 45,000.00    | 265.39       | 0.00        | 44,734.61    | 0.58   |
| 5158  | INSURANCE PREMIUM              | 202,770.00   | 202,297.00   | 0.00        | 473.00       | 99.76  |
| 5171  | MAINTENANCE OF EQUIPMENT       | 789,673.00   | 262,118.68   | 0.00        | 527,554.32   | 33.19  |
| 5173  | MAINTENANCE OF EQUIPMENT-      | 18,400.00    | 9,179.33     | 0.00        | 9,220.67     | 49.88  |
| 5191  | MAINTENANCE OF STRUCTURES      | 5,000.00     | 0.00         | 0.00        | 5,000.00     | 0.00   |
| 5211  | MEMBERSHIPS                    | 1,320.00     | 999.00       | 0.00        | 321.00       | 75.68  |
| 5232  | OFFICE & OTHER EQUIP < \$5,000 | 16,015.00    | 14,725.87    | 0.00        | 1,289.13     | 91.95  |
| 5238  | OFFICE SUPPLIES                | 9,500.00     | 5,533.79     | 0.00        | 3,966.21     | 58.25  |
| 5253  | ACCOUNTING & AUDITING SERVICE  | 49,750.00    | 21,675.00    | 0.00        | 28,075.00    | 43.56  |
| 5260  | HEALTH - EMPLOYEE PHYSICALS    | 7,001.00     | 1,845.83     | 0.00        | 5,155.17     | 26.36  |
| 5263  | ADVERTISING                    | 43,202.00    | 23,103.75    | 0.00        | 20,098.25    | 53.47  |
| 5265  | PROFESSIONAL & SPECIAL SERVICE | 447,593.00   | 108,329.68   | 0.02        | 339,263.30   | 24.20  |

**COUNTY OF INYO**  
**Budget to Actuals with Encumbrances by Key/Obj**

Ledger: GL

As of 1/29/2022

| Object                     | Description                 | Budget              | Actual              | Encumbrance   | Balance             | %            |
|----------------------------|-----------------------------|---------------------|---------------------|---------------|---------------------|--------------|
| 5291                       | OFFICE, SPACE & SITE RENTAL | 208,297.00          | 113,983.75          | 0.00          | 94,313.25           | 54.72        |
| 5311                       | GENERAL OPERATING EXPENSE   | 104,716.00          | 35,872.62           | 0.00          | 68,843.38           | 34.25        |
| 5326                       | LATE FEES & FINANCE CHARGES | 300.00              | 115.03              | 0.00          | 184.97              | 38.34        |
| 5331                       | TRAVEL EXPENSE              | 16,499.00           | 4,925.73            | 0.00          | 11,573.27           | 29.85        |
| 5332                       | MILEAGE REIMBURSEMENT       | 32,355.00           | 5,675.51            | 0.00          | 26,679.49           | 17.54        |
| 5351                       | UTILITIES                   | 68,204.00           | 37,412.47           | 0.00          | 30,791.53           | 54.85        |
| 5352                       | FUEL & OIL                  | 686,902.00          | 205,633.42          | 0.00          | 481,268.58          | 29.93        |
| 5539                       | OTHER AGENCY CONTRIBUTIONS  | 30,000.00           | 0.00                | 0.00          | 30,000.00           | 0.00         |
| 5901                       | CONTINGENCIES               | 80,000.00           | 0.00                | 0.00          | 80,000.00           | 0.00         |
| <b>Expenditure Total:</b>  |                             | <u>6,132,772.00</u> | <u>2,692,042.59</u> | <u>0.02</u>   | <u>3,440,729.39</u> | <u>43.89</u> |
| <b>NET OPERATING</b>       |                             | <u>630,659.00</u>   | <u>32,243.39</u>    | <u>(0.02)</u> | <u>598,415.63</u>   |              |
| <b>NON-OPERATING</b>       |                             |                     |                     |               |                     |              |
| <b>Revenue</b>             |                             |                     |                     |               |                     |              |
| <b>NET NON-OPERATING</b>   |                             | <u>0.00</u>         | <u>0.00</u>         | <u>0.00</u>   | <u>0.00</u>         |              |
| <b>CAPITAL ACCOUNT</b>     |                             |                     |                     |               |                     |              |
| <b>Revenue</b>             |                             |                     |                     |               |                     |              |
| 4066                       | PTMISEA                     | 92,000.00           | 0.00                | 0.00          | 92,000.00           | 0.00         |
| 4067                       | STATE TRANSIT ASST-CAPITAL  | 383,698.00          | 0.00                | 0.00          | 383,698.00          | 0.00         |
| 4495                       | STATE GRANTS - CAPITAL      | 19,188.00           | 19,118.00           | 0.00          | 70.00               | 99.63        |
| 4557                       | FEDERAL GRANTS - CAPITAL    | <u>1,376,575.00</u> | <u>0.00</u>         | <u>0.00</u>   | <u>1,376,575.00</u> | <u>0.00</u>  |
| <b>Revenue Total:</b>      |                             | <u>1,871,461.00</u> | <u>19,118.00</u>    | <u>0.00</u>   | <u>1,852,343.00</u> | <u>1.02</u>  |
| <b>Expenditure</b>         |                             |                     |                     |               |                     |              |
| 5640                       | STRUCTURES & IMPROVEMENTS   | 50,136.00           | 53,367.99           | 0.00          | (3,231.99)          | 106.44       |
| 5650                       | EQUIPMENT                   | 16,240.00           | 6,239.86            | 0.00          | 10,000.14           | 38.42        |
| 5655                       | VEHICLES                    | <u>2,074,119.00</u> | <u>0.00</u>         | <u>0.00</u>   | <u>2,074,119.00</u> | <u>0.00</u>  |
| <b>Expenditure Total:</b>  |                             | <u>2,140,495.00</u> | <u>59,607.85</u>    | <u>0.00</u>   | <u>2,080,887.15</u> | <u>2.78</u>  |
| <b>NET CAPITAL ACCOUNT</b> |                             | <u>(269,034.00)</u> | <u>(40,489.85)</u>  | <u>0.00</u>   | <u>(228,544.15)</u> |              |
| <b>TRANSFERS</b>           |                             |                     |                     |               |                     |              |
| <b>Revenue</b>             |                             |                     |                     |               |                     |              |
| 4998                       | OPERATING TRANSFERS IN      | <u>319,511.00</u>   | <u>0.00</u>         | <u>0.00</u>   | <u>319,511.00</u>   | <u>0.00</u>  |
| <b>Revenue Total:</b>      |                             | <u>319,511.00</u>   | <u>0.00</u>         | <u>0.00</u>   | <u>319,511.00</u>   | <u>0.00</u>  |
| <b>Expenditure</b>         |                             |                     |                     |               |                     |              |
| 5798                       | CAPITAL REPLACEMENT         | 185,780.00          | 0.00                | 0.00          | 185,780.00          | 0.00         |
| 5801                       | OPERATING TRANSFERS OUT     | <u>319,511.00</u>   | <u>0.00</u>         | <u>0.00</u>   | <u>319,511.00</u>   | <u>0.00</u>  |
| <b>Expenditure Total:</b>  |                             | <u>505,291.00</u>   | <u>0.00</u>         | <u>0.00</u>   | <u>505,291.00</u>   | <u>0.00</u>  |
| <b>NET TRANSFERS</b>       |                             | <u>319,511.00</u>   | <u>0.00</u>         | <u>0.00</u>   | <u>319,511.00</u>   |              |
| <b>153299 Total:</b>       |                             | <u>175,845.00</u>   | <u>(8,246.46)</u>   | <u>(0.02)</u> | <u>184,091.48</u>   |              |

**COUNTY OF INYO  
UNDESIGNATED FUND BALANCES**

**AS OF 06/30/2022**

|  | Claim on<br>Cash<br>1000 | Accounts<br>Receivable<br>1100,1105,1160 | Loans<br>Receivable<br>1140 | Prepaid<br>Expenses<br>1200 | Accounts<br>Payable<br>2000 | Loans<br>Payable<br>2140 | Deferred<br>Revenue<br>2200 | Computed<br>Fund<br>Balance | Encumbrances | Fund<br>Balance<br>Undesignated |
|--|--------------------------|--|-----------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------|---------------------------------|
| <b>ESTA - EASTERN SIERRA TRANSIT AUTHORI</b> |                          |  |                             |                             |                             |                          |                             |                             |              |                                 |
| 1532 EASTERN SIERRA TRANSIT                  | 3,906,269                | 2,190                                    | 61,449                      |                             | 50,249                      |                          |                             | 3,919,659                   |              | 3,919,659                       |
| 1533 ESTA ACCUMULATED                        | 1,525,820                |  |                             |                             |                             |                          |                             | 1,525,820                   |              | 1,525,820                       |
| 1534 ESTA GENERAL RESERVE                    | 535,168                  |  |                             |                             |                             |                          |                             | 535,168                     |              | 535,168                         |
| 1535 ESTA BUDGET STAB                        | 214,065                  |  |                             |                             |                             |                          |                             | 214,065                     |              | 214,065                         |
| 1536 REDS MEADOW ROAD                        | 144,737                  |  |                             |                             |                             |                          |                             | 144,737                     |              | 144,737                         |
| 6809 SRTP TRANSPORT PLAN                     | 25,253                   |  |                             |                             |                             | 47,208                   |                             | (21,955)                    |              | (21,955)                        |
| 6820 NON-EMERGENCY TRAN REIM                 | 3,544                    |  |                             |                             |                             | 8,249                    |                             | (4,705)                     |              | (4,705)                         |
| 6821 BISHOP YARD-ESTA                        | 80                       |  |                             |                             |                             | 5,008                    |                             | (4,928)                     |              | (4,928)                         |
| 6822 LCTOP-ELECTRIC VEHICLE                  | 163,058                  |  |                             |                             |                             |                          |                             | 163,058                     |              | 163,058                         |
| 6824 ESTA-LCTOP                              | 22,762                   |  |                             |                             | 2                           | 985                      |                             | 21,775                      |              | 21,775                          |
| 6825 BISHOP ADMIN BUILDING                   | 71,046                   |  |                             |                             |                             |                          |                             | 71,046                      |              | 71,046                          |
| <b>ESTA Totals</b>                           | <b>6,611,802</b>         | <b>2,190</b>                             | <b>61,449</b>               |                             | <b>50,251</b>               | <b>61,450</b>            |                             | <b>6,563,740</b>            |              | <b>6,563,740</b>                |
| <b>Grand Totals</b>                          | <b>6,611,802</b>         | <b>2,190</b>                             | <b>61,449</b>               |                             | <b>50,251</b>               | <b>61,450</b>            |                             | <b>6,563,740</b>            |              | <b>6,563,740</b>                |

**STAFF REPORT**

**Subject: Ridership Report December 2021**  
**Presented by: Phil Moores, Executive Director**

**Executive Summary**

Unsurprisingly, overall ridership increased in December compared to last year. Compared to pre-Covid, ridership was 21% down, which is basically flat from November (November was down 20%).

| <b>December Ridership Report</b> |                       |                   |                     |                                     |                                      |
|----------------------------------|-----------------------|-------------------|---------------------|-------------------------------------|--------------------------------------|
| <b>Route</b>                     | <b>Pre-Covid 2019</b> | <b>Covid 2020</b> | <b>Current 2021</b> | <b>Change Current vs. Last year</b> | <b>% Change Current vs Pre-Covid</b> |
| BEN                              | 33.00                 | 4.00              | 2.00                | -2                                  | -93.94%                              |
| BISDAR                           | 3,816.00              | 2,284.00          | 2,936.00            | 652                                 | -23.06%                              |
| BPTCAR                           | 24.00                 | 5.00              | 12.00               | 7                                   | -50.00%                              |
| LANC                             | 419.00                | 139.00            | 323.00              | 184                                 | -22.91%                              |
| LP/BIS                           | 222.00                | 151.00            | 139.00              | -12                                 | -37.39%                              |
| LPDAR                            | 417.00                | 415.00            | 390.00              | -25                                 | -6.47%                               |
| MAMFR                            | 24,999.00             | 4,565.00          | 15,366.00           | 10,801                              | -38.53%                              |
| MDAR                             | 183.00                | 88.00             | 148.00              | 60                                  | -19.13%                              |
| MMSA                             | 105,606.00            | 26,001.00         | 88,698.00           | 62,697                              | -16.01%                              |
| MXP                              | 630.00                | 178.00            | 369.00              | 191                                 | -41.43%                              |
| NRIDER                           | 404.00                | 78.00             | 192.00              | 114                                 | -52.48%                              |
| RENO                             | 625.00                | 308.00            | 434.00              | 126                                 | -30.56%                              |
| WLK                              | 26.00                 | 13.00             | 0.00                | -13                                 | -100.00%                             |
| <b>Total</b>                     | <b>137,404</b>        | <b>34,229</b>     | <b>109,009</b>      | <b>74,780</b>                       | <b>-21%</b>                          |

**Route Key**

| <b>Route</b> | <b>Route(s)</b>  |
|--------------|--|
| BEN          | Benton   |
| BISDAR       | Bishop DAR   |
| BISFR        | Bishop Creek Shuttle   |
| BPTCAR       | Bridgeport to Carson   |
| LANC         | Bishop to Lancaster  |
| LP/BIS       | Lone Pine to Bishop  |
| LPDAR        | Lone Pine DAR  |
| MAMFR        | Summer(Purple, Town Trolley, Lakes Basin) Winter(Purple, evening and late night trolley) |
| MDAR         | Mammoth DAR  |
| MMSA         | Summer(none), Winter(Red, Blue, Green, Yellow)   |
| MXP          | Mammoth Express  |
| NRIDER       | Night Rider  |
| REDS         | Reds Meadow  |
| RENO         | Bishop to Reno   |
| WLK          | Walker DAR   |

## STAFF REPORT

Subject: 2020/21 Audited Financial Report for the Eastern Sierra  
Transit Authority

Presented by: Dawn Vidal, Administration Manager

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### **BACKGROUND:**

The Transportation Development Act requires that claimants receiving funds for transit services from a County Transportation Commission submit to an annual certified fiscal audit.

### **ANALYSIS/DISCUSSION:**

In compliance with the requirements of the Transportation Development Act, the Eastern Sierra Transit Authority has an audited financial report prepared each year for the preceding fiscal year. The audit was performed this year by the firm CliftonLarsonAllan (CLA) who was chosen to perform the audit following a procurement conducted in 2018. This was the fourth year of their contract with ESTA.

There were no audit findings.

The audit for the fiscal year ending June 30, 2021 including the Management Report, is included on the following pages and will be available for public viewing on ESTA's website.

### **RECOMMENDATION:**

This item is presented for the information of the Board, which is requested to receive and file the report.



**EASTERN SIERRA TRANSIT AUTHORITY  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

[CLAcconnect.com](http://CLAcconnect.com)

**EASTERN SIERRA TRANSIT AUTHORITY  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Eastern Sierra Transit Authority  
Bishop, California

### Report on the Financial Statements

We have audited the accompanying financial statements of Eastern Sierra Transit Authority (ESTA), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

(1)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Sierra Transit Authority as of June 30, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

Board of Directors  
Eastern Sierra Transit Authority

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022, on our consideration of ESTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ESTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ESTA's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
January 26, 2022

**EASTERN SIERRA TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The following Management's Discussion and Analysis (MD&A) of the Eastern Sierra Transit Authority (ESTA) financial performance provides an introduction to the financial statements for the year ended June 30, 2021. The information contained in this MD&A should be considered in conjunction with the information contained in ESTA's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

ESTA's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. ESTA is structured as an enterprise fund. ESTA's revenues are recognized when earned, not when received. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and, with the exception of land, are depreciated over their useful lives. See the notes to the financial statements for a summary of ESTA's significant accounting policies.

Following this discussion and analysis are the basic financial statements of ESTA.

ESTA's basic financial statements are designed to provide readers with a broad overview of ESTA's financial status.

*The statement of net position* presents information on all of ESTA's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of ESTA's financial position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

*The statement of revenues, expenses, and changes in net position* presents information showing the change in ESTA's net position during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are recorded and reported in this statement for some items that will result in cash flows in future periods.

*The statement of cash flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect ESTA's cash accounts are recorded in this statement. A reconciliation of the statement of cash flows is provided at the bottom of the statement to assist in understanding the difference between cash flows from operating activities and operating income.

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

**EASTERN SIERRA TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**FINANCIAL HIGHLIGHTS**

On June 30, 2021, the assets and deferred outflows of ESTA exceeded its liabilities and deferred inflows by \$6,884,501 (net position). Of this amount, \$5,280,753 (unrestricted net position) may be used to meet ESTA's ongoing obligations to citizens and creditors, \$112,811 is restricted for road maintenance, and \$1,490,937 is ESTA's investment in capital assets.

ESTA's capital assets (e.g., land, infrastructure, and equipment) decreased by \$166,363 due to \$305,689 of capital asset additions offset by the annual depreciation of existing assets.

Long-term liabilities increased by \$393,271 due to an increase in the other postemployment benefits liability of \$193,970 and an increase to the net pension liability of \$199,301.

**FINANCIAL POSITION**

**Condensed Statement of Net Position**

|                                 | 2021                | 2020                | Variance | Change            |
|---------------------------------|---------------------|---------------------|----------|-------------------|
| <b>Assets:</b>                  |                     |                     |          |                   |
| Current and Other Assets        | \$ 6,987,287        | \$ 6,250,253        | 11.79 %  | \$ 737,034        |
| Capital Assets                  | 1,490,937           | 1,657,300           | (10.04)% | (166,363)         |
| Total Assets                    | <u>8,478,224</u>    | <u>7,907,553</u>    | 7.22 %   | 570,671           |
| Deferred Outflows               | 479,706             | 510,423             | (6.02)%  | (30,717)          |
| <b>Liabilities:</b>             |                     |                     |          |                   |
| Current Liabilities             | 524,369             | 436,404             | 20.16 %  | 87,965            |
| Long-Term Liabilities           | 1,459,221           | 1,065,950           | 36.89 %  | 393,271           |
| Total Liabilities               | <u>1,983,590</u>    | <u>1,502,354</u>    | 32.03 %  | 481,236           |
| Deferred Inflows                | <u>89,839</u>       | <u>152,378</u>      | (41.04)% | (62,539)          |
| <b>Net Position:</b>            |                     |                     |          |                   |
| Investment in Capital Assets    | 1,490,937           | 1,657,300           | (10.04)% | (166,363)         |
| Restricted for Road Maintenance | 112,811             | 111,970             | 100.00 % | 841               |
| Unrestricted                    | 5,280,753           | 4,993,974           | 5.74 %   | 286,779           |
| Total Net Position              | <u>\$ 6,884,501</u> | <u>\$ 6,763,244</u> | 1.79 %   | <u>\$ 121,257</u> |

As shown in the schedule above, at June 30, 2021, ESTA's total assets are \$8,478,224. The total assets held increased by \$570,671 from the June 30, 2020 balance of \$7,907,553. The increase in total assets was due primarily to an increase in cash and accounts receivable offset by depreciation of capital assets. Deferred outflows of \$479,706 represent contributions made by ESTA during fiscal year 2020/21 after the pension and OPEB liability measurement date of June 30, 2020 and other pension related deferred outflows.

The largest portion of ESTA's net position reflects its unrestricted portion. These funds may be used to meet ESTA's ongoing obligations to citizens and creditors.

**EASTERN SIERRA TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Changes in Net Position  
Years Ended June 30, 2021 and 2020**

|                          | <u>2021</u>         | <u>2020</u>         | <u>Variance</u> | <u>Change</u>     |
|--------------------------|---------------------|---------------------|-----------------|-------------------|
| Revenues:                |                     |                     |                 |                   |
| Operating                | \$ 1,305,608        | \$ 1,808,606        | -27.81%         | \$ (502,998)      |
| Nonoperating             | <u>3,880,831</u>    | <u>3,496,366</u>    | 11.00%          | <u>384,465</u>    |
| Total Revenues           | 5,186,439           | 5,304,972           | -2.23%          | (118,533)         |
| Expenses:                |                     |                     |                 |                   |
| Operating Expenses       | <u>5,118,141</u>    | <u>5,218,120</u>    | -1.92%          | <u>(99,979)</u>   |
| Capital Contributions    | <u>52,959</u>       | <u>72,929</u>       | -27.38%         | <u>(19,970)</u>   |
| Change in Net Position   | 121,257             | 159,781             | 24.11%          | (38,524)          |
| Net Position - Beginning | 6,763,244           | 6,603,463           | 2.42%           | 159,781           |
| Net Position - Ending    | <u>\$ 6,884,501</u> | <u>\$ 6,763,244</u> | 1.79%           | <u>\$ 121,257</u> |

*Revenues* – ESTA's revenues for fiscal year 2020/21 decreased by 2.23% or \$118,533.

*Expenses* – ESTA's expenses for fiscal year 2020/21 decreased 1.92% or \$99,979. Operating expenses decreased primarily due to lower depreciation expenses.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets* – ESTA's investment in capital assets as of June 30, 2021 amounted to \$1,490,937 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, and equipment. The \$166,364 decrease is due to depreciation of \$472,053 and capital asset additions totaling \$305,689.

*Additional information on ESTA's capital assets can be found in Note 3 of this report.*

*Long-term liabilities* - At June 30, 2021, ESTA reported \$1,459,221 related to net pension and OPEB liabilities.

*Additional information on ESTA's long-term liabilities can be found in Notes 6 and 7 of this report.*



**EASTERN SIERRA TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Eastern Sierra Transit is experiencing COVID-19 related revenue loss both in passenger fares and State and Local funding. In addition, severe driver shortages are threatening the ability to staff critical services such as the Reds Meadow Shuttle. Efforts to attract new drivers are underway. If these efforts are unsuccessful, there may be budget shortfalls due to the lack of revenue.

State Transit Assistance continues to decline as vehicles become more efficient and zero-emission vehicles become more popular. CARES, CRRSAA, and ARPA relief programs have helped us to balance the budget as the industry waits for ridership to normalize.

ESTA is waiting on the purchase of ten new vehicles, but the chassis supply shortage has significantly delayed delivery. Work on the new administrative building in Bishop is halted due to litigation between Inyo County and the landowner LADWP. It is uncertain when the project will resume. Loss of the FTA 5339 grant funds is possible if the project is delayed, and extensions are exhausted.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of ESTA's finances for all those with an interest in ESTA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Eastern Sierra Transit Authority Executive Director, at P.O. Box 1357, Bishop, CA 93515 or the Inyo County Auditor-Controller at P.O. Drawer R, Independence, CA 93526.

**EASTERN SIERRA TRANSIT AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**CURRENT ASSETS**

|                            |    |           |
|----------------------------|----|-----------|
| Cash                       | \$ | 5,396,266 |
| Accounts Receivable        |    | 413,021   |
| Due From Other Governments |    | 841,601   |
| Interest Receivable        |    | 7,865     |
| Prepaid Expenses           |    | 328,534   |
| Total Current Assets       |    | 6,987,287 |

|   |  |           |
|---|--|-----------|
| Capital Assets, Net of Accumulated Depreciation |  | 1,490,937 |
|---|--|-----------|

|              |  |           |
|--------------|--|-----------|
| Total Assets |  | 8,478,224 |
|--------------|--|-----------|

**DEFERRED OUTFLOWS OF RESOURCES**

|  |  |         |
|--|--|---------|
| Deferred Other Postemployment Benefits |  | 162,285 |
| Deferred Pensions                      |  | 317,421 |
|  |  | 479,706 |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

**CURRENT LIABILITIES**

|  |  |         |
|--|--|---------|
| Accounts Payable and Accrued Liabilities |  | 271,659 |
| Salaries Payable                         |  | 55,232  |
| Compensated Absences                     |  | 184,950 |
| Other Post Employment Benefits Liability |  | 12,528  |
| Total Current Liabilities                |  | 524,369 |

**NONCURRENT LIABILITY**

|  |  |           |
|--|--|-----------|
| Other Post Employment Benefits Liability |  | 1,120,239 |
| Net Pension Liability                    |  | 338,982   |
| Total Noncurrent Liabilities             |  | 1,459,221 |

|                   |  |           |
|-------------------|--|-----------|
| Total Liabilities |  | 1,983,590 |
|-------------------|--|-----------|

**DEFERRED INFLOWS OF RESOURCES**

|  |  |        |
|--|--|--------|
| Deferred Other Postemployment Benefits |  | 28,589 |
| Deferred Pensions                      |  | 61,250 |
|  |  | 89,839 |

**NET POSITION**

|                                 |  |              |
|---------------------------------|--|--------------|
| Investment in Capital Assets    |  | 1,490,937    |
| Restricted for road maintenance |  | 112,811      |
| Unrestricted                    |  | 5,280,753    |
| Total Net Position              |  | \$ 6,884,501 |

See accompanying Notes to Financial Statements.

**EASTERN SIERRA TRANSIT AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

|  |                            |
|--|----------------------------|
| <b>OPERATING REVENUES</b>                  |                            |
| Fare Revenues                              | \$ 1,305,608               |
| Total Operating Revenues                   | <u>1,305,608</u>           |
| <b>OPERATING EXPENSES</b>                  |                            |
| Salaries and Benefits                      | 3,017,752                  |
| Fuel                                       | 384,306                    |
| Vehicle Maintenance                        | 575,599                    |
| Professional and Other Services            | 93,625                     |
| Depreciation Expense                       | 472,053                    |
| Insurance                                  | 206,124                    |
| Rents                                      | 173,201                    |
| Miscellaneous Expenses                     | 31,243                     |
| Parts and Supplies                         | 69,388                     |
| Utilities                                  | 58,514                     |
| Advertising                                | 36,336                     |
| Total Operating Expenses                   | <u><u>5,118,141</u></u>    |
| <b>OPERATING LOSS</b>                      | (3,812,533)                |
| <b>NONOPERATING REVENUES</b>               |                            |
| Local Transportation Fund Allocation       | 1,075,433                  |
| State Transit Assistance Fund Allocation   | 351,362                    |
| Intergovernmental Revenues                 | 1,468,167                  |
| Operating Assistance                       | 890,197                    |
| Other Revenues                             | 20,109                     |
| Non Operating Revenues                     | 21,702                     |
| Use of Money and Property                  | 38,861                     |
| Gain on Sale of Assets                     | 15,000                     |
| Total Nonoperating Revenues                | <u>3,880,831</u>           |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b> | 68,298                     |
| <b>CAPITAL CONTRIBUTIONS</b>               | <u>52,959</u>              |
| <b>CHANGE IN NET POSITION</b>              | 121,257                    |
| Net Position - Beginning of Year           | <u>6,763,244</u>           |
| <b>NET POSITION - END OF YEAR</b>          | <u><u>\$ 6,884,501</u></u> |

See accompanying Notes to the Financial Statements.

**EASTERN SIERRA TRANSIT AUTHORITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

|   |                                |
|---|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                                |
| Receipts from Customers   | \$ 958,646                     |
| Cash Payments to Suppliers of Goods or Services                         | (1,592,790)                    |
| Cash Payments to Employees for Services                                 | <u>(2,620,562)</u>             |
| Net Cash Used by Operating Activities                                   | (3,254,706)                    |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                |
| Received for Use of Money and Property                                  | <u>53,191</u>                  |
| Net Cash Provided by Investing Activities                               | 53,191                         |
| <br><b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>              |                                |
| Local Transportation Fund Allocation                                    | 1,075,433                      |
| State Transit Assistance Allocation                                     | 351,362                        |
| Operating Grants - Federal and State                                    | 1,468,167                      |
| Operating Assistance  | 852,912                        |
| Other Revenues  | <u>41,811</u>                  |
| Net Cash Provided by Noncapital Financing Activities                    | 3,789,685                      |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                                |
| Capital Grants  | 52,959                         |
| Payments for Capital Asset Purchases                                    | <u>(305,690)</u>               |
| Net Cash Provided by Capital and Related Financing Activities           | <u>(252,731)</u>               |
| <br><b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                    | <br>335,439                    |
| Cash and Cash Equivalents - Beginning of Year                           | <u>5,060,827</u>               |
| <br><b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                      | <br><u><u>\$ 5,396,266</u></u> |

See accompanying Notes to the Financial Statements.

**EASTERN SIERRA TRANSIT AUTHORITY  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH  
PROVIDED (USED) BY OPERATING ACTIVITIES**

|  |        |                        |
|--|--------|------------------------|
| Operating Income (Loss)                              | \$     | (3,812,533)            |
| Adjustments to Reconcile Operating Loss to Net Cash  |        |                        |
| Provided (Used) by Operating Activities:             |        |                        |
| Depreciation   |        | 472,053                |
| (Gain) loss on disposal of capital assets            |        | 15,000                 |
| (Increase) Decrease in:                              |        |                        |
| Accounts Receivable                                  |        | (346,962)              |
| Prepaid Expense                                      |        | (31,678)               |
| Deferred Pensions                                    |        | 134,822                |
| Deferred OPEB  |        | (104,105)              |
| Increase (Decrease) in:                              |        |                        |
| Accounts Payable and Accrued Liabilities             |        | 52,224                 |
| Salaries Payable                                     |        | 32,713                 |
| Net Pension Liability                                |        | 120,638                |
| Net Other Postemployment Liability                   |        | 275,661                |
| Deferred Pensions                                    |        | (51,743)               |
| Deferred Other Postemployment Benefits               |        | (10,796)               |
|  |        | (10,796)               |
| <br>Net Cash Provided (Used) by Operating Activities | <br>\$ | <br><u>(3,254,706)</u> |

*See accompanying Notes to the Financial Statements.*

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Eastern Sierra Transit Authority (ESTA) was established in 2007 by a joint powers agreement between Inyo County, Mono County, the City of Bishop, and the Town of Mammoth Lakes to operate a regional transportation system in the Eastern Sierra region.

**Basis of Presentation**

ESTA reports the activity relevant to its operations in an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Unrestricted net position for the enterprise fund represents the net position available for future operations.

**Measurement Focus and Basis of Accounting**

Accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund is accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of increased/decreased net position. The accrual basis of accounting is used for the enterprise fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Operating Revenues** — Revenues from the sale of tickets and passenger rides are recognized as income when the related service is provided.

**Nonoperating Revenues** — ESTA receives substantial funds that are not reported as operating revenues. For example, ESTA receives operating assistance from the Town of Mammoth Lakes. These funds are recognized as revenue when all applicable eligibility requirements are met. ESTA receives annual allocations from the Local Transportation and State Transit Assistance funds of the two counties it provides services in. These allocations are recognized as revenue when the allocations are approved. ESTA also receives a number of grants from various sources. These are recognized into income as eligibility requirements are met.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

The following is a description of ESTA's main funding sources:

Passenger Revenue

Passenger fares consist of fare charges to the users of the system. Including revenue from a contract with Mammoth Mountain Ski Resort.

Operating Assistance

As mentioned above, the Town of Mammoth Lakes, a member of the Joint Powers Authority, provides operating assistance to ESTA. These revenues are not included as a component of fare revenues, but instead are reported as nonoperating revenues.

Federal Transit Administration (FTA)

FTA revenues are funded by a federal gas tax and revenues of the federal general fund. ESTA receives Section 5311 grants which are used for operations. Section 5310 funding is used for Non-Emergency Medical Program.

Local Transportation Fund (LTF)

LTF is derived from a ¼ cent of the general sales tax collected statewide. The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. Each county then apportions the LTF funds within the county based on population.

State Transit Assistance (STA)

STA funds are appropriated by the legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenue, by formula, to planning agencies and other selected agencies. Statute requires that 50% of STA funds be allocated according to population and 50% be allocated according to transit operator revenues from the prior fiscal year.

Budgetary Information

State law requires the adoption of an annual budget for the enterprise fund, which must be approved by the board of directors. The budget is prepared on an accrual basis. The board of directors adopts an annual budget for transit operations. The executive director shall have the authority to transfer funds between line items, not to exceed \$5,000 or 20% for any one line item, whichever is greater, with the limits of the overall budget. The executive director shall report, on a regular basis, any such transfers to and from budgeted line items. Budget amendments in excess of \$5,000 or 20% of a line item, whichever is greater, shall require board approval.

Cash and Cash Equivalents

For purposes of the statement of cash flows, ESTA considers the cash held in the County Treasury, its only investments, to be cash and cash equivalents.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Investments**

Investments consist of funds deposited in the pooled fund with Inyo County. Investments are stated at market value. Such investments are within the state statutes and ESTA's investment policy.

**Prepaid Items**

Payments made for services that will benefit future accounting periods are recorded as prepaid items.

**Capital Assets**

Capital assets are stated at historical cost. The cost of normal maintenance and repairs is charged to operations as incurred. Major improvements are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over estimated useful lives as follows:

|   |                |
|---|----------------|
| Buildings and Improvements                    | 40 to 50 Years |
| Buses and Maintenance Vehicles                | 5 to 12 Years  |
| Light-Rail Structures and Light-Rail Vehicles | 25 to 45 Years |
| Other Operating Equipment                     | 5 to 15 Years  |

It is the policy of ESTA to capitalize all capital assets with an individual cost of more than \$5,000, and a useful life in excess of one year.

**Compensated Absences**

ESTA's policy allows employees to accumulate earned but unused comprehensive leave and compensated time off, which will be paid to employees upon separation from ESTA's service.

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement system (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. ESTA has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and from other postemployment benefits (OPEB) liability and are reportable on the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. ESTA has two types of items which qualify for reporting in this



**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

category. These items relate to inflows from changes in the net pension and OPEB liabilities and are reportable on the statement of net position.

**Other Postemployment Benefits (OPEB)**

ESTA established a postemployment benefits trust but as of June 30, 2021 has not made any funding deposits.

**Federal, State, and Local Grant Funds**

Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land, building, and equipment are recorded as revenues as the related expenses are incurred. Approved grants for operating assistance are recorded as revenues in which the related grant conditions are met. Advances received on grants are recorded as a liability until related grant conditions are met. The Transportation Development Act (TDA) provides that any funds not earned and not used may be required to be returned to their source.

When both restricted and unrestricted resources are available for the same purpose ESTA uses restricted resources first.

**Use of Estimates**

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

**Allowance for Doubtful Accounts**

Accounts receivables consist entirely of amounts due from other governmental agencies for operating and capital grants. Management believes its accounts receivable to be fully collectible, and, accordingly, no allowance for doubtful accounts is required.

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments consisted of the following at June 30, 2021:

|   |           |                  |
|---|-----------|------------------|
| Deposits Held in the County of Inyo     |           |                  |
| Investment Pool                         | \$        | 5,336,348        |
| Deposits Held in Financial Institutions |           | 59,718           |
| Imprest Cash                            |           | 200              |
| Total                                   | <u>\$</u> | <u>5,396,266</u> |

**Custodial Credit Risk**

At June 30, 2021, the carrying amount of the deposits held at banks was \$59,718 and the bank balances totaled \$59,718. The bank balances are insured by the FDIC up to \$250,000. State law requires that the collateral be equal to or greater than 100% of all public deposit that is held with the pledging financial institution if government securities are used or 150% if mortgages are used as the collateral.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Authorized Investments**

California statutes authorize ESTA to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code Section 53600, Chapter 4 — Financial Affairs.

The Government Code allows investments in the following instruments:

- Securities of the United States government, or its agencies
- Small Business Administration loans
- Certificates of Deposit (or Time Deposits) Negotiable Certificates of Deposit
- Commercial paper and medium-term corporate notes
- Local Agency Investment Fund (State Pool and County Pool) Demand Deposits
- Repurchase Agreements (Repos)
- Passbook Savings Account Demand Deposits
- Reverse Repurchase Agreements
- County Cash Pool

The bulk of ESTA's assets are held in an investment pool with the County of Inyo. More information about the County's investments can be found in the County's financial statements.

**Cash in County Treasury**

Cash in Inyo County is held by the Inyo County treasurer in an investment pool. The County maintains a cash and investment pool in order to facilitate the management of cash. Cash in excess of current requirements is invested in various interest-bearing securities. Information regarding categorization and fair value of investments can be found in the County's financial statements. The treasurer's investments and policies are overseen by the Inyo County Treasury Oversight Committee.

Government Accounting Standards Board Statement No. 40 requires additional disclosures about a government's deposits and investment risks that include custodial risk, credit risk, concentration risk, and interest rate. ESTA did not have a deposit or investment policy that addresses specific types of risks.

Required risk disclosures for ESTA's investment in the Inyo County Investment Pool at June 30, 2021 were as follows:

|                              |                |
|------------------------------|----------------|
| Credit Risk                  | Not rated      |
| Custodial Risk               | Not applicable |
| Concentration of Credit Risk | Not applicable |
| Interest Rate Risk           | Not available  |

The fair value of ESTA's investment in the Inyo County Investment Pool is determined on an amortized cost basis which approximates fair value.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**NOTE 3 CAPITAL ASSETS**

Capital assets consisted of the following at June 30, 2021:

|   | Balance<br>7/1/2020 | Additions           | Deletions        | Transfers   | Balance<br>6/30/2021 |
|---|---------------------|---------------------|------------------|-------------|----------------------|
| Capital assets, being depreciated       |                     |                     |                  |             |                      |
| Structures and improvements             | 582,560             | -                   | -                | (5,401)     | 577,159              |
| Equipment                               | 9,694,108           | 305,689             | (377,865)        | 5,401       | 9,627,333            |
| Total capital assets, being depreciated | <u>10,276,668</u>   | <u>305,689</u>      | <u>(377,865)</u> | <u>-</u>    | <u>10,204,492</u>    |
| Less accumulated depreciation for       |                     |                     |                  |             |                      |
| Structures and improvements             | (97,979)            | (13,861)            | -                | -           | (111,840)            |
| Equipment                               | (8,521,389)         | (458,192)           | 377,866          | -           | (8,601,715)          |
| Total accumulated depreciation          | <u>(8,619,368)</u>  | <u>(472,053)</u>    | <u>377,866</u>   | <u>-</u>    | <u>(8,713,555)</u>   |
| Capital Assets, Net                     | <u>\$ 1,657,300</u> | <u>\$ (166,364)</u> | <u>\$ 1</u>      | <u>\$ -</u> | <u>\$ 1,490,937</u>  |

Depreciation expense was \$472,053 for the year ended June 30, 2021.

**NOTE 4 FARE REVENUE RATIO**

ESTA is required to maintain a fare revenue-to-operating expense ratio of 10% in accordance with the Transportation Development Act. The fare revenue-to-operating expense ratio for ESTA is calculated as follows for the year ended June 30, 2021:

|                               |                     |
|-------------------------------|---------------------|
| Fare Revenues                 | <u>\$ 1,305,608</u> |
| Operating Expenses            | 5,118,141           |
| Less: Allowable Exclusions:   |                     |
| Depreciation and Amortization | <u>(472,053)</u>    |
| Net Operating Expenses        | <u>\$ 4,646,088</u> |
| Fare Revenue Ratio            | 28.10%              |

**NOTE 5 EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PLAN)**

**Plan Description**

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. The California Public Employee's Retirement System (CalPERS) is a cost sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the state of California. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employee's Retirement Law. ESTA selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate report.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Funding Policy**

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. The fiscal year 2020/2021 employer rates are as follows:

| Tier   | Misc.    | PEPRA   |
|--------|----------|---------|
| Tier 1 | 11.742 % | 7.732 % |
| Tier 2 | 10.484 % | N/A     |

The actuarial methods and assumptions used are those adopted by the CalPERS board of administration. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS. ESTA pays plan members' contribution on their behalf for employees participating in the Classic plan. Contributions made to the pension plan during fiscal year 2020/2021 were \$134,640.

**Actuarial Assumptions**

ESTA's net pension liability is measured as its proportionate share of the total pension liability, less the proportionate share of the pension plan's fiduciary net position. The net pension liability of the cost sharing plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

- Discount Rate/Rate of Return – 7.15%
- Inflation Rate – 2.5%
- Salary increases – Varies by Entry Age and Service
- COLA Increases – up to 2.5%
- Post-Retirement Mortality – Derived using CalPERS' Membership Data for all Funds

The actuarial assumptions used in the June 30, 2019 valuation were based off on the results of an actuarial experience study for the period from 1997 to 2015. The Experience Study Report can be obtained at CalPERS' website under Forms and Publications.

The long-term expected rate of return on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. 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.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

| <u>Asset Class</u>  | <u>New Strategic<br/>Allocation</u> | <u>Real Return<br/>Years 1 - 10 (a)</u> | <u>Real Return<br/>Years 11 + (b)</u> |
|---------------------|-------------------------------------|---|---------------------------------------|
| Global Equity       | 50.00 %                             | 4.80 %                                  | 5.98 %                                |
| Fixed Income        | 28.00                               | 1.00                                    | 2.62                                  |
| Inflation Sensitive | -                                   | 0.77                                    | 1.81                                  |
| Private Equity      | 8.00                                | 6.30                                    | 7.23                                  |
| Real Estate         | 13.00                               | 3.75                                    | 4.93                                  |
| Liquidity           | 1.00                                | -                                       | (0.92)                                |
|                     | <u>100.00 %</u>                     |   |                                       |

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Detailed information about the pension fund's fiduciary net position is available in the separately issued CalPERS comprehensive annual financial report which may be obtained by contacting CalPERS.

**Net Pension Liability**

At June 30, 2021, ESTA reported a liability of \$338,982 in the statement of net position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. ESTA's proportion of the net pension liability was based on a projection of ESTA's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, which was actuarially determined. The proportionate share of the Net Pension Liability for ESTA to the total pool at June 30, 2021 was 0.00804%, an increase of 0.00258% from the prior year.

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

The following presents the net pension liability of ESTA's proportionate share of the Plan as of the measurement date calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate.

|  | <u>1% Decrease<br/>6.15%</u> | <u>Discount Rate<br/>7.15%</u> | <u>1% Increase<br/>8.15%</u> |
|--|------------------------------|--------------------------------|------------------------------|
| ESTA's Proportionate Share<br>of the Net Pension Plan<br>Liability | \$ 945,029                   | \$ 338,982                     | \$ (161,775)                 |

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

Pension expense represents the change in the net pension liability during the measurement period, adjusted by actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. During the year ended June 30, 2021, ESTA recognized a pension expense of \$256,172. At June 30, 2021, ESTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Changes in Assumptions<br>Differences between Expected and Actual<br>Experience  | \$ -                              | \$ 2,418                         |
| Net Difference between Projected and Actual<br>Investment Earnings   | 17,468                            | -                                |
| Differences between Employer Contributions<br>and Proportionate Share of Contributions<br>Change in Authority's Proportion | 10,070                            | -                                |
| Pension Contributions Made Subsequent to<br>Measurement Date   | 11,563                            | 58,832                           |
|  | 143,680                           | -                                |
|  | 134,640                           | -                                |
|  | \$ 317,421                        | \$ 61,250                        |

The \$134,640 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020, measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

| Year Ending June 30, | Amount     |
|----------------------|------------|
| 2022                 | \$ 73,362  |
| 2023                 | 26,849     |
| 2024                 | 16,492     |
| 2025                 | 4,828      |
| Total                | \$ 121,531 |

**NOTE 6 OTHER POST EMPLOYMENT BENEFITS PLAN**

**Plan Description**

*Plan administration.* ESTA sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

*Benefits provided.* Employees hired before January 1, 2013 are eligible for ESTA-paid retiree medical benefits upon attainment of age 50 and 5 years CalPERS service. Employees hired on or after January 1, 2013 are eligible for ESTA-paid retiree medical benefits upon attainment of age 52 and 5 years CalPERS service.

ESTA contributes the PEMHCA minimum under the unequal method (5% times number of years ESTA has been in PEMHCA). ESTA joined PEMHCA in 2007, therefore for 2020, this amount is 65% of the

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

PEMHCA minimum (\$139), or \$90.35 per month. In 2021, this amount is 70% of the PEMHCA minimum (\$143), or \$100.10 per month. In addition to the PEMHCA minimum, ESTA pays administrative fees of 0.24% per premium. Also, survivor benefits are available.

Plan membership. At July 1, 2019, membership consisted of the following:

|   |    |
|---|----|
| Inactive plan members or beneficiaries currently receiving benefit payments | 4  |
| Active plan members   | 50 |

Contributions – ESTA currently finances benefits on a pay-as-you-go basis.

**Total OPEB Liability**

ESTA's Total OPEB Liability was measured as of June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**Actuarial Assumptions**

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                         |   |
|-------------------------|---|
| Salary increases        | 3.00 percent  |
| Medical cost trend rate | 5.9 percent for 2020 decreasing<br>0.10 percent annually to an<br>ultimate rate of 5.00 percent for<br>2029 and later years |
| Inflation rate          | 3.00 percent  |

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

*Discount rate.* GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure ESTA's Total OPEB liability is based on these requirements and the following information:

| Reporting Date | Measurement Date | Municipal Bond 20-Year High Grade Rate Index | Discount Rate |
|----------------|------------------|--|---------------|
| June 30, 2021  | June 30, 2020    | 2.45%  | 2.45%         |

The discount rate was reduced by 0.68% from the prior year discount rate of 3.13%.

**Changes in the Total OPEB Liability**

The table below shows the changes in the Total OPEB liability, the Plan Fiduciary Net Position, and the Net OPEB liability as of the measurement date June 30, 2020

|   | Increase (Decrease)  |                             |                    |
|---|----------------------|-----------------------------|--------------------|
|   | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balance - July 1, 2019                            | \$ 857,106           | \$ -                        | \$ 857,106         |
| Change in the Year:                               |                      |                             |                    |
| Service Cost                                      | 147,791              | -                           | 147,791            |
| Interest on Total OPEB Liability                  | 31,389               | -                           | 31,389             |
| Difference Between Expected and Actual Experience | -                    | -                           | -                  |
| Changes of Assumptions                            | 100,632              | -                           | 100,632            |
| Benefit Payments <sup>1</sup>                     | (4,151)              | (4,151)                     | -                  |
| Contributions - Employer                          | -                    | 4,151                       | (4,151)            |
| Net Changes                                       | 275,661              | -                           | 275,661            |
| Balance - June 30, 2020                           | \$ 1,132,767         | \$ -                        | \$ 1,132,767       |

Amount includes implicit subsidy associated with benefits paid



**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of ESTA, as well as what ESTA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

|                    | 1% Decrease<br>1.45% | Discount Rate<br>2.45% | 1% Increase<br>3.45% |
|--------------------|----------------------|------------------------|----------------------|
| Net OPEB Liability | \$ 1,310,731         | \$ 1,132,767           | \$ 989,556           |

The following presents the net OPEB liability of ESTA, as well as what ESTA's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

|                    | 1% Decrease<br>(4.90% to 4.00%) | Trend Rate<br>(5.90% to 5.00%) | 1% Increase<br>(6.90% to 6.00%) |
|--------------------|---------------------------------|--------------------------------|---------------------------------|
| Net OPEB Liability | \$ 972,098                      | \$ 1,132,767                   | \$ 1,333,824                    |

**OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, ESTA recognized OPEB expense of \$133,696. OPEB expense represents the change in the total OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in actuarial assumptions or method. At June 30, 2021, ESTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Employer contributions made subsequent to the measurement date | \$ 46,441                         | \$ -                             |
| Change in assumptions  | 115,844                           | 17,871                           |
| Difference between expected and actual experience              | -                                 | 10,718                           |
| Total  | \$ 162,285                        | \$ 28,589                        |

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

The \$46,411 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year Ended June 30, | <u>Amount</u>    |
|---------------------|------------------|
| 2022                | 22,672           |
| 2023                | 22,672           |
| 2024                | 27,142           |
| 2025                | 14,769           |
|                     | -                |
|                     | <u>\$ 87,255</u> |

**EASTERN SIERRA TRANSIT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN MEASUREMENT DATES**

**Other Postemployment Benefits Plan (OPEB) – Schedule of Changes in the Net OPEB Liability and Related Ratios**

Last 10 Fiscal Years\*

|   | FY2018            | FY2019            | FY2020            | FY2021              |
|---|-------------------|-------------------|-------------------|---------------------|
| <b>Total OPEB Liability</b>   |                   |                   |                   |                     |
| Service Cost  | \$ 74,075         | \$ 76,297         | \$ 131,215        | \$ 147,791          |
| Interest  | 16,306            | 19,066            | 28,599            | 31,389              |
| Actual and Expected Experience Difference                               | -                 | -                 | (17,416)          | -                   |
| Changes of Assumptions  | -                 | (40,212)          | 60,271            | 100,632             |
| Benefit Payments  | (2,116)           | (2,294)           | (8,699)           | (4,151)             |
| Net Changes in Total OPEB Liability                                     | 88,265            | 52,857            | 193,970           | 275,661             |
| Total OPEB Liability - beginning  | 522,014           | 610,279           | 663,136           | 857,106             |
| Total OPEB Liability - ending (a)                                       | <u>\$ 610,279</u> | <u>\$ 663,136</u> | <u>\$ 857,106</u> | <u>\$ 1,132,767</u> |
| <b>Plan Fiduciary Net Position</b>                                      |                   |                   |                   |                     |
| Contributions - Employer  | \$ 2,116          | \$ 2,294          | \$ 8,699          | \$ 4,151            |
| Benefit Payments  | (2,116)           | (2,294)           | (8,699)           | (4,151)             |
| Net Change in Plan Fiduciary Net Position                               | -                 | -                 | -                 | -                   |
| Plan Fiduciary Net Position - beginning                                 | -                 | -                 | -                 | -                   |
| Plan Fiduciary Net Position - ending (b)                                | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>         |
| ESTA's Net OPEB Liability - ending (a) - (b)                            | <u>\$ 610,279</u> | <u>\$ 663,136</u> | <u>\$ 857,106</u> | <u>\$ 1,132,767</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 0.00%             | 0.00%             | 0.00%             | 0.00%               |
| Covered Employee Payroll  | \$ 1,285,438      | \$ 1,469,433      | \$ 1,507,323      | \$ 1,361,712        |
| ESTA's Net OPEB Liability as a Percentage of Covered Employee Payroll   | 47.48%            | 45.13%            | 56.86%            | 0.00%               |
| Measurement Date  | 6/30/2017         | 6/30/2018         | 6/30/2019         | 6/30/2020           |

**EASTERN SIERRA TRANSIT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**Schedule of ESTA's Proportionate Share of the Net Pension Liability (Last 10 Measurement Periods\*):**

| Measurement Date | ESTA's Proportion of the Net Pension Liability | ESTA's Proportionate Share of the Net Pension Liability | ESTA's Covered Payroll | ESTA's Proportionate Share of the Net Pension Liability | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------|--|---|------------------------|---|--|
| 2014             | Varies by plan                                 | \$ 413,616  | \$ 1,366,206           | 30.27 %   | 79.87 %  |
| 2015             | 0.0166 %                                       | 387,894   | 1,582,603              | 24.51 %   | 83.27 %  |
| 2016             | 0.0156 %                                       | 540,971   | 1,517,088              | 35.66 %   | 80.22 %  |
| 2017             | 0.0038 %                                       | 149,988   | 1,296,176              | 11.57 %   | 75.39%   |
| 2018             | 0.0033 %                                       | 122,894   | 1,285,439              | 9.56 %  | 77.69%   |
| 2019             | 0.0055 %                                       | 218,344   | 1,469,433              | 14.86%  | 77.69%   |
| 2020             | 0.0080 %                                       | 338,982   | 1,507,323              | 22.49%  | 77.73%   |

**CalPERS — Schedule of ESTA Contributions (Last 10 Fiscal Years\*)**

| Fiscal Year | Actuarially Determined Contribution | Total Actual Contributions | Contribution Deficiency (Excess) | ESTA's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|----------------------------|----------------------------------|------------------------|--|
| 2015        | \$ 183,362                          | (183,362)                  | \$ -                             | \$ 1,582,603           | 11.59%   |
| 2016        | 209,515                             | (209,515)                  | -                                | 1,517,088              | 13.81%   |
| 2017        | 227,073                             | (690,642)                  | (463,569)                        | 1,296,176              | 53.28%   |
| 2018        | 190,183                             | (190,183)                  | -                                | 1,285,438              | 14.80%   |
| 2019        | 123,337                             | (123,337)                  | -                                | 1,469,433              | 8.39%  |
| 2020        | 137,639                             | (137,639)                  | -                                | 1,507,323              | 9.13%  |
| 2021        | 134,640                             | (134,640)                  | -                                | 1,361,712              | 9.89%  |

\*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

**EASTERN SIERRA TRANSIT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

| Federal Grantor/Pass-Through Grantor/Program Title                              | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Disbursements/ Expenditures | Expenditures to Subrecipients |
|---|-----------------------------------|--|-----------------------------|-------------------------------|
| <b>U.S. Department of Transportation</b>  |                                   |  |                             |                               |
| Passed through CalTrans:  |                                   |  |                             |                               |
| FTA Section 5311 Formula Grants for Rural Areas                                 | 20.509                            | -                                      | \$ 205,841                  | \$ -                          |
| COVID-19 Formula Grants for Rural Areas   | 20.509                            | -                                      | 433,394                     | -                             |
| COVID-19 Formula Grants for Rural Areas   | 20.509                            | -                                      | <u>460,703</u>              | <u>-</u>                      |
| Subtotal Federal Assistance Listing Number 20.509                               |                                   |  | 1,099,938                   | -                             |
| FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513                            | -                                      | 21,312                      | -                             |
| FTA Section 5339 Grants for Buses and Bus Facilities Formula Program            | 20.526                            | -                                      | <u>235,761</u>              | <u>-</u>                      |
| Total U.S. Department of Transportation   |                                   |  | <u>\$ 1,357,011</u>         | <u>\$ -</u>                   |
| Total Expenditures of Federal Awards  |                                   |  | <u>\$ 1,357,011</u>         | <u>\$ -</u>                   |

**EASTERN SIERRA TRANSIT AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**NOTE 1      REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Eastern Sierra Transit Authority (the Authority). The Authority's reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**NOTE 2      BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cashflows of the Authority.

**NOTE 3      INDIRECT COST RATE**

The Authority elected not to use the 10% de minimis indirect cost rate as allowed in 2 CFR§200.414.

**NOTE 4      PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the Authority determined that no identifying number is assigned for the program or the Authority was unable to obtain an identifying number from the pass-through entity.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Eastern Sierra Transit Authority  
Bishop, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Eastern Sierra Transit Authority (ESTA), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered ESTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ESTA's internal control. Accordingly, we do not express an opinion on the effectiveness of ESTA's internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Roseville, California  
January 26, 2022





**REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES,  
AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT  
AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE LOCAL  
TRANSPORTATION COMMISSION**

Board of Directors  
Eastern Sierra Transit Authority  
Bishop, California

We have audited the financial statements of the Eastern Sierra Transit Authority (ESTA) as of and for the year ended June 30, 2021 and have issued our report thereon dated January 26, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the Eastern Sierra Transit Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statements. Additionally, we performed tests to determine that allocations made and expenditures paid by the Mono County Local Transportation Commission and Inyo County Transportation Commission were made in accordance with the allocation instructions and resolutions of the Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Section 6667 that are applicable to the Eastern Sierra Transit Authority. In connection with our audit, nothing came to our attention that caused us to believe the Eastern Sierra Transit Authority failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act and the allocation instructions and resolutions of the Local Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Board of Directors  
Eastern Sierra Transit Authority

This report is intended solely for the information and use of the Eastern Sierra Transit Authority, the Mono County Local Transportation Commission, the Inyo County Local Transportation Commission, management, the California Department of Transportation, and the State Controller's Office and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Roseville, California  
January 26, 2022



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

Board of Directors  
Eastern Sierra Transit Authority  
Bishop, California

### **Report on Compliance for Major Federal Program**

We have audited Eastern Sierra Transit Authority (the Authority) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditors' Responsibility***

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

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

### ***Opinion on Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

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



**CliftonLarsonAllen LLP**

Roseville, California  
January 26, 2022

**EASTERN SIERRA TRANSIT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

***Identification of Major Federal Programs***

| <b>Assistance Listing Number</b>   | <b>Name of Federal Program or Cluster</b> |
|--|---|
| 20.509   | Formula Grants for Rural Areas            |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000                                 |
| Auditee qualified as low-risk auditee?                                   | _____ yes <u>  x  </u> no                 |

**EASTERN SIERRA TRANSIT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Financial and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**STAFF REPORT**

Subject: EEA Memorandum of Understanding  
 Initiated by: Phil Moores, Executive Director

**Background**

The members of the EEA have operated under tremendous pressure during the last year and a half. The pandemic restrictions and hazards they faced have been unprecedented. Add the high inflation rate to the equation along with rising wages in general, and the need for a wage increase becomes clear.

The current EEA MOU expires December 31, 2022. This increase is recommended to take place without negotiation. The scheduled negotiation for the MOU is planned for later this summer.

**Fiscal Implications:**

Proposed wage scale:

|                                     | Current Wage Scale  |          |          |          |          |          | Longevity Scale 2% |          |          |          |
|-------------------------------------|---------------------|----------|----------|----------|----------|----------|--------------------|----------|----------|----------|
|                                     | A                   | B        | C        | D        | E        | F        | 10 years           | 15 years | 20 years | 25 years |
| Lead Transit Driver                 | \$ 16.40            | \$ 16.90 | \$ 17.40 | \$ 17.90 | \$ 18.40 | \$ 18.90 | \$ 19.28           | \$ 19.66 | \$ 20.06 | \$ 20.46 |
| Transit Trainer                     | \$ 17.00            | \$ 17.50 | \$ 18.00 | \$ 18.50 | \$ 19.00 | \$ 19.50 | \$ 19.89           | \$ 20.29 | \$ 20.69 | \$ 21.11 |
| Transit Driver                      | \$ 15.25            | \$ 15.75 | \$ 16.25 | \$ 16.75 | \$ 17.25 | \$ 17.75 | \$ 18.11           | \$ 18.47 | \$ 18.84 | \$ 19.21 |
| Transportation Dispatcher           | \$ 17.50            | \$ 18.00 | \$ 18.50 | \$ 19.00 | \$ 19.50 | \$ 20.00 | \$ 20.40           | \$ 20.81 | \$ 21.22 | \$ 21.65 |
| Utility Worker                      | \$ 15.00            | \$ 15.50 | \$ 16.00 | \$ 16.50 | \$ 17.00 | \$ 17.50 | \$ 17.85           | \$ 18.21 | \$ 18.57 | \$ 18.94 |
| Passenger Service Agent             | \$ 15.00            | \$ 15.50 | \$ 16.00 | \$ 16.50 | \$ 17.00 | \$ 17.50 | \$ 17.85           | \$ 18.21 | \$ 18.57 | \$ 18.94 |
| Account Clerk I                     | \$ 15.00            | \$ 15.50 | \$ 16.00 | \$ 16.50 | \$ 17.00 | \$ 17.50 | \$ 17.85           | \$ 18.21 | \$ 18.57 | \$ 18.94 |
| Transportation Operations Assistant | \$ 17.70            | \$ 18.58 | \$ 19.51 | \$ 20.49 | \$ 21.18 | N/A      | \$ 21.60           | \$ 22.04 | \$ 22.48 | \$ 22.93 |
|                                     |                     |          |          |          |          |          |                    |          |          |          |
|                                     | Proposed Wage Scale |          |          |          |          |          | Longevity Scale 2% |          |          |          |
|                                     | A                   | B        | C        | D        | E        | F        | 10 years           | 15 years | 20 years | 25 years |
| Lead Transit Driver                 | \$ 19.00            | \$ 19.50 | \$ 20.00 | \$ 20.50 | \$ 21.00 | \$ 21.50 | \$ 21.93           | \$ 22.37 | \$ 22.82 | \$ 23.27 |
| Transit Trainer                     | \$ 20.00            | \$ 20.50 | \$ 21.00 | \$ 21.50 | \$ 22.00 | \$ 22.50 | \$ 22.95           | \$ 23.41 | \$ 23.88 | \$ 24.35 |
| Transit Driver                      | \$ 18.00            | \$ 18.50 | \$ 19.00 | \$ 19.50 | \$ 20.00 | \$ 20.50 | \$ 20.91           | \$ 21.33 | \$ 21.75 | \$ 22.19 |
| Transportation Dispatcher           | \$ 20.00            | \$ 20.50 | \$ 21.00 | \$ 21.50 | \$ 22.00 | \$ 22.50 | \$ 22.95           | \$ 23.41 | \$ 23.88 | \$ 24.35 |
| Utility Worker                      | \$ 18.50            | \$ 19.00 | \$ 19.50 | \$ 20.00 | \$ 20.50 | \$ 21.00 | \$ 21.42           | \$ 21.85 | \$ 22.29 | \$ 22.73 |
| Passenger Service Agent             | \$ 18.00            | \$ 18.50 | \$ 19.00 | \$ 19.50 | \$ 20.00 | \$ 20.50 | \$ 20.91           | \$ 21.33 | \$ 21.75 | \$ 22.19 |
| Account Clerk I                     | \$ 18.00            | \$ 18.50 | \$ 19.00 | \$ 19.50 | \$ 20.00 | \$ 20.50 | \$ 20.91           | \$ 21.33 | \$ 21.75 | \$ 22.19 |
| Transportation Operations Assistant | \$ 17.70            | \$ 18.58 | \$ 19.51 | \$ 20.49 | \$ 21.18 | N/A      | \$ 21.60           | \$ 22.04 | \$ 22.82 | \$ 23.28 |

| <b>Cost Analysis</b>            |                  |
|---------------------------------|------------------|
| Driver Base Wages               | \$167,180        |
| Mammoth Premium (inc Reds/MMSA) | \$24,408         |
| Driver fringe                   | \$80,246         |
| Dispatch Wages                  | \$23,350         |
| Dispatch/Sup Premium            | \$4,030          |
| Dispatch fringe                 | \$11,208         |
| Utility wages                   | \$2,142          |
| Utility fringe                  | \$1,028          |
| OT Factor (\$70k*12% avg)       | \$8,400          |
| WC/Liability Insurance (12%)    | \$27,541         |
| <b>Grand Total</b>              | <b>\$349,533</b> |

Potential Revenue Increases

The maximum effect of increasing wages is approximately \$350,000 including fringe. This includes correcting compression for the dispatchers, and improving the utility position wage. The Mammoth supervisor also receives the mammoth premium. Increased revenue in several areas may help us meet this number.

The Forest Service has a new Ranger, and the Acting Ranger has expressed support for keeping Reds Meadow fares as they were last summer. The table below shows a \$109,224 increase to revenue from the Town and MMSA, leaving \$241,000 to cover.

|   | <b>Town<br/>Service<br/>Hours</b> | <b>MMSA<br/>Service<br/>Hours</b> | <b>Totals</b> |
|---|-----------------------------------|-----------------------------------|---------------|
| <b>Annual<br/>Hours/riders<br/>increase</b> | 19,059                            | 10,847                            | 79,400        |
| <b>current</b>                              | \$991,068                         | \$688,785                         | \$1,679,853   |
| <b>difference</b>                           | \$904,731                         | \$665,897                         | \$1,597,798   |
|   | \$86,337                          | \$22,887                          | \$109,224     |

Reds Meadow has tremendous potential if we can get the drivers. Returning to pre-Covid numbers promises substantial revenue. 2021 visitor numbers were suppressed due to driver shortages.



|                          | Reds (2016<br>Ridership) | Reds (2017<br>Ridership) | Reds (2018<br>Ridership) | Reds (2019<br>Ridership) | Reds (2021<br>Ridership) |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Riders                   | 83,805                   | 48,446                   | 71,538                   | 66,791                   | 39,830                   |
| Previous Fare (\$10/\$5) | \$754,245                | \$436,014                | \$643,842                | \$601,119                | \$358,470                |
| Current Fare (\$15/\$7)  | \$1,122,987              | \$649,176                | \$958,609                | \$894,999                | \$533,722                |
| Difference               | \$368,742                | \$213,162                | \$314,767                | \$293,880                | \$175,252                |

Finally, federal covid assistance is sufficient to cover the increased expenses for the next year, and the new Infrastructure Bill promises to increase revenue in the years to come. Although, these revenue sources are not expected to be sufficient to cover the extra expense long term.

**Recommendation:**

Authorize Executive Director to implement the ESTA Employee Association increase of up to \$350,000 to the annual budget with pay scales as described above, effective January 31, 2022.

Subject: Service Agreement with Mammoth Lakes

Prepared by: Phil Moores, Executive Director

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**BACKGROUND:**

The last service agreement with the Town of Mammoth Lakes (Town) was executed in 2010. This agreement has been amended to meet the financial needs of both parties, but the document deserves review and updates to represent the relationship shared today.

**ANALYSIS:**

The 2010 Agreement with the Town was developed to define the relationship between the Town and ESTA. How the Town and ESTA currently work together is still generally reflected in this document; however, there are some key aspects that have changed, and the agreement needs to be updated to reflect these changes. The revised agreement retains much of the core elements of the original contract including:

- TOML providing maintenance and repair services.
  - TOML provides shop service that include preventative maintenance, emergency service including towing and repairs, and major overhauls. Some machine shop and specialty service must be contracted out. ESTA reimburses the Town for this work.
- TOML providing access to fuel.
  - The Town owns and operates a fueling station that is used by ESTA. The Town charges 10 cents over our cost for fuel. This service provides a secure and convenient fueling option for ESTA.
- TOML providing use of its rolling stock.
  - When the previous contract was executed, the Town owned a number of buses. This is no longer the case, and the Town only provides Trolleys for ESTA to use on TOML routes. The Town currently has six Trolleys for ESTA to use. The agreement defines how this fleet is to be used and what steps need to be taken in the event a trolley is needed for charter

outside of Town.

- Defining services that ESTA will provide.
  - ESTA provides a baseline 19,058 hours of service. This is often expanded each season, as needed to provide late season service in the Lakes Basin and Red's Meadow. The base services include:

| <b>Service</b> | <b>Hours</b> |
|----------------|--------------|
| Purple Line    | 4,015        |
| Town Trolley   | 10,775       |
| Dial-a-Ride    | 2,268        |
| Lakes Basin    | 1,848        |
| Trippers       | 152          |
| Total          | 19,058       |

- Cost per hour for ESTA to provide service.
  - The Town pays ESTA by the hour. The contract includes an hourly rate set by the Board of Directors of ESTA. This rate may be adjusted annually on July 1 of each year subject to concurrence by the Town of Mammoth Lakes
- Cost per hour for TOML to provide shop services.
  - The contract includes the Town shop rate for repair and maintenance services. This rate is reviewed regularly with the Town's fee schedule.

The revised contract eliminates lease language for the "Transit Yard" located at 210 Commerce. ESTA leases the yard and much of the building for their Town operations. In discussions with the Town, it was determined that it was best to separate the lease from the service contract as they each require unique and specific language. This lease agreement is being developed and will be materially the same as the previous agreement.

**FINANCIAL CONSIDERATIONS:**

The new contract reflects changes to the billable rates for Town and ESTA services. The Town currently bills ESTA \$108 for shop services, and 10 cents over cost for fuel. We just raised the billable rates from \$47.47 to \$52.00. This increase is a direct result of increasing driver wages. Wages were determined to be a factor in driver recruitment and increases were necessary to ensure appropriate staffing to service the routes. The Town

contracts for 19,058 hours of service which means the annual TOML cost for service will increase \$79,662.44.

**RECOMMENDATION:**

Staff recommends the ESTA Board authorize the Executive Director to execute a service agreement between the Town and the Eastern Sierra Transit Authority for transit related services.

**AGREEMENT FOR THE PROVISION OF TRANSIT AND RELATED  
SERVICES**

**by and between**

**TOWN OF MAMMOTH LAKES**

**and**

**EASTERN SIERRA TRANSIT AUTHORITY**

**January 31, 2022**

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**AN AGREEMENT BETWEEN THE TOWN OF MAMMOTH LAKES  
AND THE EASTERN SIERRA TRANSIT AUTHORITY FOR THE PROVISION OF TRANSIT  
AND RELATED SERVICES**

THIS Agreement, is made and entered into this 31st day of January, 2022, by and between the Town of Mammoth Lakes (hereinafter "TOWN"), a municipal corporation, and The Eastern Sierra Transit Authority (hereinafter "ESTA"), a joint powers authority formed by Inyo County, Mono County, City of Bishop and Town of Mammoth Lakes.

W I T N E S S E T H

WHEREAS, TOWN is authorized by Government Code §39732 to furnish and operate public transportation services; and

WHEREAS, ESTA is a Joint Powers Authority created pursuant to Government Code §6500 et. seq. to provide public transit services within the boundaries of its member entities; and

WHEREAS, ESTA is authorized by the Transit Authority Joint Powers Agreement (sometimes referred to herein as JPA agreement) to submit claims to the Mono County Local Transportation Commission on behalf of the Town of Mammoth Lakes in accordance with the Transportation Development Act (TDA) and its regulations, and to receive funds, and to provide transit services on behalf of the Town of Mammoth Lakes; and

WHEREAS, ESTA is authorized by the Transit Authority Joint Powers Agreement to seek and obtain funds from other sources to provide additional transit services beyond those funded through TDA; and

WHEREAS, ESTA is authorized by the Transit Authority Joint Powers Agreement to contract with its member entities to provide services above the level of service funded through TDA or other funds obtained by ESTA; and

WHEREAS, ESTA is authorized by the Transit Authority Joint Powers Agreement to contract for other goods and services; and

WHEREAS, TOWN desires to contract for, and ESTA desires to provide, services above the level of service funded through TDA or other funds obtained by ESTA; and

WHEREAS, TOWN and ESTA desire to contract to provide other services including but not limited to: the use of TOWN office and vehicle storage space by ESTA, maintenance of ESTA vehicles by TOWN, purchase of fuel by ESTA from TOWN, and use of TOWN vehicles by ESTA;

NOW, THEREFORE, in consideration of the above, TOWN and ESTA agree as follows:

## AGREEMENT

### Section 1: Effective Date

This Agreement shall be effective when it has been approved by the Town Council of the Town of Mammoth Lakes and the Board of Directors of the Eastern Sierra Transit Authority.

### Section 2: Commencement and Duration

This agreement have an initial term of five years. It shall subsequently automatically be extended for additional five-year terms unless either party provides notice to the other at least ninety (90) days in advance of a scheduled extension. The parties will attempt to negotiate any change in terms to this agreement prior to the acceptance of a final budget presented to either the Town Council of the Town of Mammoth Lakes or the ESTA Board of Directors for a given fiscal year, so that the budget may reflect the amended terms.

### Section 3: Transit Services Provided by ESTA to TOWN

ESTA agrees to provide transit services to TOWN in accordance with the following terms and conditions:

#### 1. General Terms and Conditions

- a. Services Provided under This Agreement. In accordance with the Transit Authority Joint Powers Agreement, the purpose of this agreement is to ensure the provision of transit services in the Town of Mammoth Lakes above the level of service funded through TDA, or by funds obtained by ESTA from sources other than the TOWN.
- b. Services Funded by TDA and Other Sources. In accordance with the Transit Authority Joint Powers Agreement, ESTA will submit claims to the Mono County Local Transportation Commission as an agent of the Town of Mammoth Lakes, and receive such funds, and provide services to the TOWN with those funds. However, those services and those fund are not and will not be governed by this agreement. A portion of the services described in this section will be funded by TDA and sources other than the TOWN. Those services and those funds are likewise not and will not be governed by this agreement. ESTA will establish a process to account for services provided with these funds.
- c. Billing Rates. The billing rates for the services provided pursuant to this agreement are provided in attachment "A". These rates may be adjusted annually prior to the submission of a draft budget to both the Board of Directors of ESTA and the Town Council of the Town of Mammoth Lakes.
- d. Services Funded by This Agreement. Services funded by this agreement shall consist of those specified in Attachment "B." To the extent that farebox revenue is required under the terms and conditions of TDA for any services specifically governed by the terms of this agreement an amount in lieu of the farebox revenue shall be funded by this agreement. In addition to the



provisions of Section 10 should for any reason ESTA not be able to provide the specified service level in spite of all reasonable efforts, ESTA shall not be held liable for services not provided. Such reasons may include without limit a shortage of qualified drivers, or a shortage of available vehicles necessary to operate such services.

- e. Other Services. ESTA will make every effort to provide additional services requested by Town on an as needed basis. Such services outside of the basic service level defined in Attachment “B” shall require a minimum of one-week notice to ESTA to arrange the necessary personnel and other resources to operate the service. All such services will be subject to federal charter regulations and ESTA’s charter policy.
- f. Fuel. TOWN shall provide access to fuel for all Town of Mammoth Lakes and ESTA vehicles at the TOWN Corporation Yard, located at 299 Commerce Drive, Mammoth Lakes.
- g. Fares. Fares, if any, for services that are funded in part by Town funds and in part by TDA (e.g. paratransit service) shall be established by mutual agreement of the ESTA Board of Directors and the Town of Mammoth Lakes Council.
- h. Federal and State Requirements: ESTA shall comply with all federal and state laws, regulations and requirements which apply to the services provided hereunder.
- i. Management: ESTA shall at all times be responsible for management of the services provided by it under this agreement.
- j. Drug and Alcohol Testing. ESTA shall provide pre-employment, post-accident, just-cause, and random drug and alcohol testing of its employees in accordance with Federal Transportation Administration regulatory requirements.
- k. Telephone Information, Reservations and Dispatching. ESTA shall provide all telephone and dispatch equipment necessary for it to receive reservations, provide information and dispatch services.

## 2. Equipment Including Vehicles

- a. TOWN Shall Provide Vehicles. TOWN shall at no charge to ESTA provide ESTA with access to all Town owned transit vehicles listed in Attachment “D” for use in providing services hereunder. ESTA shall pursue federal and state grant opportunities for vehicle replacement to minimize the fiscal impact on the Town for the purchase of vehicles.
- b. Availability. ESTA shall store all TOWN owned equipment including Town-owned vehicles at the Town Transit Facility, 210 Commerce Drive, Mammoth, CA. 93546.
- c. Alterations. ESTA shall not install equipment or make any alterations to any TOWN-owned equipment or vehicles without prior consent of TOWN.
- d. Use. TOWN-provided vehicles shall be used only for the services provided in and for the Town of Mammoth Lakes unless otherwise agreed by the parties.

- e. Repossession. In the event of termination of this Agreement, TOWN shall have the right to take immediate possession of all TOWN-provided vehicles.
- f. Other Equipment. ESTA is responsible for providing all other materials, supplies, and/or equipment needed to perform Agreement, which are not otherwise specifically provided by TOWN.
- g. Dispossession of Equipment. ESTA may dispose of TOWN owned equipment only with the prior written consent of the TOWN. ESTA shall use any proceeds of disposed TOWN owned equipment for replacement of equipment used to serve the transportation needs of the TOWN.

### 3. Maintenance of Equipment

- a. Safety Inspections. TOWN and ESTA are subject to annual inspection by the Motor Carrier Unit of the California Highway Patrol (CHP) annually (Safety Compliance Report CHP-343). ESTA must attain satisfactory rating in the driver records category of this Safety Compliance Report. ESTA must expeditiously correct any deficiencies noted on driver's report. TOWN must attain satisfactory rating regarding all maintenance items. Should TOWN fail to attain a satisfactory rating, ESTA may terminate this agreement should acceptable corrective action not be taken within 30 days or upon re-inspection by CHP whichever comes first.
- b. Interior & Exterior Cleaning and Maintenance. ESTA shall maintain the exterior and interior cleanliness of all vehicles to the highest standards at all times.
- c. Maintenance Rate. ESTA shall pay the TOWN for vehicle maintenance services for vehicles owned by ESTA at the rate set forth in Attachment "D" as it may be amended from time to time.

### 4. Advertising and Logo Program

- a. Advertising. TOWN and ESTA may agree upon policies and procedures for accepting advertising on vehicles used in the provision of services hereunder. If such policies and procedures are adopted, ESTA shall be responsible for accepting advertising in compliance with such policies and procedures. All proceeds from advertising shall be used by ESTA to continue transportation services to the TOWN and/or ESTA's entire service area. No third-party advertising shall be accepted until and unless TOWN and ESTA have agreed upon and adopted advertising policies and procedures, which either or both parties may decline to do in their respective sole discretion.
- b. ESTA Logo. Space shall be provided on all vehicles, bus stops, shelters, and other public transit facilities for the standard ESTA logo which is consistent in design and placement with that provided on ESTA-owned vehicles.

### 5. Administration, Reports, Accounting, Audits and Penalties

- a. Personnel and Training. ESTA shall provide sufficient supervisory employees, drivers and dispatching personnel to adequately handle the services it is required to provide under this

agreement. ESTA shall provide ongoing training, retraining, and safety education for all personnel that conforms to applicable regulatory requirements.

- b. Reports. ESTA shall develop and maintain records and reports for use in management and administration of the service. These reports shall document passenger information, cost and revenue data, and other information needed by the TOWN and ESTA to make decisions about the transit service.
- c. Accounting Practices. ESTA shall maintain its books of account as they relate to the programs identified in this agreement consistent with Generally Accepted Accounting Principles, and in TOWN-approved format.

## 6. Changes to Level of Service

- a. Services. The “services” are those described in Attachment “B”. TOWN may increase, decrease, or otherwise change the service as follows:

(1) Emergency Adjustments. Either TOWN or ESTA may authorize temporary emergency adjustments in service in the event of an emergency or circumstance which requires an immediate detour or other adjustment in routing.

(2) Adjustment Notification. The party initiating the emergency adjustment shall notify the other party immediately of such occurrence. TOWN shall specify steps to be taken by ESTA to notify patrons of the change in routing and/or scheduling necessitated by such emergency adjustments, and/or modifications to the emergency adjustments made by ESTA. Should ESTA in making temporary adjustments to service incur added expenses beyond those compensated under the primary terms of Agreement, TOWN and ESTA shall negotiate a fair and equitable adjustment in compensation for service.

(3) Non-Substantial Changes in Service Level. Non-substantial changes in service shall be defined as those which increase or decrease service hours by 10% or less of the annual total hours scheduled for operation. TOWN shall make its best effort to provide thirty (30) days’ notice of its requested non-substantial changes in service levels, except for “very minor changes” as described below. ESTA shall make its best effort to provide staff and of other resource to effectuate such changes. Requests for very minor changes shall be made with one week notice whenever possible. Very minor changes will generally consist of temporary changes in routes, such as changes necessitated by special events, road closures, utility work, or charter services.

(4) Substantial Changes in Service Level. Changes that increase or decrease service hours by more than 10% of the annual total hours scheduled for operation shall be considered substantial. TOWN shall make its best effort to provide sixty (60) days’ notice of its requested substantial changes, during which TOWN and ESTA shall discuss the proposed change and the ability of ESTA to provide the requested service as otherwise provided by this Agreement. If ESTA is able to make such changes in services, the parties shall execute an amendment to this agreement reflecting the agreed-upon changes.

## 7. Invoices.

ESTA will establish a process to account and bill TOWN for the services provided under and funded by this agreement using the billing rates provided in Attachment "A". ESTA shall record all of TOWN's transit service hours and shall provide TOWN with monthly invoices for the transit services ESTA has provided to TOWN during the previous month. TOWN agrees to and shall pay all such invoices within thirty days of receipt.

### **Section 4: Maintenance Requirements for ESTA Managed Buses**

ESTA shall have overall responsibility for maintaining all buses that are operated by ESTA for TOWN services, with TOWN's responsibilities being as set forth below. It shall be the responsibility of the TOWN to perform all necessary and required maintenance in a timely manner such that sufficient buses are available to ESTA to allow it to provide all services in and for the TOWN.

#### 1. Preventive Maintenance Inspections and Service.

TOWN shall perform all preventive and demand maintenance on ESTA-managed buses in a timely manner and in compliance with all applicable regulatory requirements. ESTA may refuse to operate any vehicle which it deems unsafe or out of compliance with CHP or other statutory requirements or original equipment manufacturer's specifications.

#### 2. Development and Performance of Schedules.

ESTA shall provide to the TOWN schedules of preventive maintenance inspections and service, annual inspections and service, and major overhaul of TOWN buses, vehicles, and equipment used by ESTA in the performance of this agreement. TOWN shall use its best efforts to comply with schedules of preventive maintenance and annual inspections and service.

#### 3. Document Maintenance and Production.

The TOWN shall maintain all documents related to the preventive maintenance and annual inspections and service of TOWN's buses, vehicles and equipment and shall produce those documents to ESTA, the California Highway Patrol, and other entities upon ESTA's request. If requested, the TOWN shall also make its supervising mechanic available during annual inspections by the California Highway Patrol in order to respond to any questions regarding maintenance.

#### 4. Repairs.

The Town shall repair buses, vehicles and equipment under the following terms and conditions:

- a. Necessary Repairs. ESTA may communicate directly with the TOWN's supervising mechanic to request necessary repairs. The Town shall schedule necessary repairs on ESTA's buses, vehicles and equipment in a timely manner, subject to availability of staff, equipment, and parts. Necessary repairs shall include, but not be limited to the repair or replacement of engines, wheel bearings, wheel seals, air systems, brakes, axles, rear ends, transmissions, body panels, steering mechanisms, suspensions, electrical mechanisms, tires, fuel systems and other mechanical items.

- b. Priorities. In cases where buses, vehicles or equipment fail or break down, the TOWN shall prioritize repairs in order to expedite its return to service, subject to the availability of staff, equipment, and parts.
- c. Tools and Equipment. The TOWN shall provide and maintain such tools, equipment, and facilities as may be necessary for the maintenance, repair, and servicing of all of ESTA's buses, vehicles, and equipment. ESTA agrees to loan any of its tools or equipment to the TOWN that the TOWN needs and requests in order to comply with the terms of this Agreement.
- d. Parts and Materials. The TOWN shall have the right to purchase parts and materials from vendors of its choice. In doing so, the Town shall always attempt to obtain the best available price for the best available parts and materials. All parts used on ESTA buses shall be OEM or equivalent.
- e. Specialized Work. The TOWN may, in the discretion of its supervising mechanic, cause specialized work to be performed in commercial shops specializing in that work. Specialized work may include, but shall not be limited to body repair, engine rebuilding, radiator repair, alternator rebuilding, and machining of special parts. The TOWN shall obtain a copy of the work order performed on any vehicle in a commercial shop.
- f. Major Repairs. The TOWN's supervising mechanic shall keep ESTA informed of all potential or necessary major repairs of ESTA's buses, vehicles, and equipment. Before commencing any repairs exceeding \$5,000, Town shall obtain ESTA's consent for repair.
- g. Emergency Road Service. The TOWN agrees to provide emergency road service depending upon availability of personnel and equipment to ESTA. The TOWN shall respond to calls for road service by sending a mechanic and service truck to aide disabled ESTA-owned vehicles. Decisions in this regard shall be made by the TOWN's Fleet Superintendent.
- h. Charges. For making repairs, TOWN shall charge ESTA for the TOWN's costs, including labor, parts, and fuel as described in Attachment "D". ESTA and the TOWN agree that the charges for services and fuel performed and provided respectively, pursuant to this agreement will be reviewed and subject to change annually.
- i. Invoices. The TOWN shall send monthly invoices to ESTA for all repair work performed within the prior month. ESTA agrees to pay all monthly invoices within thirty days of receipt.

#### **Section 5: Use of TOWN Fueling Facilities by ESTA**

The TOWN grants ESTA the right to use the TOWN's fueling facilities to fuel TOWN and ESTA buses, vehicles and equipment upon the following terms and conditions:

##### **1. Use of Key Fobs.**

The TOWN shall issue key fobs to ESTA for all of the buses, vehicles and equipment that are authorized to use the TOWN's fueling facilities.

2. Ownership and Misuse of Key Fobs.

The TOWN shall retain ownership of all key fobs issued to ESTA during the term of this Agreement. ESTA shall be solely responsible for the consequences of any misuse of cards issued to ESTA personnel.

3. Invoices.

The TOWN shall record all of ESTA's fuel consumption from TOWN's fueling facility and shall provide ESTA with monthly invoices for its fuel consumption. ESTA agrees to pay all invoices within thirty days of receipt. (Fuel for TOWN buses will be paid for directly by the TOWN.) TOWN shall charge ESTA the rates for fuel set forth in Attachment "D", as it may be amended from time to time.

**Section 6: Use of TOWN buses, vehicles and equipment by ESTA**

Generally, TOWN provided vehicles are intended to be operated to provide services to residents and visitors to the Town of Mammoth Lakes, and as back up vehicles for those services. TOWN may permit use of TOWN owned buses, vehicles and equipment for ESTA provided services outside the scope of this agreement to the extent that all services as described in Attachment "B" are being met and Town owned vehicles are not exclusively used outside of Town. The following terms and conditions shall apply to any such authorized use:

1. Emergency Needs.

In the event of mechanical failure or other unscheduled unavailability of ESTA buses, vehicles, or equipment, TOWN may authorize use of TOWN vehicles or equipment on a temporary basis in order to assure continuity of service. Such use may be authorized by the Public Works Director. ESTA shall compensate the TOWN for this use in accordance with the schedule in Attachment "E".

2. Other Services.

In the event that ESTA desires to use TOWN-owned equipment for other regular services outside the scope of this agreement, it may apply to the Town Council of the Town of Mammoth Lakes for consideration of said service. If approved the terms and conditions associated for this regular service shall be documented in an amendment to this Agreement.

3. Other Terms and Conditions.

Operation of TOWN equipment by ESTA as provided in this section shall be in accordance with all other terms and conditions which apply to operation of TOWN-owned equipment as provided by this agreement.

**Section 7: Administration of Agreement**

ESTA's compliance with this Agreement shall be supervised and administered by TOWN by its Public Works Director

### **Section 8: Permits to Operate**

At its sole cost and expense, ESTA shall obtain any and all permits, licenses, certifications, or entitlements to operate as are now or may be required by any agency to enable ESTA to perform Agreement, and shall provide copies of all such documents or entitlements to TOWN when received by ESTA.

### **Section 9: Notice of Deficiencies**

TOWN's Public Works Director may issue a Notice of Deficiencies to ESTA, specifying areas of unsatisfactory performance, and specifying what improvements are necessary to correct the deficiency or deficiencies. Such notice shall specify the provision(s) of Agreement which address the issue. ESTA shall correct or in good faith commence to correct the deficiency within a reasonable period of time specified by TOWN not to exceed 30 days unless agreed to in advance by TOWN in writing.

### **Section 10: Force Majeure**

ESTA shall not be charged, nor shall TOWN demand from ESTA, damages because of failure in providing the services described in this Agreement due to unforeseeable causes beyond the control and without the fault or negligence of ESTA. Such causes of excusable delay may include acts of public enemies, military attack and/or other actions, fires, floods, snow storms, earthquakes, epidemic, quarantine, restrictions, strikes, freight embargoes, public road closures, but in every case the delay is excusable only for so long as, and to the extent that, the excusable delay continues.

ESTA shall be entitled to no compensation for any service, the performance of which is excused pursuant to this paragraph.

In the event that ESTA is unable to provide the services required of it under this Agreement due to any cause, ESTA shall make a reasonable attempt to so notify the public including notification to local newspapers, and, if appropriate, local radio and television stations.

Whenever ESTA has knowledge that any actual or potential force majeure may delay or prevent performance of Agreement, ESTA, on a timely basis, shall notify TOWN of the facts and, thereafter, shall report to TOWN all relevant information then known to ESTA, and shall continue to so report.

### **Section 11: No Conflicting Uses**

ESTA shall not operate, lease or charter TOWN-owned vehicles or equipment for any purpose other than for services for the TOWN, unless specifically authorized by TOWN.

**Section 12: Notice**

All notices shall be made by email, or hand-delivered, addressed as follows:

TOWN: Public Works Director  
Town of Mammoth Lakes  
HCR 79, Box 209  
Mammoth Lakes, CA 93546

ESTA: Executive Director  
Eastern Sierra Transit Authority  
P.O. Box 1357  
Bishop, CA 93515

Service of such notices shall be deemed complete three (3) days after deposit in the US Mail or on the date hand-delivered.

**Section 13: Not an Agreement of Employment**

It is understood and acknowledged that this Agreement is not a contract of employment between TOWN and ESTA, or any agents, officers, or employees of ESTA. ESTA is, and shall at all times be, deemed to be an independent contractor. ESTA is not authorized to bind the TOWN to any contracts or other obligations. ESTA is not an agent or employee of the TOWN except as provided in the Joint Powers Agreement and shall at no time represent itself to be such agent or employee except as provided in the agreement. Neither ESTA nor any of its employees or subcontractors shall be entitled to any benefits accorded to TOWN employees including but not limited to Workers Compensation, disability insurance, unemployment compensation, retirement benefits, vacation, or sick leave.

**Section 14: Precedence of Agreement Documents**

In the event of a conflict or ambiguity arising between this Agreement and other documents executed by the parties or any term therein, the document executed later in time shall prevail over the document executed earlier in time.

**Section 15: Continuity**

This Agreement is binding upon each of the parties and their respective heirs, shareholders, directors, partners, executors, and successors. Should ESTA change its structure during the term of this agreement, the TOWN reserves the right to terminate this agreement and to solicit new vendors for this service.

**Section 16: Assignment (ESTA)**

The performance of this Agreement may not be assigned, or in any way subcontracted on a continuing basis, except upon the prior written consent of TOWN. TOWN shall not consent to any proposed



assignment or subcontracting, novation, other writing, or agreement that would have the effect of relieving ESTA or ESTA's surety of their responsibility and/or liability under Agreement.

## **Section 17: Indemnification and Insurance Requirements**

### **For all terms under Sections 3 and 6 of this agreement:**

ESTA hereby agrees to indemnify and holds harmless TOWN, its officers, employees, and agents from any and all liability or claim of liability, including attorney's fees, arising by reason of personal injury, death or property damage and resulting from ESTA's negligence, recklessness or willful misconduct in the performance of its duties and obligations under this agreement.

ESTA shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by ESTA, its agents, representatives, or employees. At any time following the initial five-year term of this Agreement, TOWN may require ESTA to increase the minimum insurance limits set forth below.

#### Minimum Limits of Insurance

ESTA shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Bonding Insurance: coverage for all ESTA employees who collect monetary payments for transit services rendered.

#### Verification of Coverage

ESTA shall furnish the TOWN with original endorsements effecting coverage required by this section. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the TOWN before work commences. TOWN reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

### **For all terms under Section 4 of this agreement:**

TOWN hereby agrees to indemnify and holds harmless ESTA, its officers, employees, and agents from any and all liability or claim of liability, including attorney's fees, arising by reason of personal

injury, death or property damage to the extent resulting from TOWN's negligence, recklessness or willful misconduct in the performance of its duties and obligations under this agreement.

**For all terms under Sections 5 of this agreement:**

ESTA hereby indemnifies and holds harmless TOWN, its officers, employees, and agents from any and all liability or claim of liability, including attorney's fees, arising by reason of personal injury, death or property damage and resulting from ESTA's negligence, recklessness or willful misconduct in the performance of its duties and obligations under this agreement.

**Section 18: Successors**

This Agreement shall be binding upon, and shall inure to the parties hereto, and their respective shareholders, partners, directors, agents, personal representatives, successors-in-interest, and assigns. ESTA shall not assign, sublet, or subcontract its rights or obligations under this Agreement, or charter TOWN-owned vehicles for the use of third parties without prior written consent from TOWN.

**Section 19: Counterparts**

This Agreement may be executed simultaneously or in counterparts, and each of the counterparts shall be deemed to be an original, but all such counterparts shall constitute one and the same Agreement.

**Section 20: Governing Law and Venue**

This Agreement shall be construed and enforced pursuant to the laws of the State of California. The venue for any action to interpret or enforce this Agreement shall be the Mono County Superior Court or the federal courts of the Eastern District of California.

**Section 21: Compliance with Laws**

In addition to the laws, statutes, rules, and regulations specifically set forth herein, ESTA shall comply with any and all applicable laws, ordinances, statutes, codes and regulations of the federal, state, and local governments. ESTA shall also comply with rules and regulations associated with any State or federal funding which is used in whole or part to fund services provided by this agreement.

**Section 22: Termination**

1. TOWN may terminate this agreement in the event of a material breach by ESTA. A "material breach" for this purpose shall constitute failure of ESTA to comply with any of the material terms of Agreement or to perform its obligations called for by Agreement if the failure continues for thirty (30) days after written notice has been given to ESTA.
2. ESTA has the right to terminate Agreement in the event of a material breach by TOWN. A "material breach" for this purpose shall constitute failure of TOWN to comply with any of the material terms of

Agreement or to perform its obligations called for by Agreement if the failure continues for thirty (30) days after written notice has been given to TOWN.

3. This Agreement may also be terminated at any time upon mutual consent of both parties.

### **Section 23: TOWN's Remedies on Breach and Waiver**

It is understood and agreed that in the event of failure by ESTA to perform services required by Agreement, in addition to all other remedies, penalties and damages provided by law, TOWN may provide such services, and deduct the cost of doing so from the amounts due, or to become due to ESTA. The costs to be deducted shall be the actual costs to TOWN to provide such services, or the costs shown on the Payment Schedule, whichever is greater.

ESTA agrees that any waiver, or any breach or violation of any term or condition of this Agreement, or any failure to enforce any term or condition of this Agreement, shall not be deemed to be a waiver of any other term or condition contained herein, or a waiver of any subsequent breach or violation of the same, or any other term or condition. The acceptance by TOWN of the performance of any work or services by ESTA shall not be deemed to be a waiver of any term or condition of this Agreement.

### **Section 24: Additional Terms**

The validity, legality, or enforceability, in whole, or in part of any provision of Agreement, shall not affect or impair the validity, legality, or enforceability, of other provisions.

This Agreement and all exhibits, addenda, and documents incorporated by reference herein, constitute the full and complete understanding of the parties, and supersede any previous agreements or understandings, oral or written, with respect to the subject matter hereto. The Agreement may only be modified by a written instrument signed by both parties hereto.

All reports, documents or other materials developed by TOWN or any other person engaged directly or indirectly by ESTA to perform the services required hereunder shall be and remain the property of TOWN without restriction or limitation upon their use by TOWN.

### **Section 25: Records**

1. In addition to all other records required to be produced or maintained pursuant to this Agreement, ESTA shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to TOWN for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to ESTA pursuant to Agreement.
2. ESTA shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

3. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the Town Attorney, Town Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to TOWN for inspection in TOWN's offices when such documents are available at ESTA's address indicated for receipt of notices in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed Agreement the day and year herein above written.

TOWN OF MAMMOTH LAKES,  
Municipal Corporation

EASTERN SIERRA TRANSIT AUTHORITY  
Joint Powers Authority

By: \_\_\_\_\_

By: \_\_\_\_\_

Town Manager

Executive Director

**Attachment A: Billing Rates**

The billing rates for the services provided pursuant to this section are provided below. The Board of Directors of ESTA may adjust these rates annually on July 1 of each year subject to written concurrence by the Town of Mammoth Lakes.

ESTA Managed Vehicles \$ 52.00/hr.

**Attachment B: Services**

Services covered by this agreement shall be as specified in the table below.

| <b>Service</b> | <b>Hours</b> |
|----------------|--------------|
| Purple Line    | 4,015        |
| Town Trolley   | 10,775       |
| Dial-a-Ride    | 2,268        |
| Lakes Basin    | 1,848        |
| Trippers       | 152          |
| Total          | 19,058       |

**Attachment C: Additional Service**

From time to time, ESTA may provide services to TOWN outside the normal operating services. Charges for this extra service shall be charged at the established charter rate per the ESTA Charter Policy.

**Attachment D: Town Vehicles and Maintenance Rates**

The following list shall be updated regularly by the TOWN to reflect changes in the vehicle fleet.

Trolley #'s 901, 905, 906, 907, 908, 909

Shop Rates shall be reevaluated and updated by TOWN prior to July 1<sup>st</sup> of each fiscal year. The rates effective by the date signed for below shall be.

- Labor: \$108.00 per hour
- Materials and parts: actual cost, without markup
- Fuel: actual fuel cost plus ten cents per gallon



**Attachment E:        ESTA use of Town Vehicles**

Billing rates shall be reevaluated and updated by TOWN prior to the presentation of the draft ESTA budget for that fiscal year.

Until and unless updated by TOWN, the rates shall be:

- Trolley \$ 200.00 per day
- Bus \$ 200.00 per day

**EASTERN SIERRA TRANSIT AUTHORITY**

**Minutes of Friday, January 14, 2022 Meeting**

The meeting of the Board of Directors of the Eastern Sierra Transit Authority was called to order at 9:00 a.m. on Friday, January 14, 2022, via Zoom. The following members were present: Directors Bill Sauser, Dan Totheroh, Bob Gardner, Karen Schwartz, Jim Ellis, Jeff Griffiths and Rhonda Duggan. Director Kirk Stapp joined the meeting at 9:19am.

Phil Moores led the Pledge of Allegiance.

|  |  |
|--|--|
| Approval of Bill 361<br>– Virtual Public Meeting | <p>Moved by Director Gardner and seconded by Director Totheroh to adopt findings pursuant to AB 361 that: A) the Board reconsider the circumstances of the existing State of Emergency issued on March 4, 2020, and in response to the COVID-19 pandemic; and B) local officials continue to recommend measures to promote social distancing, and/or the state of emergency continues to directly impact the ability of the members to meet safely in person.</p> <p>Roll call vote taken.</p> <p>Motion carried 7-0 with Director Stapp absent.</p> |
| Public Comment                                   | John Vallejo introduced Christy Milovich as the lead ESTA attorney.  |
| Executive Directors Report                       | Mr. Moores reported on ESTA activities and performance.  |
| Financial report FY 2021/22                      | Dawn Vidal presented Eastern Sierra Transit Authority’s Preliminary Financial Report for FY 2021/22 as of January 1, 2022.   |
| Ridership Report                                 | Mr. Moores presented the Ridership Report for November, 2021.  |
| Vehicle Branding                                 | Mr. Moores presented a report on Vehicle Branding.   |
| Calstart Contract                                | <p>Moved by Director Totheroh and seconded by Director Gardner to authorize the Executive Director to sign the contract with Calstart to conduct the planning for the Fleet Electrification Feasibility Plan.</p> <p>Roll call vote taken</p> <p>Motion passed 7-0 with Director Stapp absent</p>  |
| Consent Agenda:                                  | <p>Director Stapp joined the meeting at 9:19am.</p> <p>Moved by Director Duggan and seconded by Director Schwartz to approve the Consent Agenda Consisting of:</p>   |

|   |   |
|---|---|
| <p>Approval of Regular Meeting Minutes of December 10, 2021.</p> <p>5339(a) bus Purchase Approval</p> | <p>Approval of Meeting Minutes of December 10, 2021.</p> <p>Roll call vote taken.</p> <p>Motion carried 8-0</p>   |
| <p>Board Member Comments</p>  | <p>Director Schwartz introduced Dustin Dishion as Acting Administrator for the City of Bishop. Ron Philips is on leave.</p>   |
| <p>Closed Session</p>   | <p>Open Session was recessed at 9:22 am to convene in closed session to consider:</p> <p>DISCUSSION/POSSIBLE ACTION. Conference with Labor Negotiators. (Pursuant to Government Code Section 54957.6) – Authority designated representatives; Phil Moores and John Vallejo. Bargaining Group; ESTA- ESTA Employee Association (EEA)</p> |
| <p>Report on closed session</p>   | <p>Closed session was recessed at 9:36 am. Director Sauser stated there was nothing to report from the closed session.</p>  |
| <p>Adjournment</p>  | <p>The Chairperson adjourned the meeting at 9:36 am</p> <p>The next regular meeting of the Eastern Sierra Transit Authority Board of Directors is scheduled for February 4, 2022 at 11:00 am. Check ESTA website for details on attending the meeting.</p>  |

Recorded & prepared by:

\_\_\_\_\_  
 Linda Robinson  
 Board Clerk  
 Eastern Sierra Transit Authority

Minutes approved:

## **STAFF REPORT**

Subject: Resolution Authorizing Executive Director for the Eastern Sierra Transit Authority, to File and Execute Applications Pursuant to Section 5310, 5311, 5311(f), and 5339 of the Federal Transit Act

Initiated by: Phil Moores, Executive Director

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### **BACKGROUND:**

Applicants seeking rural grant funds under FTA Sections 5304, 5310, 5311, and/or 5339 must submit an annual application to request federal funds based on the transit system's needs. These programs provide capital, planning, and operating assistance to states and federally recognized Indian tribes to support public transportation in rural areas with populations less than 50,000, where many residents often rely on public transit to reach their destinations. Needs are evaluated relative to state performance standards consistent with National Transit Database reporting standards: passenger trips per service hour, cost per service vehicle mile, cost per passenger trip, passenger trips per service mile, and farebox recovery ratio. To receive federal funding, an applicant must be eligible to receive funding and must comply with all applicable federal, state, local laws, and regulations.

Caltrans is the agency designated to apply for, receive, and administer funds under FTA Sections 5304, 5310, 5311, and 5339. The grant application has been developed to assist applicants in applying for operating, administrative, and/or capital funding assistance under these programs. The information provided by eligible applicants is intended to justify their request for funding. It is used by Caltrans to evaluate all proposed projects and to complete its annual application to the FTA.

### **ANALYSIS/DISCUSSION:**

Staff intends to submit grant applications to Caltrans seeking multiple fund sources for several projects: 5304, 5310 and 5311 funds for transit operations, 5339 funds for bus purchases and transit facility planning, purchase, and construction. The 5311-grant application's transit operations budget will be largely based on the prior year's application.

February 4, 2022

Agenda Item C-2

The applications for 5339 funds will be for the replacement of both small and large cutaways that are either past or approaching their federal useful life and for the planning, purchase, and/or construction of a new transit facility.

**FINANCIAL**

All expenditures associated with this item will be included in the FY19-20 budget.

**RECOMMENDATION**

Approve Resolution 2022-01 authorizing the Executive Director to file and execute applications and supporting documentation on behalf of Eastern Sierra Transit Authority with the Department of Transportation to aid in the financing of planning, operating and/or capital assistance projects pursuant to Sections 5310, 5311, 5311(f), and 5339 of the Federal Transit Act.

**AUTHORIZING RESOLUTION**  
**RESOLUTION NO. 2022-01**

**A RESOLUTION OF THE EASTERN SIERRA TRANSIT AUTHORITY BOARD OF DIRECTORS, STATE OF CALIFORNIA, AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT GRANT APPLICATIONS UNDER FTA SECTION 5304, 5310, 5311, AND 5339 (49 U.S.C. SECTIONS 5310, 5311, and 5339) WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN ALL CORRESPONDING CONTRACTS, CERTIFICATIONS AND REIMBURSEMENT REQUESTS RELATING TO THE AFOREMENTIONED GRANTS ON BEHALF OF THE AUTHORITY.**

**WHEREAS**, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support capital/operating assistance projects for non-urbanized public transportation systems under Sections 5304, 5310, 5311 and 5339 of the Federal Transit Act (**FTA C 9040.1F and FTA C 9050.1**); and

**WHEREAS**, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Sections 5304, 5310, 5311, and 5339 grants for transportation projects for the general public for the rural transit and intercity bus; and

**WHEREAS**, the Eastern Sierra Transit Authority desires to apply for said financial assistance to permit operation of service/purchase of capital equipment in Inyo and Mono Counties; and

**WHEREAS**, the Eastern Sierra Transit Authority has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the Board of Directors does hereby Authorize the Executive Director, to file and execute applications on behalf of with the Department to aid in the financing of capital/operating assistance projects pursuant to Sections 5304, 5310, 5311, and 5339 of the Federal Transit Act (**FTA C 9040.1F and FTA C 9050.1**), as amended.

That the Executive Director is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.

That the Executive Director is authorized to provide additional information as the Department may require in connection with the application for the Sections 5304, 5310, 5311, 5311(f), and Section 5339 projects.

That the Executive Director is authorized to submit and approve request for reimbursement of funds from the Department for the Sections 5304, 5310, 5311, 5311(f), and Section 5339 projects.

**PASSED AND ADOPTED** by the Board of Directors of the Eastern Sierra Transit Authority, which provides transit service in Inyo and Mono Counties, State of California, at a regular Board Meeting held on February 4, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Name: **William Sauser**

Title: **Chairperson**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:  
By

\_\_\_\_\_  
Linda Robinson, Board Clerk