



ESTA BOARD AGENDA

Regular Meeting

Friday, February 10, 2023 at 9:00am
Town of Mammoth Lakes Council Chambers
437 Old Mammoth Rd., Ste. Z, Mammoth Lakes, CA
The Agenda is available at www.estransit.com

Chairperson: Karen Schwartz

Vice-Chairperson: Chris Bubser

Board Members:

Chris Bubser (Mammoth Lakes)
Karen Schwartz (Bishop)
Karen Kong (Bishop)
Trina Orrill (Inyo County)

Jeff Griffiths (Inyo County)
Rhonda Duggan (Mono County)
Bill Sauser (Mammoth Lakes)
Bob Gardner (Mono County)

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

Voice recorded public comment: To submit public comment via recorded message, please call 760-872-1901 ext. 12 by 4pm Thursday, February 9. State your name and the item number(s) on which you wish to speak. The recordings will be limited to two minutes. These comments may be shared at the appropriate time during the board meeting.

Email public comment: To submit an emailed public comment to the Board please email pmoores@estransit.com by 4pm Thursday, February 9 and provide your name, the number(s) on which you wish to speak, and your comment. These comments will be shared with all attending Board members.

HOW TO VIRTUALLY ATTEND THE ESTA BOARD MEETING:

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=VS9TeE4rU0NleWFCY0JTOVhzaJEyQT09>

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

Begin Recording Meeting & Call to Order

Roll Call

Pledge of Allegiance

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

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

A. Consent Agenda (Board Action Required)

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

- A-1 Approval of Regular Meeting Minutes of January 13, 2023
- A-2 Management Confidential Employee Association Memorandum of Understanding
- A-3 Federal Certifications and Assurances 2023
- A-4 Caltrans Grant Assurance Resolution

B. Information Agenda (Receive and File Only)

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

- B-1 Executive Director's Report
- B-2 Financial Report for FY2022-23
- B-3 Fiscal Audit for FY2021-22
- B-4 Annual Report FY2021-22

C. Action Agenda (Board Action Required)

None

D. Board Member Comments

E. Closed Session

None

F. Adjournment

The next regularly scheduled meeting is March 10, 2023 at 9:00 am, in Bishop, CA. Check ESTA website for details on attending the meeting.

Minutes Draft

**Eastern Sierra Transit Authority
Minutes of Friday, January 13, 2023 Meeting**

Call to Order

The meeting was called to order at 9:00 am on Friday, January 13, 2023.

Roll Call

A quorum was established by roll call.

Present by Teleconference:

Karen Schwartz

Bill Sauser

Karen Kong

Bob Gardner

Rhonda Duggan

Chris Bubser

Jeff Griffiths

Pledge of Allegiance

Phil Moores led the Pledge of Allegiance.

Public Comment: NONE

Consent Agenda

It was moved by Board Member Duggan and seconded by Board Member Gardner with Board members Bubser and Kong abstaining. Carried by a 5-0 roll call vote to approve the consent Agenda as presented.

A-1 Approval of Regular Meeting Minutes of November 18, 2023

A-2 Personnel Rules Revision

A-3 Employee Association Memorandum of Understanding

A-4 Grant Applications

It was moved by Board Member Gardner and seconded by Board Member Griffiths

Carried by a 7-0 roll call vote to approve

A-5 Dan Tothoroh Resolution of Appreciation

Information Agenda (Receive and File only)

B-1 Executive Director Phil Moores outlined the Director's Report

There was discussion between Mr. Moores and members of the Board

B-2 Financial Report for 2022/23

Action Agenda

C-1 Executive Director Phil Moores presented 2023 ESTA Board Elections

It was moved by Board Member Griffiths, seconded by Board Member Gardner to elect Karen Schwartz

Minutes Draft

**Eastern Sierra Transit Authority
Minutes of Friday, January 13, 2023 Meeting**

as Chairperson. Carried by a 7-0 roll call vote.

Board member Duggan nominated Chris Bubser as Vice Chairman. Moved by Director Duggan and seconded by Director Gardner to elect Chris Bubser as Vice Chairman. Carried by a 7-0 roll call vote.

C-2 Phil Moores presented the Dial-a-Ride Fare Increase report
Chair person Schwartz opened the floor for public comment at 9:16am.
Public comment: NONE
Chair Person Schwartz closed the public comment period at 9:17am.
There was discussion between Mr. Moores and members of the Board
It was moved by Board Member Sauser and seconded by Board Member Gardner
Carried by a 7-0 roll call vote to approve the Dial-a-Ride fare increase as presented.

ESTA Dial-a-Ride Bishop, Lone Pine, Mammoth Lakes. (excluding Walker)

<u>Fare Categories</u>	<u>Adult</u>	<u>Discount</u>
Dial-a-Ride Zone 1 (In town)	\$4.00	\$3.00
Dial-a-Ride Zone 2 (Outside of town)	\$5.00	\$4.00
Dial-a-Ride Night Rider 6pm-2am Fri. & Sat.	\$5.00	\$4.00
Child (<5 years old):	FREE	FREE
Regular 30-day Pass	\$144.00	\$108.00
Regular 10-punch Pass	\$36.00	\$27.00
Multi-Zone 10-Punch Pass	\$45.00	\$36.00

Board Member Comments

Board Member Gardner met with Cynthia McClain- Hill from DWP on 12/14/22. There was discussion on the Long Valley irrigation issue. Director Gardner checked on the status of the Airport lease. They agreed to 3-4 meetings a year and talk about the present issues, not past issues. Maybe sell land to ESTA, 1-4 acres so ESTA can complete the new building being planned. And spoke about ESTA not losing a 1/2 million dollar grant. Very cordial meeting

Board Member Rhonda Duggan presented information on a 2023 California road change Public/Private roads pilot. Caltrans is inviting the public and private entities to participate and test how Road charge can work and they are looking for participants to help test the concept.

Director Sauser updated that the Lee Vining to Bridgeport hwy was now open. His house is buried in snow and can not see out the windows.

Director Griffiths requested the Phil Moores pass along a word of gratitude from the board to all the drivers. Cannot imagine driving a bus in the current snowy conditions. Director Griffiths thanked Phil for writing the resolution for Dan Totheroh and suggested it be framed and sent to him.

Director Kong expressed that she was happy to be on the ESTA board. Thrilled to be on a board with Director Duggan again.

Director Schwartz commented on the Town of Bishop Updating the City's mixed-use zoning code. Increased building heights and mixed use. Buildings can be residential upstairs and business downstairs.

Closed Session

The Board went into closed session at 9:32 am

The Board returned form closed session at 9:38 am

Minutes Draft

**Eastern Sierra Transit Authority
Minutes of Friday, January 13, 2023 Meeting**

Chair Karen Schwartz reported that there was no reportable action taken in closed session

Adjournment

The meeting was adjourned at 9:39 am to the next regular meeting scheduled to be held February 10th, 2023 at 11:00 am in the Town of Mammoth Lakes Council Chambers, 2520 Main St., Ste. Z, Mammoth Lakes, CA

Recorded & prepared by:

Linda Robinson
Board Clerk
Eastern Sierra Transit Authority

Minutes approved:

STAFF REPORT

Subject: MCEA Negotiations
 Initiated by: Phil Moores, Executive Director

Background

With the Driver/Dispatch/Utility wage and benefit increases there are some compression issues to resolve. Specifically, management employees are either behind or too close to subordinates pay. The management group is represented by an employee association (Management Confidential Employee Association, or MCEA) with an MOU expiration of December 2023. If we match the EEA’s increases, the MCEA has agreed to extend their MOU to February 9, 2026, which save many hours of negotiations There are five members in the MCEA.

Fiscal Implications

The impact to increase the hourly rate by 21.05% for the balance of FY 22-23 would be \$24,917.20. This is based on hourly regular earnings starting with the payroll that begins on 1/30/23.

Employee	Current	Rate Effective January 30, 2023
Karina Morales	\$20.16	\$24.40
Linda Robinson	\$23.64	\$28.62
Dawn Vidal	\$35.02	\$42.39
Tim Feher	\$28.33	\$34.29
Jarett Chytka	\$28.33	\$34.39

Year’s two and three of the MOU would match the EEA’s with COLA up to a max of 4%. The Hearing/Vision/Dental benefit is recommended to increase as follows:

Employee Benefit Level	Current	Proposed
100%	\$1,000	\$1,500
75%	\$750	\$1,125
50%	\$500	\$750
Dependant Benefit Level	Current	Proposed
100%	\$400	\$600
75%	\$300	\$450
50%	\$200	\$300

Matching the improved Hearing/Vision/Dental benefit and additional MLK holiday for this group results in approximately \$5,000 annually.

Discussion

These changes necessitate a new MOU, along with Personnel Rules changes to reflect the addition of the MLK holiday which was approved by the Board in February 2023. The draft MOU is attached.

Recommendation:

Authorize Executive Director to implement the ESTA Management Confidential Employee Association increase to the annual budget with pay scales as described above, effective January 30, 2023, and sign a new MOU through February 9, 2026.

**Memorandum of Understanding Between
Eastern Sierra Transit Authority And
Eastern Sierra Transit Authority Management &
Confidential Employees Association**

Preamble

This Memorandum of Understanding is entered into by and between the Eastern Sierra Transit Authority, a California Joint Powers Agency, acting by and through the Board of Directors of the Eastern Sierra Transit Authority ("ESTA"), and the Eastern Sierra Transit Authority Management & Confidential Employees Association, ("Association"). This Memorandum of Understanding ("MOU") represents the mutual agreement of ESTA and the Association on those wages, hours, and other terms and conditions of employment which are to be in effect during the term of this Memorandum of Understanding.

Article I. Recognition & Classification

A. ESTA recognizes the Association as the "Exclusively Recognized Employee Organization" for employees of ESTA in the following position classifications:

- Administration Manager
- Transportation Operations Supervisor
- Administrative Specialist (I, II, III)

The job descriptions for these positions are attached to this MOU as Attachment 1. Any other newly established position classifications shall be administered in accordance with ESTA Resolution 2007-02.

B. In addition to those rights reserved in Article III, ESTA may, in its sole discretion, utilize an independent contractor to provide any and/or all required IT services.

Article II. Non-Discrimination

ESTA shall not discriminate against any employee because of membership in the Association or because of any legal activities on behalf of the Association.

Article III. Management Rights

A. ESTA reserves, retains and is vested with, solely and exclusively, all

rights of management which are not expressly abridged by law, or by this Agreement, to manage the Authority. ESTA may exercise its management rights unilaterally without the obligation to meet and confer on the decision to exercise such rights. However, ESTA shall meet and confer on the impact thereof pursuant to the following Section (Impact of Exercise of Management Rights). The sole and exclusive rights of management shall include, but not be limited to, the following:

1. To manage the Authority generally and to determine all issues of policy.
2. To determine the existence or nonexistence of facts which are the basis of management decisions?
3. To determine the necessity of organization of any services or activity conducted by the Authority and expand or diminish such services.
4. To determine the nature, manner, means and technology and extent of services to be provided to the public.
5. To determine the methods of financing.
6. To select types of equipment or technology to be used.
7. To determine and/or change the facility, methods, technological means, and size of work force by which Authority operations are to be conducted.
8. To determine and change of locations, relocations and type of operations, processes and materials to be used in carrying out all Authority functions including, but not limited to, the right to contract or subcontract any work or operation of the Authority.
9. To assign and schedule work to employees and to establish and change work schedules and assignments upon reasonable notice.
10. To relieve employees from duties for lack of work, funds.
11. To determine and modify productivity and performance programs and standards.
12. To discharge, suspend, demote or otherwise discipline employees for reasonable cause.
13. To determine job classifications and to reclassify employees.
14. To hire, transfer, promote and demote employees for non-disciplinary reasons.
15. To determine and administer policies, procedures and standards for selection, training and promotion of employees.
16. To establish employee performance standards including, but not limited to, qualification and quantity standards and to require compliance therewith.
17. To take any and all necessary action to carry out the functions

of the Authority in emergencies.

- B. Impact of Exercise of Management Rights. Except in emergencies, whenever the exercise of management rights shall impact on employees within a designated bargaining unit, ESTA shall offer to and thereafter on request meet and confer with any employee organization, which has been recognized by ESTA as representing such bargaining unit regarding the impact of the exercise of such rights. By agreeing to meet and confer as to the impact of the exercise of management rights, ESTA's discretion in the exercise of such rights and the implementation thereof shall not be diminished, held in abeyance or prohibited.

Article IV. Association Rights

- A. Reasonable Access. ESTA shall allow Association Officers and Representatives reasonable access to ESTA work locations, facilities, equipment and other ESTA resources.
- B. Advance Notice. ESTA shall provide reasonable advance notice to the Association of any and all changes that affect the wages, hours, terms and conditions of employment of employees covered by this Agreement. Said notice shall be sent to the Association as to allow for the Association's response and to meet and confer, if necessary. Said notice shall be sent to the Association representatives designated in paragraph 8 of this Article.
- C. Dues Deductions. Upon the approval of the majority of the eligible voting bargaining unit employees, the following provision shall become effective the first payroll period after said approval:
- 1) All employees in the classifications set forth in Article I of this Agreement shall as a condition of employment, agree to a mandatory deduction of \$10.00 per pay period.
 - 2) ESTA shall deduct and transmit the monthly dues and fees by direct deposit on a fortnightly basis to a bank account to be identified by the Association.
 - 3) ESTA will not be responsible or liable for any claims, causes of action, or lawsuits arising out of the deductions or transmittal of such funds to the Association, except that intentional failure of ESTA to transmit to the Association monies deducted from the employees pursuant to this Article.

D. Release Time. ESTA will release with no loss of compensation Association members (maximum two (2) employees at any one time) assigned to establish Association committees from their normal duties to conduct labor agreement negotiations with ESTA and/or ESTA labor agreement enforcement including participation in grievances, discipline or ESTA Board Meetings. An employee must request, in advance, release time which may be denied due to the operational needs of ESTA.

E. Authorized Agents. Authorized agents for the purpose of administering the terms and provisions of the Agreement shall be:

1. Eastern Sierra Transit
Authority Executive Director
P.O. Box 1357 Bishop, CA
93515
2. Management & Confidential
Employees Association President
P.O. Box 1357 Bishop, CA 93515

Article V. Personnel Rules

The Eastern Sierra Transit Authority Personnel Rules dated **January 2023**, and as may be subsequently amended, are hereby incorporated by reference. Notwithstanding any other provision of this MOU, the parties agree that ESTA may during the term of this MOU propose revisions to such rules and/or additional personnel rules, provided that ESTA allows an appropriate opportunity for affected Association members and their bargaining unit to “meet-and-confer” in compliance with the Meyers-Milias- Brown Act. Association agrees that once ESTA has duly adopted any such new and/or revised personnel rules, such rules shall apply to all employees covered by this MOU.

Article VI. Work Schedules

- A. Hours of Work and Work Schedules. The work week begins at 0001 hours each Monday and ends at 2400 hours the following Sunday (one minute after 12 midnight Monday through 12 midnight on Sunday).

Article VII. Overtime and Compensatory Time

- A. ESTA will comply with the Fair Labor Standards Act (FLSA) and shall compensate all non-exempt management & confidential

employees at the pay rate of time and one half for all overtime worked over 40 hours within a work week. Non-exempt employees covered by this Agreement shall be compensated for overtime at the rate of one and one-half times his or her equivalent hourly rate of pay.

1. All overtime must be scheduled with the employee in advance, except in the case of an emergency or when reasonable, unforeseeable operational needs prohibit advance notice.
2. Overtime may be converted to compensatory time off at the rate of time and one half (1-1/2). The compensatory time may be banked as provided in paragraph (4) below. The conversion of overtime shall be at the option of the employee. Overtime shall be paid in accordance with current procedures unless an employee requests compensatory time.
3. Positions exempt from overtime and compensatory time under FLSA may be added to or deleted from in accordance with the definitions of the FLSA. If issues of dispute arise between ESTA and the Association, a letter of ruling will be sought from the U.S. Dept. of Labor, which administers FLSA, to determine if the position meets the appropriate criteria for inclusion or exclusion from the list.
4. ESTA will allow non-exempt employees to carry a maximum of 40 hours of compensatory time on the books. Compensatory time will be placed on the books at the rate of one-and-one-half hours for each hour of approved overtime worked. When an employee leaves employment, any compensatory time remaining on the books will be paid at the employee's hourly rate.
5. Other provision of overtime shall be addressed as described in the Personnel Rules.

Article VIII. Salaries

Salaries (hourly wage rates) will be effective January 30, 2023, following ratification of this MOU by all parties. Effective January 30, 2023, all members received a 21.05% increase to their current wage rate.

Subsequent salary adjustments in 2025 and 2026 will occur the third full pay period in the calendar year. Pay increases in 2025 and 2026 will be based on CPI for Los Angeles for the full twelve-month calendar year prior to the increase. The maximum increase in 2025 and 2026 is up to 4%, but never negative.

- A. Fortnightly Paydays: An employee covered by this Agreement shall be paid every fourteen (14) days.
- B. Standby Compensation: A non-exempt employee requested by the Executive Director, or designee, to serve in an after-hours response capacity shall be paid \$35.00 per day for being on standby.
- C. Call-Out Compensation: A non-exempt employee, who has ended his /her workday and has left their place of employment and subsequently, performs duties after his /her regular work assignment, shall be compensated a minimum of two (2) hours for such work. All such time worked shall be subject to the overtime provisions of the Personnel Rules.
- D. Mileage Reimbursement: An employee who uses his/her own vehicle in the course of assigned work shall be reimbursed for said use at the current Internal Revenue Service rate for this area.
- E. Mammoth Branch Assignment Premium Pay. Shifts that originate from the Mammoth Lakes location, which is a considered to be a "remote" site, shall be paid an additional \$2.00 per hour.
- F. Cell Phone Stipend: a cell phone stipend of \$25 per month shall be paid to each member who uses their cell phone for ESTA business on a consistent basis.

Article IX. Seniority

A. Defined –

1. Continuous Employment – employment by the County of Inyo prior to the formation of ESTA, and/or ESTA with service breaks no longer than one (1) year.
2. Seniority - the original date of hire of continuous employment by the County of Inyo and/or the original hire date of continuous employment by ESTA, which

- ever occurred first.
3. Classification Seniority – the original date of continuous employment in the current classification by the County of Inyo and/or by ESTA whichever occurred first.
 4. Category Seniority - the original date of continuous employment in the current employment category by the County of Inyo and/or by ESTA whichever occurred first.
- B. Application – Seniority and Classification Seniority as defined shall be applied to all Articles and/or Sections of this Agreement where seniority is identified as a qualifying and/or eligibility factor.

Article X. Discipline and Discharge

Letter of Counseling or Warning: A letter of counseling is considered a first disciplinary step, but a written warning, suspension, or discharge may be issued depending on the severity of the violation. Any employee who receives a letter of counseling or warning shall be entitled to submit a written response thereto, which shall be placed in such employee's personnel file, along with the written counseling or warning. Employees who receive a counseling or warning from other than the Executive Director may discuss the matter with the Executive Director, who shall have the authority to remove the letter.

Employees who receive a counseling or warning from the Executive Director may discuss the matter with a staff member from one of the Authority's JPA jurisdictions. The jurisdiction shall be chosen at random and the jurisdiction's CEO shall designate who within the organization shall discuss the reprimand with the employee. The review will include the review of the written document and any written response submitted by the member, and may, in the discretion of the reviewer, include a limited investigation or an informal meeting with the Executive Director and the member to be conducted in a manner deemed appropriate by the reviewer. Any advisory opinion prepared by the reviewer shall be included in the member's personnel file along with the written document and the employee's written response, if any was submitted. There shall be no right to grieve or

appeal any counseling or warning nor shall there be any formal hearings or review procedures concerning any counseling or warning. An employee shall not be prohibited from arguing and presenting evidence to the validity of the letter of counseling or warning if said action(s) are used to justify a subsequent greater disciplinary action.

Suspension and/or discharge follows Personnel Rules Article XII, with the exception of Article XII section 12.4(a) which is addressed above.

Article XI. Benefits

The benefits are defined in the following matrix:

BENEFIT CATEGORY	100%	75%	50%	Non-Benefitted
PARS Retirement:				
<ul style="list-style-type: none"> · ESTA shall contribute 2% into the PARS program for non-benefitted members · Non-benefitted employees shall pay the balance of the PARS contribution (6%). This payment is a substitute for the Social Security 6.2% contribution. · Employer shall pay the employer required tax for Medicare as required by the IRS. 				X
Comprehensive Leave:				
	100%	75%	50%	Non-Benefitted
Benefitted employees shall accrue hours of comprehensive leave according to the following monthly accrual rates based upon number of years of continuous employment:				
Through the first 3 years	14.67	11.00	7.33	
After 3 years and through the 10 th year	18.67	14.00	9.33	
After 10 years and through the 15 th year	20.67	15.50	10.33	
After the 15 th year	22.67	17.00	11.33	

PERS Retirement:	100%	75%	50%	Non-Benefitted
<ul style="list-style-type: none"> · ESTA provides 2.5% at 55 formula PERS retirement for miscellaneous members hired and promoted to a benefitted position prior to December 1, 2011. Employees hired into a benefitted position, or promoted from a non-benefitted position to a benefitted position on or after December 1, 2011 shall be eligible for a 2% at 55 formula retirement. Employees hired into a benefitted position, or promoted from a non-benefitted position to a benefitted position on or after January 1, 2013 shall be eligible for a 2% at 62 formula retirement. 				
<ul style="list-style-type: none"> · ESTA agrees to pay the members contribution for PERS retirement (8%) for employees hired into a benefitted position, or promoted from a non-benefitted position to a benefitted position on or before December 31, 2012. 	X	X	X	
<ul style="list-style-type: none"> · Employer shall pay the employer required tax for Medicare as required by the IRS 				
<ul style="list-style-type: none"> · Unless countermanded by the Public Employees’ Pension Reform Act of 2013 (PEPRS), PERS Benefit to consist of: 				
<ul style="list-style-type: none"> o Final compensation based on average monthly pay rate during the last (or highest) consecutive 36 months of employment 				
<ul style="list-style-type: none"> o Post retirement survivor benefit of \$500 (one time) 				

Holiday Pay:	100%	75%	50%	Non-Benefitted
Straight time pay for official Authority holidays.	8 hours	6 hours	4 hours	
Holiday Premium Pay:	100%	75%	50%	Non-Benefitted
Wages for an official Authority holiday to be paid to benefitted and non-benefitted employees at the rate of time and one-half the employee's current hourly wage for all hours worked on the holiday.	X	X	X	X
Short Term Disability Protection:	100%	75%	50%	Non-Benefitted
Provided through State SDI Program. Employee pays the premium	X	X	X	X
Deferred Compensation:	100%	75%	50%	Non-Benefitted
ESTA will provide a deferred compensation program 457(b) for all employees.	X	X	X	X
Health Insurance Deductible Reimbursement:				
ESTA will reimburse 50% of one family member CalPERS health insurance annual deductible following attainment of the annual deductible by the employee or employee's family member, and following submission of a medical explanation of benefits statement evidencing the payment of the deductible. The annual deductible period shall be the calendar year.	X	X	X	

Health Insurance:	100%	75%	50%	Non-Benefitted
<p>ESTA will contract with the California Public Employees Retirement System (PERS) for medical benefits during the term of this Agreement. ESTA will pay 83% of the premium for employees selecting PERS Choice, and 87% of the premium for employees selecting PERS Select. ESTA's contribution shall be prorated for 75% and 50% employment category employees. The employee would be responsible to pay the balance of the monthly premium.</p>				
<p>Employees who select a lower level of coverage than they are eligible for will not receive any additional compensation. For example, an employee who selects employee-only coverage because their spouse has insurance from another source will not receive additional compensation.</p>	X	X	X	
<p>Benefitted employees who elect not to participate in the CalPERS health insurance program but who provide ESTA with proof of medical coverage under an insurance plan providing at least the same level of benefits available from ESTA above, shall receive a cash payment in the amount of \$408.00, which will be adjusted and earned by the employee based on the percentage of the monthly benefit stipend identified at right based upon the employee's employment category level. Employees enrolled in Covered California health plans are not eligible for the stipend.</p>				

Vision/Dental/Hearing Reimbursement:	100%	75%	50%	Non-Benefitted
<p>ESTA shall reimburse employees for professional services involving prescription eye products and/or frames, hearing care, and for dental care and vision correction according to dollar amounts identified to the right. Over-the-counter medications are not covered. Reimbursement amounts are per fiscal year.</p>				
<p>Reimbursement will be made following submittal of receipt(s) evidencing the service and the payment of the professional service and/or qualified products. Reimbursement for professional services and qualified products shall be made pre-tax.</p>	<p>1500 plus \$600 for one or more dependents</p>	<p>\$1,125 plus \$450 for one or more dependents</p>	<p>\$750 plus \$300 for one or more dependents</p>	
<p>Maximum amounts available to employees through the Vision/Dental/Hearing Reimbursement program shall be prorated for employees hired (or promoted to 50%, 75% or 100% status) during the fiscal year.</p>				
<p>The Vision/Dental/Hearing Reimbursement program runs from July 1 through June 30. Reimbursement receipts must be submitted by July 25 following the end of the program year on June 30. Employees may roll over up to 100% of the prior year's remaining balance to a maximum balance of \$3000.</p>	<p>Maximum balance \$3,000</p>	<p>Maximum balance \$3,000</p>	<p>Maximum balance \$3,000</p>	

Life Insurance:	100%	75%	50%	Non-Benefitted
ESTA shall provide a \$50,000 life insurance policy for benefitted employees. ESTA shall pay the percentage of the premium identified at right based upon employment category level. Employees over the age of 65 or 70 shall have a reduced life insurance policy amount, based upon the requirements of the insurer.	X 100%	X 75%	X 50%	
Employee Assistance Plan:	100%	75%	50%	Non-Benefitted
ESTA shall offer an Employee Assistance Plan (EAP) to help employees deal with personal problems that might adversely impact their work performance, health and well-being. ESTA shall authorize and pay for a maximum of six (6) visits per fiscal year with the psychologist/counselor of the employee's choice. Employees may contact the Administration Manager in order to avail themselves of the EAP.	X	X	X	X
Compensated Family or Medical Care Leave	100%	75%	50%	Non-Benefitted
Association employees shall be eligible for paid leave for a qualifying Family or Medical Leave event up to a maximum of the hour amounts identified at the right. Said compensation shall not extend any guaranteed minimum leave periods as required by the FMLA or other applicable law.	40 hours	30 hours	20 hours	X

Recognized Holidays:

New Years Day
Martin Luther King

Veteran's Day
Thanksgiving Day

President's Day	Day After Thanksgiving
Memorial Day	Christmas Day
Independence Day	Christmas Eve Day <u>or</u> New Years Eve Day
Labor Day	

Article XII. Health and Safety

- A. Service Cancellation:
- 1) Prior to the beginning of a start time, management may from time to time, due to road closures, hazardous weather and/or road conditions, determine that in the interest of safety it is necessary to suspend or cancel service. If management does not have any other work for the employee to perform in this instance and the employee is released from duty, the employee may use comprehensive leave time to make up any hours lost due to the service cancellation.
 - 2) If after the beginning of an employee's start time, management for said above reasons suspends and/or cancels service, the employee shall be paid a minimum of one-half the regularly scheduled work time, but no less than two (2) hours for the day.
- B. Emergency Travel and Lodging Expenses: ESTA shall pay motel and meal reimbursement for expenses incurred by employees when forced to stay away from home due to road or weather conditions.
- C. Safety Committees and Projects: MCEA members will be assigned by the Executive Director to conduct or participate in ESTA safety committees or other safety related projects.

Article XIII. Drug and Alcohol Testing

ESTA shall enforce the Eastern Sierra Transit Authority Drug and Alcohol Policy as adopted by the Authority's Board of Directors.

Article XIV. Employee Assistance Program

ESTA will offer an Employee Assistance Program (EAP) to help employees deal with personal problems that might adversely

impact their work performance, health, and well-being. The EAP counseling sessions are completely confidential and free of charge to the employee. An employee desiring assistance should either contact the Transportation Analyst directly, or request an Association representative to request a confidential referral on the employee's behalf in order to arrange for EAP counseling. The Administration Manager should contact the Executive Director directly, or request an Association representative to request a confidential referral on the employee's behalf if this individual desires assistance. ESTA will authorize and pay for a maximum of six (6) visits with the psychologist/counselor of the employee's choice.

Article XV. Uniforms

- A. ESTA shall provide uniforms to employees according to the following schedule:
 - Transit Operations Supervisor – 2 shirts, 2 choices of outerwear (fleece jacket, fleece vest, puffy vest, parka)
 - Administration Manager – 2 shirts, 2 choices of outerwear (fleece jacket, fleece vest, puffy vest, parka)
 - Administrative Specialist – 2 shirts, 2 choices of outerwear (fleece jacket, fleece vest, puffy vest, parka)
- B. Employees are responsible for the cleaning of their uniforms. Upon termination of employment, employees must return uniform shirts and jacket to ESTA. ESTA shall replace uniform shirts and jackets as necessary through normal and appropriate wear and tear.

Article XVI. Mistaken Overpayments

Should any employee be overpaid due to any mistake or inadvertence, ESTA may recover the amount of overpayment by subsequent deductions after the employee has been given notice and five (5) days to meet with ESTA. The employee shall be provided a copy of all of the supporting documents. Not more the twenty-five percent (25%) of any such employee's net pay shall be deducted from any one (1) paycheck for this purpose.

Article XVII. No Strike / No Lockout

- A. The Association, its officers, agents, representatives, and/or members agree that during the term of this MOU, they will not cause or condone any strike, walkout, slowdown, sickout, or any other job action by withholding or refusing to perform services.

- B. ESTA agrees that it shall not lockout its employees during the term of this MOU. The term "lockout" is hereby defined so as not to include the discharge, suspension, termination, layoff, failure to recall or failure to return to work of ESTA employees in the exercise of its rights as set forth in any of the provision of the MOU or applicable ordinance or law.

Article XVIII. Severability of Provisions

Should any provision of this MOU be found to be inoperative, void, or invalid by a court of competent jurisdiction, all other provisions of this MOU shall remain in full force and effect. In the event of such invalidation, the parties agree to meet and confer concerning substitute provisions.

Article XIX. Total Agreement

Sole and Entire Memorandum of Understanding: It is the intent of the parties hereto that the provisions of this Memorandum of Understanding shall supersede all prior agreements, oral or written, expressed or implied, existing or expired, between the parties. Unless specifically modified by this MOU or the Personnel Rules (dated **January 2023**), all policies, procedures, resolutions, and ordinances adopted by ESTA relating to all matters of wages, benefits, hours and other terms and conditions of employment shall be incorporated herein by this reference into this Agreement and shall remain in full force and effect during the term of this Agreement. This Memorandum of Understanding is not intended to conflict with Federal or State law. The parties acknowledge that ESTA's Board of Directors will adopt this Agreement by Resolution and that said Resolution shall remain in full force and effect during the life of this Memorandum of Understanding.

Article XX. Term of Agreement

The terms and conditions of this Agreement shall be effective January 30, 2023, and remain in full force and effect until January 26, 2026.

ACCEPTED AND APPROVED

For ESTA:

For MCEA:

Phil Moores, Executive Director

Dawn Vidal, Administrative Manager

Date

Date

Christian Milovich, County Counsel

Date

PERSONNEL RULES
AND REGULATIONS
OF THE
EASTERN SIERRA TRANSIT AUTHORITY

Eastern Sierra
TRANSIT

TABLE OF CONTENTS

ARTICLE I INTRODUCTION	3
ARTICLE II DEFINITIONS OF TERMS	3
ARTICLE III GENERAL PROVISIONS	11
ARTICLE IV CLASSIFICATION PLAN	18
ARTICLE V COMPENSATION PLAN	21
ARTICLE VI RECRUITMENT AND SELECTION	25
ARTICLE VII PROBATIONARY PERIODS	30
ARTICLE VIII PERFORMANCE EVALUATIONS AND SALARY ADJUSTMENTS	31
ARTICLE IX TRAINING AND CONTINUING EDUCATION	33
ARTICLE X LEAVES	36
ARTICLE XI LAYOFFS AND REDUCTIONS IN FORCE	51
ARTICLE XII DISCIPLINARY ACTIONS AND APPEALS PROCEDURES	54
ARTICLE XIII GRIEVANCES	64

PERSONNEL RULES AND REGULATIONS OF THE
EASTERN SIERRA TRANSIT AUTHORITY

ARTICLE I

INTRODUCTION

1. Authority. Adoption of these personnel rules and regulations ("rules") is authorized and directed pursuant to ESTA Resolution 2023-03 adopted in January 2023 of the Eastern Sierra Transit Authority Board of Directors.

1.2 Objectives The objectives of these rules are to facilitate efficient and economical transportation services to the public and to provide for an equitable system of personnel management by ESTA. The purpose of these rules includes administration of the merit system, classification of positions, compensation of employees, recruitment and qualifications of applicants, appointment of employees, evaluation of performance, promotion, discipline and separation of employees, standards for attendance and leaves, and policies for services and records.

1.3 Interpretation The ESTA Executive Director shall be responsible for the interpretation of these rules.

1.4 Application These rules shall apply to ESTA employees. These rules shall apply to all employees hired by ESTA. All provisions of these rules shall apply to temporary, emergency, and contract employees with the exception of Articles XII and XIII or as otherwise specified herein, which shall be inapplicable to such employees. Such employees either serve at-will or are subject to contractual provisions.

1.5 Severability If any section, subsection, sentence, clause or phrase of these rules is found to be illegal or invalid, such findings shall not affect the validity of the remaining portion of these rules.

1.6 Violation of Rules. Violation of any of the provisions of these rules shall be grounds for discipline up to and including termination. The type and extent of disciplinary action shall be determined on a case-by-case basis and shall generally be governed by Article XII of these Rules.

ARTICLE II
DEFINITIONS OF TERMS

2. General Statement. All words used in these rules shall be defined as they are normally used in the field of personnel administration. For the purpose of convenience, the following words are defined. Words in the singular number include the

plural, and words in the plural number include the singular. The word "shall" is mandatory and not discretionary. Words in the masculine shall include the feminine and vice-versa.

2.1 Administrative Leave. Leave of absence with pay and benefits which may be imposed by the ESTA Executive Director pursuant to these Rules.

2.2 Advancement. A salary increase within the limits of a pay range established for a classification.

2.3 Anniversary Date. The date used in the rules for determination of an employee's eligibility for pay increases and for rendering of performance evaluations. Employee association MOU's will dictate pay increases for employee members of these associations.

2.4 Appellant. A person who has appealed an action, inaction, charge or procedure.

2.5 Applicant. A person who files an application for a position of employment with the ESTA.

2.6 Appointment. The designation of a person to fill a position of employment.

2.7 Appointing Authority. Except the positions appointed by the Board of Directors, the ESTA Executive Director or designee shall be the appointing authority.

2.8 Authorized Strength. The assignment of a single position to its proper class in accordance with the duties performed and the authority and responsibilities exercised as approved by the Board of Directors. Specification of the number of positions within each job classification that the Executive Director is authorized to fill without additional Board authorization.

2.9 Benefitted Employee. A 50%, 75% or 100% employee as defined in the Employment Category Levels.

2.10 Bereavement Leave. A specified period of time in which an employee may take a leave of absence with pay due to the death of the employee's family member.

2.11 Board of Directors. The duly appointed legislative body of the Eastern Sierra Transit Authority, also be referred to herein as "Board".

2.12 Candidate. A person who has taken an examination, applied for, or has interviewed for a position in the classified service whose name has not been recorded on an employment list.

2.13 Class of Position. All positions of employment sufficiently similar in duties, authority, responsibility and working conditions to permit grouping under a common title in the application with equity of common standards of selection, transfer, demotion and salary.

2.14 Classification. The identity of a position of employment by title.

2.15 Classification Plan. An orderly arrangement of separate and distinct classes so that each class will contain all those positions which are sufficiently similar in respect to duties and responsibilities to meet the requirements as established under the definition of class.

2.16 Classification Series. A group of classifications ranked from lowest to highest salary in which there are natural lines of progression from the lowest to the highest because of the inclusion in the higher classification(s) of those qualifications that are required in the lower classification(s).

2.17 Classified Service. All positions of employment in the service of ESTA allocated to classes in the classification plan, except for temporary, contract, emergency, and those appointed by the Board of Directors.

2.18 Compensation. Salaries and wages paid to employees.

2.19 Compensation Plan. The schedule of salary ranges and steps set forth in a salary ordinance and/or resolution for the various classifications in the classification plan.

2.20 Confidential Employee. An employee who in the course of his or her duties has access to information relating to ESTA's administration of employer-employee relations, as defined in the Employer/Employee Resolution.

2.21 Contract Employee. A person whose services are obtained to perform a specific duty for a specific period of time pursuant to an individual written agreement signed by the employee and by the Chairman of the Board of ESTA or designee.

2.22 ESTA. The Eastern Sierra Transit Authority is a Joint Powers Authority created pursuant to Government Code Section 6500 et.seq.

2.23 ESTA Executive Director. ESTA's chief executive officer, as appointed by the Board of Directors.

2.24 Days. Calendar days, unless stated to be otherwise.

2.25 Demotion. The voluntary or involuntary transfer of an employee from a position in one class to a position in another class having lesser responsibilities and a lower salary grade or to a lower step in a classification grade or hierarchy of positions.

2.26 Disciplinary Action The discharge, demotion, suspension, or issuance of a written or oral reprimand or warning, or any other action taken for punitive, corrective or disciplinary reasons, towards an ESTA employee.

2.27 Disciplinary Suspension A disciplinary action that temporarily separates an employee from ESTA service without pay.

2.28 Dismissal. The discharge or termination of an employee by ESTA from ESTA employment.

2.29 Emergency Appointment. An appointment made to meet immediate requirements of an emergency situation, such as fire, flood, or earthquake, which threatens life or property, where such employment is not anticipated to endure beyond the duration of such an emergency. An emergency shall be as defined by the Government Code.

2.30 Employee. A person appointed to, and occupying, a position in ESTA employment, providing personal services to ESTA. This excludes independent and outside contractors and volunteers serving without compensation, unless required by law to be otherwise.

2.31 Examination. An appraisal process conducted at a specified time and place at which applicants are required to appear.

2.32 Exempt Employee. An employee who fills a position that qualifies for the executive, administrative, or professional exemption as defined by the Fair Labor Standards Act (FLSA).

2.33 Family Member. An employee's or applicant's parent, child (natural, adopted or step), child for whom said employee is legal guardian, spouse, sibling, grandparent, grandchild, parents in-law, and siblings in-law, domestic partners.

2.34 Employment Category Levels Employment levels identify the minimum rolling 12-month average number of hours per week and the resulting level of benefit eligibility for employees.

100% Employee - Average 35 or more hours per week or no less than 1820 hours in a year

75% Employee – Average 28 to 34 hours per week or no less than 1456 hours in a year

50% Employee – Average 20 to 28 hours per week or no less than 1040 hours in a year

Non-Benefitted Employee – Hours based on business needs.

2.35 Grievance A written claim by an employee or recognized employee organization on behalf of an employee or group of employees, that ESTA has violated, misinterpreted or misapplied a provision of these rules, a memorandum of understanding applicable to such employee or a written ordinance or resolution. Individual grievances must be signed by the employee, group grievances should be signed by the members of the group grieving, and recognized employee organization grievances should be signed by an authority in the recognized employee organization.

2.36 Grievance Procedure The process, set forth hereinafter, by which the merits of a grievance are determined.

2.37 Holiday Pay. Payment of wages to a benefitted employee at the rate of eight (8) hours of straight time pay at employee's current hourly wage for 100% employees; six (6) hours of straight time pay at the employee's current hourly wage for 75% employees; and, four (4) hours of straight time pay at the employee's current hourly wage for 50% employees. Holiday pay is not associated with hours worked or not worked by the employee on the holiday. Part-time non-benefitted employees shall not receive holiday pay.

2.38 Holiday Premium Pay. Wages for an official Authority holiday to be paid to benefitted and non-benefitted employees at the rate of time and one-half the employee's current hourly wage for all hours worked on the holiday.

2.39 Hire Date The first date of employment of an employee.

2.40 Immediate Supervisor. The lowest level supervisor who directs the work of an employee and who has immediate jurisdiction over an employee and has been designated as the initial recipient of a grievance. As defined in ESTA Employer-Employee Relations Resolution.

2.41 Industrial Accident/Illness Leave. A period of time, either paid or unpaid, provided to an employee who is disabled due to an injury or illness arising out of and in the course of his or her employment to recover from such injury or illness in accordance with the California Labor Code

2.42 Layoff The separation or the involuntary reduction in hours of employees from the active work force due to reorganization or lack of appropriation as determined by the Board of Directors.

2.43 Management Employee. An employee who is engaged in developing, implementing or recommending policy, or who has authority to administer discipline to subordinates, including but not limited to ESTA Executive Director, Administrative Manager, Administrative Specialist 1-3, and others who recommend or otherwise significantly affect ESTA policy as defined in the Employer/Employee Resolution.

2.44 Merit Salary Increase. The increase of an employee's salary within the salary range resulting from satisfactory job performance. Employee association MOU's dictate salary increases.

2.45 Non-benefitted Employee. An employee other than a benefitted employee.

2.46 Overtime The time in which a non-exempt employee is required or permitted to work beyond the number of hours of the work period or work week, unless otherwise provided in an applicable memorandum of understanding.

2.47 Position A collection or group of duties and responsibilities, which require the full- or part-time services, and employment of one person.

2.48 Probationary Employee An employee in the classified service who, during a probationary period, is required to demonstrate his or her fitness by actual performance of the duties of the position to which he or she has been appointed.

2.49 Probationary Period A six-month period of time following the appointment of an employee to a position in the classified service to be considered an integral part of the examination, recruitment, testing and selection process during which the employee is required to demonstrate satisfactory fitness for the position to which he or she has been appointed by actual performance of the duties of such position.

2.50 Promotion The movement of an employee from one class to a higher class of employment having greater responsibilities and a higher maximum base rate of pay.

2.51 Range. A number assigned to a position title, which indicates the salary steps for that position.

2.52 Reasonable Cause. The facts, conditions or circumstances, which justify disciplinary action against an employee.

2.53 Reclassification. The reassignment from one class to a different class at the same salary step, in accordance with a re-evaluation of the minimum qualifications, duties and responsibilities.

2.54 Regular Employee An employee in the classified service who has successfully completed his or her probationary period and has been retained.

2.55 Reinstatement The restoration without examination of a former employee to the same or lower classification within the same classification series in which the employee formerly served as a regular employee.

2.56 Rejection The separation of an employee from the classified service during his or her probationary period.

2.57 Resignation. The voluntary separation by an employee from ESTA employment.

2.58 Rules. These personnel rules, as they may be amended from time to time.

2.59 Salary Anniversary Date.

a) Salaries are adjusted per employee association MOU changes.

2.61 Salary Range. Where applicable, the range of pay an employee may earn while employed in a particular classification.

2.62 Seasonal Employee. A seasonal employee shall be one employed only for certain specified periods of the year to perform specific duties only required by ESTA during such time periods, such as employees who only work during summer months or during winter months for purposes related to service demand patterns.

2.63 Sick Leave. Absence from work of an employee because of illness or injury to the employee not incurred on the job, exposure to contagious disease, medical or dental appointments, or care for a sick member of an employee's family.

2.64 Step. The various increments of a salary range, from minimum to maximum, authorized for the class where applicable.

2.65 Temporary Assignment. The temporary assignment of an employee to duties other than those of said employee's regular assignment. All temporary assignments are at the will and discretion of the Executive Director.

2.66 Temporary Employee. A person who possesses the minimum qualifications established for a particular class and who has been appointed to a position in that class on other than a probationary or regular basis. Such an appointment shall not exceed six months. The ESTA Executive Director may extend the appointment for one additional six-month period. Temporary employees are not part of the classified service.

2.67 Termination The separation of an employee from ESTA service because of retirement, resignation, death or dismissal.

2.68 Transfer. The movement of an employee from one primary work site to another having similar responsibilities without changing the employee's class or maximum salary rate. The Executive Director shall take all reasonable steps to inform employees of transfer opportunities.

2.69 Work Day. The shift to which an employee is assigned regardless of length. A part-time shift may be a portion of the work day of a full-time employee.

2.70 Work Week. For employees, a regularly recurring period of seven consecutive twenty-four hour days beginning at 12:01 a.m. each Monday morning and concluding at 12:00 a.m. (midnight) the following Sunday night.

ARTICLE III

GENERAL PROVISIONS

3.1 Administration. The ESTA Executive Director or his or her designee shall be responsible for the administration of these rules. The ESTA Executive Director may delegate any of the powers and duties related herein to the Transportation Director. The ESTA Executive Director shall:

- (a) Act as the appointing authority for all ESTA employees.
- (b) Administer all of the provisions of these rules except as specifically reserved to the Board.
- (c) Prepare and recommend to the Board any appropriate rules and revisions to these rules, subject to the meet and confer requirements of the Meyers-Milias-Brown Act, Government Code section 3500 et seq.
- (d) Prepare or cause to be prepared, and revise as appropriate, a position classification schedule, including class specifications.
- (e) Have the authority to reclassify employees in accordance with class of positions established by salary schedule.
- (f) Have the authority to discipline ESTA employees in accordance with these rules.

3.2 Amendment of Rules. Recommendations for amendment and revision of these rules may be made by the ESTA Executive Director to the Board of Directors. Prior to consideration by the Board, any proposed substantive amendment within the scope of representation shall be subject to the meet and confer process pursuant to the Meyers-Milias Brown Act, Government Code Section 3500 et seq., with all duly recognized employee organizations.

3.3 Fair Employment Practices. ESTA offers equal opportunity in all matters of employment. Employment is based solely upon the qualifications of the individual applicant. ESTA shall not discriminate against any employee or applicant for employment because of such person's race, color, sex, age, national origin, ancestry, religious creed, marital status, veteran's status, physical or mental disability, medical condition, sexual orientation or political belief. Any technique or procedure used in recruitment and selection of employees shall be designed to measure only the job-related qualifications

of applicants. No recruitment or selection technique shall be used which, in the opinion of the ESTA Executive Director, is not reasonably linked to successful job performance.

3.4 Harassment Policy. It is the policy of the ESTA to provide a work environment free from discriminatory harassment. In order to achieve that policy, the ESTA has adopted an ESTA Harassment Policy, the terms of which are incorporated herein by this reference.

3.5 Nepotism Policy An applicant shall not be denied the right to file an application and to be considered for employment. However, the ESTA retains the right to refuse to hire or place a person under the direct supervision of a family member if such action has the reasonable potential for creating an adverse impact on supervision, safety, security or morale, or which involves reasonably potential conflicts of interest.

Upon the marriage or creation of a relationship due to marriage or creation of a domestic partnership between two ESTA employees, which has the reasonable potential to impact supervision, safety, security or morale, the immediate supervisor shall notify the Executive Director. The Executive Director shall be responsible for consulting with the immediate supervisor and the specific employees in accommodating the situation in accordance with these guidelines. When in the opinion of the Executive Director a situation occurs which could reasonably create a potential conflict, every attempt shall be made to transfer one employee to a position where no such potential conflict would exist. In the event such a transfer is not feasible, the employees shall be given the opportunity to make the decision as to which one shall resign. In the event neither employee resigns, the least senior employee shall be laid off with reinstatement rights to a position in the same or similar position when a potential conflict no longer exists.

The ESTA Executive Director shall be the final determining authority in all such matters.

3.6 Gratuities and Gifts. Since service rendered by an ESTA employee requires unimpeachable public trust, confidence, and impartiality, an employee shall disclose to his or her department head, any personal gift, including tip, which exceeds \$50.00 which is received from any person or entity for whom the employee has contact as an ESTA employee. No employee shall accept any personal gift or combination of personal gifts from a single source in excess of \$250.00 in value. No employee shall accept any personal gift regardless of value, which could reasonably be construed as a gift or gifts given to obtain a benefit or advantage from ESTA.

3.7 Personal Telephone Calls. Landline Telephones, cellular phones and two-way radios provided by ESTA are for use in conducting ESTA business. Use of ESTA landline telephones by ESTA employees for personal reasons, which are local and non-long distance, is permissible, but such calls shall be kept to a minimum and not interfere with the execution of ESTA business. ESTA landline telephones may not be used for

personal long-distance calls. Personal use of ESTA cell phones by ESTA employees while operating a transit vehicle is prohibited by State Law and ESTA regulations. Personal use of cellular phones shall be kept to a minimum, not interfere with the execution of ESTA business, and not permitted while vehicle is in motion. Use of ESTA two-way radios for any personal use are strictly prohibited.

3.8 Outside Employment. No ESTA employee shall engage in any outside employment which is inconsistent, incompatible and/or in conflict with their ESTA employment. Benefited ESTA employees (100%, 75%, 50%) shall not engage in any outside employment without first obtaining written approval from the Executive Director or Operations Supervisor. Approval will not be unreasonably withheld so long as the outside employment does not negatively affect the employee's job performance with ESTA. Non-benefited part-time employees are not precluded from outside employment as a condition of employment with ESTA.

3.9 Alcohol and Drug-Free Workplace It is ESTA's intent to maintain an alcohol and drug-free workplace. Any employee found to be in violation of this policy shall be subject to disciplinary action up to and including discharge. ESTA has adopted a Federal Transit Administration compliant Drug Free Workplace policy, which is incorporated herein by reference.

The unlawful manufacture, distribution, dispensation, possession or use of any alcohol or illegal drug or controlled substance is prohibited on the job or in the ESTA workplace. ESTA reserves the right to require that an employee undergo testing if ESTA determines that reasonable suspicion exists to believe that an employee is under the influence of any alcohol or illegal drug or controlled substance. Any employee found to be in violation of this policy or who has been convicted of violating a criminal drug statute shall be subject to the disciplinary actions which are outlined in these rules. ESTA may place a willing employee with an available employee assistance program or service for purposes of rehabilitation under appropriate circumstances, in conjunction with or in mitigation of disciplinary action.

3.10 Personnel Records and Files. The Executive Director shall maintain an official personnel file for each ESTA employee showing the name, title of position held, salary and employment history and status, performance evaluations, records of disciplinary actions, and such other information as may be considered pertinent by the ESTA Executive Director. Supervisors may keep working files, but material not maintained in the official personnel file shall not provide a basis for discipline against an employee. All material in the personnel file that is derogatory in nature, must be presented to the employee and the employee given the opportunity to respond to the material. If an employee is not provided an opportunity to respond to the material, such material shall not be used against an employee in a disciplinary action.

(a) Inspection of File by Employee Upon an appropriate request, an employee may inspect his or her personnel file. Such inspection shall occur at a time and in a manner mutually agreed upon by the employee and ESTA. An employee who provides an authorization may have a representative or counsel of his or her choice inspect the personnel file.

(b) Receipt of Copies of Records Copies of materials in an employee's personnel file shall be provided to the employee upon request. The employee shall bear the cost of duplication.

(c) Pre-employment Information Pre-employment information, such as reference checks and responses, or information provided ESTA with the specific request that it remain confidential, shall not be subject to inspection or copying by the employee or applicant.

(d) Placement in File Upon request of the employee, an employee may place documents in his or her personnel file that commend his or her job performance with ESTA or demonstrate educational attainment. Disciplinary documents shall be placed in the personnel file. An employee shall be provided a copy of any documents placed in his or her personnel file.

(e) Retention of Records. The files of all employees who have separated from ESTA employment, regardless of reason, shall be retained for a minimum of three (3) years after the employee's date of separation. All employment applications of persons who are not offered employment with ESTA shall be retained for a minimum of three (3) years.

3.11 Release of Information. No person other than the employee, his or her designated representative, ESTA Executive Director, ESTA Counsel, special legal counsel, the employee's supervisor, or their designated representatives, shall have access to an employee's personnel file, unless required by law.

3.12 Disclosure of Information. Except as provided above, as is authorized by law, or upon receipt of a duly executed written authorization from an employee, the only information that shall be disclosed from the personnel file of a current or former ESTA

employee will be the employee's current or final job title and inclusive dates of employment with ESTA.

3.13 Reference Checks. It is the policy of ESTA that all reference checks and requests for information concerning current or former employees be responded to only by the ESTA Executive Director, or designated representative. No ESTA employee shall provide any information concerning a current or former employee of ESTA to anyone seeking information concerning such current or former ESTA employee. All such requests for information, whether received personally, by telephone or in writing, shall be directed to the Executive Director. Any violation of the above shall be considered grounds for disciplinary action.

3.14 Use in Disciplinary Proceedings Nothing herein other than as provided in Section 3.11 shall preclude or specifically deny the use of any information in an employee's personnel file where relevant in any phase of a disciplinary or probationary action, by either ESTA or the employee.

3.15 Smoking Policy. Smoking and chewing tobacco is prohibited in all ESTA facilities and ESTA vehicles. Smoking means inhaling, exhaling, burning or carrying a lighted cigar, pipe, cigarette, e-cigarette, or other plant.

3.16 Bulletin Boards Space shall be provided on ESTA designated bulletin boards for posting of notices and bulletins of the following types:

- (a) Notice of recreational, social affairs and related business news.
- (b) Notices of elections; provided that this shall not include campaign materials.
- (c) Notices of recognized employee organization appointments and results of their elections.
- (d) Notices of employee organization.
- (e) Employee organization constitution, by-laws and proposed amendments thereto.
- (f) Such other notices as may be mutually agreed upon by an employee organization and the ESTA Executive Director.
- (g) There shall be no postings on ESTA building doors or windows or vehicles.

All materials posted on such bulletin boards shall indicate the name of the employee organization responsible for the material and clearly indicate the author's identity, preferably by signature by an official of the organization. It must be clearly understood that such material is neither official material nor endorsed by ESTA, and the material may not contain anything that would identify it as such.

In no case shall obscene material or personal attacks on anyone be placed on any bulletin board. Copies of all information posted on any bulletin board pursuant to this rule shall be submitted to the Executive Director at the time of posting. In the event objectionable material is posted, the Executive Director will so inform the organization representative, stating the basis for the objection, and such material shall be removed from the bulletin board immediately.

No employee organization shall post, or authorize any of its members to post, any material anywhere upon ESTA property except as provided in this rule. ESTA may remove or relocate any of its bulletin boards in the event of violations of this section or for reasons such as alterations in physical facilities, etc., and will inform the employee organizations whenever ESTA removes such bulletin boards.

Excluding meal and break periods, in no case shall the distribution of literature at the work place of employees be allowed during regular working hours.

3.17 Search of Lockers, Desks and Other Containers. Lockers, desks and other containers provided to employees for their convenience are and remain ESTA property. Such lockers, desks and other containers are to be secured by ESTA locks. No personal locks are to be used. Employees have no right to privacy in utilizing any such lockers, desks and other containers. ESTA specifically retains the right to open and search any such locker, desk or container at any time for any purpose. These will not be opened and inspected without ESTA having given the employee prior notice and the opportunity to be present at the time of opening and inspection.

3.18 Safety and Health. ESTA and each employee shall comply with all applicable safety laws, rules and regulations. All employees shall follow safety practices, use personal protective equipment as required, render every possible aid to safe operations, and report to proper authority all unsafe conditions or practices. All workplace injuries shall immediately be reported to the supervisor, department head and risk manager. Any violation of this requirement shall be a basis for disciplinary action.

3.19 Personal Property Damage. Any employee who suffers damage to his or her personal property while in the scope of employment shall be reimbursed for said damage upon certification by the ESTA Executive Director that such damage occurred in the course of his or her employment and that the amount claimed is reasonable. For this provision to apply, the employee must first have received written authorization from the

ESTA Executive Director that such personal property may be in the possession of and/or utilized by the employee while in the scope of employment.

3.20 Conflict of Interest All ESTA employees and officials required to do so by the Political Reform Act of 1974, as amended (Government Code § 87100 et seq.), or by the ESTA Conflict of Interest Code shall comply with all statutes, regulations and ordinances regarding conflict of interest and incompatible activities. Failure to do so may constitute grounds for disciplinary action up to and including termination.

3.21 Fitness for Duty. The Executive Director, or Immediate Supervisor, who has reasonable cause to believe that an employee is not capable of properly performing the essential functions of his/her position may require such employee to submit to a fitness for duty examination. The medical professional performing the fitness for duty examination shall inform ESTA whether or not the employee is fit to perform his or her essential functions. No other information shall be provided to ESTA without a release signed by the employee which release shall not be required. An employee who knowingly and deliberately makes a false claim or charge that another employee is not fit for duty will be subject to disciplinary action, up to and including termination.

ARTICLE IV

CLASSIFICATION PLAN

4.1 Preparation, Adoption and Amendment. The ESTA Executive Director shall ascertain and record the duties and responsibilities of all ESTA positions in the classified service for inclusion in the classification plan. The classification plan shall be so developed and maintained to ensure that all positions which are substantially similar with respect to duties, responsibilities, authority and character of work are included within the same class, and that the same schedules of compensation shall apply to all positions in the same class. Each classification shall have a written specification. Classification specifications are explanatory, but not restrictive. The listing of particular tasks shall not preclude the assignment of other related kinds of tasks or related jobs requiring lesser skills. The classification plan shall be amended or revised, as required.

4.2 Allocation of Positions. Positions shall be as approved by the Board of Directors in the annual budget. The ESTA Executive Director shall approve the appointment of employees to positions in the classification plan. Only allocated positions which have been approved by the Board may be filled, except that emergency and part-time positions, temporary positions, seasonal position may be approved and filled by the ESTA Executive Director without prior Board approval.

4.3 New Positions. When a new position is created, no person shall be appointed or employed to fill the position prior to the position's assignment to a class of position, unless otherwise provided by these Rules.

4.4 Reclassification. The duties of positions, which have been changed substantially over time so as to require reclassification, shall be allocated to an appropriate class. Reclassification shall not be used for the purpose of avoiding rules governing demotions or promotions. Should the duties of a position change over time, the Immediate Supervisor may request the reclassification of the position. After proper review or study by the ESTA Executive Director or designee, the position may be allocated to a higher or lower classification by the Board. The wage level of any employee holding a reclassified position shall remain at the same step within the new range. No change in the title of any job classification shall affect the tenure of the holder thereof where the position is, in effect, continued in existence. A reclassification will not cause a change in an employee's anniversary date.

4.5 Types of Appointments. Except for temporary vacancies and provisional appointments, all vacancies shall be filled by transfer, promotion, demotion, re-employment, and reinstatement or from candidates recruited from outside of the Agency. In the absence of eligible candidates in one of the above categories, temporary appointments may be made in accordance with these rules.

4.6 Emergency Appointments. To meet immediate requirements of an emergency condition as defined in 2.32 of these Rules which threatens life or property or the suspension of scheduled bus services, the ESTA Executive Director may create positions and employ such persons as temporary employees as may be needed for the duration of the emergency. The method of hiring for emergency appointments shall be subject to the discretion of the ESTA Executive Director. All such appointments shall be reported to the Board as soon as possible and shall be compensated at an hourly rate as approved by the ESTA Executive Director. Emergency appointees shall not be entitled to appeal disciplinary actions and have no rights to continued employment beyond the duration of the emergency for which they are employed.

4.7 Acting Appointments. If deemed to be in the best interest of ESTA, the ESTA Executive Director may authorize and approve an acting appointment.

- (a) An acting appointment may be authorized for a period not to exceed six (6) months from the date of appointment, subject to an extension for an additional six (6) months on written approval of the ESTA Executive Director. All acting employees must meet the minimum qualifications for the vacant position.
- (b) Employees filling temporary appointments serve at the will of the Executive Director and may be removed at any time without cause or right to appeal.
- (c) During the acting period, the employee will be assigned the title of the acting position and will be paid at the salary range of the acting position for the duration of the acting assignment.
- (d) No employee in a temporary appointment shall receive a merit increase except after accrual of 1040 hours as provided in Section [8.2 (3).]
- (e) While serving in an acting appointment, the employee shall continue to receive regular ESTA benefits. In addition, the employee shall receive any benefits of the temporary position. However, if an employee receiving overtime benefits is assigned to an acting position, which does not receive overtime benefits, the employee shall not receive overtime pay for the duration of the assignment. An employee, shall continue to accrue seniority in his or her position and shall be eligible to receive merit increases in the position.
- (f) If an employee serving a temporary appointment is

permanently appointed to the position, time served in the temporary appointment will be applied toward fulfilling the required probationary period.

4.8 Working Out of Class. Unless otherwise provided in a memorandum of understanding, any employee assigned work in a higher classification will have his/her salary increased by a minimum of 5% or be increased to the higher classification for the time worked, which-ever is greater, after five (5) working days, effective the first day worked.

Nothing herein shall be construed as limiting management's authority to assign ESTA employees temporarily to different or additional work duties and responsibilities for the purpose of responding to emergencies or necessary special, limited time assignments.

- a. Out of class assignments shall be recorded as an employee's regularly assigned workday.
- b. An employee assigned some but not all of duties of a higher-class position shall have his/her salary increased by a minimum of 5%.
- c. To qualify for the full salary of the out of class position, an employee must be assuming substantially the full range of duties and the responsibility of the higher-level position.
- d. Time worked out of class shall not be credited toward the completion of probationary requirements in the higher class.

ARTICLE V

COMPENSATION PLAN

5.1 Preparation of Plan The ESTA Executive Director shall prepare a compensation plan that will be incorporated In whole or in part into a Memorandum of Understanding (MOU) with any employee group.

5.2 Adoption of Plan The Board shall review the proposed compensation plan, make any changes the Board believes necessary or desirable and in its discretion approve the plan by incorporating it in a salary resolution.

5.3 Application of Rates An employee shall be paid a salary within the range or established for the class or position to which he or she has been appointed.

5.4 Salary Payment Procedure.

(a) Schedule of Payments. Employees shall be paid on a schedule of dates approved by the Board.

(b) Certification. Each supervisor or authorized designee shall, at the time he or she submits the payroll to the Auditor or authorized designee, certify that each employee has performed the number of days of work shown. The Auditor shall not issue a payroll warrant unless there is an authorized position supported by a valid personnel action form to substantiate the rate shown on the department payroll for each employee. The Supervisor shall determine and certify the payroll of the employees to the Auditor before warrants are issued to such employees.

(c) Time/Payroll Sheets: Time/payroll sheets showing hours worked and leave taken must be completed by each ESTA employee. Such sheets must be signed by the individual employee, the employee's supervisor, or designee. Time/payroll sheets will be reviewed and audited by the ESTA Auditor. Notice of any correction(s) to the time/payroll sheet will be sent to the employee and the Supervisor. Such corrections will be deemed final unless questioned by the employee within thirty (30) days after notice of correction has been given to the employee. Unresolved matters may be taken to the Executive Director for determination, which shall not preclude the filing of a grievance should the employee wish to do so after review by the Executive Director.

- (d) Separation: Employees who leave ESTA employment for any reason shall receive their final pay with the next regularly scheduled payroll cycle.

5.5 Compensation for New Employees. New employees shall be at the first step of the salary range for the class to which appointed. The ESTA Executive Director may approve an appointment to a higher step in the range depending upon the experience and qualifications (e.g. level of driver's license held by the applicant) of the applicant.

5.9 Promotion An employee promoted to a position in a class with a higher salary range may be paid either at the minimum rate of the new range or at the nearest higher rate to that which he or she would otherwise be entitled to in his or her former position on the date his or her promotion is effective, whichever is greater. However, the pay rate shall be at least 5% above the present rate of pay, or at the highest step in the promoted salary range, if less than 5% higher.

5.10 Demotion. An employee demoted to a position in a class with a lower salary range shall be paid at the step currently held unless the appointing authority directs placement in a different step.

5.11 Transfer. An employee transferred to a different work site in a class with the same range shall receive the same salary.

5.12 Change in Range Allocation The salary of an employee in a position in a class which is reallocated to a new salary range shall be adjusted to the corresponding step of the new range, i.e., step to step.

5.13 Position Reclassification. The salary of the incumbent in a position which is reclassified shall be adjusted to the corresponding step of the new classification, i.e. step to step.

5.14 Overtime Overtime may be worked only when approved in advance by the Executive Director, except in the case of an emergency or when reasonable, unforeseeable operational needs prohibit advance notice.

Payment for overtime shall be made to FLSA non-exempt employees at either the rate of time and one-half the employee's regular hourly rate, or at one and one-half hour of compensatory time for each hour of overtime worked. The ESTA Executive Director shall determine which employees and position classifications are FLSA exempt for purposes of entitlement to overtime compensation. Overtime shall be paid or compensatory time off given for all hours worked by non-exempt employees in excess of 40 hours in the work week unless otherwise provided in an applicable Memorandum of Understanding.

Overtime: Paid Time. For positions which do not meet one of the Fair Labor Standards Act (FLSA) exemption categories, overtime hours worked shall be compensated in one of the following ways for time worked (pursuant to rule 5.16) in excess of forty (40) hours in the work week:

1. as paid time at the rate of one-and-one-half times the rate of pay; or
2. as compensatory time accrued at the rate of one-and-one-half hours for each hour worked

5.15 Standby, Call-Out and Extra Work Policy

Compensation for standby duty shall be as set forth in duly adopted memoranda of understanding.

An employee assigned to standby duty must be available to work at all times during the period of time they are in standby mode. The employee must refrain from consuming alcoholic beverages or other substances which could impair his or her effectiveness or safety on the job. Violation of this policy shall result in disciplinary action, as outlined in Chapter XII of these rules.

Nothing herein shall be construed to require that ESTA establish standby duty for employees.

(a) Call-Out Compensation.

Compensation for callout duty shall be as set forth in duly adopted memoranda of understanding.

Unless otherwise provided in a memorandum of understanding, employees eligible for callout compensation are those who have ended their workday and left their place of employment and have performed duties outside of normal working hours.

5.16 Work Week. For purposes of applying the overtime requirements of the Fair Labor Standards Act (FLSA), the work week for ESTA employees shall begin at 12:01 a.m. Monday and end at 12:00 a.m. (midnight) Sunday night. Comprehensive leave, holiday hours or other leave time will not be included as time worked for purposes of calculating FLSA overtime.

5.17 Holiday Premium Pay. Any benefitted or non-benefitted employee who performs work on a designated ESTA holiday shall be paid at the rate of time and one-half the employee's hourly wage for all hours worked on the holiday. The holiday premium

overtime pay applies to either the ESTA designated holiday, or the official holiday, but not both.

ARTICLE VI

RECRUITMENT AND SELECTION

6.1 Employment Goals and Policies. In adopting these rules, it is the goal of ESTA to employ the most qualified individuals and to achieve excellence in serving the needs of ESTA stakeholders. Employment and promotions in ESTA shall be based upon merit and shall be free from political influence and discrimination based upon religious creed, age, sex, marital status, race, color, national origin, ancestry, medical condition, physical or mental disability, sexual orientation and political affiliation.

6.2 Job Announcements Job announcements providing information about the position, its title and pay, location of workplace, its major responsibilities and duties, qualifications, where and when to apply, and the last day on which applications will be accepted shall be prepared and distributed by the ESTA Executive Director or designee. All positions to be filled will be publicized by posting announcements on ESTA's official bulletin boards and in such other places deemed advisable by the ESTA Executive Director or designee. Employees may suggest additional locations.

Notice of opening shall be posted a minimum of ten (10) working days before the filing deadline for applications. Notice of promotional openings shall be posted a minimum of ten (10) working days before the filing deadline for applications.

A job announcement is not and shall not be construed as an offer of employment.

6.3 Employment Applications. Applications for employment or promotion with ESTA shall be made on forms approved by the ESTA Executive Director. All information required by the application shall be provided and the applicant shall certify under penalty of perjury as to the truth thereof. A materially false statement or omission on an application may disqualify the applicant and may be cause for termination or other discipline if the applicant is or subsequently becomes an employee of ESTA. Resumes and other supplementary information may be submitted and attached to the application for consideration, but may not be used as a substitute for the application. In order to be considered, an application must be actually received at the ESTA office by the final day of the advertised recruitment period. Postmarks shall not be accepted. All employment applications shall be kept confidential by ESTA as permitted by law.

The ESTA Executive Director may, at his or her discretion, establish a maximum number of applications to be accepted by ESTA for employment vacancies in cases where the ESTA Executive Director determines that the number of applications anticipated will be so numerous as to preclude an effective evaluation of each such application. Where such maximum number has been established, such facts shall be set forth in the job announcement.

6.4 Recruitment. It is the ESTA's policy to recruit the best qualified persons available regardless of religion, creed, age, sex, marital status, race, color, national origin, ancestry, political affiliation, medical condition, sexual orientation and physical or mental handicap, unless sex or physical ability is a bona fide occupational qualification.

In order to assure equal opportunity for employment, it is ESTA's policy to accept applications on an open and continuous basis. Therefore, applications shall be received notwithstanding the existence of current vacancies and shall be kept on file for a period of six months for future consideration if and when appropriate vacancies exist.

6.5 Types of Examinations. Except as specifically provided otherwise in these rules, selection for a position in ESTA employment shall be by one of the following types of examinations:

(a) Open Competitive. Examinations which are open to all persons who possess the indicated minimum qualifications as set forth in the job announcement. Applicants for open competitive examinations may, but are not required to be, employees of ESTA.

(b) Promotional Competitive Examinations which are open only to ESTA employees who possess the indicated minimum qualifications as set forth in the job announcement. This shall exclude contract employees.

Final decisions as to the type of examination to be utilized shall be made by the Executive Director.

6.6 Evaluation of Applications Each application shall be reviewed to determine if the applicant satisfies the minimum requirements.

(a) Selection technique shall be impartial and relate to those areas which will adequately and fairly indicate the relative capacity of the applicants successfully to perform the duties and responsibilities of the position in which they seek employment. The selection procedure will be determined by the ESTA Executive Director or designee.

6.7 Driving Safety Check A verifiable and acceptable driving record may be required of each final candidate for employment whose position will or does require driving an ESTA vehicle or if the employee will receive a vehicle allowance or mileage reimbursement. Verification of acceptable driving records of all employees may be conducted periodically.

6.8 Eligibility Lists. Lists of applicants to be considered for job openings in a particular position may be established for open competitive or promotional competitive positions. An eligibility list shall be a list of persons who have taken an open competitive or promotional competitive examination and have qualified for said position. Each such list shall bear an expiration date. Placement of a person's name on an eligibility list does not guarantee employment with or an offer of employment from the ESTA.

Eligibility lists will normally remain in effect for one year from the date of certification or until exhausted, whichever occurs first. The ESTA Executive Director shall have the right to extend an eligibility list, from time to time, for a period not to exceed two (2) years from the date of first certification. The ESTA Executive Director shall also have the right to decertify a list in his or her discretion prior to the expiration thereof and to request the establishment of a new list.

6.9 Removal of Names From Lists. The ESTA Executive Director may remove a name from an eligibility list for any of the following reasons:

- (a) If the eligible person accepts an appointment with ESTA to a career position of the same level. Acceptance of a temporary appointment at any level will not in itself be cause for removal from an eligibility list. An eligible person may refuse an appointment to a particular position and request to remain on the eligibility list.
- (b) If the eligible person requests in writing that his or her name be removed from the list.
- (c) If the eligible person fails to respond within ten (10) calendar days to a notification or letter which has been mailed to the person's last address on file with ESTA.
- (d) If a non-employee eligible person is unable or unwilling to accept any offered position.
- (e) If an employee refuses promotional appointment on three separate occasions.
- (f) If a person on a promotional eligibility list resigns from ESTA employment.
- (g) If other circumstances, such as conviction of a crime, loss of a required license or other reason as determined by the ESTA

Executive Director make the person ineligible for appointment from the list.

6.10 Final Decision on Selection. The Executive Director or designee will select the most qualified person for each open position. If the selected candidate accepts the appointment and reports for duty within the agreed upon time, the applicant shall be deemed appointed to the position. If the selected candidate does not report to duty within the agreed upon time, the candidate shall be deemed to have declined the appointment. By mutual agreement the ESTA Executive Director and the candidate, the date of the appointment may be changed. In making selections due regard shall be given to the ESTA's obligations to make reasonable accommodations to mental or physical disabilities except where there is clear indication that to do so would result in an undue hardship.

- (a) Veterans Preference - Veterans who have receive an honorable discharge from the military service and whom meet the minimum qualifications for the job will receive 4 additional points on the interview score.

6.11 Pre-employment Physical. Each person to whom employment with ESTA is offered, shall be required to pass a pre-employment physical at an ESTA designated medical facility and at ESTA cost before appointment to such employment becomes effective. The Executive Director shall have the authority to waive this requirement for certain positions which do not require a physical examination by regulation, or have limited physical demands. This rule shall also apply to changes of employment within ESTA when the new position has substantially more physical demands upon the employee. Employment shall be conditioned upon the results of said examination. Said examination shall include a screening for unlawful drugs and controlled substances. No person shall be denied employment or shall be failed on a pre-employment physical because of a physical or mental disability where such person could perform the essential duties of the job with or without a reasonable accommodation except when the applicant cannot perform the job without presenting a direct or threat to the health and safety of himself/herself or others.

- (a) Medical reports shall not be accessible to unauthorized persons. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for ESTA business reasons. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations. ESTA will not provide employee or applicant medical information to a third party/person (except as permitted under the California Confidentiality Medical Information Act and or HIPAA unless the employee signs an

authorization. If the employee's authorization indicates any limitations regarding the use of the medical information, the ESTA will communicate those limitations to the person or entity to which it discloses the medical information.

- (b) No person who has ever been disqualified from ESTA employment by medical examination shall be appointed to any classified position without written approval of the ESTA Executive Director.
- (c) An applicant who has been selected for appointment but who has disqualifying medical conditions which are temporary or correctable may, upon proof from his or her personal physician that such condition has been remedied, subject to verification by the ESTA designated physician, be reinstated on the same eligibility list, provided it is not expired or been decertified.
- (d) All pre-employment medical examination lab work will be done by an approved laboratory as determined by the ESTA Executive Director.
- (e) The Executive Director, or designee, will determine whether a candidate has passed or failed the pre-employment medical examination. The candidate is not to be appointed until the supervisor is notified by the Executive Director that the candidate has passed the medical examination.
- (f)
 - (1) If the candidate fails the pre-employment medical examination, he or she will be notified of such failure by the Executive Director or designee
 - (2) A candidate failing the pre-employment medical examination will be given all written documentation of the examination and reasons for failure. The candidate will also receive a written statement that medical records are confidential and not available for release without a signed written statement of release by the candidate.
 - (3) A candidate failing a pre-employment medical examination will be provided a written statement that he/she is entitled to obtain a second opinion, at his/her expense, for review by the Executive Director or

designee. All costs associated with the second opinion, including any medical tests or procedures will be at the expense of the candidate. The candidate must notify the Executive Director or designee in writing within 30 days of receipt of failure notification that a second opinion is requested. Such a second opinion must address the specific reason(s) for failure of ESTA's pre-employment examination. The result of this second examination will be reviewed by an independent medical examiner if such review is recommended by the Executive Director or designee.

- (g) Job analyses shall identify and document the job-related physical tasks. All candidates will be permitted to participate in examination procedures regardless of existing disability, unless the disability is specifically stated in the recruitment announcement as disqualifying. Cases will be evaluated on an individual basis with respect to the ability to perform the tasks of the specific position.

6.12 Compliance with U.S. Immigration and Nationality Laws. In hiring employees ESTA shall comply with all applicable laws relating to immigration and nationalization. ESTA shall complete the "I-9 form" required by the Immigration Reform and Control Act of 1986 and each person hired by ESTA shall, as a condition of employment, be required to provide, prior to commencing work, proper documentation required by said law indicating either United States citizenship or legal entitlement to hold employment within the United States.

ARTICLE VII

PROBATIONARY PERIODS

7.1 Purpose. The probationary period is deemed to be a part of the examination process, affording the appointing authority an opportunity to evaluate those factors and qualities affecting competence and fitness. It is a basis for determining the eligibility of an employee for regular status in a classified position.

7.2 Initial Probation All persons hired into the classified service shall serve an initial probation period of six months of service from their most recent date of appointment before becoming eligible for regular status. An employee serving an initial probation period may be separated from ESTA employment at any time and at the discretion of the appointing authority without cause and without right of appeal. The probationary period may be extended for up to an additional six (6) months on written approval of the ESTA Executive Director obtained prior to the expiration of the initial period.

7.3 Promotional Probation An employee who is promoted from one classification to another classification with a higher salary range shall serve a promotional probation period of six (6) months of actual and continuous service. An employee who does not satisfactorily complete the promotional probationary period shall be returned to the classification from which promoted, provided the employee has sufficient seniority to retain a position. If such a position was filled, the probationary employee may be separated from ESTA employment or returned to a prior position if ESTA would otherwise be over the authorized level of personnel.

7.4 Effect of Leaves of Absence. Any period of absence from regular duty or assignment in excess of ten (10) working days, for any reason during the probationary period, except scheduled vacations, shall cause the probationary period to be extended for a period equal to the total number of days absent.

7.5 Reinstated and Re-employed Employees. An employee in good standing who has been laid off and re-employed within a one (1) year period in the same classification shall not be subject to a new probationary period provided the employee successfully completed a probationary period prior to the time of layoff. The probationary period for employees reinstated within one (1) year of separation may be waived at the discretion of the appointing authority, provided the employee has previously successfully served a probation period with ESTA in that classification.

7.6 Effect of Reclassification. If a position is reclassified, the employee shall not be required to serve a new probation period.

ARTICLE VIII

PERFORMANCE EVALUATIONS & SALARY ADJUSTMENTS

8.1 Initial Appointments. All new employees shall be appointed at the first step of the salary range unless the ESTA Executive Director approves placement at a higher step in the range.

8.2 Performance Evaluations. Except for drivers, utility, and trainers, regular performance reports shall be made at times and on forms prescribed by the ESTA

Executive Director as to the efficiency, competence, conduct and merit of all employees in the classified service. In addition to the formal performance evaluation before the conclusion of the probationary period, one or more formal or informal performance evaluations may be made during an employee's probationary period.

- (a) As part of the performance evaluation, the employee and his/her Supervisor shall meet to review and discuss the employee's significant accomplishments, training, areas needing attention or improvement, and future development and objectives. After reviewing the job description, duties and any established performance standards for that position, an evaluation shall be made by the Supervisor as to whether the employee's performance has been acceptable or unacceptable. An explanation must accompany any unacceptable or conditional rating. The employee shall have an opportunity to review his or her performance evaluation report and agree or disagree with it. The employee shall have the right to attach a written response to the performance evaluation which shall be attached to the performance evaluation report and placed in his or her personnel file. Based upon the performance evaluation report, the Executive Director may, at his or her discretion, make appropriate recommendations regarding a merit increase, promotion or other action.
- (b) The employee and Supervisor must sign and date the performance report. If the employee refuses to sign the report, the Supervisor shall note this fact on the performance evaluation report and any circumstances surrounding the employee's refusal. Copies of the report shall be distributed to the employee and the Executive Director.
- (c) If an employee is not in agreement with a performance evaluation which results in a less than acceptable rating, the employee may, within ten (10) working days after receipt of the evaluation, request a review of such evaluation by the Executive Director whose decision shall be final and conclusive and not subject to further appeal or grievance.

ARTICLE IX

TRAINING AND CONTINUING EDUCATION

9.1 Training The ESTA recognizes the importance of training. Training may be provided in house or by outside trainers.

9.2 Seminars and Conferences Employees may attend seminars or conferences covering current issues and areas relevant to their positions under the following conditions.

- (a) Employees must submit their request on forms prescribed by the Auditor and follow all applicable procedures.
- (b) Budgeted funds must exist for all such training and any travel. Out of ESTA attendance shall require written approval of the ESTA Executive Director and in conformance with the ESTA's travel policy.
- (c) Employees must comply with the ESTA travel policy and provide necessary receipt documentation as required by the Auditor.
- (d) Employees who have recently received such training must be willing to provide "in-house" training to other employees if so requested.

9.3 Training and Travel Reimbursement In accordance with the Fair Labor Standards Act (FLSA), employees who are not exempt from FLSA shall receive training and travel reimbursement as provided in this rule.

Time spent in attending lectures, meetings, training programs, and similar activities shall not be counted as time worked where such attendance is outside of the employee's regular working hours, except in situations where the employee is directed by his or her department head to attend such lecture meeting, training program, or similar activity. Leisure and meal times are not considered time worked unless they are part of the seminar.

Time spent by an employee traveling between the employee's residence and the primary worksite is not work time and shall not be treated as hours worked. When an employee is assigned by his or her supervisor to work in an area that is outside of their primary worksite, time spent traveling between the employee's home and assigned destination shall be treated as time worked only to the extent that it exceeds the amount

of time normally taken by the employee to travel between his or her residence and regular workplace.

When an employee, who is assigned to work outside their primary worksite and return the same day, utilizes public transportation, the time spent traveling on the public carrier (i.e. airport or bus station) shall be treated as time worked. Also, time spent traveling to a final destination via public carrier is considered time worked.

Employees assigned to work outside of their primary worksite, and the work-related destination exceeds 75 miles from the primary worksite, shall receive mileage and travel reimbursement in accordance with provisions outlined in ESTA's travel policy. Management may authorize the use of an ESTA vehicle for use by the employee and if so, the employee shall not receive mileage reimbursement.

In general, training time during working hours shall be considered part of the job. Training after hours shall be considered voluntary, and no additional pay, overtime or compensatory time shall be given by ESTA, unless advance special written approval is granted. Study time shall be considered completely voluntary.

9.4 Tuition Reimbursement. Subject to Executive Director approval and available funding, employees may attend and be reimbursed for part or all of the costs of educational and other training courses which provide a benefit to the ESTA. The Board may establish an amount limitation per employee per fiscal year, or as designated by memorandum of understanding. Payments shall be subject to all applicable federal and state tax laws.

Notwithstanding the tuition reimbursement amount set by the Memorandum of Understanding, if the employee voluntarily leaves ESTA employment within two (2) years after such date of completion, he/she shall refund to ESTA the amount of such reimbursement in pro-rated amounts up to a period of two (2) years; i.e. if employee leaves ESTA one (1) year after completing a Bachelor Degree program, employee shall reimburse ESTA 50% of all costs reimbursed.

Any educational or training course that is a requirement for continuation of employment or is an identified part of a job evaluation shall be paid for by the ESTA. Any other educational or training course that is job-related shall, if prior approval for reimbursement is given by the ESTA Executive Director, be reimbursed at 1/2 (50%) after successful completion. All college or other graded classes shall require a minimum grade of a "C" in order to receive such reimbursement. Books or other materials shall only be paid if some defined benefit can be shown to the ESTA (i.e., course books become part of a ESTA reference library).

No reimbursement shall occur if an educational class does not provide a benefit to ESTA. There shall be no mileage reimbursement for travel to and from

educational classes. Required forms must be completed and necessary documentation (receipts and grades) must be provided in order to receive reimbursement. Final and conclusive determinations of the reimbursement amount shall be made by the ESTA Executive Director after review of the request and recommendations by the supervisor.

Time spent in attending lectures, meetings, training programs, and similar activities during an employee's regular work hours shall be counted as time worked only if authorized in advance and in writing by the employee's department head. No such authorization shall be given unless the lecture, meeting, program or other activity is directly related to improving the employee's ability to perform his or her job.

ARTICLE X

LEAVES

10.1 Jury Duty and Witness Leave. No employee shall be dismissed, suspended or in any manner discriminated against for taking time off from work to serve as a juror or witness when required by law provided such an employee complies with the provisions of this rule. An employee called to serve as a juror or witness shall notify his or her Supervisor at least one (1) week prior to the commencement of such service, unless extenuating circumstances exist.

- (a) Any employee of ESTA called as a courtroom juror shall be entitled to be absent from his or her duties with ESTA as long as required by the court system or other tribunal. The employee shall obtain a jury calendar or assignment sheet weekly during such service. The employee shall have the jury calendar or assignment sheet signed by the jury clerk or commissioner and shall deliver this sheet to his or her Supervisor at the end of each week to verify jury duty or witness service. Time off for courtroom jury duty shall be with pay if the employee submits jury duty fees to the ESTA Auditor. Submission of mileage fees is not required.
- (b) If an employee is required to serve on courtroom jury duty while on probation, his or her probationary period shall be extended the same length of time as the jury duty. Such extensions of salary anniversary dates and probationary periods which arise as a result of this policy shall not reflect negatively on any employee's performance.

Any employee required to appear as a witness by proper subpoena issued by a court or other legally empowered agency in a matter arising out of his or her ESTA employment shall be required and paid to attend the trial or hearing as a regular part of job duties. In such case, any fees, including mileage, must be deposited with ESTA. An employee required to be present as a witness in any other matter shall not be entitled to be paid during such absence.

- (c) An employee who is released by the court from jury duty on any regularly scheduled work day shall contact his or her Supervisor to find out whether he or she is required to return to work.
- (d) If jury duty is cancelled before the work shift is scheduled, the management may reassign the employee to work an original shift.

- (e) An employee may become a member of the County Grand Jury if selected by the Superior Court. However, participation on the County Grand Jury is without pay except to the extent that the employee may cover any absences from work with the use of accrued and scheduled vacation time. If approved in advance by the Supervisor, and based upon the needs of ESTA, an employee may be allowed to alter his or her regular work hours in order to accommodate Grand Jury service.

10.2 Pregnancy Disability Leave. Any female employee will be entitled to take an unpaid leave on account of pregnancy, child birth or related medical conditions for the period of disability up to four (4) months pursuant to the Pregnancy Disability Leave law set forth in Government Code Section 12945 and the rules related to Pregnancy Disability Leave as provided in 2 CCR Sections 7291.2 et seq, and as that statute and those rules may be amended from time to time. The employee may elect to use accrued sick leave, and may elect to use accrued comprehensive leave or other accrued paid leave during this period of time. An employee will not accrue additional vacation or sick leave during any unpaid portion of this leave. ESTA may, but is not required to, allow an employee to commence the use of CFRA leave prior to the birth of the child if the employee has used four months of pregnancy disability leave prior to the child's birth and the employee's health care provider determines that a continuation of the leave is medically necessary.

10.3 Military Leave Military reserve leave is defined as: military duty ordered for purposes of active military training, encampment, naval cruises, special exercises, or like activity as a reserve member of the U.S. Armed Forces or National Guard, provided that the period of ordered duty does not exceed one hundred eighty (180) calendar days, including time involved in going to and returning from the duty, but not for inactive duty (for training) such as scheduled reserve drill periods.

For the purposes of this section, "active military training" shall be defined as a period of training (i.e., encampment, naval cruises, special exercises, or like activities) which normally occurs once a year over a two-week interval. "Inactive duty for training" and "scheduled reserve drill periods" shall be defined as the weekend periods of training, which are scheduled once a month.

Employees must submit a copy of military orders to the Executive Director prior to the beginning of the military leave period and as soon as the employee knows of the need to request such leave, except where military necessity dictates.

Regular and probationary employees shall receive their full regular pay and benefits for the first thirty (30) days of military leave in any one fiscal year. After the first thirty (30) days of military leave in a fiscal year, employees may take a leave of absence without pay or they may utilize their comprehensive leave in order to fulfill their military

duties. Regular and probationary employees on a military leave of absence shall receive the same comprehensive leave, and holiday privileges and the same rights and privileges to promotions, continuance in office, employment, reappointment to office, or re-employment that they would have enjoyed had they not been absent therefrom. Contributions to retirement, life insurance, and medical and dental plans shall be suspended after thirty (30) days of military leave until the employee is reinstated. However, upon approval of a leave of absence without pay, the employee may elect to continue benefits coverage at his or her own expense, with the exception of retirement.

If an employee is required to perform military reserve duties while on probation, his or her probationary period shall be extended the same length of time as the military leave. Such extensions of salary anniversary dates and probationary periods which arise as a result of this policy shall not reflect negatively on any employee's performance.

ESTA shall reinstate those employees returning from a military leave of one hundred eighty (180) days or less to the position they occupied prior to taking a military leave of absence or to a position of comparable seniority, status, and pay, upon presentation of a certificate of satisfactory completion of service and if such employees are qualified to return to their former positions.

If an employee is required to perform active military duty for a period in excess of one hundred eighty (180) days as part of his or her military obligation as a reserve member of the U.S. Armed Forces or National Guard, upon expiration of the one hundred eighty (180) days of military leave, such employee will be released from ESTA employment subject to such rights to re-employment.

10.4 Leave of Absence Without Pay.

A. Eligibility. Other than emergency, temporary or seasonal employees, all employees or officers of ESTA who have been employed for one (1) year or more may be granted a leave of absence without pay upon the following conditions:

1. The employee or officer has submitted a request in writing to his or her Executive Director indicating clearly and concisely:

a. That the leave of absence is made voluntarily by the employee or officer;

b. That there is a date certain on which the leave will commence;

c. That there is a date certain on which the employee will return to work and an acknowledgement that failure of the officer or employee to return to work on that date constitutes cause for

dismissal of said employee or said officer should the employee or officer not utilize the procedure for extension as set forth below;

d. The reason for the requested leave of absence and all facts, events or occurrences that the employee or officer is relying upon to support the request are stated.

B. Extension of Leaves. Should the officer or employee desire an extension of the leave of absence, said officer or employee must submit a request, in writing, to the Executive Director, whose approval is required pursuant to Subsection C of this section. The request will be considered by the Executive Director, whose approval is required, only in the event that:

1. The request is received by the Executive Director at least seven (7) working days prior to the date scheduled for termination of the leave;
2. The request contains an address to which a note of approval or denial of the extension may be sent; and
3. The request gives facts which would support a determination by the Executive Director that the circumstances which caused the leave to be granted initially still exist.

C. When Granted. A leave of absence without pay may be granted only in the event that the facts, events and occurrences that support the request of the officer or employee establish:

1. There is an illness, injury or disability of the officer or employee, or a member of his/her immediate family, and the officer or employee has exhausted all available accrued leaves and has exhausted all leave pursuant to CFRA, the Pregnancy Disability Leave Law, and FMLA;
2. The employee or officer is to receive some training, education or experience which will materially increase the ability of said officer or employee to perform his or her duties as an ESTA employee;
3. That the leave is requested for personal reasons acceptable to the Executive Director;

D. Authority. A leave of absence requested by an officer or an employee for a period not exceeding thirty (30) calendar days after the exhaustion of all other leaves may be granted by the Executive Director.

E. Leave Requests for Period in Excess of Thirty Days. A leave of absence requested by an officer or employee for a period in excess of thirty (30) calendar days, shall be processed as follows:

1. The request shall be submitted to the Executive Director.
2. Upon the approval of the Executive Director, the request shall be submitted to the Board of Directors for consideration at the next regularly scheduled Board meeting. The Board of Directors may approve the request, approve the request upon the imposition of conditions the Board deems appropriate, including but not limited to, a reduction in the period of time requested, or deny the request.

F. Time Limitation. Leave without pay is not to exceed one (1) year.

G. No Accrual of Comprehensive Leave. Comprehensive Leave and other paid leaves will not be earned during an unpaid leave of absence. Holidays with pay will not be given. Contributions to monthly premium costs for medical insurance will be suspended after one (1) calendar month. After one (1) month the employee must make arrangements to continue to pay his/her normal monthly premium costs for insurance under COBRA provisions or lose coverage.

10.5 Leave of Absence With Pay. Leave of absence with pay may be directed by the ESTA Executive Director for either of the following reasons. Duration of such leave should not exceed six (6) weeks without approval of the Board of Directors.

- (a) Where the ESTA Executive Director determines that it is in the best interest of the ESTA that an employee be removed from the work place pending resolution of the "Skelly" process.
- (b) Where the ESTA Executive Director determines that it is in the best interest of ESTA that an employee be removed from the work place pending investigation of allegations which could lead to disciplinary action.

10.6 On-the-Job Injuries and Workers' Compensation Coverage. When an employee experiences an injury or illness arising out of and in the scope of employment, worker's compensation leave and benefits will be provided as required by law. Procedures to be followed in the event of an industrial injury or illness shall be governed by Section 6, Item 6.1 of the Eastern Sierra Transit Authority Injury and Illness Prevention Plan. An employee shall receive full compensation for the date of injury and shall be allowed to use accrued and unused sick, vacation or flex leave for any waiting period required by law. Employees incapacitated by reason of an injury or illness arising out of and in the course and scope of employment shall be allowed to receive a sum which,

when combined with the amount of temporary disability payments results in a payment equal to but not exceeding such employee's regular compensation, up to the total amount of the employees accrued but unused -or comprehensive leave. An employee's salary, anniversary date and, where appropriate, probationary period shall be adjusted as provided elsewhere in these rules.

10.7 Retirement. All employees in the classified service, excluding non-benefitted, Seasonal and Temporary employees shall be members of the Public Employees Retirement System as provided by law and terms of the contract in effect between ESTA and the Public Employees Retirement System. The Board may amend the contract as provided by law. The ESTA Executive Director shall advise the Board regarding policy matters concerning the contract or amendments to it.

10.8 Comprehensive leave. Comprehensive leave may be used for any purpose by the employee (vacation, sick time, etc.). All benefitted employees shall be entitled to Comprehensive Leave and shall earn comprehensive leave at levels corresponding to their Employment Category Level, as defined below. The accrual rates shall be as defined in the MOU.

100% Employee – earns 100% of their accrual rate

75% Employee – earns 75% of their accrual rate

50% Employee – earns 50% of their accrual rate

- (a) Comprehensive Leave used for vacation shall be taken only with the consent of the Executive Director or designee. Such consent shall not be unreasonably denied. However, vacations may be scheduled so as to ensure that ESTA services are adequately staffed at all times.
- (b) Supervisors shall have full responsibility and discretion for setting scheduled time off periods for all employees under their supervision. In doing so they shall be guided by the good of ESTA service, the desires of the individual employee and the orderly conduct of the work and functions of ESTA.
- (c) Upon termination, the employee shall receive pay for comprehensive leave time accrued but which remains unused as of the date of termination.
- (d) Employees entitled to comprehensive leave shall have the option at fiscal year-end to receive cash for leave hours not used with the restriction that a minimum of 240 leave hours must remain after the leave pay out.

10.9 Sick Leave ESTA employees who are entitled to Comprehensive Leave may use such leave for purposes of sick leave. Use or Comprehensive Leave for purposes of sick leave shall be governed by the policies listed below.

- (a) Doctor's Certificate Any employee of the ESTA excluding Supervisors, absent from work on sick leave for any period in excess of five (5) consecutive work days shall furnish his Supervisor (at the employee's own expense) a certificate signed by a licensed physician or dentist that said employee or member of his immediate family was medically unable to work. Said certificate shall be furnished to the Executive Director. Before an employee returns to work, a return to duty physical examination by the ESTA designated clinic, at the ESTA's discretion, be required at ESTA expense.
- (b) Consent. Sick leave with pay shall be granted only upon the approval of the Supervisor in the case of an actual and verifiable illness or injury.
- (c) Use of Sick Leave. Sick leave may be taken only for the following reasons:
 - (1) illness or injury of the employee;
 - (2) illness or injury of a member of the employee's family member or domestic partner;
 - (3) employee's receipt of medical or dental care which is not available except during working hours;
 - (4) death of a family member pursuant to these rules;
 - (5) approval of the use of sick leave beyond the restrictions stated in these rules may be granted by the Executive Director for specific cases;
 - (6) in connection with the provisions of these Rules governing family or medical care leave.
- (d) Abuse of Sick Leave. Sick leave is a privilege, not a right, and may only be used for the purposes enumerated in these rules. The ESTA reserves the right to require any employee utilizing sick leave to provide medical verification of the illness, injury

or treatment at ESTA expense, for which sick leave is requested or granted. Abuse of sick leave shall be considered a basis for disciplinary action up to and including termination.

- (e) Coordination of Benefits. If applicable and available, an employee may coordinate the use of comprehensive leave with State short-term disability program benefits such that an employee's accrued sick leave would be charged only for the difference between the regular rate of pay and the amount of State short-term disability benefits received.

10.10 Bereavement Leave Due to Death of Family Member

A. When any employee or officer is absent from duty by reason of the death of his or her father, mother, brother, sister, wife, husband, domestic partner, child, grandparent, grandchild, or the mother or father of the employee's or officer's spouse or domestic partner, he or she shall be entitled to be absent, with pay, for no more than five (5) working days per year total, regardless of the number of triggering events.

B. Eligible Employees. All benefitted employees who have completed their initial probationary period are entitled to this employer paid leave. 100% employees shall be entitled to no more than 40 hours of bereavement leave per year, 75% employees shall be entitled to no more than 30 hours of bereavement leave per year, and 50% employees shall be entitled to no more than 20 hours of bereavement leave per year.

C. Documentation of Death. ESTA may require confirmation of death within thirty (30) days after the employee or officer returns to work.

10.11 Family or Medical Care Leave. Leave under this rule shall only be available to persons employed by ESTA for at least one year who have worked at least 1,250 hours within the twelve (12) months immediately preceding the commencement of the leave time. Employees who qualify shall be entitled to family or medical care leave as provided by state and federal law. When receiving State government-provided cash benefits for FMLA leave, employees required use of Comprehensive Leave, if any is available, shall be limited to that amount required to make their paycheck whole. Employee is responsible for providing ESTA with official documentation to show what amount of Comprehensive and/or Sick Leave will be utilized for each pay period so that, in conjunction with any State government-provided cash benefits, the employee attains their employment category minimum compensation.

(a) Reason for Leave. Employees may be entitled to such leave for any of the following reasons:

1. The birth of a child of the employee or to care for such child.
2. The placement of a child with the employee in connection with adoption or foster care.
3. To care for a parent, spouse or child of the employee who has a serious illness or health condition.
4. Because of a serious health condition of the employee which prevents the employee from performing the functions of the employee's position with ESTA.

(b) Definitions:

Child – includes a biological, adopted, or foster child, a stepchild, a legal ward, or a child of person standing “in loco parentis”.

Parent – includes biological, foster, or adoptive parent, a stepparent, legal guardian, or a person having stood in loco parentis.

Serious health condition or illness – is limited to an illness, injury, impairment, or physical or mental condition which warrants the participation of a family member to provide care during a period of treatment or supervision and involves either 1) inpatient care in a hospital, hospice, or residential health care facility; or 2) continuing treatment or continuing supervision by a health care provider. It specifically does not include short-term minor injuries and illness for which sick leave may be utilized.

Twelve-month period – a rolling twelve month period measured backward from the day leave is taken and continuous with each additional leave.

- (c) Amount of Leave Subject to the limitations set forth herein, an eligible employee shall be entitled to a total of 12 work weeks of leave during any twelve (12) month period for one or more of the covered reasons. The amount of leave available to an employee shall depend upon the amount of family or medical care leave taken by the employee during the twelve (12) month period immediately preceding the date the leave is to commence.

An employee's option to take leave to care for a newborn, adopted, or foster child expires one year after the birth or placement of the child with the employee. Thus, an employee must conclude leave within a year of the child's birth or placement or else forfeit the option.

In the event both parents are employed by the ESTA, they are limited to a combined leave which does not exceed the maximum amount available to one employee, if leave is requested with regard to the birth, adoption, or foster care of the employees' child. In addition, the ESTA may refuse to grant one parent employee's request for leave if it would result in both parent employees being on leave at the same time.

These limitations do not apply, however, to leave requested by either spouse to care for the other who is seriously ill and unable to work, to care for a child with a serious health condition, or in the event of the employee's own serious illness. Under these circumstances, each employee may simultaneously take the maximum amount of leave available.

- (d) Status While on Leave/Pay and benefits Such leave shall be without pay, subject to the following:

1. The employee must use accrued leave during the period of family or medical leave. All ESTA benefits will continue during the use of accrued leave.
2. During a leave granted pursuant to this section, the employee's group health plan insurance benefits shall be maintained as if the employee had not been on such leave. However, should an employee voluntarily terminate from the

ESTA while on Family or Medical Care Leave (for reasons other than the need to provide continuing care for an ongoing serious health condition affecting the employee's spouse, child, or parent, or in the event an ongoing serious health condition affecting the employee, prevents his/her return to work), then the ESTA may collect the cost of the premiums from the employee.

If after the first 12 weeks of Family Care or Medical Leave, an employee is granted additional leave by the ESTA, the employee may at his or her own expense continue his/her health insurance.

3. During Family or Medical Care Leave, continuance in all other employee benefits (e.g., pension) shall be under the same conditions as apply to any other unpaid leave of absence from ESTA employment.
 4. In the event an employee has taken the maximum four-month maternity leave that California law requires employers to provide, the total amount of family or medical care and maternity leave granted to the employee combined shall not exceed seven months.
- (e) Intermittent or Reduced Leave - Employees need not take leave continuously when leave is considered "medically necessary" for the purpose of caring for a seriously ill spouse, parent, or child, or in the event of the employee's own serious illness. Under such circumstances leave may be taken intermittently (hours, days, weeks, etc.) or on a reduced leave schedule (half days, half weeks, etc.).
- (f) Job Protection - Family Care and Medical Leave does not constitute a break in service. The employee will be returned to the same or to a comparable position upon completion of the leave. Moreover, the employee shall retain that same seniority that the employee possessed at the time the leave commenced for the purpose of

layoff, recall, promotion, job assignment, and seniority related benefits. Seniority shall not continue to accrue during the leave period. ESTA may deny reinstatement to any “key” employee if necessary to prevent substantial and grievous economic injury to ESTA. A “key” employee refers to any employee who, on the date of the request for leave, is either one of the five highest paid employees, or whose gross salary is among the top ten percent of employees. An employee will be notified of his/her status as a key employee if there is any possibility that reinstatement may be denied at the end of the leave period. Should the employee still decide to take leave, ESTA will continue to pay the employee’s health benefits until the expiration of the maximum leave period.

(g) Procedure for Requesting Family or Medical Care Leave - To the extent that leave is foreseeable or based on planned medical treatment, an employee is required to notify ESTA as soon as he/she is aware of the need to take leave, and if practical, must try to schedule the leave so as to minimize disruption to ESTA operations. The leave request should be written to the Executive Director and include the anticipated date and duration of the family care or medical leave. Upon request, the employee will be required to obtain a medical certification of the serious health condition requiring leave from the “health care provider” treating the individual. A health care provider includes any licensed physician, osteopath, or other health care provider designated by the Secretary of Labor. An acceptable certification will include:

- (1) the date on which the serious health condition commenced;
- (2) the probable duration of the condition;
- (3) the health care provider’s estimate of the amount of time needed for family or medical leave;

- (4) the health care provider's assurance that the health care condition requires family or medical leave.

If the employee's Family or Medical Care Leave extends beyond the period indicated in the original medical certification, ESTA may request an updated certification. In addition to a medical certification, the employee shall be responsible for informing ESTA, as far in advance as possible, of the date upon which the leave is expected to be completed, or any extensions of the anticipated leave completion date.

Should the employee fail to return to work upon the expiration of the leave period without obtaining an extension, the employee will be considered to have voluntarily separated from his/her employment with ESTA.

10.13 School Visit Leave Any employee who is a parent, guardian or grandparent having custody of one or more children in kindergarten or grades 1-12 or attending a licensed day care facility shall be allowed up to forty (40) hours each school year, not to exceed eight (8) hours in any calendar month of a school year, without pay to participate in activities of the school of their child. Such employee must provide reasonable advanced notice of the planned absence. The employee shall utilize accrued leave, if any, for purposes of this absence. ESTA may require documentation from the school as verification that the employee participated in school activities on a specific date and at a particular time. If both parents, guardians or grandparents having custody, work for ESTA at the same work site, only the first parent requesting shall be entitled to the leave under this provision.

10.14 Holidays.

- (a) ESTA designates the following as official Authority holidays:

- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve *
- Christmas Day

New Year's Eve *
New Year's Day
Martin Luther King Day
President's Day
Memorial Day

*Benefitted employees receive holiday pay for either the Christmas Eve holiday or the New Year's Eve holiday, but not both.

- (b) Benefitted employees will be entitled to holiday pay as set forth in Article II, Paragraph 2.37.
- (c) All employees in the classified service other than non-benefitted part-time shall be entitled to a one (1) day holiday with pay on their last working day preceding either December 25 or January 1 of each year. Each employee's immediate supervisor shall determine upon which of the alternative days the employee may take such leave. Supervisors shall schedule such leaves in a manner which ensures continuation of regular ESTA business with a minimum degree of disruption. If an employee cannot be excused on either such day, the employee shall be entitled to the leave at some other time convenient to the Authority.
- (d) If any of the holidays designated in section 10.14 (a) fall on a Saturday, the preceding Friday shall be recognized as the holiday. If any of such designated holidays fall on a Sunday, the following Monday shall be recognized as the holiday.
- (e) In addition to the official Authority holidays listed above, benefitted employees will be entitled to holiday pay as set forth in Article II, Paragraph 2.37 for one additional non-working holiday (a "floating holiday"), per year, to be observed as reasonably requested by the employee and approved by ESTA. The floating holiday does not accrue if not used. Approval of a qualified employee's request for use of a floating holiday shall not unreasonably be denied.

10.15 Voting Time If an employee does not have sufficient time outside of his or her work hours to vote at a statewide election, the employee may take off enough working time which, when added to the voting time available outside of work hours, will enable the employee to vote. However, only two (2) hours of the time taken off for voting shall be

with pay. Such time off for voting shall be only at the beginning or ending of the regular working shift, whichever allows the most free time for voting and the least time off from the regular working shift, unless otherwise mutually agreed between the employee and Supervisor. If the employee on or before the third working day prior to the day of the election knows or has reason to believe that time off will be necessary in order to enable the employee to vote on election day, such employee shall give their Supervisor at least two (2) working days' notice that time off for voting is desired, in accordance with the provisions on this rule.

Not less than ten (10) days before every statewide election, a notice shall be posted setting forth the provisions of this rule. Such notices shall be posted at locations where they may be seen by ESTA employees as they come or go to their places of work.

10.16 Debiting of Employee Accrued Leave. Where an employee takes comprehensive leave time for less than one (1) work day, such employee's accrued Comprehensive Leave, as applicable, shall be charged only for the amount of time actually taken. In the case of employees exempt from the receipt of overtime pursuant to the Fair Labor Standards Act, and where such employee does not have adequate sick leave or vacation to cover an absence of less than one (1) day, such employee's salary shall not be docked.

10.17 Union Leave. Employee will be granted unpaid leave to conduct Union business. The Union shall pay the employee's actual salary and cost of benefits. This leave shall not constitute a break in service. Upon completion of leave the employee(s) shall return to his/her former position and shift. This request will be treated like a comprehensive leave request.

ARTICLE XI

LAYOFFS AND REDUCTIONS IN FORCE

11.1 Layoff - Reduction in Work Force. If a position is abolished because of administrative reorganization or lack of appropriation, as determined by the Board upon recommendation from ESTA Executive Director, employees shall be laid off as provided in these Rules.

- (a) The Supervisor shall notify the employee(s) of the layoff at least thirty (30) calendar days before the effective date of the layoff. If any such employee has regular status, the Executive Director shall make a reasonable effort to certify him or her as being qualified for other employment with the ESTA.
- (b) Layoffs shall be made by classification and/or employment category level. The Executive Director shall determine the classification(s) from which layoffs are to be made, and the number of employees to be laid off. Layoffs shall be made in the following order of categories: 1. Temporary and seasonal employees in such classification, 2. Probationary employees in such classification, 3. Regular employees within such classification and/or category level with a less than satisfactory performance evaluation, 4. Regular employees in such classification and/or category level having satisfactory or satisfactory but improvement needed evaluations. Within each category of layoff priority, layoffs shall be on a seniority basis within the classification; that is, the employee with the least seniority in the classification and/or category level from which layoffs are to be made shall be laid off first. Seniority shall be determined by uninterrupted continuous employment in the classification.
- (c) An employee whose position is subject to layoff may displace an employee in a lower classification or employment category level when the employee in the lower classification or employment category level has less uninterrupted continuous employment in the organization.
- (d) Whenever there is a reduction in work force the Executive Director shall offer to transfer any regular employee to be laid off to another geographic location, if any, for which the employee is qualified.

Whenever two (2) or more employees have identical classification seniority in the department, the order of lay off will be determined by the Executive Director.

- (e) Employees who transferred to a lower classification as a result of a reduction in force shall have their names placed on an employment list for the classification from which they were transferred, in the order of their classification seniority. Vacant positions within a classification series shall first be offered to employees on this list.
- (f) Employees who are laid off and who held regular ESTA status at the time of layoff shall have their names placed on a re-employment list for classifications in which they previously held regular status and for classifications at the same or lower salary range for which they qualify in the order of their classification seniority. Vacant positions in such classifications will be offered to eligible candidates on the re-employment list from which the employee was laid off. If the vacancy is in the classification from which the employee was laid off the offer is automatic.

The eligibility of individuals on the reinstatement and re-employment lists shall extend for a period of one year from the date of transfer or layoff. Eligible candidates not responding to written notification by certified mail, return receipt requested, of an opening within fifteen (15) working days shall have their names removed from the re-employment list. If an eligible individual will be out of the ESTA region for more than fifteen (15) calendar days, he/she may notify the Executive Director, in writing, as to how he/she may be contacted.

- (g) Upon re-employment following a reduction in force, an individual will have the following benefits restored:
 - (1) prior unused sick leave accruals;
 - (2) seniority at time of layoff for purposes of determining merit increases, leave accruals, and future reduction in force.
- (h) The salary paid to an employee who is re-employed shall be equivalent to that which the employee was receiving immediately prior to layoff. If the employee chooses to be re-employed in a classification which has a salary range lower than the classification from which he or she was laid off, then salary placement will be made

at a point either equivalent to his or her salary immediately prior to the layoff, or, if the maximum of the salary range of the position to which the employee is to be re-employed is less than the employee's salary immediately prior to the layoff, then the employee will receive the maximum of the salary range contingent upon Executive Director approval.

- (i) Laid off employees are to be paid all accrued comprehensive leave time when separated as a result of a layoff.

ARTICLE XII

DISCIPLINARY ACTIONS AND APPEALS PROCEDURES

A. Disciplinary Procedures.

12.1 Application This article relating to disciplinary actions and appeals procedures applies only to regular and seasonal employees in the classified service of ESTA. It does not apply to ESTA management employees appointed by the Board of Directors,

12.2 General Authority and Purpose. An employee in the classified service may be disciplined whenever the employee's work or conduct so warrants. Any such action shall be in accordance with the procedures as set forth in these provisions.

An employee's length of service with ESTA, his or her prior disciplinary record, if any, and the quality of performance shall be taken in account.

12.3 Reasonable Cause for Action Disciplinary action may be imposed upon any employee subject to this Article whenever reasonable cause exists justifying disciplinary action. The following conduct constitutes cause for disciplinary action, but shall not necessarily be limited to one or more of the reasons listed:

- a. Incompetency, i.e., inability to comply with the minimum standard of an employee's position.
- b. Inefficiency or inexcusable neglect of duty, i.e., failure to perform duties required of an employee within his/her position.
- c. Excessive tardiness.
- d. Preventable accidents.
- e. Loss or suspension of License: Revocation or suspension of a Driver's License/Certificate by the appropriate issuing authority.
- f. Dishonesty.
- g. Fraud in securing employment or making a false statement on application for employment.
- h. Discourteous treatment of public or other employees.

- i. Being under the influence of alcohol or illegal drugs or narcotics while on duty, being impaired by alcohol or illegal drugs in your biological system while on duty which could impact your ability to do your job.
- j. Abuse of sick leave, i.e., taking sick leave without a doctor's certificate when one is required, or misuse of sick leave.
- k. Conviction of a crime involving moral turpitude.
- l. Damage or waste of public property.
- m. Conduct unbecoming an employee.
- n. Inexcusable absence or absence without leave.
- o. Violation of applicable provisions of the federal or state Constitution statutes, or laws, or ESTA rules, or regulations, including these Rules and Regulations.
- p. Violation of policies and procedures set forth in the ESTA's Injury and Illness Prevention Plan.
- q. Willful or negligent exposure of others to significant risk or harm.
- r. Acts which are incompatible with or inimical to public service.
- s. Failure of good behavior.
- t. Willful disobedience and insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly issued orders or directions of person in a supervisory position or insulting or demeaning the authority of a supervisor or manager.
- u. Excessive absenteeism.
- v. Improper or unauthorized use of agency property.
- w. Any willful act or conduct undertaken in bad faith, either during or outside of duty hours which is of such nature that it causes discredit to the ESTA.
- x. Violation of Article 3.7.

- y. Improper political activity. Example: Those campaigning for or espousing the election or non-election of any candidate in national, state, County or municipal elections while on duty and/or during working hours or in uniform.
- z. Making false or malicious statements concerning any employee, ESTA policies or practices.
- aa. Unauthorized possession of weapons on ESTA property.
- bb. Working overtime without authorization.

12.4 Types of Disciplinary Action The following are the types of discipline that may be imposed:

- a. Oral Warnings and Written Reprimands. Whenever an employee's performance falls below the required level or when an employee's conduct constitutes a basis for disciplinary action the supervisor may orally inform the employee promptly and specifically of such instances. Written documentation shall be created and maintained in the employee's personnel file concerning the oral warning and the reasons therefore. A copy of this written documentation shall be given to the employee, and he/she shall have the right to attach a rebuttal statement. In situations where an oral warning has not resulted in the correction of the condition or where more severe initial action is warranted, a written reprimand may be delivered to the employee and a copy placed in the employee's personnel file. In such a case, the employee shall have the right to respond in writing within ten (10) days or to a personal interview with the Executive Director. The response shall be placed in the employee's personnel file as a permanent record if received within ten (10) days. (or a specified time period as determined by the Executive Director.)
- b. Suspensions/Reduction in Pay In those cases where one or more written reprimands has not proven to be effective, or in those cases where the seriousness of the conduct so warrants, the Supervisor, after review by the ESTA Executive Director, may suspend an employee without pay for a period not to exceed thirty (30) calendar days. In those cases where circumstances warrant, the department head, after review by the ESTA Executive Director may, in lieu of suspension without pay, reduce the compensation of the employee up to an amount equal to one-half (1/2) of the employee's salary for a period not to exceed sixty (60) calendar days.
- c. Demotions and Dismissals When other forms of disciplinary action have proven ineffective, or where the seriousness of the conduct so warrants, the

Supervisor after review by the ESTA Executive Director and ESTA Counsel, may demote or dismiss the employee.

12.5 Suspension Pending Investigation. Pending investigation an employee may be suspended with pay by the appointing authority for a period of up to 4 weeks in accordance with Rule 10.6.

12.6 "Skelly" Procedure The following actions shall be taken by the appointing authority when the disciplinary action of suspension, reduction in pay, demotion and/or dismissal is being considered against an employee in the classified service.

- a. The employee shall be served with formal written notice of the proposed disciplinary action ("Skelly" notice) within 30 days of the discovery of a violation. Extensions will be made when reasonable.
- b. The notice will inform the employee of:
 - i. the discipline proposed and the date upon which the proposed action is to become effective;
 - ii. A clear and concise statement of the reasons for which the disciplinary action is proposed to be taken, including a statement delineating the acts or admissions on which the proposed discipline is based;
 - iii. copies of all documents upon which the proposed discipline is based or a statement that such materials are available for inspection upon request; and
 - iv. A statement informing the employee of his/her right to respond, either orally or in writing, within five working days from the date on which the notice of proposed action is personally served on said employee.
- c. The employee shall be given the right to respond, either orally or in writing, within five (5) work days to the ESTA Executive Director or his designee, prior to the disciplinary action being taken. The notice shall so inform the employee and set forth the time period and procedure for submitting or scheduling such a response.
- d. The time period set for the employee to respond, either orally or in writing, is jurisdictional and is to be strictly adhered to by the employee, unless an extension of such time is requested by the employee in writing and granted by the ESTA Executive Director or his designee in writing. An employee

who fails to respond in the time period specified waives the right to respond either orally or in writing.

12.7 Emergency Situations In the event that emergency circumstances exist which require the immediate removal of an employee to avoid potential harm to ESTA or to the public, the appointing authority may immediately suspend the employee pending completion of a full investigation after giving the employee, by whatever means may be reasonably available, notice which meets the requirements of Rule 12.6(b)(1) through (b)(4) and offering the employee an opportunity to respond immediately. If the employee cannot reasonably be found at his or her place of work or residence, the Supervisor may thereafter immediately suspend the employee. Such suspension may only be for such period as is reasonably necessary for the appointing authority to complete a full investigation and, if warranted, initiate additional disciplinary action in accordance with these Rules.

12.8 Notice of Disciplinary Action Taken Prior to an employee being dismissed, suspended, demoted or reduced in pay, and after the employee has either exercised the procedures afforded by Rule 12.6 or has not availed himself or herself of such rights within the time allowed to do so, the appointing authority shall serve on the employee a formal written order informing the employee of: (1) the discipline being imposed (2) the charges for which the discipline is imposed; (3) the reasons for imposing the discipline. Each order of dismissal, suspension, demotion or reduction in compensation shall also contain, in substantially the following language, notice of the employee's right to appeal (only regular employees in the classified service have the right to appeal):

"If you wish to appeal this order, you must file such appeal in writing with the ESTA Executive Director within ten (10) calendar days of the date of this order."

Any order of termination shall direct the employee to return at or prior to the effective date of termination all ESTA property which has been entrusted to the employee such as but not limited to keys, vehicles, identification cards, credit cards, books, manuals, etc. The order shall also advise the employee of rights and procedures to be allowed concerning the employee's pension rights, "COBRA" rights, etc.

Any order of suspension shall advise the employee of the period of suspension and the date upon which he or she is to return to work.

12.9 Development of Further Information If after the "Skelly" notice is delivered to the employee pursuant to rule 12.5 further information comes to the attention of the appointing authority which requires amendment, revision or supplement to such "Skelly" notice, the notice may be revised but must thereupon be promptly served upon the employee. The employee shall be given additional time and an additional opportunity to

submit a "Skelly" response pursuant to rule 12.6 when served with an amended or revised "Skelly" notice.

B. Appeals Procedure.

12.10 Right to Appeal. An employee who has been disciplined by reduction in pay, suspension, demotion or dismissal, may appeal such discipline to a in accordance with the procedures set forth below. Denials of merit advancement within range, oral or written reprimand, warning or counseling, and performance evaluations may not be appealed pursuant to these procedures.

- a. Compliance With Time Limitations. The time periods set forth in this Article are jurisdictional and are to be strictly adhered to by an appellant. An employee who fails to act within any time period specified waives any right to appeal to the Hearing Officer.

12.11 Appeal to Neutral Decision Maker. For all matters, a "Hearing Officer" shall be selected from a standing pool of five individuals. The individuals in the pool shall be current or former employees of one of ESTA's member entities and shall have training and/or significant experience in handling personnel matters. In the event that ESTA and the Union cannot mutually agree on a Hearing Officer from the pool, the Hearing Officer will be selected by a process of striking names from the list in alternating order until one name remains.

12.12 Timeline and Procedures for Appeal to Neutral Decision Maker. In the event the appellant desires to appeal the written order of discipline issued pursuant to Rule 12.8, he or she must do so within ten (10) calendar days following the date of such written order of discipline. The appellant must submit to the ESTA Executive Director a written appeal and a request for a hearing before a Neutral Decision Maker. The written appeal must set forth the reasons why the discipline should not have been imposed. The ESTA Executive Director shall immediately notify the Neutral Decision Maker of the request and submit to the Neutral Decision Maker copies of the written order of discipline and the written appeal of the appellant.

12.13 Neutral Decision Maker Procedures. Hearings before the Neutral Decision Maker shall be governed by the following procedures:

- (a) Private or public hearings: All hearings shall be private; provided that the employee may request a hearing open to the public. Any request for an open hearing shall be submitted five working days prior to the hearing date or the hearing will be closed.
- (b) Pre-hearing procedure:

- (1) Subpoenas: Before the commencement of the hearing, the ESTA Executive Director or his designee is authorized to issue subpoenas at the request of either party prior to the commencement of the hearing. After the commencement of the hearing, subpoenas shall be issued by the Neutral Decision Maker and only for good cause. The Executive Director will prepare subpoenas for all witnesses however, they will only serve subpoenas on individuals who are currently employed by the ESTA. It will be the responsibility of the employee and the ESTA to submit the names of current ESTA employees to be subpoenaed at least ten (10) working days before the date of the hearing at which they are requesting the witnesses to appear.
- (2) Exhibits and Witness List: Five working days prior to the date of hearing, each party shall serve upon the other party and submit to the Executive Director a list of all witnesses and a list and a copy of all exhibits. The ESTA's exhibits shall be designated by number. The employee's exhibits shall be designated by alphabetical letter. Neither party will be permitted to call during the hearing, a witness not identified pursuant to this section nor use any exhibit not provided pursuant to this section unless that party can show that they could not reasonably have anticipated the prior need for such witness or such exhibit.
- (c) Record of Proceeding and Cost. All disciplinary appeal hearings may, at the discretion of either party or ESTA, be recorded by a court reporter. Any hearing which does not utilize a court reporter, shall be recorded by audiotapes. If a court reporter is requested by either party, that party shall pay the cost of the court reporter. If both parties request a court reporter the cost will be split equally.
- (d) Right of Inspection. The appellant and/or his or her designated representative shall have the right to inspect documents in the possession of, or under the control of, ESTA which are relevant to the appeal, and that are not protected from such disclosure by applicable Federal or State law. The Neutral Decision Maker shall determine whether access shall be provided to any such document in the event of a

disagreement between appellant and ESTA.

(e) Evidence and Procedure.

- (1) The appellant shall be entitled to appear and testify personally, to produce evidence both oral and documentary, to obtain issuance of subpoenas for the production of witnesses and evidence, to be represented by counsel or other representative of his or her choice, and to have a public hearing.
- (2) The appointing authority may be represented by counsel.
- (3) Technical rules of evidence shall not apply to such hearings.
- (4) The burden of proof shall be on the appointing authority. The burden shall be met by a preponderance of the evidence.
- (5) A record of the hearing shall be made by tape recording, or court reporter.
- (6) The ESTA Executive Director and Neutral Decision Maker shall be authorized to issue subpoenas for the attendance of witnesses and production of documents at the hearing.
- (7) The Neutral Decision Maker shall administer oaths and receive evidence in its discretion consistent with the general rules applicable to administrative proceedings.
- (8) Stipulations of fact may be introduced into evidence with respect to any issue. (9) The Neutral Decision Maker shall rule on all evidentiary disputes.

- (g) Postponement and Dismissal. If the appellant or his or her representative fails to appear at the hearing, the Neutral Decision Maker may order that the hearing be stayed until the appellant or his or her counsel or representative appears, or may dismiss the appeal and thereby affirm the order of discipline.

- (h) Decision by the Neutral Decision Maker. Within thirty (30) days following the conclusion of the hearing, the Neutral Decision Maker shall make written findings of fact and conclusions of law and issue a written decision affirming, modifying or revoking the discipline imposed on the appellant. The decision of the Neutral Decision Maker shall be final and binding on the parties. The Neutral Decision Maker shall promptly deliver an original decision to the ESTA Executive Director, and the appellant or the appellant's representative.

The award of the Neutral Decision Maker shall be final and binding.

The Neutral Decision Maker will have no power to add to, subtract from, or modify the terms of any Memorandum of Understanding, these rules or any other written policies, rules, regulations, and procedures of the ESTA; nor shall the Neutral Decision Maker be empowered to render a decision on issues not before the Neutral Decision Maker or on facts not supported by the evidence.

If any question arises regarding the appeal ability of an appeal, the party raising the question of appeal ability may, upon request, have such question first ruled upon and decided by the Neutral Decision Maker prior to any other hearing on the merits of the appeal.

By submitting the appeal to the Neutral Decision Maker, the appellant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this procedure. The appeal of discipline pursuant to Rule 12.10 shall constitute an express election on the part of the appellant that this procedure is the chosen forum for resolving the issues contained in the appeal, and that the appellant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any award in any court of competent jurisdiction.

12.14 Judicial Review/Enforcement of Award. Judicial review of the award by the Neutral Decision Maker shall be made in accordance with Section 1094.5 of the California Code of Civil Procedure.

12.15 Time Limits of Judicial Review/Enforcement of Award. The time within which a party may seek review shall be governed by Code of Civil Procedures Section 1094.6 which requires filing not later than the (90th) day following the date on which the officer gives written notice of the final decision.

ARTICLE XIII

GRIEVANCES

13.1 Reviewable and Non-Reviewable Grievances

(a) Reviewable Grievances. A written claim by an employee or recognized employee organization on behalf of an employee or group of employees, that ESTA has violated, misinterpreted or misapplied a provision of these rules, a memorandum of understanding applicable to such employee or a written ordinance or resolution. All grievances must be signed by the employee or each employee of a group on whose behalf the grievance is submitted. The grievance must be submitted as herein specified.

(b) Non-reviewable Grievances. The following shall be excluded from the grievance procedure:

- (1) oral or written counseling, warnings or reprimands, suspensions, reductions in pay, demotions, and dismissals;
- (2) complaints or requests for changes regarding wages, hours and working conditions;
- (3) to challenge reclassifications, lay off, transfer, denial of a merit advancement, denial of reinstatement or denial of re-employment;
- (4) to challenge violations of law or past practice unless the personnel rules or applicable memorandum of understanding expressly refers to same;
- (5) to challenge examinations or appointment to positions;
- (6) any act or omission that occurred more than 45 days prior to the initiation of the grievance process.

(c) Time Periods. The time periods set forth in this Article are to be strictly adhered to by grievant and any failure to act within any specified time period will result in the grievance being rejected. Grievances which are rejected will not be processed further. A grievance must be filed no later than forty five (45) days from the act

or occurrence giving rise to the alleged grievance. Any failure by ESTA to act within a specified time period shall allow the grievant the option to proceed to the next level of the grievance procedure.

13.2 Grievance Procedure - Oral Presentation; Written Submission. The employee concerned (hereinafter called "grievant") shall first informally discuss his or her grievance with the immediate Supervisor in an attempt to resolve the matter. In the event the grievance is not resolved, the grievant shall reduce the grievance to writing within 10 days of the meeting with the immediate Supervisor. The written grievance shall set forth all facts necessary to understand the issues involved in the grievance. The grievance shall be signed by the grievant and shall be submitted to his or her immediate Supervisor. Within ten (10) calendar days of receiving his/her Supervisor's response, or in the case where the Supervisor failed to respond, within twenty (20) calendar days of the informal meeting the grievant shall appeal to the Transit Operations Supervisor. The Supervisor immediately shall forward a copy to the appointing authority.

13.3 Transit Operations Supervisor's Response Within ten (10) calendar days of the receipt of the grievance, the Transit Operations Supervisor shall make such investigation of the facts and issues as is required and shall reply in writing to the grievant stating ESTA's position.

13.4 Meeting With ESTA Executive Director. If the grievant wants to review the grievance further, he or she shall, within ten (10) calendar days of receipt of the Transit Operations Supervisor's reply, submit a written request for a meeting with the ESTA Executive Director. The request shall include the grievance, the decision of the Transit Operations Supervisor and the reason for the request for further discussion of the matter.

A meeting shall be held by the ESTA Executive Director within ten (10) calendar days of the receipt of the written request. The meeting shall be attended by the grievant, the grievant's representative (if requested by the grievant), the Supervisor and any other persons invited by the ESTA Executive Director. The ESTA Executive Director shall provide a written decision on the matter to the grievant and the Supervisor within ten (10) calendar days following the meeting. In the event the ESTA Executive Director is prevented by conflict of interest from considering the grievance, the meeting shall be conducted and the decision issued by an uninvolved party, (ie; personnel director or administrator from a member jurisdiction).

13.5 Appeal to Hearing Officer In the event the grievant desires to appeal the decision of the ESTA Executive Director, he or she must do so within ten (10) calendar days following the date of the written notification of the ESTA Executive Director's decision by submitting to the ESTA Executive Director a written appeal and a request for a hearing before a Hearing Officer. The written appeal shall set forth all facts necessary to understand the issues involved in the grievance. The ESTA Executive Director shall immediately take steps to schedule a hearing before a Hearing Officer.

13.6 Scheduling the Hearing. The hearing shall be heard as soon as the Hearing Officer and all parties are available.

- (a) Procedure The grievant, or a representative designated by the grievant, shall have the right to inspect any documents in the possession of or under the control of ESTA which are relevant to such appeal and that are not protected from disclosure by applicable Federal or State law. Determinations as to relevance of any document shall be made by the Hearing Officer if there is a disagreement between the grievant and ESTA.
- (b) Hearing A record of the hearing shall be made by tape recording or court reporting. Stipulations of fact may be introduced into evidence with respect to any issue. The Hearing Officer shall administer oaths and rule on all evidentiary disputes. The appointing authority and the grievant may be represented by counsel. Technical rules of evidence shall not apply to such hearings. The burden of proof shall be on the grievant based on a preponderance of the evidence. The ESTA Executive Director and Hearing Officer shall be authorized to issue subpoenas for the testimony of witnesses and production of documents at such hearing in the same manner the ESTA Executive Director and Hearing Officer are authorized to issue subpoenas in disciplinary appeals.
- (c) Grievant's Rights. The grievant shall be entitled to appear personally, to testify on his or her behalf, to produce evidence, to obtain issuance of subpoenas for the attendance of witnesses and production of evidence, to be represented and to have a public hearing. The hearing shall be closed to the public unless the grievant requests in advance that the hearing be open.

If the grievant fails to appear at the hearing, the Hearing Officer may order that the hearing on the appeal be stayed until the grievant appears or may dismiss the appeal and thereby affirm the decision of the ESTA Executive Director

- (d) Hearing Officer Decision. Within thirty (30) days after the conclusion of the hearing, the Hearing Officer shall issue a decision on the grievance. The decision of the Hearing Officer

shall be final and shall be delivered in writing to the ESTA Executive Director and the grievant.

The Hearing Officer will have no power to add to, subtract from, or modify the terms of any Memorandum of Understanding, these rules or any other written policies, rules, regulations, and procedures of ESTA; nor shall the Hearing Officer be empowered to render a decision on issues not before the Hearing Officer or on facts not supported by the evidence.

If any question arises regarding the appeal ability of a grievance, the party raising the question of appeal ability may, upon request, have such question first ruled upon and decided by the Hearing Officer prior to any other hearing on the merits of the grievance.

By submitting the grievance to appeal, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this procedure. The grievance shall constitute an express election on the part of the grievant that this procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any award in any court of competent jurisdiction.

STAFF REPORT

Subject: Federal Fiscal Year 2023 Certifications and Assurances

Initiated by: Phil Moores, Executive Director

BACKGROUND

The Eastern Sierra Transit Authority, which is considered a sub-recipient by the California Department of Transportation (Caltrans) for federal funding, submits required certifications and assurances to Caltrans on an annual basis in conjunction with receipt of Federal funding for its transportation programs.

ANALYSIS/DISCUSSION:

In order to receive Federal Transit Administration (FTA) assistance, recipients and sub-recipients must provide certain certifications and assurances required by Federal law or regulation. Submittal of these certifications and assurances is required on an annual basis.

Instead of selecting individual groups of certifications and assurances, the Subrecipient may make a single selection that will encompass all groups of certifications and assurances applicable to all FTA programs. The Preface states that applicants are responsible for compliance with the Certifications and Assurances selected on its behalf that apply to its project, itself, any subrecipient, or any other third party participant in its project. The type of project and subrecipient will determine which certifications and assurances apply. The Certifications and Assurances clearly state that any provision of an Assurance that does not apply will not be enforced. For this reason, and in accordance with the practice in previous years after consultation with legal counsel, staff has determined to select the option agreeing to comply with all applicable provisions.

The FY 2023 Federal Certifications and Assurances has been reviewed by Christian Milovich, Assistant County Counsel Inyo County. Affirmation of the Certifications and Assurances by ESTA's legal counsel is required as part of the submittal.

FINANCIAL CONSIDERATIONS

Approval and submittal of the FY2023 Certifications and Assurances is required in order to receive federal operating and capital assistance. ESTA's FY2022/23 budget includes approximately \$2.25 million in federal funding. Around \$1.5 million of this is federal capital grants which is given on a reimbursement schedule.

RECOMMENDATION

The Board is requested to authorize the Executive Director to sign the Federal Fiscal Year 2023 Certifications and Assurances binding ESTA's compliance with these certifications and assurances for Federal Transit Administration assistance programs.

Not every provision of every certification will apply to every applicant or award. If a provision of a certification does not apply to the applicant or its award, FTA will not enforce that provision.

Text in italic is guidance to the public. It does not have the force and effect of law, and is not meant to bind the public in any way. It is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

CATEGORY 1. CERTIFICATIONS AND ASSURANCES REQUIRED OF EVERY APPLICANT.

All applicants must make the certifications in this category.

1.1. Standard Assurances.

The certifications in this subcategory appear as part of the applicant's registration or annual registration renewal in the System for Award Management (SAM.gov) and on the Office of Management and Budget's standard form 424B "Assurances—Non-Construction Programs". This certification has been modified in places to include analogous certifications required by U.S. DOT statutes or regulations.

As the duly authorized representative of the applicant, you certify that the applicant:

- (a) Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
- (b) Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- (c) Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- (d) Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- (e) Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728–4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).

- (f) Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:
- (1) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin, as effectuated by U.S. DOT regulation 49 CFR Part 21;
 - (2) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681–1683, and 1685–1686), which prohibits discrimination on the basis of sex, as effectuated by U.S. DOT regulation 49 CFR Part 25;
 - (3) Section 5332 of the Federal Transit Law (49 U.S.C. § 5332), which prohibits any person being excluded from participating in, denied a benefit of, or discriminated against under, a project, program, or activity receiving financial assistance from FTA because of race, color, religion, national origin, sex, disability, or age.
 - (4) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps, as effectuated by U.S. DOT regulation 49 CFR Part 27;
 - (5) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101–6107), which prohibits discrimination on the basis of age;
 - (6) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - (7) The comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91–616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - (8) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - (9) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing;
 - (10) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,
 - (11) the requirements of any other nondiscrimination statute(s) which may apply to the application.
- (g) Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“Uniform Act”) (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases. The requirements of the Uniform Act are effectuated by U.S. DOT regulation 49 CFR Part 24.

- (h) Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§ 1501–1508 and 7324–7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
- (i) Will comply, as applicable, with the provisions of the Davis–Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327–333), regarding labor standards for federally assisted construction subagreements.
- (j) Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (k) Will comply with environmental standards which may be prescribed pursuant to the following:
 - (1) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;
 - (2) Notification of violating facilities pursuant to EO 11738;
 - (3) Protection of wetlands pursuant to EO 11990;
 - (4) Evaluation of flood hazards in floodplains in accordance with EO 11988;
 - (5) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.);
 - (6) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§ 7401 et seq.);
 - (7) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and
 - (8) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93–205).
- (l) Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- (m) Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§ 469a-1 et seq.).
- (n) Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- (o) Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§ 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded

animals held for research, teaching, or other activities supported by this award of assistance.

- (p) Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- (q) Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR Part 200, Subpart F, “Audit Requirements”, as adopted and implemented by U.S. DOT at 2 CFR Part 1201.
- (r) Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing the program under which it is applying for assistance.
- (s) Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from:
 - (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (2) Procuring a commercial sex act during the period of time that the award is in effect; or
 - (3) Using forced labor in the performance of the award or subawards under the award.

1.2. Standard Assurances: Additional Assurances for Construction Projects.

This certification appears on the Office of Management and Budget’s standard form 424D “Assurances—Construction Programs” and applies specifically to federally assisted projects for construction. This certification has been modified in places to include analogous certifications required by U.S. DOT statutes or regulations.

As the duly authorized representative of the applicant, you certify that the applicant:

- (a) Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency; will record the Federal awarding agency directives; and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Will comply with the requirements of the assistance awarding agency with regard to the drafting, review, and approval of construction plans and specifications.
- (c) Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work confirms with the approved plans and specifications, and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

1.3. Procurement.

The Uniform Administrative Requirements, 2 CFR § 200.325, allow a recipient to self-certify that its procurement system complies with Federal requirements, in lieu of submitting to certain pre-procurement reviews.

The applicant certifies that its procurement system complies with:

- (a) U.S. DOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, which incorporates by reference U.S. OMB regulatory guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, particularly 2 CFR §§ 200.317–200.327 “Procurement Standards;
- (b) Federal laws, regulations, and requirements applicable to FTA procurements; and
- (c) The latest edition of FTA Circular 4220.1 and other applicable Federal guidance.

1.4. Suspension and Debarment.

Pursuant to Executive Order 12549, as implemented at 2 CFR Parts 180 and 1200, prior to entering into a covered transaction with an applicant, FTA must determine whether the applicant is excluded from participating in covered non-procurement transactions. For this purpose, FTA is authorized to collect a certification from each applicant regarding the applicant’s exclusion status. 2 CFR § 180.300. Additionally, each applicant must disclose any information required by 2 CFR § 180.335 about the applicant and the applicant’s principals prior to entering into an award agreement with FTA. This certification serves both purposes.

The applicant certifies, to the best of its knowledge and belief, that the applicant and each of its principals:

- (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily or involuntarily excluded from covered transactions by any Federal department or agency;
- (b) Has not, within the preceding three years, been convicted of or had a civil judgment rendered against him or her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction; violation of Federal or State antitrust statutes, including those proscribing price fixing between competitors, allocation of customers between competitors, and bid rigging; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or commission of any other offense indicating a lack of business integrity or business honesty;

- (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any offense described in paragraph (b) of this certification;
- (d) Has not, within the preceding three years, had one or more public transactions (Federal, State, or local) terminated for cause or default.

1.5. Coronavirus Response and Relief Supplemental Appropriations Act, 2021, and CARES Act Funding.

The applicant certifies:

- (a) To the maximum extent possible, funds made available under title IV of division M of the Consolidated Appropriations Act, 2021 (Public Law 116–260), and in title XII of division B of the CARES Act (Public Law 116–136; 134 Stat. 599) shall be directed to payroll and operations of public transit (including payroll and expenses of private providers of public transportation); or
- (b) The applicant certifies that the applicant has not furloughed any employees.

1.6. American Rescue Plan Act Funding.

The applicant certifies:

- (a) Funds made available by Section 3401(a)(2)(A) of the American Rescue Plan Act of 2021 (Public Law 117-2) shall be directed to payroll and operations of public transportation (including payroll and expenses of private providers of public transportation); or
- (b) The applicant certifies that the applicant has not furloughed any employees.

CATEGORY 2. PUBLIC TRANSPORTATION AGENCY SAFETY PLANS

This certification is required of each applicant under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), each rail operator that is subject to FTA’s state safety oversight programs, and each State that is required to draft and certify a Public Transportation Agency Safety Plan on behalf of a Small Public Transportation Provider (as that term is defined at 49 CFR § 673.5) pursuant to 49 CFR § 673.11(d).

This certification is required by 49 U.S.C. § 5307(c)(1)(L), 49 U.S.C. § 5329(d)(1), and 49 CFR § 673.13. This certification is a condition of receipt of Urbanized Area Formula Grants Program (49 U.S.C. § 5307) funding.

This certification does not apply to any applicant that only receives financial assistance from FTA under the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C.

§ 5310), the Formula Grants for Rural Areas Program (49 U.S.C. § 5311), or combination of these two programs, unless it operates a rail fixed guideway public transportation system.

If the applicant is an operator, the applicant certifies that it has established a Public Transportation Agency Safety Plan meeting the requirements of 49 U.S.C. § 5329(d)(1) and 49 CFR Part 673; including, specifically, that the board of directors (or equivalent entity) of the applicant has approved, or, in the case of an applicant that will apply for assistance under 49 U.S.C. § 5307 that is serving an urbanized area with a population of 200,000 or more, the safety committee of the entity established under 49 U.S.C. § 5329(d)(5), followed by the board of directors (or equivalent entity) of the applicant has approved, the Public Transportation Agency Safety Plan or any updates thereto; and, for each recipient serving an urbanized area with a population of fewer than 200,000, that the Public Transportation Agency Safety Plan has been developed in cooperation with frontline employee representatives.

If the applicant is a State that drafts and certifies a Public Transportation Agency Safety Plan on behalf of a public transportation operator, the applicant certifies that:

- (a) It has drafted and certified a Public Transportation Agency Safety Plan meeting the requirements of 49 U.S.C. § 5329(d)(1) and 49 CFR Part 673 for each Small Public Transportation Provider (as that term is defined at 49 CFR § 673.5) in the State, unless the Small Public Transportation Provider provided notification to the State that it was opting out of the State-drafted plan and drafting its own Public Transportation Agency Safety Plan; and
- (b) Each Small Public Transportation Provider within the State that opts to use a State-drafted Public Transportation Agency Safety Plan has a plan that has been approved by the provider's Accountable Executive (as that term is defined at 49 CFR § 673.5), Board of Directors or Equivalent Authority (as that term is defined at 49 CFR § 673.5), and, if the Small Public Transportation Provider serves an urbanized area with a population of 200,000 or more, the safety committee of the Small Public Transportation Provider established under 49 U.S.C. § 5329(d)(5).

CATEGORY 3. TAX LIABILITY AND FELONY CONVICTIONS.

If the applicant is a business association (regardless of for-profit, not for-profit, or tax exempt status), it must make this certification. Federal appropriations acts since at least 2014 have prohibited FTA from using funds to enter into an agreement with any corporation that has unpaid Federal tax liabilities or recent felony convictions without first considering the corporation for debarment. E.g., Consolidated Appropriations Act, 2023, Pub. L. 117-328, div. E, tit. VII, §§ 744–745. U.S. DOT Order 4200.6 defines a “corporation” as “any private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association”, and applies the restriction to all tiers of subawards. As prescribed by U.S. DOT

Order 4200.6, FTA requires each business association applicant to certify as to its tax and felony status.

If the applicant is a private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association, the applicant certifies that:

- (a) It has no unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
- (b) It has not been convicted of a felony criminal violation under any Federal law within the preceding 24 months.

CATEGORY 4. LOBBYING.

If the applicant will apply for a grant or cooperative agreement exceeding \$100,000, or a loan, line of credit, loan guarantee, or loan insurance exceeding \$150,000, it must make the following certification and, if applicable, make a disclosure regarding the applicant's lobbying activities. This certification is required by 49 CFR § 20.110 and app. A to that part.

This certification does not apply to an applicant that is an Indian Tribe, Indian organization, or an Indian tribal organization exempt from the requirements of 49 CFR Part 20.

4.1. Certification for Contracts, Grants, Loans, and Cooperative Agreements.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and

contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

4.2. Statement for Loan Guarantees and Loan Insurance.

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CATEGORY 5. PRIVATE SECTOR PROTECTIONS.

If the applicant will apply for funds that it will use to acquire or operate public transportation facilities or equipment, the applicant must make the following certification regarding protections for the private sector.

5.1. Charter Service Agreement.

To enforce the provisions of 49 U.S.C. § 5323(d), FTA's charter service regulation requires each applicant seeking assistance from FTA for the purpose of acquiring or operating any public transportation equipment or facilities to make the following Charter Service Agreement. 49 CFR § 604.4.

The applicant agrees that it, and each of its subrecipients, and third party contractors at any level who use FTA-funded vehicles, may provide charter service using equipment or facilities acquired with Federal assistance authorized under the Federal Transit Laws only in compliance with the regulations set out in 49 CFR Part 604, the terms and conditions of which are incorporated herein by reference.

5.2. School Bus Agreement.

To enforce the provisions of 49 U.S.C. § 5323(f), FTA's school bus regulation requires each applicant seeking assistance from FTA for the purpose of acquiring or operating any public transportation equipment or facilities to make the following agreement regarding the provision of school bus services. 49 CFR § 605.15.

- (a) If the applicant is not authorized by the FTA Administrator under 49 CFR § 605.11 to engage in school bus operations, the applicant agrees and certifies as follows:
 - (1) The applicant and any operator of project equipment agrees that it will not engage in school bus operations in competition with private school bus operators.
 - (2) The applicant agrees that it will not engage in any practice which constitutes a means of avoiding the requirements of this agreement, part 605 of the Federal Mass Transit Regulations, or section 164(b) of the Federal-Aid Highway Act of 1973 (49 U.S.C. 1602a(b)).
- (b) If the applicant is authorized or obtains authorization from the FTA Administrator to engage in school bus operations under 49 CFR § 605.11, the applicant agrees as follows:
 - (1) The applicant agrees that neither it nor any operator of project equipment will engage in school bus operations in competition with private school bus operators except as provided herein.
 - (2) The applicant, or any operator of project equipment, agrees to promptly notify the FTA Administrator of any changes in its operations which might jeopardize the continuation of an exemption under § 605.11.
 - (3) The applicant agrees that it will not engage in any practice which constitutes a means of avoiding the requirements of this agreement, part 605 of the Federal Transit Administration regulations or section 164(b) of the Federal-Aid Highway Act of 1973 (49 U.S.C. 1602a(b)).
 - (4) The applicant agrees that the project facilities and equipment shall be used for the provision of mass transportation services within its urban area and that any other use of project facilities and equipment will be incidental to and shall not interfere with the use of such facilities and equipment in mass transportation service to the public.

CATEGORY 6. TRANSIT ASSET MANAGEMENT PLAN.

If the applicant owns, operates, or manages capital assets used to provide public transportation, the following certification is required by 49 U.S.C. § 5326(a).

The applicant certifies that it is in compliance with 49 CFR Part 625.

CATEGORY 7. ROLLING STOCK BUY AMERICA REVIEWS AND BUS TESTING.

7.1. Rolling Stock Buy America Reviews.

If the applicant will apply for an award to acquire rolling stock for use in revenue service, it must make this certification. This certification is required by 49 CFR § 663.7.

The applicant certifies that it will conduct or cause to be conducted the pre-award and post-delivery audits prescribed by 49 CFR Part 663 and will maintain on file the certifications required by Subparts B, C, and D of 49 CFR Part 663.

7.2. Bus Testing.

If the applicant will apply for funds for the purchase or lease of any new bus model, or any bus model with a major change in configuration or components, the applicant must make this certification. This certification is required by 49 CFR § 665.7.

The applicant certifies that the bus was tested at the Bus Testing Facility and that the bus received a passing test score as required by 49 CFR Part 665. The applicant has received or will receive the appropriate full Bus Testing Report and any applicable partial testing reports before final acceptance of the first vehicle.

CATEGORY 8. URBANIZED AREA FORMULA GRANTS PROGRAM.

If the applicant will apply for an award under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), or any other program or award that is subject to the requirements of 49 U.S.C. § 5307, including the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310); “flex funds” from infrastructure programs administered by the Federal Highways Administration (see 49 U.S.C. § 5334(i)); projects that will receive an award authorized by the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) (23 U.S.C. §§ 601–609) or State Infrastructure Bank Program (23 U.S.C. § 610) (see 49 U.S.C. § 5323(o)); formula awards or competitive awards to urbanized areas under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339(a) and (b)); or low or no emission awards to any area under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339(c)), the applicant must make the following certification. This certification is required by 49 U.S.C. § 5307(c)(1).

The applicant certifies that it:

- (a) Has or will have the legal, financial, and technical capacity to carry out the program of projects (developed pursuant 49 U.S.C. § 5307(b)), including safety and security aspects of the program;
- (b) Has or will have satisfactory continuing control over the use of equipment and facilities;

- (c) Will maintain equipment and facilities in accordance with the applicant's transit asset management plan;
- (d) Will ensure that, during non-peak hours for transportation using or involving a facility or equipment of a project financed under this section, a fare that is not more than 50 percent of the peak hour fare will be charged for any—
 - (1) Senior;
 - (2) Individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), cannot use a public transportation service or a public transportation facility effectively without special facilities, planning, or design; and
 - (3) Individual presenting a Medicare card issued to that individual under title II or XVIII of the Social Security Act (42 U.S.C. §§ 401 et seq., and 1395 et seq.);
- (e) In carrying out a procurement under 49 U.S.C. § 5307, will comply with 49 U.S.C. §§ 5323 (general provisions) and 5325 (contract requirements);
- (f) Has complied with 49 U.S.C. § 5307(b) (program of projects requirements);
- (g) Has available and will provide the required amounts as provided by 49 U.S.C. § 5307(d) (cost sharing);
- (h) Will comply with 49 U.S.C. §§ 5303 (metropolitan transportation planning) and 5304 (statewide and nonmetropolitan transportation planning);
- (i) Has a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation;
- (j) Either—
 - (1) Will expend for each fiscal year for public transportation security projects, including increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages), increased camera surveillance of an area in or adjacent to that system, providing an emergency telephone line to contact law enforcement or security personnel in an area in or adjacent to that system, and any other project intended to increase the security and safety of an existing or planned public transportation system, at least 1 percent of the amount the recipient receives for each fiscal year under 49 U.S.C. § 5336; or
 - (2) Has decided that the expenditure for security projects is not necessary;
- (k) In the case of an applicant for an urbanized area with a population of not fewer than 200,000 individuals, as determined by the Bureau of the Census, will submit an annual report listing projects carried out in the preceding fiscal year under 49 U.S.C. § 5307 for associated transit improvements as defined in 49 U.S.C. § 5302; and
- (l) Will comply with 49 U.S.C. § 5329(d) (public transportation agency safety plan).

CATEGORY 9. FORMULA GRANTS FOR RURAL AREAS.

If the applicant will apply for funds made available to it under the Formula Grants for Rural Areas Program (49 U.S.C. § 5311), it must make this certification. Paragraph (a) of this certification helps FTA make the determinations required by 49 U.S.C. § 5310(b)(2)(C). Paragraph (b) of this certification is required by 49 U.S.C. § 5311(f)(2). Paragraph (c) of this certification, which applies to funds apportioned for the Appalachian Development Public Transportation Assistance Program, is necessary to enforce the conditions of 49 U.S.C. § 5311(c)(2)(D).

- (a) The applicant certifies that its State program for public transportation service projects, including agreements with private providers for public transportation service—
 - (1) Provides a fair distribution of amounts in the State, including Indian reservations; and
 - (2) Provides the maximum feasible coordination of public transportation service assisted under 49 U.S.C. § 5311 with transportation service assisted by other Federal sources; and
- (b) If the applicant will in any fiscal year expend less than 15% of the total amount made available to it under 49 U.S.C. § 5311 to carry out a program to develop and support intercity bus transportation, the applicant certifies that it has consulted with affected intercity bus service providers, and the intercity bus service needs of the State are being met adequately.
- (c) If the applicant will use for a highway project amounts that cannot be used for operating expenses authorized under 49 U.S.C. § 5311(c)(2) (Appalachian Development Public Transportation Assistance Program), the applicant certifies that—
 - (1) It has approved the use in writing only after providing appropriate notice and an opportunity for comment and appeal to affected public transportation providers; and
 - (2) It has determined that otherwise eligible local transit needs are being addressed.

CATEGORY 10. FIXED GUIDEWAY CAPITAL INVESTMENT GRANTS AND THE EXPEDITED PROJECT DELIVERY FOR CAPITAL INVESTMENT GRANTS PILOT PROGRAM.

If the applicant will apply for an award under any subsection of the Fixed Guideway Capital Investment Program (49 U.S.C. § 5309), including an award made pursuant to the FAST Act's Expedited Project Delivery for Capital Investment Grants Pilot Program (Pub. L. 114-94, div. A, title III, § 3005(b)), the applicant must make the following certification. This certification is required by 49 U.S.C. § 5309(c)(2) and Pub. L. 114-94, div. A, title III, § 3005(b)(3)(B).

The applicant certifies that it:

- (a) Has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award,
- (b) Has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.
- (c) Will maintain equipment and facilities acquired or improved under its Award in accordance with its transit asset management plan; and
- (d) Will comply with 49 U.S.C. §§ 5303 (metropolitan transportation planning) and 5304 (statewide and nonmetropolitan transportation planning).

CATEGORY 11. GRANTS FOR BUSES AND BUS FACILITIES AND LOW OR NO EMISSION VEHICLE DEPLOYMENT GRANT PROGRAMS.

If the applicant is in an urbanized area and will apply for an award under subsection (a) (formula grants), subsection (b) (buses and bus facilities competitive grants), or subsection (c) (low or no emissions grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 8 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5339(a)(3), (b)(6), and (c)(3), respectively.

If the applicant is in a rural area and will apply for an award under subsection (a) (formula grants), subsection (b) (bus and bus facilities competitive grants), or subsection (c) (low or no emissions grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 9 for Formula Grants for Rural Areas (49 U.S.C. § 5311). This certification is required by 49 U.S.C. § 5339(a)(3), (b)(6), and (c)(3), respectively.

Making this certification will incorporate by reference the applicable certifications in Category 8 or Category 9.

If the applicant will receive a competitive award under subsection (b) (buses and bus facilities competitive grants), or subsection (c) (low or no emissions grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339) related to zero emissions vehicles or related infrastructure, it must make the following certification. This certification is required by 49 U.S.C. § 5339(d).

The applicant will use 5 percent of grants related to zero emissions vehicles (as defined in subsection (c)(1)) or related infrastructure under subsection (b) or (c) to fund workforce development training as described in section 49 U.S.C. § 5314(b)(2) (including registered apprenticeships and other labor-management training programs) under the recipient's plan to address the impact of the transition to zero emission vehicles on the applicant's current workforce; or the applicant certifies a smaller percentage is necessary to carry out that plan.

CATEGORY 12. ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAMS.

If the applicant will apply for an award under the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. § 5310), it must make the certification in Category 8 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5310(e)(1). Making this certification will incorporate by reference the certification in Category 8, except that FTA has determined that (d), (f), (i), (j), and (k) of Category 8 do not apply to awards made under 49 U.S.C. § 5310 and will not be enforced.

In addition to the certification in Category 8, the applicant must make the following certification that is specific to the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program. This certification is required by 49 U.S.C. § 5310(e)(2).

The applicant certifies that:

- (a) The projects selected by the applicant are included in a locally developed, coordinated public transit-human services transportation plan;
- (b) The plan described in clause (a) was developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers, and other members of the public;
- (c) To the maximum extent feasible, the services funded under 49 U.S.C. § 5310 will be coordinated with transportation services assisted by other Federal departments and agencies, including any transportation activities carried out by a recipient of a grant from the Department of Health and Human Services; and
- (d) If the applicant will allocate funds received under 49 U.S.C. § 5310 to subrecipients, it will do so on a fair and equitable basis.

CATEGORY 13. STATE OF GOOD REPAIR GRANTS.

If the applicant will apply for an award under FTA's State of Good Repair Grants Program (49 U.S.C. § 5337), it must make the following certification. Because FTA generally does not review the transit asset management plans of public transportation providers, the asset management certification is necessary to enforce the provisions of 49 U.S.C. § 5337(a)(4). The certification with regard to acquiring restricted rail rolling stock is required by 49 U.S.C. § 5323(u)(4). Note that this certification is not limited to the use of Federal funds.

The applicant certifies that the projects it will carry out using assistance authorized by the State of Good Repair Grants Program, 49 U.S.C. § 5337, are aligned with the applicant's most recent transit asset management plan and are identified in the investment and prioritization section of such plan, consistent with the requirements of 49 CFR Part 625.

If the applicant operates a rail fixed guideway service, the applicant certifies that, in the fiscal year for which an award is available to the applicant under the State of Good Repair Grants Program, 49 U.S.C. § 5337, the applicant will not award any contract or subcontract for the procurement of rail rolling stock for use in public transportation with a rail rolling stock manufacturer described in 49 U.S.C. § 5323(u)(1).

CATEGORY 14. INFRASTRUCTURE FINANCE PROGRAMS.

If the applicant will apply for an award for a project that will include assistance under the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Program (23 U.S.C. §§ 601–609) or the State Infrastructure Banks (“SIB”) Program (23 U.S.C. § 610), it must make the certifications in Category 8 for the Urbanized Area Formula Grants Program, Category 10 for the Fixed Guideway Capital Investment Grants program, and Category 13 for the State of Good Repair Grants program. These certifications are required by 49 U.S.C. § 5323(o).

Making this certification will incorporate the certifications in Categories 8, 10, and 13 by reference.

CATEGORY 15. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

If the applicant will apply for an award under FTA’s Urbanized Area Formula Grants Program (49 U.S.C. § 5307), Fixed Guideway Capital Investment Program (49 U.S.C. § 5309), Formula Grants for Rural Areas Program (49 U.S.C. § 5311), or Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339) programs, the applicant must make the following certification. The applicant must make this certification on its own behalf and on behalf of its subrecipients and contractors. This certification is required by 49 CFR § 655.83.

The applicant certifies that it, its subrecipients, and its contractors are compliant with FTA’s regulation for the Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations, 49 CFR Part 655.

CATEGORY 16. RAIL SAFETY TRAINING AND OVERSIGHT.

If the applicant is a State with at least one rail fixed guideway system, or is a State Safety Oversight Agency, or operates a rail fixed guideway system, it must make the following certification. The elements of this certification are required by 49 CFR §§ 672.31 and 674.39.

The applicant certifies that the rail fixed guideway public transportation system and the State Safety Oversight Agency for the State are:

- (a) Compliant with the requirements of 49 CFR Part 672, “Public Transportation Safety Certification Training Program”; and
- (b) Compliant with the requirements of 49 CFR Part 674, “State Safety Oversight”.

CATEGORY 17. DEMAND RESPONSIVE SERVICE.

If the applicant operates demand responsive service and will apply for an award to purchase a non-rail vehicle that is not accessible within the meaning of 49 CFR Part 37, it must make the following certification. This certification is required by 49 CFR § 37.77.

The applicant certifies that the service it provides to individuals with disabilities is equivalent to that provided to other persons. A demand responsive system, when viewed in its entirety, is deemed to provide equivalent service if the service available to individuals with disabilities, including individuals who use wheelchairs, is provided in the most integrated setting appropriate to the needs of the individual and is equivalent to the service provided other individuals with respect to the following service characteristics:

- (a) Response time;
- (b) Fares;
- (c) Geographic area of service;
- (d) Hours and days of service;
- (e) Restrictions or priorities based on trip purpose;
- (f) Availability of information and reservation capability; and
- (g) Any constraints on capacity or service availability.

CATEGORY 18. INTEREST AND FINANCING COSTS.

If the applicant will pay for interest or other financing costs of a project using assistance awarded under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), the Fixed Guideway Capital Investment Grants Program (49 U.S.C. § 5309), or any program that must comply with the requirements of 49 U.S.C. § 5307, including the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310), “flex funds” from infrastructure programs administered by the Federal Highways Administration (see 49 U.S.C. § 5334(i)), or awards to urbanized areas under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the following certification. This certification is required by 49 U.S.C. §§ 5307(e)(3) and 5309(k)(2)(D).

The applicant certifies that:

- (a) Its application includes the cost of interest earned and payable on bonds issued by the applicant only to the extent proceeds of the bonds were or will be expended in carrying out the project identified in its application; and
- (b) The applicant has shown or will show reasonable diligence in seeking the most favorable financing terms available to the project at the time of borrowing.

CATEGORY 19. CYBERSECURITY CERTIFICATION FOR RAIL ROLLING STOCK AND OPERATIONS.

If the applicant operates a rail fixed guideway public transportation system, it must make this certification. This certification is required by 49 U.S.C. § 5323(v). For information about standards or practices that may apply to a rail fixed guideway public transportation system, visit <https://www.nist.gov/cyberframework> and <https://www.cisa.gov/>.

The applicant certifies that it has established a process to develop, maintain, and execute a written plan for identifying and reducing cybersecurity risks that complies with the requirements of 49 U.S.C. § 5323(v)(2).

CATEGORY 20. PUBLIC TRANSPORTATION ON INDIAN RESERVATIONS FORMULA AND DISCRETIONARY PROGRAM (TRIBAL TRANSIT PROGRAMS).

Before FTA may provide Federal assistance for an Award financed under either the Public Transportation on Indian Reservations Formula or Discretionary Program authorized under 49 U.S.C. § 5311(c)(1), as amended by the FAST Act, (Tribal Transit Programs), the applicant must select the Certifications in Category 21, except as FTA determines otherwise in writing. Tribal Transit Program applicants may certify to this Category and Category 1 (Certifications and Assurances Required of Every Applicant) and need not make any other certification, to meet Tribal Transit Program certification requirements. If an applicant will apply for any program in addition to the Tribal Transit Program, additional certifications may be required.

FTA has established terms and conditions for Tribal Transit Program grants financed with Federal assistance appropriated or made available under 49 U.S.C. § 5311(c)(1). The applicant certifies that:

- (a) It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
- (b) It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
- (c) It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, “Transit Asset Management,” 49 CFR Part 625. Its Award will achieve maximum feasible coordination with transportation service financed by other federal sources.
- (d) With respect to its procurement system:
 - (1) It will have a procurement system that complies with U.S. DOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, which incorporates by reference U.S. OMB regulatory guidance, “Uniform Administrative Requirements, Cost

- Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, for Awards made on or after December 26, 2014,
- (2) It will have a procurement system that complies with U.S. DOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR Part 18, specifically former 49 CFR § 18.36, for Awards made before December 26, 2014, or
 - (3) It will inform FTA promptly if its procurement system does not comply with either of those U.S. DOT regulations.
- (e) It will comply with the Certifications, Assurances, and Agreements in:
- (1) Category 05.1 and 05.2 (Charter Service Agreement and School Bus Agreement),
 - (2) Category 06 (Transit Asset Management Plan),
 - (3) Category 07.1 and 07.2 (Rolling Stock Buy America Reviews and Bus Testing),
 - (4) Category 09 (Formula Grants for Rural Areas),
 - (5) Category 15 (Alcohol and Controlled Substances Testing), and
 - (6) Category 17 (Demand Responsive Service).

CATEGORY 21. EMERGENCY RELIEF PROGRAM.

An applicant to the Public Transportation Emergency Relief Program, 49 U.S.C. § 5324, must make the following certification. The certification is required by 49 U.S.C. § 5324(f) and must be made before the applicant can receive a grant under the Emergency Relief program.

The applicant certifies that the applicant has insurance required under State law for all structures related to the emergency relief program grant application.

FEDERAL FISCAL YEAR 2023 CERTIFICATIONS AND ASSURANCES FOR FTA ASSISTANCE PROGRAMS

(Signature pages alternate to providing Certifications and Assurances in TrAMS.)

Name of Applicant: _____

The Applicant certifies to the applicable provisions of all categories: (*check here*) _____.

Or,

The Applicant certifies to the applicable provisions of the categories it has selected:

Category	Certification
01 Certifications and Assurances Required of Every Applicant	_____
02 Public Transportation Agency Safety Plans	_____
03 Tax Liability and Felony Convictions	_____
04 Lobbying	_____
05 Private Sector Protections	_____
06 Transit Asset Management Plan	_____
07 Rolling Stock Buy America Reviews and Bus Testing	_____
08 Urbanized Area Formula Grants Program	_____
09 Formula Grants for Rural Areas	_____
10 Fixed Guideway Capital Investment Grants and the Expedited Project Delivery for Capital Investment Grants Pilot Program	_____
11 Grants for Buses and Bus Facilities and Low or No Emission Vehicle Deployment Grant Programs	_____

12 Enhanced Mobility of Seniors and Individuals with Disabilities Programs

13 State of Good Repair Grants

14 Infrastructure Finance Programs

15 Alcohol and Controlled Substances Testing

16 Rail Safety Training and Oversight

17 Demand Responsive Service

18 Interest and Financing Costs

19 Cybersecurity Certification for Rail Rolling Stock and Operations

20 Tribal Transit Programs

21 Emergency Relief Program

CERTIFICATIONS AND ASSURANCES SIGNATURE PAGE

AFFIRMATION OF APPLICANT

Name of the Applicant: _____

BY SIGNING BELOW, on behalf of the Applicant, I declare that it has duly authorized me to make these Certifications and Assurances and bind its compliance. Thus, it agrees to comply with all federal laws, regulations, and requirements, follow applicable federal guidance, and comply with the Certifications and Assurances as indicated on the foregoing page applicable to each application its Authorized Representative makes to the Federal Transit Administration (FTA) in the federal fiscal year, irrespective of whether the individual that acted on his or her Applicant’s behalf continues to represent it.

The Certifications and Assurances the Applicant selects apply to each Award for which it now seeks, or may later seek federal assistance to be awarded by FTA during the federal fiscal year.

The Applicant affirms the truthfulness and accuracy of the Certifications and Assurances it has selected in the statements submitted with this document and any other submission made to FTA, and acknowledges that the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 *et seq.*, and implementing U.S. DOT regulations, “Program Fraud Civil Remedies,” 49 CFR part 31, apply to any certification, assurance or submission made to FTA. The criminal provisions of 18 U.S.C. § 1001 apply to any certification, assurance, or submission made in connection with a federal public transportation program authorized by 49 U.S.C. chapter 53 or any other statute

In signing this document, I declare under penalties of perjury that the foregoing Certifications and Assurances, and any other statements made by me on behalf of the Applicant are true and accurate.

Signature _____ Date: _____

Name _____ Authorized Representative of Applicant

AFFIRMATION OF APPLICANT’S ATTORNEY

For (Name of Applicant): _____

As the undersigned Attorney for the above-named Applicant, I hereby affirm to the Applicant that it has authority under state, local, or tribal government law, as applicable, to make and comply with the Certifications and Assurances as indicated on the foregoing pages. I further affirm that, in my opinion, the Certifications and Assurances have been legally made and constitute legal and binding obligations on it.

I further affirm that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the validity of these Certifications and Assurances, or of the performance of its FTA assisted Award.

Signature _____ Date: _____

Name _____ Attorney for Applicant

Each Applicant for federal assistance to be awarded by FTA must provide an Affirmation of Applicant’s Attorney pertaining to the Applicant’s legal capacity. The Applicant may enter its electronic signature in lieu of the Attorney’s signature within TrAMS, provided the Applicant has on file and uploaded to TrAMS this hard-copy Affirmation, signed by the attorney and dated this federal fiscal year.

STAFF REPORT

Subject: Budget Amendment – Bishop Facility Project

Initiated by: Phil Moores, Executive Director

Background:

ESTA received a grant award in the amount of \$457,139 in September 2020. Due to legal roadblocks, we were not able to move forward with the intended project of constructing a new facility adjacent to our current Bishop bus yard.

Parties involved in helping ESTA begin and complete this project include Inyo County, Los Angeles Department of Water and Power (DWP, land owner), and Caltrans (grant recipient).

Recently, there has been movement on the project with the County and DWP. Caltrans has indicated that they need a Letter of Intent from DWP stating, without commitment, that they support our project and do not intend to evict us from the property in the foreseeable future. Also, Caltrans needs an ESTA Board resolution committing the \$457,139 to the project and as a grant assurance in the event we must return funds. Such a letter and resolution may clear the way for Caltrans to enter an At-Risk grant reimbursement process.

Discussion:

ESTA would like to amend the FY2022-23 budget to include a line item for these funds, and request Board approval to transfer the funds to budget unit 612507 – 4457 Bishop Facility Fund, to set them aside for the Bishop Facility Project. This fund balance will serve to provide assurance to Caltrans in the event funds must be returned.

Recommendation:

Authorize by attached resolution to amend the FY 22-23 budget to increase expense in the ESTA budget by a total of \$457,139 in budget unit 612507, object code 4457 Bishop Facility Fund.

RESOLUTION 2023 - 04

A RESOLUTION OF THE BOARD OF DIRECTORS, EASTERN SIERRA TRANSIT AUTHORITY (ESTA), ADOPTING AND APPROVING THE BUDGET AMENDMENT ASSURING CALTRANS 5339 GRANT

WHEREAS, the Authority is authorized to receive grant funds from Caltrans, and have been awarded \$457,139 in Caltrans Standard Agreement 64GC18-01381 for use in building an administrative facility adjacent to 565 Airport Road, Bishop, CA; and

WHEREAS, the Authority is required by Caltrans to commit funds to a specific line item in the Authority budget to assure the funds are available; and

WHEREAS, Caltrans will consider this action an assurance of funds in the event funds must be returned to Caltrans; and

NOW, THEREFORE, BE IT RESOLVED by the Eastern Sierra Transit Authority Board of Directors that \$457,139 be set aside and committed to the Bishop Facility Fund budget unit 612507-4457, and these funds are intended to provide assurance to Caltrans in the event funds must be returned to Caltrans by the Authority.

PASSED AND ADOPTED this 10th day of February, 2023, by the following vote of the Eastern Sierra Transit Authority Board of Directors:

AYES:
NOES:
ABSTAIN:
ABSENT:

Karen Schwartz, Chairperson
Eastern Sierra Transit Authority Board of Directors

Attest: Linda Robinson
Secretary of the Board

By: _____
Linda Robinson

STAFF REPORT

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

Service

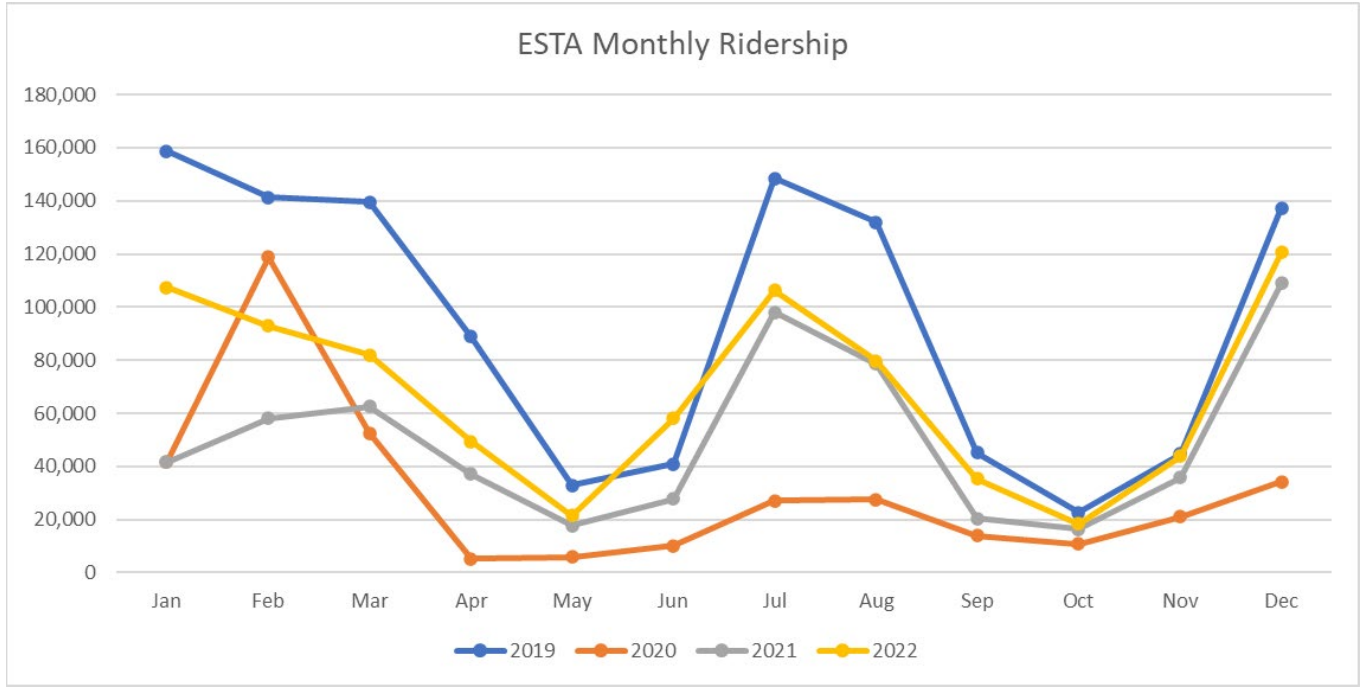
ESTA continues to deliver services despite driver shortages. This is due to the commitment of employees to make sure ESTA honors our promise to take people where they want and need to go. We have employees working long shifts and weekends in a typically selfless manner. Many thanks to all of them!

Ridership

Ridership is continuing to trend upwards with December 2022 approaching 2019 numbers. For the year, numbers are still a little down, but I am hopeful we will achieve the pre-Covid totals again in a couple years.

December Ridership Report						
Route	Pre-Covid 2019	2020	2021	2022	Change Current vs. Last year	% Change Current vs Pre-Covid
BEN	33.00	4.00	2.00	14.00	12	-58%
BISDAR	3,816.00	2,284.00	2,936.00	3,354.00	418	-12%
BPTCAR	24.00	5.00	12.00	28.00	16	17%
LANC	419.00	139.00	323.00	320.00	-3	-24%
LP/BIS	222.00	151.00	139.00	241.00	102	9%
LPDAR	417.00	415.00	390.00	381.00	-9	-9%
MAMFR	24,999.00	4,565.00	15,366.00	20,326.00	4,960	-19%
MDAR	183.00	88.00	148.00	233.00	85	27%
MMSA	105,606.00	26,001.00	88,698.00	92,360.00	3,662	-13%
MXP	630.00	178.00	369.00	502.00	133	-20%
NRIDER	404.00	78.00	192.00	308.00	116	-24%
OTR	1,806.00	0.00	1,597.00	1,890.00	293	5%
RENO	625.00	308.00	434.00	570.00	136	-9%
WLK	26.00	13.00	0.00	9.00	9	100%
Total	139,210	34,229	110,606	120,536	9,930	-13%

The chart below shows the ridership by month since pre-Covid. The blue line is 2019, and the yellow line is 2022. Things are looking up!



Strategic Business Plan KPI's

The following tables report ESTA's key performance indicators for quarter's one and two of this fiscal year. In general, we are meeting or exceeding our goals, with challenges in the areas of maintenance and productivity.

FY22-23 Quarter 1

Category	Standard	Reporting Cycle	Target	Current	YTD	GOAL
SAFETY	Accidents	Quarterly	1.00 per 100k miles	0.4	0.4	
	Safety Hazards	Quarterly	Address All	yes	yes	
	Injuries	Quarterly	3-lost work, 3-med only	1,0	1,0	
	Customer Perception	Annual	90%	95.2%		
SERVICE QUALITY AND EFFICIENCY	Productivity	Quarterly	FR-17, IFR-2, DAR-3, LL-4	17,3.7,3.3,.3	17,3.7,3.3,.3	
	Service Delivery	Quarterly	99%	100%	99.00%	
	On Time Performance	Quarterly	DAR-90%, IFR-80%,FR-90%	under construction		
	New Service	Annual	Research New Ideas	yes	yes	
	Comments	Quarterly	0.075	0.027	0.027	
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	yes	yes	
	Training	Annual	Annual Hours	yes	yes	
	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	5.2	5.2	
	Attractiveness	Annual	90%	yes		
	Maintenance	Quarterly	various	96%	96%	
	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	

FY22-23 Quarter 2

Category	Standard	Reporting Cycle	Target	Current	YTD	GOAL
SAFETY	Accidents	Quarterly	1.00 per 100k miles	0.6	0.47	
	Safety Hazards	Quarterly	Address All	yes	yes	
	Injuries	Quarterly	3-lost work, 3-med only	1,0	0,2	
	Customer Perception	Annual	90%	95.2%		
SERVICE QUALITY AND EFFICIENCY	Productivity	Quarterly	FR- 17, IFR-2, DAR-3, LL-4	14,3,6,2.2,,3	15.5,3,7,2.8,,3	
	Service Delivery	Quarterly	99%	99%	99.00%	
	On Time Performance	Quarterly	DAR-90%, IFR-80%,FR-90%	under construction		
	New Service	Annual	Research New Ideas	yes	yes	
	Comments	Quarterly	0.075	0.142	0.070	
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	yes	yes	
	Training	Annual	Annual Hours	yes	yes	
	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	8	6.5	
	Attractiveness	Annual	90%	yes		
	Maintenance	Quarterly	various	92%	94%	
	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 2022/23

Initiated by: Dawn Vidal, Administration Manager

The year-to-date roll-up and year end forecast for the 2022/23 fiscal year are included on the following pages. Reports are as of February 4 ,2023.

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

OPRB payment of \$60,000 was made in January. This is the amount for the fiscal year.

Gas was budgeted at \$5.75 per gallon and averaged \$4.24 in January budget. FY to date average is \$4.83 per gallon.

Fuel and vehicle maintenance do not reflect Town of Mammoth Lakes invoicing for October- January.

Financial information as of:

2/4/2023

% of Fiscal Year:

60%

Revenue & Expenses Still Outstanding

153299 - EASTERN SIERRA TRANSIT - ROLL UP

OPERATING Revenue		FY 22/23 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
4061	LOCAL TRANSPORTATION TAX	1,590,020	989,651	600,369	62%	1,590,020	-	
4065	STATE TRANSIT ASST	478,666	160,164	318,502	33%	478,666	-	
4301	INTEREST FROM TREASURY	35,000	9,858	25,142	28%	35,000	-	
4498	STATE GRANTS	80,044	125,243	-	156%	125,243	45,199	
4499	STATE OTHER	78,839	25,910	52,929	33%	78,839	-	
4555	FEDERAL GRANTS	961,740	29,254	932,486	3%	961,740	-	Generally billed at end of FY
4599	OTHER AGENCIES	1,078,792	450,312	628,480	42%	1,078,792	-	
4747	INSURANCE PAYMENTS	-	-	-		-	-	
4819	SERVICES & FEES	2,405,107	1,215,328	1,189,779	51%	2,405,107	-	
4959	MISCELLANEOUS REVENUE	24,000	35,938	(11,938)	150%	24,000	-	Lefever Advertising
4999	PRIOR YEARS REIMBURSEMENTS	0	0	0		0	-	
Revenue Total:		6,732,208	3,041,658	3,735,749	45%	6,777,407	45,199	

Operating Expenditure:		FY21/22 Budget	YTD Actual	Balance	% of Budget	Year End Forecast	YE Forecast Variance	Comments
5001	SALARIED EMPLOYEES	1,709,481	877,915	831,566	51%			
5003	OVERTIME	125,820	100,373	25,447	80%			
5005	HOLIDAY OVERTIME	124,726	117,694	7,032	94%			
5012	PART TIME EMPLOYEES	535,472	248,212	287,260	46%			
	Wages subtotal	2,495,499	1,344,193	1,151,306	54%	2,495,499	-	New EEA Wages 1/2/2023
5021	RETIREMENT & SOCIAL SECURITY	61,898	26,611	35,287	43%	61,898	-	
5022	PERS RETIREMENT	260,870	129,262	131,608	50%	260,870	-	
5025	RETIREE HEALTH BENEFITS	3,720	-	3,720	0%	3,720	-	
5031	MEDICAL INSURANCE	329,850	124,890	204,960	38%	329,850	-	Rate Increase 1/1/23
5043	OTHER BENEFITS	37,983	14,213	23,770	37%	37,983	-	
5045	COMPENSATED ABSENCE EXPENSE	204,239	106,218	98,021	52%	204,239	-	
5046	OPEB EXPENSE	60,000	60,000	-	100%	60,000	60,000	Paid in Advance
5047	EMPLOYEE INCENTIVES	7,400	4,249	3,151	57%	7,400	-	
5111	CLOTHING	2,500	1,631	869	65%	2,500	-	
5152	WORKERS COMPENSATION	100,638	105,028	(4,390)	104%	100,638	-	Prepaid
5154	UNEMPLOYMENT INSURANCE	40,000	-	40,000	0%	40,000	-	
5158	INSURANCE PREMIUM	195,440	190,893	4,547	98%	195,440	-	Prepaid
5171	MAINTENANCE OF EQUIPMENT	727,333	278,822	448,511	38%	727,333	-	Does not include Oct-December TOML
5173	MAINTENANCE OF EQUIPMENT-M	18,400	15,493	2,907	84%	18,400	-	

5191	MAINTENANCE OF STRUCTURES	5,000	-	5,000	0%	5,000	-	
		FY21/22			% of	Year End	YE Forecast	
Operating Expenditure:		Budget	YTD Actual	Balance	Budget	Forecast	Variance	Comments
5211	MEMBERSHIPS	1,400	1,089	311	78%	1,400	-	
5232	OFFICE & OTHER EQUIP < \$5,000	16,900	7,533	9,367	45%	16,900	-	
5238	OFFICE SUPPLIES	9,000	4,012	4,988	45%	9,000	-	
5253	ACCOUNTING & AUDITING SERVIC	51,168	38,975	12,193	76%	51,168	-	
5260	HEALTH - EMPLOYEE PHYSICALS	7,001	3,869	3,132	55%	7,001	-	
5263	ADVERTISING	45,902	15,779	30,123	34%	45,902	-	
5265	PROFESSIONAL & SPECIAL SERVICE	312,595	97,741	214,854	31%	312,595	-	
5291	OFFICE, SPACE & SITE RENTAL	229,740	119,861	109,879	52%	224,528	-	
5311	GENERAL OPERATING EXPENSE	89,376	51,921	37,455	58%	89,376	-	
5326	LATE FEES & FINANCE CHARGES	300	20	280	7%	300	-	
5331	TRAVEL EXPENSE	17,099	2,882	14,217	17%	17,099	-	
5332	MILEAGE REIMBURSEMENT	28,000	13,782	14,218	49%	28,000	-	
5351	UTILITIES	81,846	38,281	43,565	47%	81,846	-	
5352	FUEL & OIL	895,964	318,645	577,319	36%	895,964	-	Does not include Oct-Dec TOML
5539	OTHER AGENCY CONTRIBUTIONS	52,000	-	52,000	0%	-	-	
5901	CONTINGENCIES	128,350	-	128,350	0%	128,350	-	
	Expenditure Total:	6,517,411	3,115,895	3,401,516	48%	6,460,199		

TRANSFERS		FY21/22			% of	Year End	YE Forecast	
Expenditure		Budget	YTD Actual	Balance	Budget	Forecast	Variance	Comments
5798	CAPITAL REPLACEMENT	145,781	-	145,781	-	145,781	-	
5801	OPERATING TRANSFERS OUT	-	-	-	-	-	-	
Expenditure Total:		145,781	-	145,781	-	145,781	-	

NET TRANSFERS -

Projected Revenue less Projected Expenses:	317,208
Less Capital Trolley Match:	69,000
Less Capital Replacement Transfers:	145,781
Less Capital Structures & Improvements:	13,801
Operating Balance:	88,626

CAPITAL ACCOUNT Revenue		FY 22/23 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	377,707	15,835	361,872	4%	377,707	-	Vehicle matching funds
4495	STATE GRANTS - CAPITAL	45,209	-	45,209	0%	45,209	-	LCTOP Electric Vehicle
4557	FEDERAL GRANTS - CAPITAL	1,376,575	189,167	1,187,408	14%	1,376,575	-	Vehicles(5310, 5339a)
4911	SALE OF FIXED ASSETS						-	

Capital Expenditures

5640	STRUCTURES & IMPROVEMENTS	13,801	2,492	11,309	18%	13,801	-	
5650	EQUIPMENT						-	
5655	VEHICLES	2,266,219	396,029	1,870,190	17%	2,266,219	-	New Vehicles (5310, 5339(a))
	Expenditure Total:	2,280,020	398,521	1,881,499	17%	2,280,020	-	

Projected Capital Revenue Less Projected Expenses :	(388,529)
Plus Trolley Funding in Operating Revenue:	69,000
Plus Reds Radio Funding in Operating Revenue:	
Plus Structures & Improvements in Operating Revenue:	13,801
Plus LCTOP fund balance for Electric Vehicle:	162,989
Capital Balance:	(142,739)

Breakdown of 4819 Service & Fees Revenue	
MMSA Fees	349,518
Red's Revenue	594,693
All Other Passenger Fares	271,118
Total 4819	1,215,328

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

Ledger: GL

As of 2/4/2023

Object	Description	Budget	Actual	Encumbrance	Balance	%
Key: 153298 - ESTA - BUDGET						
OPERATING						
Revenue						
Expenditure						
NET OPERATING		0.00	0.00	0.00	0.00	
CAPITAL ACCOUNT						
Revenue						
NET CAPITAL ACCOUNT		0.00	0.00	0.00	0.00	
Key: 153299 - EASTERN SIERRA TRANSIT						
OPERATING						
Revenue						
4061	LOCAL TRANSPORTATION TAX	1,590,020.00	989,650.79	0.00	600,369.21	62.24
4065	STATE TRANSIT ASST	478,666.00	160,164.00	0.00	318,502.00	33.46
4301	INTEREST FROM TREASURY	35,000.00	9,857.80	0.00	25,142.20	28.16
4498	STATE GRANTS	80,044.00	125,243.00	0.00	(45,199.00)	156.46
4499	STATE OTHER	78,839.00	25,910.46	0.00	52,928.54	32.86
4555	FEDERAL GRANTS	961,740.00	29,253.58	0.00	932,486.42	3.04
4599	OTHER AGENCIES	1,078,792.00	450,312.42	0.00	628,479.58	41.74
4819	SERVICES & FEES	2,405,107.00	1,215,328.39	0.00	1,189,778.61	50.53
4959	MISCELLANEOUS REVENUE	24,000.00	35,938.03	0.00	(11,938.03)	149.74
	Revenue Total:	6,732,208.00	3,041,658.47	0.00	3,690,549.53	45.18
Expenditure						
5001	SALARIED EMPLOYEES	1,709,481.00	877,914.74	0.00	831,566.26	51.35
5003	OVERTIME	125,820.00	100,372.51	0.00	25,447.49	79.77
5005	HOLIDAY OVERTIME	124,726.00	117,694.36	0.00	7,031.64	94.36
5012	PART TIME EMPLOYEES	535,472.00	248,211.88	0.00	287,260.12	46.35
5021	RETIREMENT & SOCIAL SECURITY	61,898.00	26,611.31	0.00	35,286.69	42.99
5022	PERS RETIREMENT	260,870.00	129,262.15	0.00	131,607.85	49.55
5025	RETIREE HEALTH BENEFITS	3,720.00	0.00	0.00	3,720.00	0.00
5031	MEDICAL INSURANCE	329,850.00	124,890.40	0.00	204,959.60	37.86
5043	OTHER BENEFITS	37,983.00	14,212.75	0.00	23,770.25	37.41
5045	COMPENSATED ABSENCE EXPENSE	204,239.00	106,218.41	0.00	98,020.59	52.00
5046	OPEB EXPENSE	60,000.00	60,000.00	0.00	0.00	100.00
5047	EMPLOYEE INCENTIVES	7,400.00	4,248.90	0.00	3,151.10	57.41
5111	CLOTHING	2,500.00	1,631.05	0.00	868.95	65.24
5152	WORKERS COMPENSATION	100,638.00	105,028.00	0.00	(4,390.00)	104.36
5154	UNEMPLOYMENT INSURANCE	40,000.00	0.00	0.00	40,000.00	0.00
5158	INSURANCE PREMIUM	195,440.00	190,893.00	0.00	4,547.00	97.67
5171	MAINTENANCE OF EQUIPMENT	727,333.00	278,822.00	0.00	448,511.00	38.33
5173	MAINTENANCE OF EQUIPMENT-	18,400.00	15,493.21	0.00	2,906.79	84.20
5191	MAINTENANCE OF STRUCTURES	5,000.00	0.00	0.00	5,000.00	0.00
5211	MEMBERSHIPS	1,400.00	1,089.00	0.00	311.00	77.78
5232	OFFICE & OTHER EQUIP < \$5,000	16,900.00	7,533.05	0.00	9,366.95	44.57
5238	OFFICE SUPPLIES	9,000.00	4,012.15	0.00	4,987.85	44.57
5253	ACCOUNTING & AUDITING SERVICE	51,168.00	38,975.01	0.00	12,192.99	76.17
5260	HEALTH - EMPLOYEE PHYSICALS	7,001.00	3,868.68	0.00	3,132.32	55.25
5263	ADVERTISING	45,902.00	15,778.71	0.00	30,123.29	34.37
5265	PROFESSIONAL & SPECIAL SERVICE	312,595.00	97,741.25	0.00	214,853.75	31.26
5291	OFFICE, SPACE & SITE RENTAL	229,740.00	119,860.87	0.00	109,879.13	52.17

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

Ledger: GL

As of 2/4/2023

Object	Description	Budget	Actual	Encumbrance	Balance	%
5311	GENERAL OPERATING EXPENSE	89,376.00	51,920.86	0.00	37,455.14	58.09
5326	LATE FEES & FINANCE CHARGES	300.00	19.97	0.00	280.03	6.65
5331	TRAVEL EXPENSE	17,099.00	2,881.58	0.00	14,217.42	16.85
5332	MILEAGE REIMBURSEMENT	28,000.00	13,782.46	0.00	14,217.54	49.22
5351	UTILITIES	81,846.00	38,281.36	0.00	43,564.64	46.77
5352	FUEL & OIL	895,964.00	318,645.19	0.00	577,318.81	35.56
5539	OTHER AGENCY CONTRIBUTIONS	52,000.00	0.00	0.00	52,000.00	0.00
5901	CONTINGENCIES	128,350.00	0.00	0.00	128,350.00	0.00
	Expenditure Total:	<u>6,517,411.00</u>	<u>3,115,894.81</u>	<u>0.00</u>	<u>3,401,516.19</u>	<u>47.80</u>
NET OPERATING		<u>214,797.00</u>	<u>(74,236.34)</u>	<u>0.00</u>	<u>289,033.34</u>	
NON-OPERATING Revenue						
NET NON-OPERATING		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
CAPITAL ACCOUNT Revenue						
4066	PTMISEA	92,000.00	0.00	0.00	92,000.00	0.00
4067	STATE TRANSIT ASST-CAPITAL	377,707.00	15,835.00	0.00	361,872.00	4.19
4495	STATE GRANTS - CAPITAL	45,209.00	0.00	0.00	45,209.00	0.00
4557	FEDERAL GRANTS - CAPITAL	1,376,575.00	189,167.00	0.00	1,187,408.00	13.74
	Revenue Total:	<u>1,891,491.00</u>	<u>205,002.00</u>	<u>0.00</u>	<u>1,686,489.00</u>	<u>10.83</u>
Expenditure						
5630	LAND IMPROVEMENTS	13,801.00	0.00	0.00	13,801.00	0.00
5640	STRUCTURES & IMPROVEMENTS	13,801.00	2,491.77	0.00	11,309.23	18.05
5655	VEHICLES	2,266,219.00	396,028.97	0.00	1,870,190.03	17.47
	Expenditure Total:	<u>2,293,821.00</u>	<u>398,520.74</u>	<u>0.00</u>	<u>1,895,300.26</u>	<u>17.37</u>
NET CAPITAL ACCOUNT		<u>(402,330.00)</u>	<u>(193,518.74)</u>	<u>0.00</u>	<u>(208,811.26)</u>	
TRANSFERS Revenue						
Expenditure						
5798	CAPITAL REPLACEMENT	145,781.00	0.00	0.00	145,781.00	0.00
	Expenditure Total:	<u>145,781.00</u>	<u>0.00</u>	<u>0.00</u>	<u>145,781.00</u>	<u>0.00</u>
NET TRANSFERS		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
153299 Total:		<u>(333,314.00)</u>	<u>(267,755.08)</u>	<u>0.00</u>	<u>(65,558.92)</u>	

**COUNTY OF INYO
UNDESIGNATED FUND BALANCES**

AS OF 06/30/2023

	Claim on Cash 1000	Accounts Receivable 1100,1105,1160	Loans Receivable 1140	Prepaid Expenses 1200	Accounts Payable 2000	Loans Payable 2140	Deferred Revenue 2200	Computed Fund Balance	Encumbrances	Fund Balance Undesignated
ESTA - EASTERN SIERRA TRANSIT AUTHORI										
1532 EASTERN SIERRA TRANSIT	5,308,394	(3)	25,049		32,358			5,301,082		5,301,082
1533 ESTA ACCUMULATED	1,532,112							1,532,112		1,532,112
1534 ESTA GENERAL RESERVE	537,375							537,375		537,375
1535 ESTA BUDGET STAB	214,948							214,948		214,948
1536 REDS MEADOW ROAD	152,069							152,069		152,069
6809 SRTP TRANSPORT PLAN	42,964							42,964		42,964
6814 JARC-MAMMOTH EXPRESS	3,235					5,000		(1,765)		(1,765)
6820 NON-EMERGENCY TRAN REIM	1				1,218	7,642		(8,859)		(8,859)
6821 BISHOP YARD-ESTA	2,072					7,000		(4,928)		(4,928)
6822 LCTOP-ELECTRIC VEHICLE						5,407		(5,407)		(5,407)
6824 ESTA-LCTOP	48,505	3			5			48,503		48,503
6825 BISHOP ADMIN BUILDING	71,339							71,339		71,339
ESTA Totals	7,913,014		25,049		33,581	25,049		7,879,433		7,879,433
Grand Totals	7,913,014		25,049		33,581	25,049		7,879,433		7,879,433

STAFF REPORT

Subject: 2021/22 Audited Financial Report for the Eastern Sierra
Transit Authority

Presented by: Dawn Vidal, Administration Manager

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 fifth year of their contract with ESTA.

There were no audit findings.

The audit for the fiscal year ending June 30, 2022 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.



Board of Directors
Eastern Sierra Transit Authority
Bishop, California

We have audited the financial statements of Eastern Sierra Transit Authority as of and for the year ended June 30, 2022, and have issued our report thereon dated January 30, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated July 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Eastern Sierra Transit Authority are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2022.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management believes receivables are fully collectible based on historical experience. Accordingly, no allowance for doubtful accounts is included in the financial statements.
- Management's estimate of the other post-employment benefits (OPEB) liability is derived from, actuarial evaluations obtained from experts. We compared the liability reported in the financial statements to the actuarial report prepared and issued for the year under audit. Considering the total liability at year-end is based on third-party actuarial valuations, the liability amount was deemed reasonable.
- Management's estimate of pension liability is derived from actuarial valuations obtained from CalPERS. We compared the liability reported in the financial statements to the actuarial report prepared and issued for the year under audit.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated January 30, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated January 30, 2023.

This communication is intended solely for the information and use of the Board of Directors and management of Eastern Sierra Transit Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Roseville, California
January 30, 2023

EASTERN SIERRA TRANSIT AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

**EASTERN SIERRA TRANSIT AUTHORITY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	9
STATEMENT OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS	24
SCHEDULE OF ESTA'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS	25
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	26
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	27
REPORTS ON INTERNAL CONTROL AND COMPLIANCE	
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	28
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	30
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	31



INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Sierra Transit Authority
Bishop, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Eastern Sierra Transit Authority (ESTA), which comprise the statement of net position as of June 30, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ESTA as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the ESTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ESTA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ESTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ESTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinion 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, 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 30, 2023

**EASTERN SIERRA TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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, 2022**

FINANCIAL HIGHLIGHTS

On June 30, 2022, the assets and deferred outflows of ESTA exceeded its liabilities and deferred inflows by \$9,029,034 (net position). Of this amount, \$7,825,933 (unrestricted net position) may be used to meet ESTA's ongoing obligations to citizens and creditors, and \$1,203,101 is ESTA's investment in capital assets.

ESTA's capital assets (e.g., land, infrastructure, and equipment) decreased by \$287,836 due to \$88,787 of capital asset additions offset by the annual depreciation of existing assets.

Long-term liabilities decreased by \$864,877 due to a decrease in other post-employment benefits of \$651,138 and a change from net pension liability to a net pension asset during the year.

FINANCIAL POSITION

Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>	Variance	Change
Assets:				
Current and Other Assets	\$ 9,043,414	\$ 6,987,287	29.43 %	\$ 2,056,127
Capital Assets	<u>1,203,101</u>	<u>1,490,937</u>	(19.31)%	<u>(287,836)</u>
Total Assets	<u>10,246,515</u>	<u>8,478,224</u>	20.86 %	1,768,291
Deferred Outflows	757,317	479,706	57.87 %	277,611
Liabilities:				
Current Liabilities	529,262	524,369	0.93 %	4,893
Long-Term Liabilities	<u>594,344</u>	<u>1,459,221</u>	(59.27)%	<u>(864,877)</u>
Total Liabilities	<u>1,123,606</u>	<u>1,983,590</u>	(43.35)%	<u>(859,984)</u>
Deferred Inflows	<u>851,190</u>	<u>89,839</u>	<u>847.46 %</u>	<u>761,351</u>
Net Position:				
Investment in Capital Assets	1,203,101	1,490,937	(19.31)%	(287,836)
Restricted for Road Maintenance	-	112,811	100.00 %	(112,811)
Unrestricted	<u>7,825,935</u>	<u>5,280,753</u>	48.20 %	<u>2,545,182</u>
Total Net Position	<u><u>\$ 9,029,036</u></u>	<u><u>\$ 6,884,501</u></u>	<u><u>31.15 %</u></u>	<u><u>\$ 2,144,535</u></u>

As shown in the schedule above, at June 30, 2022, ESTA's total assets are \$10,246,515. The total assets held increased by \$1,768,291 from the June 30, 2021 balance of \$8,478,224. The increase in total assets was due primarily to an increase in cash, accounts receivable, and the change from net pension liability to a net pension asset of \$308,048 in the current year, offset by depreciation of capital assets. Deferred outflows of \$757,317 represent contributions made by ESTA during fiscal year 2021/22 after the pension and OPEB liability measurement date of June 30, 2021 and other pension related deferred outflows.

**EASTERN SIERRA TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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.

**Changes in Net Position
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>Change</u>
Revenues:				
Operating	\$ 2,141,316	\$ 1,305,608	64.01%	\$ 835,708
Nonoperating	4,746,439	3,880,831	22.30%	865,608
Total Revenues	<u>6,887,755</u>	<u>5,186,439</u>	32.80%	1,701,316
Expenses:				
Operating Expenses	<u>4,762,338</u>	<u>5,118,141</u>	(6.95)%	(355,803)
Capital Contributions	<u>19,118</u>	<u>52,959</u>	(63.90)%	<u>(33,841)</u>
Change in Net Position	2,144,535	121,257	(1668.59)%	2,023,278
Net Position - Beginning	<u>6,884,501</u>	<u>6,763,244</u>	1.79%	<u>121,257</u>
Net Position - Ending	<u>\$ 9,029,036</u>	<u>\$ 6,884,501</u>	31.15%	<u>\$ 2,144,535</u>

Revenues – ESTA's revenues for fiscal year 2021/22 increased by 32.80% or \$1,701,316.

Expenses – ESTA's expenses for fiscal year 2021/22 decreased 6.95% or \$355,801. Operating expenses decreased primarily due to pension credits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – ESTA's investment in capital assets as of June 30, 2022 amounted to \$1,203,101 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, and equipment. The \$287,836 decrease is due to depreciation of \$376,563 and capital asset additions totaling \$88,727.

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

Long-term liabilities – At June 30, 2022, ESTA reported \$469,101 related to net OPEB liability.

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, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Eastern Sierra Transit is still experiencing COVID-19 related revenue loss both in passenger fares and State and Local funding. In addition, driver shortages are threatening the ability to staff critical services such as the Reds Meadow Shuttle. Efforts to attract new drivers have been implemented in the form of improved benefits and wages. The resultant increase in expenses may cause budget shortfalls in the next few years until revenue catches up.

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, 2022**

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

CURRENT ASSETS

Cash	\$ 6,860,172
Accounts Receivable	655,854
Due From Other Governments	902,935
Interest Receivable	840
Prepaid Expenses	315,565
Net Pension Asset	308,048
Total Current Assets	9,043,414

CAPITAL ASSETS, Net of Accumulated Depreciation

1,203,101

Total Assets

10,246,515

DEFERRED OUTFLOWS OF RESOURCES

Deferred Other Postemployment Benefits	156,718
Deferred Pensions	600,599
Total Deferred Outflows of Resources	757,317

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

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	242,206
Salaries Payable	81,236
Compensated Absences	205,820
Total Current Liabilities	529,262

NONCURRENT LIABILITIES

Net Other Post Employment Benefits Liability	469,101
Unearned Revenue	125,243
Total Noncurrent Liabilities	594,344

Total Liabilities

1,123,606

DEFERRED INFLOWS OF RESOURCES

Deferred Other Postemployment Benefits	724,488
Deferred Pensions	126,702
Total Deferred Inflows of Resources	851,190

NET POSITION

Investment in Capital Assets	1,203,101
Unrestricted	7,825,935
Total Net Position	\$ 9,029,036

See accompanying Notes to Financial Statements.

**EASTERN SIERRA TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

OPERATING REVENUES	
Fare Revenues	\$ 2,141,316
OPERATING EXPENSES	
Salaries and Benefits	2,172,135
Vehicle Maintenance	687,229
Fuel	569,072
Depreciation Expense	376,563
Professional and Other Services	293,355
Rents	224,528
Insurance	202,297
Parts and Supplies	83,724
Utilities	61,090
Advertising	47,415
Miscellaneous Expenses	44,930
Total Operating Expenses	<u>4,762,338</u>
OPERATING LOSS	(2,621,022)
NONOPERATING REVENUES	
Local Transportation Fund Allocation	1,916,485
State Transit Assistance Fund Allocation	337,619
Intergovernmental Revenues	1,585,768
Operating Assistance	837,864
Other Revenues	48,295
Use of Money and Property	20,408
Total Nonoperating Revenues	<u>4,746,439</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,125,417
CAPITAL CONTRIBUTIONS	<u>19,118</u>
CHANGE IN NET POSITION	2,144,535
Net Position - Beginning of Year	<u>6,884,501</u>
NET POSITION - END OF YEAR	<u><u>\$ 9,029,036</u></u>

See accompanying Notes to the Financial Statements.

**EASTERN SIERRA TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 2,023,726
Cash Payments to Suppliers of Goods or Services	(2,230,124)
Cash Payments to Employees for Services	(2,952,217)
Net Cash Used by Operating Activities	(3,158,615)

CASH FLOWS FROM INVESTING ACTIVITIES

Received for Use of Money and Property	27,433
--	--------

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Local Transportation Fund Allocation	1,916,485
State Transit Assistance Allocation	337,619
Operating Grants - Federal and State	1,585,768
Operating Assistance	776,530
Other Revenues	48,295
Net Cash Provided by Noncapital Financing Activities	4,664,697

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants	19,118
Payments for Capital Asset Purchases	(88,727)
Net Cash Used by Capital and Related Financing Activities	(69,609)

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,463,906

Cash and Cash Equivalents - Beginning of Year

5,396,266

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 6,860,172

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ (2,621,022)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	376,563
(Increase) Decrease in Assets:	
Accounts Receivable	(242,833)
Prepaid Expense	12,969
Deferred Pensions	(283,178)
Deferred OPEB	5,567
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Liabilities	(29,453)
Salaries Payable	46,874
Unearned Revenue	125,243
Net Pension Liability	(647,030)
Net Other Postemployment Liability	(663,666)
Deferred Pensions	65,452
Deferred Other Postemployment Benefits	695,899
Net Cash Used by Operating Activities	\$ (3,158,615)

See accompanying Notes to the Financial Statements.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

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.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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.

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.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (asset) and deferred outflows/inflows of resources related to pensions, and pension expense (credit), information about the fiduciary net position of the ESTA'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.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

Net Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense (credit), information about the fiduciary net position of the ESTA's Public Agency Retirement Services (PARS) 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 PARS. 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.

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 accounting principles generally accepted in the United States of America require 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.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2022:

Deposits Held in the County of Inyo Investment Pool	\$ 6,778,455
Deposits Held in Financial Institutions	81,517
Imprest Cash	200
Total	<u>\$ 6,860,172</u>

Custodial Credit Risk

At June 30, 2022, the carrying amount of the deposits held at banks was \$81,517 and the bank balances totaled \$81,517. 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.

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.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash in County Treasury (Continued)

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, 2022 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.

NOTE 3 CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2022:

	Balance 7/1/2021	Additions	Deletions	Transfers	Balance 6/30/2022
Capital Assets, Being Depreciated:					
Structures and Improvements	\$ 577,159	\$ 82,487	\$ -	\$ -	\$ 659,646
Equipment	9,627,333	6,240	-	-	9,633,573
Total Capital Assets, Being Depreciated	10,204,492	88,727	-	-	10,293,219
Less Accumulated Depreciation for:					
Structures and Improvements	(111,840)	(13,861)	-	-	(125,701)
Equipment	(8,601,715)	(362,702)	-	-	(8,964,417)
Total Accumulated Depreciation	(8,713,555)	(376,563)	-	-	(9,090,118)
Capital Assets, Net	<u>\$ 1,490,937</u>	<u>\$ (287,836)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203,101</u>

Depreciation expense was \$376,563 for the year ended June 30, 2022.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022:

Fare Revenues	\$	2,141,316
Operating Expenses		4,762,338
Less Allowable Exclusions:		
Depreciation and Amortization		(376,563)
Net Operating Expenses		\$ 4,385,775
Fare Revenue Ratio		48.82%

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.

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 2021/2022 employer rates are as follows:

Tier	Misc.	PEPRA
Tier 1	11.590 %	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 2021/2022 were \$142,375.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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, 2021, using an annual actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. 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, 2020 valuation were based off on the results of an actuarial experience study completed in 2017. 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.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
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
Infrastructure and Forestland	-	-	-
Liquidity	1.00	-	(0.92)
Total	100.00 %		

(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.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Net Pension Liability

At June 30, 2022, ESTA a liability (asset) of \$(308,047) in the statement of net position for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2020. ESTA's proportion of the net pension liability (asset) 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 (0.01622%), an increase of 0.02426% 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 one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate.

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
ESTA's Proportionate Share of the Net Pension Plan Liability (Asset)	\$ 372,817	\$ (308,047)	\$ (870,908)

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, 2022, ESTA recognized a pension credit of \$722,379. At June 30, 2022, ESTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ -
Differences between Expected and Actual Experience	-	34,544
Net Difference between Projected and Actual Investment Earnings	268,909	-
Differences between Employer Contributions and Proportionate Share of Contributions	-	92,158
Change in Authority's Proportion	189,315	-
Pension Contributions Made Subsequent to Measurement Date	142,375	-
Total	<u>\$ 600,599</u>	<u>\$ 126,702</u>

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

The \$142,375 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021, measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 92,193
2024	87,436
2025	77,580
2026	74,313
Total	<u>\$ 331,522</u>

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 five 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 five 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 PEMHCA minimum (\$139), or \$90.35 per month. In 2022, 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, 2020, membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefit Payments	4
Active Plan Members	45

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

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

Total OPEB Liability

ESTA's Total OPEB Liability was measured as of June 30, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020. 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%
Medical Cost Trend Rate	5.8% (increase effective January 1, 2023 and grade down to 3.9% for years 2076 and later years)
Inflation Rate	2.5%

Mortality rates were based on the CalPERS 2021 experience study adding the MacLeod Watts Scale 2022 as a mortality improvement scale.

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.

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:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Municipal Bond 20-Year High Grade Rate Index</u>	<u>Discount Rate</u>
June 30, 2022	June 30, 2021	1.95%	1.95%

The discount rate was reduced by 0.5% from the prior year discount rate of 2.45%.

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

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, 2021.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance - July 1, 2020	\$ 1,132,767	\$ -	\$ 1,132,767
Change in the Year:			
Service Cost	174,252	-	174,252
Interest on Total OPEB Liability	31,985	-	31,985
Difference Between Expected and Actual Experience	(292,491)	-	(292,491)
Changes of Assumptions	(530,397)	-	(530,397)
Benefit Payments ¹	(3,028)	(3,028)	-
Contributions - Employer	-	46,441	(46,441)
Net Investment Income	-	574	574
Net Changes	<u>(619,679)</u>	<u>43,987</u>	<u>(662,518)</u>
Balance - June 30, 2021	<u>\$ 513,088</u>	<u>\$ 43,987</u>	<u>\$ 469,101</u>

¹ Amount includes implicit subsidy associated with benefits paid.

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 one percentage point lower or one percentage point higher than the current discount rate.

	1% Decrease 0.95%	Discount Rate 1.95%	1% Increase 2.95%
Net OPEB Liability	\$ 550,910	\$ 469,101	\$ 402,598

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 one percentage point lower or one percentage point higher than the current healthcare cost trend rates.

	1% Decrease 4.80%	Trend Rate 5.80%	1% Increase 6.80%
Net OPEB Liability	\$ 696,979	\$ 610,279	\$ 539,370

**EASTERN SIERRA TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

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

For the year ended June 30, 2022, ESTA recognized OPEB expense of \$109,617. 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, 2022, ESTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions Made Subsequent to the Measurement Date	\$ 69,292	\$ -
Change in Assumptions	87,426	261,603
Difference Between Expected and Actual Experience	-	462,851
Difference Between Projected and Actual Earnings	-	34
Total	<u>\$ 156,718</u>	<u>\$ 724,488</u>

The \$69,292 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (96,088)
2024	(91,618)
2025	(95,238)
2026	(112,365)
2027	(116,227)
Thereafter	(125,526)
Total	<u>\$ (637,062)</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	FY2022
Total OPEB Liability					
Service Cost	\$ 74,075	\$ 76,297	\$ 131,215	\$ 147,791	\$ 174,252
Interest	16,306	19,066	28,599	31,389	31,985
Actual and Expected Experience Difference	-	-	(17,416)	-	(530,397)
Changes of Assumptions	-	(40,212)	60,271	100,632	(292,491)
Benefit Payments	(2,116)	-	(8,699)	(4,151)	(3,028)
Net Changes in Total OPEB Liability	88,265	52,857	193,970	275,661	(619,679)
Total OPEB Liability - Beginning	522,014	610,279	663,136	857,106	1,132,767
Total OPEB Liability - Ending (a)	<u>\$ 610,279</u>	<u>\$ 663,136</u>	<u>\$ 857,106</u>	<u>\$ 1,132,767</u>	<u>\$ 513,088</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,116	\$ 2,294	\$ 8,699	\$ 4,151	\$ 46,441
Net Investment Income	-	-	-	-	574
Benefit Payments	(2,116)	(2,294)	(8,699)	(4,151)	(3,028)
Net Change in Plan Fiduciary Net Position	-	-	-	-	43,987
Plan Fiduciary Net Position - Beginning	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,987</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>	<u>\$ 469,101</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	9.38%
Covered Employee Payroll	\$ 1,285,438	\$ 1,469,433	\$ 1,507,323	\$ 1,361,712	\$ 1,758,682
ESTA's Net OPEB Liability as a Percentage of Covered Employee Payroll	47.48%	45.13%	56.86%	83.19%	26.67%
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

* Additional years will be presented as they become available.

**EASTERN SIERRA TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

**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 (Asset)	ESTA's Proportionate Share of the Net Pension Liability (Asset)	ESTA's Covered Payroll	ESTA's Proportionate Share of the Net Pension Liability (Asset)	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
2021	(0.0162)%	(308,047)	1,758,682	(17.52)	90.49

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)	-	1,285,439	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)	-	1,758,682	7.66
2022	142,375	(142,375)	-	1,793,856	7.94

*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
U.S. Department of Transportation				
Passed through CalTrans:				
Strategic Partnerships - Transit FTA 5304	20.505	-	\$ 140,129	\$ -
FTA Section 5311 Formula Grants for Rural Areas	20.509	-	205,841	-
COVID-19 Formula Grants for Rural Areas	20.509	-	172,765	-
COVID-19 Formula Grants for Rural Areas	20.509	-	216,376	-
CRRSAA Corona Virus Response and Relief	20.509	-	544,192	-
Community Rides Grant Program	20.509	-	18,325	-
FTA Section 5311 Intercity Bus Program	20.509	-	165,818	-
			<u>1,323,317</u>	-
FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	-	18,115	-
Total U.S. Department of Transportation			<u>1,481,561</u>	-
Total Expenditures of Federal Awards			<u>\$ 1,481,561</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**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 Eastern Sierra Transit Authority (ESTA), as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 30, 2023



**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 Eastern Sierra Transit Authority (ESTA) as of and for the year ended June 30, 2022 and have issued our report thereon dated January 30, 2023. 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 ESTA'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 ESTA. 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.

This report is intended solely for the information and use of 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
January 30, 2023



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

Opinion on Each Major Federal Program

We have audited Eastern Sierra Transit Authority (ESTA) 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 ESTA's major federal program for the year ended June 30, 2022. ESTA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, ESTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of ESTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of ESTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to ESTA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Eastern Sierra Transit Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about ESTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding ESTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of ESTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 ESTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

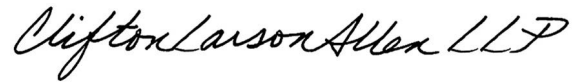
Report on Internal Control Over Compliance

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 30, 2023

**EASTERN SIERRA TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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

Assistance Listing Number

20.509

Name of Federal Program or Cluster

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 x no

**EASTERN SIERRA TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

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

Section III – Financial and Questioned Costs – Major Federal Programs

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



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

STAFF REPORT

Subject: ESTA Annual Report FY21-22

Initiated by: Phil Moores, Executive Director

BACKGROUND:

The Joint Powers Authority agreement requires the submission of an annual report after the close of the fiscal year. With the fiscal audit in the final steps of completion, the financials of FY21-22 are fixed and ready for reporting. The annual report includes information on ridership, costs, revenue, and expenses.

ANALYSIS/DISCUSSION:

ESTA's zero-emissions transition plan is underway, and expected to be completed at the end of 2023.

Ridership is rebounding at a slow but steady pace since the Covid era.

Reds Meadow Shuttle in the summer of 2022 finished with a small surplus.

The ESTA fleet size is not optimal in that we have too many older buses as spares. New vehicles have been hard to come by due to delays in manufacturing, but is changing for the better.

ESTA's technology is satisfactory, but would benefit from some new systems. Microtransit in Bishop, electronic signage, and Mobile ticketing are being considered.

Notable Numbers

Increases Positive:

1. Ridership was up 104%
2. Service hours up 6%
3. Revenue miles up 5%
4. Fare Revenue up 62%
5. Subsidy revenue up 32%
6. Passengers per hour up 92%
7. Farebox recovery up 53%

Increases Negative:

1. Operating Expenses up 6%

2. Maintenance Cost per mile up 14%

Decreases Positive:

1. Accident rate down 11%
2. Subsidy per passenger down 36%

The following tables summarize the performance and state of ESTA at the end of FY21-22, June 30, 2022.

System Stats						
Fiscal Year	18	19	20	21	22	Var
Ridership	1,076,085	1,123,614	880,531	379,312	775,124	104.35%
Service Hours	58,287	58,340	52,466	49,069	52,095	6.17%
Revenue Miles	961,034	944,357	863,766	838,087	880,446	5.05%
Fare Revenue ¹	1,899,354	2,011,500	1,808,606	1,325,413	2,141,315	61.56%
Subsidy Revenue ²	3,062,731	3,060,994	3,488,148	3,608,061	4,746,439	31.55%
Operating Expenses	4,623,575	4,454,065	4,433,259	4,281,611	4,520,858	5.59%
Preventable Accidents	15	22	13	9	8	-11.11%
Maintenance Expense ³	550,469	566,724	609,460	575,304	687,229	19.45%
KPI's						
Fiscal Year	18	19	20	21	22	Var
Farebox Recovery	41.08%	45.16%	40.80%	30.96%	47.37%	53.01%
Subsidy per Passenger	\$2.85	\$2.72	\$3.96	\$9.51	\$6.12	-35.62%
Maintenance Cost per Mile	\$0.57	\$0.60	\$0.71	\$0.69	\$0.78	13.71%
Passengers per Hour	18.5	19.3	16.8	7.7	14.9	92.48%
Accidents per 100,000 Miles	1.56	2.33	1.51	1.07	0.91	-15.39%
Cost per Hour	\$79.32	\$76.35	\$84.50	\$87.26	\$86.78	-0.55%

¹ Includes marketing revenue and MMSA revenue, but does not include treasury interest.

² Includes Town funds and other operating funds, but does not include insurance payments or fares.

³ Include Maintenance of equipment

Revenues were very strong thanks to federal assistance and contract services (MMSA & Town). Passenger fares made significant recovery thanks to Reds Meadow running. Maintenance and fuel-and-oil expenses went up considerably, and the overall expenses increased to pre-covid amounts.

Revenues						
Fiscal Year	18	19	20	21	22	Var
Passenger Fares	905,063	985,620	916,764	243,409	1,096,326	350.4%
Local & State Funds	1,702,091	1,824,239	1,988,979	1,545,541	2,358,311	52.6%
Federal Funds	483,684	404,990	517,195	1,113,659	1,481,560	33.0%
Contract Services	1,854,362	1,838,603	1,767,535	1,952,395	1,882,854	-3.6%
Other	61,139	124,453	108,791	80,367	68,703	-14.5%
total	5,006,339	5,177,905	5,299,264	4,935,371	6,887,754	39.6%
Operating Expenses						
Fiscal Year	18	19	20	21	22	Var
Salaries & Benefits	2,278,406	2,412,360	2,383,312	2,259,477	2,674,358	18.4%
Insurance	601,979	534,066	539,694	556,846	525,515	-5.6%
Fuel & Oil	454,960	475,648	409,337	384,306	569,071	48.1%
Maintenance	550,470	566,725	609,460	575,304	687,229	19.5%
Other	737,760	1,189,106	491,455	505,672	751,913	48.7%
total	4,623,575	5,177,905	4,433,258	4,281,605	5,208,086	21.6%