
TRI-VALLEY TRANSPORTATION COUNCIL

Kathy Narum
TVTC Chair
Councilmember
Pleasanton
(925) 931-5001

Wednesday, February 19, 2020
2:00pm

City of Pleasanton – Remillard Room
3333 Busch Road, Pleasanton, CA
94566

Scott Perkins
TVTC Vice-Chair
Councilmember
San Ramon
(925) 973-2530

*****SPECIAL MEETING***
AGENDA**

Patricia Munro
Councilmember
Livermore
(925) 960-4016

Jean Josey
Councilmember
Dublin
(925) 833-6650

Karen Stepper
Mayor
Danville
(925) 275-2412

Scott Haggerty
Supervisor District 1
Alameda County
(510) 272-6691

Candace Andersen
Supervisor District 2
Contra Costa County
(925) 957-8860

1. Call to Order, Roll Call, and Self Introductions
2. Public Comment
3. Consent Calendar
 - a. APPROVE October 28, 2019 TVTC Meeting Minutes (Action)*
 - b. ACCEPT FY 2018/19 Annual Financial Report*
 - c. ACCEPT FY 2018/19 Audit*
 - d. REVIEW FY 2018/19 AB 1600 Mitigation Fee Act Report*
4. Old Business
 - a. None
5. Informational Item
 - a. TVTC Nexus Study RFP Update
 - b. TVTC Consultant Services RFP Update
6. Adjournment

* *Attachment(s)*

Upcoming Meetings:

TVTC TAC: March 4, 2020, 10am, Pleasanton – 200 Old Bernal City Council Conference Room

FINANCE: March TBD

TVTC: April 20, 2020, 4:00pm, Remillard Room – 3333 Busch Road, Pleasanton, CA 94566

The Tri-Valley Transportation Council meetings are wheelchair accessible. If you have any questions related to the Tri-Valley Transportation Council meeting agenda, please contact Cedric Novenario, TVTC Administrative staff at (925) 931-5667 or email at cnovenario@cityofpleasanton.ca.gov

Item 3a

MEETING MINUTES

TRI-VALLEY TRANSPORTATION COUNCIL

City of Pleasanton – Operations Services Department, Fire Conference Room
3333 Busch Road, Pleasanton, CA 94566

Monday, October 28, 2019, at 1:30pm

1. **CALL TO ORDER, ROLL CALL, AND SELF-INTRODUCTIONS**

The Tri-Valley Transportation Council (TVTC) was called to order at 1:30 p.m. by the Chair, Councilmember Kathy Narum, City of Pleasanton.

TVTC Members in Attendance:

Kathy Narum, Chair, Councilmember, Pleasanton
Patricia Munro, Councilmember, Livermore
Candace Andersen, Supervisor District 2, Contra Costa County
Scott Perkins, Vice-Chair, Councilmember, San Ramon
Jean Josey, Councilmember, Dublin
Karen Stepper, Councilmember, Danville

TVTC Members Absent:

Scott Haggerty, Vice – Supervisor, District 1, Alameda County

TVTC Staff in Attendance:

Cedric Novenario, City of Pleasanton
Sai Midididdi, City of Dublin
Andy Dillard, Town of Danville
PJ Dhoot, City of San Ramon
Lisa Bobadilla, City of San Ramon
Julie Chiu, City of Livermore
Colin Piethe, Contra Costa County
Mary Halle, Contra Costa County
John Pulliam, Alameda County Transportation Authority

Others in Attendance:

Steve Mattas, Meyers Nave, TVTC General Counsel

2. **PUBLIC COMMENT**

None

3. **CONSENT CALENDAR**

- a. APPROVE July 15, 2019 TVTC Meeting Minutes

Motion to Approve by Councilmember Josey; Second by Councilmember Munro

Approved (Ayes 6; Noes 0; Absent 1)

4. OLD BUSINESS

- a. APPROVE proposed agency projects for the TVTC Nexus Study

The TVTC Administrator presented projects from List C.

The TVTC Chair asked staff to clarify the reason for the I-680 Express Bus and Innovate 680 project are separate. John Pulliam from the Alameda County Transportation Commission described the desire to work with the Contra Costa Transportation Authority to combine the projects but could not meet prior to the October 28 TVTC meeting. Mr. Pulliam stated that staff from both transportation authorities will meet toward the end of 2019 to combine the projects. The TVTC Administrator stated that the RFP can go out with both projects separate initially and can revise the project list to consolidate both projects into one prior to TVTC Board approval.

Motion to approve proposed agency projects for the TVTC Nexus Study by Vice-Chair Perkins; Second by Councilmember Josey. Approved (Ayes 6; Noes 0; Absent 1)

5. NEW BUSINESS

- a. AUTHORIZE the TVTC Chair to Sign a Letter of Support to Include the Altamont Corridor Vision Phase 1 in the FASTER Bay Area Measure.

Executive Director Michael Tree provided a presentation regarding the Altamont Corridor Vision Phase 1 and Valley Link. Executive Director Tree described the project alignment, cost and how the project would be integrated into FASTER Bay Area Measure.

The TVTC Board generally is supportive of the Altamont Corridor Vision Phase 1 in the FASTER Bay Area Measure. The TVTC Board requested additional language in the letter to include the need to increase housing in the western Bay Area and increase job opportunities in the eastern Bay Area to support efficiency in the reverse commute direction.

Motion to authorize the TVTC Chair to Sign a Letter of Support to Include the Altamont Corridor Vision Phase 1 in the FASTER Bay Area Measure as amended by Vice-Chair Perkins; Second by Councilmember Stepper. Approved (Ayes 6; Noes 0; Absent 1)

- b. APPROVE 2020 TVTC Board Meeting Schedule

The TVTC generally agreed with the 2020 meeting dates which includes a proposed meeting date change from July 20, 2019 to July 13, 2019.

Motion to approve the 2020 TVTC Board Meeting Schedule, as amended by Vice-Chair Perkins; Second by Councilmember Munro. Approved (Ayes 6; Noes 0; Absent 1)

b. **OTHER BUSINESS** – None

c. **INFORMATIONAL ITEM**

a. TVTC Conflict of Interest Code – Fair Political Practices Commission Verbal Update

The TVTC Administrator provided an update of the status of the Conflict of Interest Code

D. ADJOURNMENT

The meeting was adjourned by Chair Narum at 2:20 p.m.

DRAFT

Item 3b

TRI-VALLEY TRANSPORTATION COUNCIL

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To: Tri-Valley Transportation Council (TVTC)
From: TVTC Finance Subcommittee (Finance Subcommittee)
TVTC Technical Advisory Committee (TAC)
Date: February 19, 2020
Subject: Financial Report for the Period Ending June 30, 2019

BACKGROUND

The Treasurer is required to present a financial status report to the TVTC annually. The City of San Ramon has served as the TVTC Treasurer since 2001. At the April 12, 2010 TVTC meeting, the City of San Ramon requested to relinquish the administrative Treasurer duties.

On September 22, 2010, the TVTC approved Resolution 2010-05 that a) authorized the establishment of an account with a private banking institution and to transfer the Tri-Valley Transportation Development Fee (TVTDF) fund balance from the City of San Ramon; b) authorized the TVTC to establish an account at the State of California's Local Agency Investment Fund (LAIF) to serve as a joint account; and c) approved funding to retain outside contractors for the accounting and auditing services duties. The City of San Ramon staff continues to serve as the TVTC Treasurer in name and as signature authority for TVTDF disbursements per the TVTC's Joint Exercise of Powers Agreement (JEPA).

Beginning with the quarterly period of July 1, 2011 – September 30, 2011, TVTC agencies began forwarding all quarterly remittances to the TVTC account at Mechanics Bank and the TVTC's contract accounting firm, Franklin Management Systems, Inc., in Pleasanton began managing these funds. On April 26, 2012, the TVTC transferred all remaining TVTDF funds held with the City of San Ramon to Mechanics bank. In February 2016 the TVTC began transferring TVTDF funds from Mechanics Bank into a Local Agency Investment Fund (LAIF) account.

DISCUSSION

This report is prepared to provide cumulative information on TVTD fees received and remitted by member TVTC agencies and their approved disbursements. Since 1998, the TVTC has received approximately \$90 million in TVTDF funds and interest and disbursed approximately \$65.7 million. In FY 2018/19, the TVTDF fund earned approximately \$7.1 million in fee remittances (in FY 2017/18 the earnings were approximately \$7 million) and disbursed approximately \$65 thousand. An annual

TRI-VALLEY TRANSPORTATION COUNCIL

summary report and a cumulative resources report are provided as attachments (Attachments A, B, and C).

RECOMMENDATION

The TVTC Finance Subcommittee recommends the TVTC ACCEPT the FY 2018/19 TVTC Financial Report.

ATTACHMENTS

- A – Cumulative Disbursements
- B – FY 2018/19 TVTDF Summary Balance
- C – TVTDF Cumulative Resources/Uses

Attachment A

September 1998 – August 17, 2001 (Prior Treasurers):**I580/680 Flyover**

ACTA match requirement	\$4,194,094.00
To City of Dublin for their contributions	\$995,127.00
To City of Pleasanton for their contributions	\$462,078.00

Total: \$5,651,299.00**Highway 84**

Advance to Livermore	\$1,164,144.00
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Total: \$1,164,144.00**Refund of 20% Local Accounts**

City of Pleasanton	\$689,499.00
Alameda County	\$6.00
City of Dublin	\$55,471.00

Total: \$744,976.00**Administration**

City of Pleasanton	\$25,258.00
Contra Costa County	\$8,000.00

Total: \$33,258.00**August 17, 2001 – June 30, 2012 (Prior Treasurer Duties - City of San Ramon):****Refund of 20% Local Accounts**

City of Livermore (4/5/02)	\$1,191,189.00
City of Livermore (1/15/03)	\$68,217.00

Total: \$1,259,406.00**I-680 Interchange Project #8**

City of San Ramon (6/30/03)	\$1,600,000.00
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Total: \$1,600,000.00**I-680 Aux Lane Project #3**

Town of Danville (1/7/05)	\$2,200,000.00
Contra Costa Transportation Authority (2/3/06)	\$2,500,000.00
Contra Costa Transportation Authority (10/6/06)	\$2,500,000.00
Contra Costa Transportation Authority (1/25/08)	\$2,500,000.00
Contra Costa Transportation Authority (4/17/09)	\$2,300,000.00

Total: \$12,000,000.00**I-580/Foothill Road Project #7**

City of Dublin (8/29/03)	\$800,000.00
City of Pleasanton (6/19/09)	\$46,959.00
City of Pleasanton (4/19/10)	\$753,041.00

Total: \$1,600,000.00**West Dublin Bart Project #4**

City of Dublin (11/25/03)	\$4,000,000.00
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Total: \$4,000,000.00**State Route 84 (Project #2)**

City of Livermore (Returned balance from Route 84 Corridor project)	\$ (105,428.00)
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Attachment A

City of Livermore (3/2/07)	\$4,800,000.00
City of Livermore (4/17/09)	\$2,600,000.00
City of Livermore (12/22/09)	\$2,600,000.00

Total: \$9,894,572.00

Nexus Study 2005

City of Livermore (12/2/05)	\$100,000.00
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Total: \$100,000.00

I-580 HOV Lanes Project #5

City of Pleasanton (2/26/08)	\$4,000,000.00
City of Pleasanton (12/5/08)	\$2,900,000.00
City of Pleasanton (10/22/10)	\$1,100,000.00

Total: \$8,000,000.00

TVTC Strategic Expenditure Plan

City of Dublin (7/10/09)	\$24,770.00
City of Dublin (4/23/10)	\$34,660.00

Total: \$59,430.00

Refund CA Splash

City of Pleasanton (4/23/10)	\$15,290.00
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Total: \$15,290.00

Administration

City of San Ramon	\$376,378.29
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Total: \$376,378.29

June 30, 2012 – December 31, 2013 (City of San Ramon/Franklin Management):**State Route 84 Improvements (I-580 to I-680) (Project 2A)**

City of Livermore (July 31, 2013)	\$2,940,000.00
City of Livermore (October 17, 2013)	\$5,000,000.00

Total: \$7,940,000.00

Refund KT Properties

City of Pleasanton	\$3,427.85
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Total: \$3,427.85

Mechanics Bank Fees

Mechanics Bank	\$392.00
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Total: \$392.00

December 31, 2013 – June 30, 2014 (City of San Ramon/Franklin Management):**Mechanics Bank Fees**

Mechanics Bank	\$80.00
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Total: \$80.00

Contract Accountant Fees

Franklin Management	\$7,170.00
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Total: \$7,170.00

July 1, 2014 – June 30, 2015 (City of San Ramon/Franklin Management):**State Route 84 Improvements (I-580 to I-680) (Project 2A)**

City of Livermore (January 26, 2015)	\$4,500,000.00
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Attachment A

City of Livermore (April 20, 2015)	\$500,000.00
Total:	\$5,000,000.00
TVTC Strategic Expenditure Plan Update	
Kimley-Horn	\$1,367.65
Total:	\$1,367.65
Mechanics Bank Fees	
Mechanics Bank	\$24.00
Total:	\$24.00
Contract Accountant Fees	
Franklin Management	\$6,605.00
Total:	\$6,605.00
Legal Fees	
Meyers Nave	\$8,020.50
Total:	\$8,020.50
Website Development	
Planeteria Media	\$9,170.00
Total:	\$9,170.00
Treasurer Oversight	
City of San Ramon	\$1,200.00
Total:	\$1,200.00
July 1, 2015 – June 30, 2016 (City of San Ramon/Livermore/Franklin Management):	
TVTC Strategic Expenditure Plan Update	
Kimley-Horn	\$33,301.82
Total:	\$33,301.82
TVTC Resolution No.2016.03 - Refund to Hanna Yoon	
City of Pleasanton (5/16/16)	\$7,785.56
Total:	\$7,785.56
Administrative Staff Support	
Contra Costa County	\$40,000.00
Total:	\$40,000.00
Mechanics Bank Fees	
Mechanics Bank	\$22.00
Total:	\$22.00
Contract Accountant Fees	
Franklin Management	\$1,770.00
Total:	\$1,770.00
Insurance Liability, D&O	
Alliant Insurance service, Inc	\$4,223.03
Total:	\$4,223.03
Legal Fees	
Meyers Nave	\$9,232.68
Total:	\$9,232.68

Attachment A

Operating Exp/Board Meetings

All Board Members	\$1,500.00
Postages reimbursement to FMS	\$5.55

Total:	\$1,505.55
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Website Development

Planeteria Media	\$1,670.00
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Total:	\$1,670.00
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Treasurer Oversight

City of San Ramon	\$1,200.00
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Total:	\$1,200.00
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July 1, 2016 – June 30, 2017 (City of Livermore/Franklin Management):**TVTC Strategic Expenditure Plan Update**

Kimley-Horn & Associates, Inc.	\$23,995.26
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Total:	\$23,995.26
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I-680 Auxiliary Lanes, Segment 2 Project

Contra Costa Transportation Authority (Town of Danville & CCTA) (8/17/16)	\$5,880,000.00
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Total:	\$5,880,000.00
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Administrative Staff Support

City of Livermore	\$20,000.00
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Total:	\$20,000.00
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Mechanics Bank Fees

Mechanics Bank	\$217.36
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Total:	\$217.36
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Contract Accountant Fees

Cooper Accountancy Corp	\$7,000.00
Franklin Management	\$4,410.00

Total:	\$11,410.00
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Insurance Liability, D&O

Alliant Insurance service, Inc	\$3,001.26
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Total:	\$3,001.26
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Legal Fees

Meyers Nave	\$8,502.67
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Total:	\$8,502.67
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Operating Exp/Board Meetings

Board Member Stipends	\$2,900.00
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Total:	\$2,900.00
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Website Development

Planeteria Media	\$1,549.00
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Total:	\$1,549.00
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Treasurer Oversight Services

City of San Ramon Treasurer	\$1,200.00
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Total:	\$1,200.00
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Project Management Software

Attachment A

Basecamp Fees	\$312.00
Total:	\$312.00
<u>July 1, 2017 – June 30, 2018 (City of Livermore/Franklin Management):</u>	
Express Bus/Brt - Project#11 Phase 2	
City of Dublin	\$1,140,000.00
Total:	\$1,140,000.00
SR 84 Expressway - Project#A-2a	
TVTDF Fund City of Pleasanton	\$12,000,000.00
Total:	\$12,000,000.00
Administrative Staff Support	
City of Livermore	\$20,000.00
Total:	\$20,000.00
Mechanics Bank Fees	
Mechanics Bank	
Total:	\$0.00
Contract Accountant Fees	
Cooper Accountancy Corp	\$4,000.00
Franklin Management	\$4,245.00
Total:	\$8,245.00
Insurance Liability, D&O	
Alliant Insurance service, Inc	\$2,505.16
Total:	\$2,505.16
Legal Fees	
Meyers Nave	\$10,357.39
Total:	\$10,357.39
Operating Exp/Board Meetings	
Board Member Stipends	\$2,500.00
Total:	\$2,500.00
Website Development	
Planeteria Media	\$1,549.00
Total:	\$1,549.00
Project Management Software	
Basecamp Fees	\$264.00
Total:	\$264.00
<u>July 1, 2018 – June 30, 2019 (City of Pleasanton/Franklin Management):</u>	
Administrative Staff Support	
City of Pleasanton - 18/19	\$20,000.00
Total:	\$20,000.00
Mechanics Bank Fees	
Mechanics Bank	\$90.00
Total:	\$90.00
Contract Accountant Fees	

Attachment A

Cooper Accountancy Corp	\$4,000.00
Franklin Management	\$3,435.00
Total:	\$7,435.00

Insurance Liability, D&O

Alliant Insurance service, Inc	\$2,046.09
Total:	\$2,046.09

Legal Fees

Meyers Nave	\$11,284.69
Total:	\$11,284.69

Operating Exp/Board Meetings

Board Member Stipends	\$2,400.00
Printing and Copying	\$129.90
Total:	\$2,529.90

Website Development

Planeteria Media	\$1,424.00
Total:	\$1,424.00

Project Management Software

Basecamp Fees	\$192.00
Total:	\$192.00

TOTAL DISBURSEMENTS:	\$78,760,430.71
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**Tri-Valley Transportation Development Fees
Cumulative Resources/Uses Update
Held with Mechanics Bank and LAIF
For the Period Ended July 2018 - June-2019**

7/01/18 Beginning Balance	\$	11,393,066.83
Agency Receipts/Interest Earnings:	\$	7,186,615.74
Disbursements:	\$	(44,981.88)
6/30/19 Ending Fund Balance	\$	<u>18,534,700.69</u>

Respectfully submitted,

**Jack Harrington
Franklin Management**

**Tri-Valley Transportation Development Fees
Cumulative Resources/Uses of Funds**

Resources:

	Prior Cumulative Fees/Interest	7/1/18-6/19 Fees/Interest	Total Fees/Interest Remitted
Alameda Co	\$ 487,804.97	\$ 7,183.20	\$ 494,988.17
Dublin	\$ 28,296,971.40	\$ 2,874,450.04	\$ 31,171,421.44
Livermore	\$ 23,223,639.42	\$ 1,595,519.77	\$ 24,819,159.19
Pleasanton	\$ 14,035,515.81	\$ 966,356.93	\$ 15,001,872.74
CC County	\$ 17,455,106.37	\$ 734,419.81	\$ 18,189,526.18
Danville	\$ 1,864,218.13	\$ 400,644.13	\$ 2,264,862.26
San Ramon	\$ 1,382,441.88	\$ 306,790.58	\$ 1,689,232.46
Trust Interest	\$ 3,135,645.20		\$ 3,135,645.20
LAIF Interest	\$ 216,933.12	\$ 301,251.28	\$ 518,184.40
	<u>\$ 90,098,276.30</u>	<u>\$ 7,186,615.74</u>	<u>\$ 97,284,892.04</u>

Uses:

	Total Disbursements	7/1/18-6/19 Disbursements	Total Disbursements
Disbursements Paid to Cities	\$ (489,636.29)	\$ (20,000.00)	\$ (509,636.29)
Disbursements Paid to Projects	\$ (75,976,990.65)		\$ (75,976,990.65)
TVTC Strategic Expenditure Plan	\$ (118,094.73)		\$ (118,094.73)
Refunds Paid to Cities	\$ (2,030,885.50)		\$ (2,030,885.50)
Accounting Fees	\$ (35,200.00)	(7,435.00)	\$ (42,635.00)
Insurance Liability D&O	\$ (9,729.45)	(2,046.09)	\$ (11,775.54)
Legal fees	\$ (36,113.24)	(11,264.89)	\$ (47,378.13)
Operating Expenditures	\$ (6,905.55)	(2,529.90)	\$ (9,435.45)
Website Development & Maintenance	\$ (13,938.00)	(1,424.00)	\$ (15,362.00)
Treasure Oversight Services	\$ (4,176.00)	(192.00)	\$ (4,368.00)
Bank Fees	\$ (732.36)	(90.00)	\$ (822.36)
	<u>\$ (78,722,401.77)</u>	<u>\$ (44,981.88)</u>	<u>\$ (78,767,383.65)</u>

Total Resources (Uses)	\$ 11,375,874.53	\$ 7,141,633.86	\$ 18,517,508.39
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Item 3c

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To: Tri-Valley Transportation Council (TVTC)
From: TVTC Finance Subcommittee (Finance Subcommittee)
TVTC Technical Advisory Committee (TAC)
Date: February 19, 2020
Subject: Audit for Fiscal Year 2018/19

BACKGROUND

The TVTC Joint Exercise of Powers Agreement requires a designated, independent certified accountant perform an annual audit of accounts and records of the TVTC. The TVTC acquired the services of Cropper Accountancy to review the TVTC's financial statements and prepare a Fiscal Year (FY) 2018/19 Audit Report.

DISCUSSION

The TVTC Finance Subcommittee received a presentation from Cropper Accountancy for the FY 2018/19 Audit Report on TBD. Auditing staff highlighted the fact that there are no new audit findings and that all prior year findings/recommendations were addressed successfully.

The Finance Subcommittee deemed the FY 2018/19 audit report satisfactory.

RECOMMENDATION

ACCEPT FY 2018/19 Audit Report as recommended by the TVTC Finance Subcommittee.

ATTACHMENT

1. Fiscal Year 2018/19 Annual Financial Report and Independent Auditor's Report

CROPPER

an accountancy corporation

CERTIFIED PUBLIC ACCOUNTANTS

**TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)**

ANNUAL FINANCIAL REPORT

AS OF JUNE 30, 2019 and 2018

WITH

INDEPENDENT AUDITORS' REPORTS THEREON

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
ANNUAL FINANCIAL REPORT
JUNE 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Board Members
Tri-Valley Transportation Council
Pleasanton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Tri-Valley Transportation Council (TVTC), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the TVTC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the TVTC, as of June 30, 2019 and 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 – 5 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.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA

December 19, 2019

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Management's Discussion and Analysis
June 30, 2019

THE PURPOSE OF THE TRI-VALLEY TRANSPORTATION COUNCIL:

In 1991, the seven jurisdictions of Alameda County, Contra Costa County, Dublin, Pleasanton, Livermore, Danville, and San Ramon signed a Joint Powers Agreement (JPA) that established the Tri-Valley Transportation Council (TVTC). The purpose of the JPA was the joint preparation of a Tri-Valley Transportation Plan/Action Plan (TVTC Action Plan) for Routes of Regional Significance (RRS) and cost sharing of recommended improvements.

The TVTC adopted the TVTC Action plan in 1995. The TVTP/AP was later updated in 2000, 2009, and 2014. The Plan is a mutual understanding and agreement on Tri-Valley transportation concerns and recommendations for improvements. The Plan also identifies specific regional transportation improvements for funding and implementation.

In 1998, through a Joint Exercise Powers Agreement (JEPA), the seven member agencies that comprise the TVTC approved the Tri-Valley Transportation Development Fee (TVTDF) program. The TVTDF is intended to allocate fair share costs for the regional improvement projects identified in the TVTP/AP.

In 1999, the TVTC adopted a Strategic Expenditure Plan (SEP) which identified priorities, project sponsors, and funding plan for 11 regional transportation projects (List A). The TVTC then expanded this list to add 11 new projects (List B).

In 2008, the TVTC adopted a TVTC Fee Nexus Study (Nexus Study). The TVTC completed a Validation Review of the Nexus Study in 2017. The Nexus Study summarizes the status of the 22 projects, estimates revenues from the TVTDF over a 10-year horizon, and provides a funding plan for the remaining projects.

THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements comprise the *Statement of Net Position* and *Statement of Activities* for the Combined Government-wide and Fund Financial Statements. These statements present the TVTC financial activities as a whole. The *Statement of Net Position* and *Statement of Activities* include all assets and liabilities using the full accrual basis of accounting similar to the accounting model used by private sector firms.

Statement of Net Position

The *Statement of Net Position* (Basic Financial Statements, page 5) is a snapshot of TVTC's financial position at the end of the Fiscal Year (FY) 2019. TVTC's assets are all current assets, i.e. cash and receivables. TVTC has no capital assets. For the year ended June 30, 2019, net position totaled \$18,534,713.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Management's Discussion and Analysis
June 30, 2019

Table 1. Statement of Net Position as of June 30:

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Cash and equivalents	\$ 17,601,603	\$ 10,220,764	\$ 7,380,839	72.2%
Interest receivable	97,197	43,163	54,034	125.2%
Prepaid expenses	515	502	13	2.9%
Developer fee receivables	841,015	1,129,931	(288,916)	-25.6%
	<u>\$ 18,540,330</u>	<u>\$ 11,394,360</u>	<u>\$ 7,145,970</u>	<u>62.7%</u>
Net Position				
Liabilities	\$ 5,617	\$ 1,294	\$ 4,323	334.1%
Unrestricted Net Position	18,534,713	11,393,066	7,141,647	62.7%
	<u>\$ 18,540,330</u>	<u>\$ 11,394,360</u>	<u>\$ 7,145,970</u>	<u>62.7%</u>

Statement of Activities

The Statement of Activities (Basic Financial Statements, page 7) presents TVTC's revenue and incurred expenses for the year ended June 30, 2019. All financial activities incurred for TVTC are recorded here, including operational expenses, capital project costs, depreciation and accrued liabilities, when applicable. Since revenues are dependent on new construction, the Council's financial position is generally subject to the same fluctuations as the economy.

Table 2. Statement of Activities for the Fiscal Years Ended June 30:

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
General Expenses				
Transportation improvements	\$ -	\$ 13,140,000	\$ (13,140,000)	-100.0%
Accounting fees	7,435	8,245	(810)	-9.8%
Legal fees	11,265	10,357	908	8.7%
Development fee refunds	-	6,976	(6,976)	-100.0%
Administrative	26,282	26,818	(536)	-2.0%
Total General Expenses	<u>44,982</u>	<u>13,192,396</u>	<u>(13,147,414)</u>	<u>-99.7%</u>
General Revenues				
Interest income	314,717	195,322	119,395	61.1%
Development fees				
Alameda County	7,132	12,440	(5,308)	-42.7%
Town of Danville	400,489	64,051	336,438	525.3%
City of Dublin	2,864,249	2,972,721	(108,472)	-3.6%
City of Livermore	1,593,411	2,456,640	(863,229)	-35.1%
City of Pleasanton	966,058	208,905	757,153	362.4%
City of San Ramon	306,152	166,764	139,388	83.6%
Contra Costa County	734,421	961,101	(226,680)	-23.6%
Total General Revenues	<u>7,186,629</u>	<u>7,037,944</u>	<u>144,685</u>	<u>2.1%</u>
Change in Net Position	7,141,647	(6,154,452)	13,296,099	216.0%
Beginning Net Position	11,393,066	17,547,518	(6,154,452)	-35.1
Ending Net Position	<u>\$18,534,713</u>	<u>\$11,393,066</u>	<u>\$ 7,141,647</u>	<u>62.7%</u>

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Management's Discussion and Analysis
June 30, 2019

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This Management's Discussion and Analysis is intended to provide the reader with a narrative overview of TVTC's financial statements for the year ended June 30, 2019. Questions concerning any information provided in this report or requests for additional financial information should be directed to:

Tri-Valley Transportation Council
Cedric Novenario TVTC Administrator
c/o City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
 Combined Government-Wide and Fund Financial Statements
 Statement of Net Position and Governmental Funds Balance Sheet
 June 30, 2019

	<u>ASSETS</u>		<u>Statement of Net Position</u>
	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	
Cash and cash equivalents (Note 3)	\$ 17,601,603	\$ -	\$ 17,601,603
Interest receivable	97,185	12	97,197
Prepaid expenses	515	-	515
Development fees receivable (Note 1E)	<u>841,015</u>	<u>-</u>	<u>841,015</u>
 Total Assets	 <u>\$ 18,540,318</u>	 <u>\$ 12</u>	 <u>\$ 18,540,330</u>

LIABILITIES AND NET POSITION

Accounts payable	<u>\$ 3,862</u>	<u>\$ 1,755</u>	<u>\$ 5,617</u>
 Total Liabilities	 <u>3,862</u>	 <u>1,755</u>	 <u>5,617</u>
 Fund Balance/Net Position (Note 4)			
Committed Fund Balance	6,490,000	(6,490,000)	-
Assigned/Unrestricted	<u>12,046,456</u>	<u>6,488,257</u>	<u>18,534,713</u>
 Total Liabilities and Fund Balance/Net Position	 <u>\$ 18,540,318</u>	 <u>\$ 12</u>	 <u>\$ 18,540,330</u>

The accompanying notes are an integral part of these financial statements.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
 Combined Government-Wide and Fund Financial Statements
 Statement of Net Position and Governmental Funds Balance Sheet
 June 30, 2018

	<u>ASSETS</u>		<u>Statement of Net Position</u>
	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	
Cash and cash equivalents (Note 3)	\$ 10,220,764	\$ -	\$ 10,220,764
Interest receivable	41,767	1,396	43,163
Prepaid expenses	502	-	502
Development fees receivable (Note 1E)	<u>991,772</u>	<u>138,159</u>	<u>1,129,931</u>
 Total Assets	 <u>\$ 11,254,805</u>	 <u>\$ 139,555</u>	 <u>\$ 11,394,360</u>

<u>LIABILITIES AND NET POSITION</u>			
Accounts payable	<u>\$ 1,294</u>	<u>\$ -</u>	<u>\$ 1,294</u>
 Total Liabilities	 <u>1,294</u>	 <u>-</u>	 <u>1,294</u>
Fund Balance/Net Position (Note 4)			
Assigned/Unrestricted	<u>11,253,511</u>	<u>139,555</u>	<u>11,393,066</u>
 Total Liabilities and Fund Balance/Net Position	 <u>\$ 11,254,805</u>	 <u>\$ 139,555</u>	 <u>\$ 11,394,360</u>

The accompanying notes are an integral part of these financial statements.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
 Combined Government-Wide and Fund Financial Statements
 Statement of Activities and
 Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
General Expenditures/Expenses			
Transportation improvements (Note 5)	\$ -	\$ -	\$ -
Accounting fees	7,435	-	7,435
Legal fees	9,510	1,755	11,265
Refunds of development fees	-	-	-
Administrative	<u>26,282</u>	<u>-</u>	<u>26,282</u>
Total General Expenditures/Expenses	<u>43,227</u>	<u>1,755</u>	<u>44,982</u>
General Revenues:			
Interest income from:			
LAIF	301,736	-	301,736
Member agencies	<u>14,365</u>	<u>(1,384)</u>	<u>12,981</u>
	<u>316,101</u>	<u>(1,384)</u>	<u>314,717</u>
Development fees:			
Alameda County	14,264	(7,132)	7,132
Town of Danville	400,489	-	400,489
City of Dublin	2,864,249	-	2,864,249
City of Livermore	1,593,411	-	1,593,411
City of Pleasanton	966,058	-	966,058
City of San Ramon	306,152	-	306,152
Contra Costa County	<u>865,448</u>	<u>(131,027)</u>	<u>734,421</u>
Total development fees	<u>7,010,071</u>	<u>(138,159)</u>	<u>6,871,912</u>
Total General Revenues	<u>7,326,172</u>	<u>(139,543)</u>	<u>7,186,629</u>
Change in fund balance/net position	7,282,945	(141,298)	7,141,647
Fund Balance/Net Position July 1, 2018	<u>11,253,511</u>	<u>139,555</u>	<u>11,393,066</u>
Fund Balance/Net Position June 30, 2019	<u>\$18,536,456</u>	<u>\$ (1,743)</u>	<u>\$18,534,713</u>

The accompanying notes are an integral part of these financial statements.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
 Combined Government-Wide and Fund Financial Statements
 Statement of Activities and
 Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
General Expenditures/Expenses			
Transportation improvements	\$13,140,000	\$ -	\$ 13,140,000
Accounting fees	8,245	-	8,245
Legal fees	10,357	-	10,357
Refunds of development fees	205,283	(198,307)	6,976
Administrative	<u>26,818</u>	<u>-</u>	<u>26,818</u>
Total General Expenditures/Expenses	<u>13,390,703</u>	<u>(198,307)</u>	<u>13,192,396</u>
General Revenues:			
Interest income from:			
LAIF	186,976	-	186,976
Member agencies	<u>7,036</u>	<u>1,310</u>	<u>8,346</u>
	<u>194,012</u>	<u>1,310</u>	<u>195,322</u>
Development fees:			
Alameda County	21,697	(9,257)	12,440
Town of Danville	78,315	(14,264)	64,051
City of Dublin	2,972,721	-	2,972,721
City of Livermore	2,456,640	-	2,456,640
City of Pleasanton	208,905	-	208,905
City of San Ramon	166,764	-	166,764
Contra Costa County	<u>2,173,733</u>	<u>(1,212,632)</u>	<u>961,101</u>
Total development fees	<u>8,078,775</u>	<u>(1,236,153)</u>	<u>6,842,622</u>
Total General Revenues	<u>8,272,787</u>	<u>(1,234,843)</u>	<u>7,037,944</u>
Change in fund balance/net position	(5,117,916)	(1,036,536)	(6,154,452)
Fund Balance/Net Position July 1, 2017	<u>16,371,427</u>	<u>1,176,091</u>	<u>17,547,518</u>
Fund Balance/Net Position June 30, 2018	<u>\$11,253,511</u>	<u>\$ 139,555</u>	<u>\$ 11,393,066</u>

The accompanying notes are an integral part of these financial statements.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Tri-Valley Transportation Council (TVTC; Council) is a joint powers authority (JPA) organized by the Counties of Alameda and Contra Costa, the Town of Danville, and the Cities of Dublin, Livermore, Pleasanton, and San Ramon. The TVTC accounting records are currently administered by the City of Livermore. The Council was created to administer development fees for the planning and implementation of sub-regional transportation facilities. This fee was adopted by the seven jurisdictions pursuant to Government Code 6502, and is paid to each of the member agencies by project developers. There are no separate legal entities that are a part of the Council's reporting entity.

The Council applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The Council has one governmental activity as described below:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Council and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Council or meets the following criteria:

1. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that *category or type*; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the *economic resources* measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported.

In the fund financial statements, the *current financial resources* measurement focus is used for all Governmental Funds; with this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when *measurable and available*. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Council defines available to be within 60 days of year-end.

D. Cash and Investments

The Council does not commingle its cash and investments with the City or County JPA members. The funds are invested in accordance with the State Investment Policy established pursuant to the State Law. All monies not required for immediate expenditure are invested or deposited to earn maximum yield consistent with safety and liquidity.

Investments are carried at fair value, which is based on quoted market price if applicable. Otherwise, the fair value hierarchy is as follows:

Level 1 – Values are unadjusted quoted prices on active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs, other than quoted prices, included within Level 1 that are observable for the asset or liabilities at the measurement date.

Level 3 – Certain inputs are unobservable inputs (supported by little or no market activity, such as the Council's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date).

The Council invests in the California Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account operated by the California State Treasurer. LAIF funds are invested in high quality money market securities and are managed to insure the safety of the portfolio. A portion of LAIF's investments are in structured notes and asset-backed securities.

LAIF determines fair value on its investment portfolio based on market quotations for these securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables

Receivables recorded in the financial statements are net of any allowance for doubtful accounts. Any doubtful accounts at June 30, 2019 and 2018 were not considered material.

F. Revenue Recognition - Development Fees

Development fees are assessed according to a set fee schedule for new construction. The fees collected under the Council from new construction will be used to mitigate the increased traffic congestion.

G. Budget Comparison

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Council is not legally required to adopt a budget for the general fund. Therefore, budget comparison information is not included in the Council's financial statements.

H. Equity Classifications

Government-wide Statements

Net position is the excess of all the Council's assets over all its liabilities, regardless of fund. Net position is divided into three categories under GASB Statement 34. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other components of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Council is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

1. Nonspendable- Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
4. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
5. Unassigned - Amounts that do not meet classifications 1 – 4 above.

Further detail about the Council's fund balance classification is described in Note 4.

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TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 2. ADJUSTMENTS FROM FUND BASIS TO GOVERNMENT-WIDE BASIS

The following is a summary of adjustments to the financial statements to comply with GASB 34.

	<u>2019</u>	<u>2018</u>
Development fees receivable		
Fund basis	\$ 841,015	\$ 991,772
Adjustment	-	138,159
Government-wide basis	<u>\$ 841,015</u>	<u>\$ 1,129,931</u>
Interest receivable		
Fund basis	\$ 97,185	\$ 41,767
Adjustment	12	1,396
Government-wide basis	<u>\$ 97,197</u>	<u>\$ 43,163</u>
Accounts payable		
Fund basis	\$ 3,862	\$ 1,294
Adjustment	1,755	-
Government-wide basis	<u>\$ 5,617</u>	<u>\$ 1,294</u>
Refund of development fees		
Fund basis	\$ -	\$ 205,283
Adjustment	-	(198,307)
Government-wide basis	<u>\$ -</u>	<u>\$ 6,976</u>
Legal fees		
Fund basis	\$ 9,510	\$ 10,357
Adjustment	1,755	-
Government-wide basis	<u>\$ 11,265</u>	<u>\$ 10,357</u>
Development fee revenue		
Fund basis	\$ 7,011,277	\$ 8,078,775
Adjustment	(138,159)	(1,236,153)
Government-wide basis	<u>\$ 6,873,118</u>	<u>\$ 6,842,622</u>
Interest income		
Fund basis	\$ 314,895	\$ 194,012
Adjustment	(1,384)	1,310
Government-wide basis	<u>\$ 313,511</u>	<u>\$ 195,322</u>

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 3. CASH AND INVESTMENTS

The cash and investments of the Council are maintained separately from with the funds of the City or County JPA members. The Council considers cash and investment amounts with original maturities of three months or less to be cash equivalents.

Cash and Investments consisted of the following at June 30:

	2019	2018
Cash in banks	\$ 401,976	\$ 715,659
Local Agency Investment Fund	17,199,627	9,505,105
Total cash and investments	\$ 17,601,603	\$ 10,220,764

Investments Authorized by the Council's Investment Policy

The Council is authorized to invest in obligations of the U.S. Treasury, agencies, commercial paper with certain minimum ratings, certificates of deposit, bankers' acceptances, repurchase agreements and the State Treasurer's Investment pool ("LAIF").

Deposits/Credit Risk

The California Government Code requires California banks and savings and loan associations to secure Public Agencies' deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of deposits. California law also allows financial institutions to secure such deposits by pledging first trust deed mortgage notes having a value of 150% of the total deposits. The first \$250,000 of each institution's deposits are covered by FDIC insurance.

Disclosures Relating to Credit Risk

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 3. CASH AND INVESTMENTS (continued)

Custodial Credit Risk (continued)

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover its deposits or will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Investment Fair Value

The Council is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Council's investment in this pool is reported in the accompanying financial statements at amounts based upon the Council's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4: FUND BALANCE

The Council has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Tri-Valley Transportation Council have established the following fund balance policies:

- **Assigned Fund Balance:** The Council exists to fund Tri-Valley transportation projects, therefore, all amounts not committed in the fund balance at year-end are assigned for this purpose.
- **Committed Fund Balance:** Amounts that have been designated for payment by the Council prior to year-end. At June 30, 2019, \$6,490,000 was committed for reimbursement of Contra Costa County for funds expended on the Interstate 680 High Occupancy Vehicle Lane Gap Closure Project. At June 30, 2018 there were no commitments.

TRI-VALLEY TRANSPORTATION COUNCIL
(A JOINT POWERS AUTHORITY)
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 4: FUND BALANCE (continued)

The accounting policies of the Council consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Council considers committed amounts to be reduced first, followed by assigned amounts, and finally, unassigned amounts.

NOTE 5: TRANSPORTATION IMPROVEMENT PROJECTS

During the fiscal year ended June 30, 2019, no funds were disbursed relating to transportation improvement projects.

During the fiscal year ended June 30, 2018, \$12,000,000 was disbursed to the City of Pleasanton for State Route 84 Corridor Improvements I-580 to I-680 (Project 2A, Segment 5). Pleasanton, in turn, passed these funds through to the Alameda County Transportation Commission, which is the agency responsible for the design and construction of this project.

Additionally, during 2018, \$1,140,000 was disbursed to the City of Dublin for the purposes of funding Advanced Technology Express Bus (Project A-11). Dublin then passed these funds through to the Livermore Amador Valley Transit Authority, which is the agency responsible for construction and management of this project.

These monies were disbursed after it was determined that sufficient funds were available in the joint Tri-Valley Transportation Development Fund bank account.

NOTE 6: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the audit opinion, which is the date on which the financial statements were available to be issued. No events that would require additional adjustment or disclosure came to the attention of management.

**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**

The Board Members
Tri-Valley Transportation Council
Pleasanton, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Tri-Valley Transportation Council (TVTC) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise TVTC's basic financial statements, and have issued our report thereon dated December 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TVTC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TVTC's internal control. Accordingly, we do not express an opinion on the effectiveness of TVTC'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 over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TVTC'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA

December 19, 2019

Item 3d

TRI-VALLEY TRANSPORTATION COUNCIL

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To: Tri-Valley Transportation Council (TVTC)
From: TVTC Finance Subcommittee (Finance Subcommittee)
Technical Advisory Committee (TAC)
Date: February 19, 2020
Subject: AB1600 Mitigation Fee Act Annual Impact Fee Reports

BACKGROUND

Pursuant to AB 1600 (the Mitigation Act), codified as California Government Code §66000-66013, the TVTC is required to make available to the public information about development impact fees collected and expended. Additionally, the TVTC is also required to make five-year statutory findings, which the TVTC adopted per Resolution 2017-01 on January 23, 2017.

The TVTC JEP A Section 7c states that the TVTC shall comply with the requirements of the Mitigation Fee Act and shall provide each Party with all information necessary for each Party to comply with its separate Mitigation Fee Act requirements.

DISCUSSION

By statute, TVTC must make available to the public an annual AB1600 report no later than 180 days (6 months) after the last day of each fiscal year. The TVTC shall review the AB1600 report at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public. The report must include a description of the fee type, the amount of the fee, beginning and ending balances, fee and interest income, expenditures by improvement showing the amount funded by the fee, date of construction and percentage funded by the fee, description of loans or transfers, and any refunds.

The TVTC provided the attached AB1600 reports for Fiscal Year 2018/19 on the TVTC website on January 23, 2020. The TVTC will review these reports at the publically noticed meeting on February 18, 2020, more than 15 days after making the reports available to the public.

RECOMMENDATION

This report is informational only. No resolution, motion, or approval is necessary.

ATTACHMENTS

1. AB1600 Reports for Fiscal Year 18/19

Tri Valley Transportation Council Annual AB1600 Report for Fiscal Year 2018-2019

		The fee provides for the construction of transportation improvement projects necessary to accommodate new development within the Tri-Valley Development area.	
1A	Description of the Type of Fee:	Projects are identified in the Strategic Expenditure Plan.	
1B	Amount of Fee:	Single Family Dwelling	\$ 4,650 per unit
		MultiFamily Dwelling	\$ 3,203 per unit
		Retail	\$ 3,410 per KSF
		Office	\$ 7,900 per KSF
		Industrial	\$ 4,600 per KSF
			average am/pm
		Other	\$ 5,167 peak hour trip
1C	Beginning and End Balance of Account		
	Beginning Balance:	\$	11,393,067
	End Balance:	\$	18,534,699
1D	Amount collected and interest earned:	\$	7,186,614 (see details below)
1E	Public Improvement(s) funded		
	Project Name:	See below	
	Amount:	See below	
	% of the cost funded by TVTDF:	See below	
1F	Construction start date:	See below	
1G	Interfund Transfer or loan from account:	None	
1H	Refunds: City of Danville	\$	69,758.30

1D	Amount Collected and Interest Earned	7/18-6/19
	Revenue and other Sources	Fees/Interest
	Alameda Co	\$ 7,132
	Dublin	\$ 2,874,450
	Livermore	\$ 1,595,078
	Pleasanton	\$ 966,058
	CC County	\$ 734,420
	Danville	\$ 400,489
	San Ramon	\$ 306,152
	LAIF Interest	\$ 302,835
		\$ 7,186,614

1E, 1F	Public Improvements Funded	7/18-6/19	funded by	1F. Construction
		Disbursements	TVTDF	Start Date
	Administrative Staff Support	\$ (20,000)	100%	N/A
	Accounting Fees	\$ (7,435)	100%	N/A
	Bank Fees	\$ (90)	100%	N/A
	Insurance	\$ (2,046)	100%	N/A
	Legal fees	\$ (11,265)	100%	N/A
	Operating Expenditures	\$ (2,400)	100%	N/A
	Printing & Copying	\$ (130)	100%	N/A
	Website Development & Maintenance	\$ (1,424)	100%	N/A
	Treasure Oversight Services	\$ -	100%	N/A
	Project Management Software	\$ (192)	100%	N/A
	Total Resources (Uses)	\$ (44,982)		