

KINGS COUNTY AREA PUBLIC TRANSIT AGENCY
Board of Directors

610 W. 7th Street - Hanford, California 93230 (559) 852-2692 www.kartbus.org

Meeting Date: December 8th, 2021
Time: 3:30 PM
Place: **Special Virtual Board Meeting**
Please call (415) 655-0003
Participant Code: 2467 548 2051#

If you need special assistance to participate in this meeting or language assistance, please contact the Clerk of the Board at (559)852-4623 by 4:00 PM on the Monday before this meeting. Agenda backup information and any public records provided to the Board after the posting of the agenda for this meeting will be available for public review at 610 W. 7th Street, Hanford, CA 93230.

SPECIAL VIRTUAL-MEETING BOARD AGENDA

Pursuant to Government Code section 54953 as amended by AB361 and pursuant to the California Governor Gavin Newsom issued Executive Order N-15-21, relating to the convening of public meetings in light of the COVID-19 pandemic. On March 17, 2020, the County of Kings adopted a Resolution ratifying the Health Office's declaration of a local health emergency regarding the Coronavirus (COVID-19). The Kings County Area Public Transit Agency (KCAPTA) hereby provides notice that it will continue to convene its regularly scheduled public meetings via telecommuting until further notice.

Pursuant to the AB 361, Executive Order, Kings County Resolution, and to maintain the orderly conduct of the meeting, the KCAPTA will allow Board Members to attend the meeting telephonically and to participate in the meeting to the same extent as if they were present.

- **WEB ACCESS:** To access the meeting via computer, please visit KART's website at <https://www.kartbus.org/category/board/> and click on the link that says **Join Meeting**. You may also join from your smartphone by downloading the WebEx Meetings app. After opening the app, click on **Join Meeting**, and enter the meeting information. The meeting number is 2467 548 2051#, and the password is **Kart1208**
- If you have trouble logging in through the internet, you may join the meeting via telephone by calling **(415) 655-0003**, then enter the access code of 2467 548 2051
- For members of the public who wish to participate but not to attend in person, you may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for Board consideration or action. Those comments will be entered into the administrative record of the meeting. To submit written comments by U.S. Mail or email for inclusion in the meeting record, they must be received by the Clerk of the Board of KCAPTA no later than 11:00 AM on the morning of the noticed meeting. To submit written comments by email, please forward them info@kartbus.org. To provide such comments by U.S. Mail, please send them to:

<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>ACTION</u>
1.	CALL TO ORDER <i>Roll Call – Clerk of the Board</i>	
2.	UNSCHEDULED APPEARANCE <i>Any person may directly address the Board at this time on any item on the agenda or on any other topics of interest to the public that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.</i>	
3.	CONSENT ITEMS <i>All items listed as consent items are considered routine and will be enacted by one motion. Any discussion of any consent item will be removed at the request of any Board member and made a part of the regular agenda.</i> A. Summary Minutes of Special Meeting October 27, 2021	ACTION
4.	RRM DESIGN UPDATE	BOARD INPUT
5.	ACCEPT FY 2020/2021 COMPREHENSIVE FINANCIAL UPDATE	ACTION
6.	APPROVE 1-YEAR SOLE SOURCE SERVICE AGREEMENT WITH SRECTrade TO MANAGE LCSF CREDITS GENERATED FROM AGENCY OWNED EV CHARGERS	ACTION
7.	BOARD MEETING CALENDAR	INFORMATION
8.	MISCELLANEOUS COMMENTS FROM STAFF	INFORMATION

Attachments:

A - MINUTES OF OCTOBER 27, 2021

B – FISCAL YEAR 2020/2021 COMPREHENSIVE FINANCIAL REPORT

C – SRECTRADE SERVICE AGREEMENT

D - BOARD MEETING CALENDAR

STAFF REPORT

3. CONSENT ITEM:

A. Summary Minutes of Special Meeting October 27, 2021

4. RRM DESIGN UPDATE (Angie Dow/Charles Dellinger):

In December of 2020, the Board approved the formation of a Sub-Committee to review the architect and engineering proposals, recommend contract award, and work with the selected firm in the designing of the new KART Transit Center. Per the Sub-Committee recommendation, in June of 2021, the Board awarded RRM Design Group the Architectural and Engineering Service contract for the New KART Transit Center.

Since that time, the Sub-Committee and RRM have been working on a couple of design options. Charles Dellinger, Project Manager for RRM, will be updating the Board on the progress and presenting a couple of design options to solicit comments and preferences from the Board.

Recommendation

This is a discussion item.

5. ACCEPT FY 2020/2021 COMPREHENSIVE FINANCIAL REPORT (Heather J. Corder):

It is a pleasure to submit to you the Comprehensive Annual Financial Report (CAFR) of the Kings County Area Public Transit Agency (KCAPTA) for the year ended June 30, 2021. The CAFR has become the standard format used in presenting the results of KCAPTA's operations, financial position, cash flow, and related statistical information. The report enables the Agency to comply with the provision of the Single Audit Act, U.S. Office of Management, Budget, and State laws.

Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive framework of internal controls established for this purpose. The cost of internal controls should not exceed the anticipated benefit. Therefore, the objective is to provide reasonable rather than an absolute assurance that the financial statements are free of any material misstatements.

Brown Armstrong, Independent Auditors, has issued an opinion that the financial statements present fairly, in all material respects, the financial position of Kings County Area Public Transit Agency as of June 30, 2021. The respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Beginning our overview of the financial statements is a review of the operating revenues. Passenger fares in FY2021 increased \$185,426 from FY2020 or 38%. This increase is due to the KCAPTA working with Enterprise on the Vanpool program. The revenues from the vanpool program account for over half of the total passenger fares received. The amount of LTF funds used for operating decreased by \$885,377 due to the availability of using CARES ACT and ARPA funds to cover operating costs. CARES ACT funding was made available to KCAPTA with an effective date of January 20, 2020. KCAPTA utilized \$3.2 million of the CARES Act funding in FY 2021 and \$1.18 million of ARPA funding. Other federal funds utilized for operating expenses are 5311 (Rural Areas) in the amount of \$269,794. This is a decrease over FY2020, as a majority of the operating revenue was received from CARES and ARPA funds.

OPERATING REVENUES

	FY 2021	FY 2020	INCREASE/ (DECREASE)	%
PASSENGER FARES	670,790	485,364	185,426	38%
LTF FUNDS	101,630	987,007	(885,377)	(89%)
CARES & ARPA FUNDS	4,391,322	187,726	4,203,596	2,239
OTHER FEDERAL FUNDS	269,794	3,224,779	(2,954,985)	(92%)

The next area on the financial statements is an overview of the operating expenditures. The first section is Salaries and Benefits. The salaries and benefits have decreased in the amount of \$22,389 or 3%. This decrease was due to KCAPTA not being fully staffed with six employees for the entire fiscal year. Fuel increased from \$199,892 to \$233,633 an increase of \$33,741 or 17%. This increase was due to increases in the cost of fuel. The Professional services in total increased from FY2020 from \$3.7 million to \$4.4 million. This increase was due to an increase in the contracted prices for MV Transportation, a new agreement with Enterprise for the vanpool program.

OPERATING EXPENDITURES

	FY 2021	FY 2020	INCREASE/ (DECREASE)	%
SALARIES & BENEFITS	621,458	643,847	(22,389)	(3)%
FUEL	233,633	199,892	33,741	17%
SERVICES	688,031	232,889	(455,142)	195%
MV TRANSIT	3,741,841	3,547,221	194,620	5%

The available cash increased in the amount of \$224,016 from FY2020 to FY2021. KCAPTA will place this increase into the capital reserves in anticipation of the new transit center's costs. The total Operating reserves remained the same at \$1,100,000 per Board approval. Capital reserves increased from \$2,189,371 to \$2,413,387.

AVAILABLE CASH

	FY 2021	FY 2020
TOTAL CASH	5,131,817	6,783,603
RECEIVABLES	2,588,417	328,874
PAYABLE	271,606	284,433
DEFERRED REVENUES	3,935,852	3,608,259
AVAILABLE CASH	3,513,387	3,289,371

Three financial statements are presented in the CAFR. The statement of net position, statement of revenues, expenses, and change in net assets and cash flows statement. Each statement presents the information regarding the financials of the organization in different ways.

The statement of net position presents the financial position of KCAPTA. This statement provides a presentation of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the net position of KCAPTA in two categories, governmental activities and business-type activities. As of June 30, 2021, the total assets for KCAPTA were a total of \$22,437,798. There were deferred outflows in the amount of \$105,902 and Deferred inflows of \$2,683. These inflows and outflows are related to the change in pension projections vs. actual. The total amount of Liabilities are \$4,566,595 for a net position of \$17,974,422.

STATEMENT OF NET POSITION

	JUNE 30 2021
TOTAL ASSETS	22,437,798
DEFERRED OUTFLOWS (PENSION RELATED)	105,902
TOTAL LIABILITIES	4,566,595
DEFERRED OUTFLOWS (PENSION RELATED)	2,683
NET POSITION	17,974,422

The Statement of Revenues, Expenses and Changes in Net position is the income statement for governmental funds. Revenues are shown by source or type, and expenditures are shown by function and object with the operating expenditures presented apart from capital expenditures. This statement is used to calculate the farebox ratio. The farebox recovery ratio is the fraction of operating expense met by the fares paid by passengers. It is computed by dividing the system's total fare revenue by its total operating expenses. Prior to COVID-19 pursuant to sections 6633.2 and 6633.5 of the TDA, the farebox ratio could go as low as 15%. Assembly Bill No. 90, approved by the Governor on June 29, 2020, allowed the use of the farebox ratio from FY19-20 for the years of FY19-20 and FY20-21 to compensate for the effect of COVID-19. The farebox ratio for FY20-21 was 14.18%.

FAREBOX RATIO

	JUNE 30 2021
PASSENGER FARES/AD REVENUE/FARES PAID BY OTHERS	798,853
OPERATING EXPENSES	5,631,724
FAREBOX RATIO	14.18%

The cash flow statement is a financial statement that provides a total of all the cash inflows that KCAPTA has received and all the cash outflows that KCAPTA paid for the fiscal year. This statement groups all the sources

and uses of cash. The cash flow statement measures how well KCAPTA manages its cash position, how KCAPTA generates cash to pay its obligations and fund its operating expenses.

CASH FLOW STATEMENT

	JUNE 30 2021
OPERATING ACTIVITIES	(4,871,037)
NON-CAPITAL FINANCING ACTIVITIES	3,159,473
CAPITAL ACTIVITIES	10,160
INVESTING ACTIVITIES	49,619
DECREASE IN CASH	1,651,785
CASH AT THE END OF THE YEAR	5,131,818

The final piece of the CAFR is the statistical section. The statistical section includes selected financial and demographic information presented on a multi-year basis.

As noted in the auditor’s opinion, the CAFR fairly presents the fiscal year ending June 30, 2021, financial activity for Kings County Area Public Transit Agency.

Recommendation

Staff is recommending the Board accept the Fiscal Year 2020/2021 Comprehensive Annual Financial Report

6. APPROVE 1-YEAR SOLE SOURCE SERVICE AGREEMENT WITH SRECTrade TO MANAGE LCFS CREDITS GENERATED FROM AGENCY OWNED EV CHARGERS (Angie Dow):

When KCAPTA upgraded our CNG Fueling Station, we contracted with Clean Energy to purchase RNG, KCAPTA staff registered our Station with Low Carbon Fuel Standard (LCFS) in order to generate LCFS Credits that could be sold. Under our agreement with Clean Energy, they manage, sell, and complete all the required reporting of the credits we generate using RNG. KCAPTA receives approximately \$40,000 per year from the sale of these credits.

In late October, KCAPTA's first Electric Charging Station was delivered and installed in the City of Avenal. This unit generates all of its energy from the sun. The main purpose of the station will be to support a car share program in the City of Avenal. The unit is also available to the public. As of right now, there is no fee to use the EV charger.

Staff has had discussions with both Clean Energy and SRECTrade about adding this EV Charger and the EV charger we will be installing at the Maintenance Facility to our LCFS account and managing the sale of the credits generated.

Staff is recommending we award a 1-Year Sole Source Service agreement to SRECTrade. SRECTrade will register our EV Chargers, report KWh used, sell the credits earned, complete all quarterly and annual reports required by LCFS. SRECTrade fee is based on a tiered schedule on the cumulative numbers of credits produced.

Cumulative Credits Transacted	Fee
0-5,000	9.5% of Transaction Value
5,001-20,000	7.5% of Transaction Value
Greater than 20,000	5.0% of Transaction Value

Recommendation

Staff recommends the Board approve the 1-Year Service Agreement with SRECTrade and authorize the Executive Director to sign the Service Agreement.

7. BOARD MEETING CALENDAR (Maria Ortiz-Leal):

Per KCAPTA's JPA, the Board meets on the fourth Wednesday of each month at 3:30 PM. Historically the November and December meetings are canceled, and a Special Meeting is held in early December. If a Board member has a conflict, please notify the Clerk of the Board. A calendar of the scheduled meetings for 2022 is included in the agenda.

Recommendation

Information only

8. MISCELLANEOUS COMMENTS FROM STAFF: