



Connecting its cities via environmentally effective rapid transit

Eco-Rapid Transit, formally known as the Orangeline Development Authority, is a joint powers authority (JPA). Its Board of Directors consists of the following public entities and primary representatives:

County of Los Angeles

Hon. Janice Hahn
Supervisor, Forth District

City of Artesia

Hon. Ali Sajjad Taj
Chair of the Board

City of Bell

Mr. Jesus Casas

City of Bell Gardens

Hon. Alejandra Cortez
Secretary of the Board

City of Cerritos

Hon. Bruce Borrows

City of Cudahy

Hon. Jose R. Gonzalez
Vice Chair of the Board

City of Downey

Hon. Hector Sosa

City of Glendale

(Vacant)

City of Huntington Park

Hon. Karina Macias

City of Maywood

Ms. Angelina Martinez

City of Paramount

Hon. Isabel Aguayo
Treasurer of the Board

City of South Gate

Hon. Maria Davila

Burbank-Glendale-Pasadena

Airport Authority

Hon. Frank Quintero

Executive Director
Eric C. Shen, P.E., PTP, CPE

General Counsel
Matthew T. Summers

Ex-Officio
Ricardo Reyes
City Manager Representative

Internal Auditor
(Vacant)

ECO-RAPID TRANSIT BOARD OF DIRECTORS

REGULAR MEETING

May 10, 2023, Wednesday
6:30 PM Pacific Daylight Time (PDT)

[16401 Paramount Boulevard](#)
[Paramount, California 90723](#)

TELECONFERENCE MEETING VIA [ZOOM](#) (NEW LINK)

Meeting ID: 813 5448 0188

Passcode: 553831

One tap mobile: +16694449171,,81354480188#,,, *553831# US

AGENDA

Agenda reports and other written documents are available on the eco-rapid transit website at www.eco-rapid.org.

Public comments on items on the agenda will be taken at the time the item is called and are limited to 3 minutes per speaker. Public Comment regarding items on the Closed Session Meeting agenda will be taken at the beginning of the meeting. The public will be released from the meeting so that the Board of Directors may convene Closed Session discussion of items allowed under the Government Code. Any reportable action taken in Closed Session will be reported by the General Counsel during the next Open Session meeting. A separate Zoom link will be provided for the Open Session for the public to attend.

PRELIMINARY BUSINESS

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comments

CONSENT CALENDAR

5. The items listed under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or the General Public so requests, in which event the item will be removed from the Consent Calendar and considered separately:
 - A. Approval of Minutes of March 23, 2023 and April 12, 2023
 - B. Treasurer's Report for the months of April and March 2023, and Warrant Register dated May 10, 2023 and April 12, 2023

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ACTION ITEM

6. Audit Report for Fiscal Year 2019/2022

Recommended Action: Authorize Executive Director to accept the Audit Report and implement corrected actions.

INFORMATION ITEMS:

7. Post-Health Emergency Teleconferencing – Presentation by General Counsel

Recommended Action: Receive and file

8. Election of Officers for FY2023-24 – Presentation by General Counsel

Recommended Action: Receive and file

9. West Santa Ana Branch (WSAB) Project Corridor Governance Plan, Final Draft Plan

Recommended Action: Receive and file

10. Executive Director Verbal Report

11. Chair's Comments

12. Announcements/Board of Directors Comments

CLOSED SESSION

Conference with Legal Counsel: Potential for Litigation Against the Authority (Government Code 54956.9(d)(2))

Pursuant to Government Code Section 54956.9(d)(2) & (e)(1)

A point has been reached where, in the opinion of the Board of Directors, on the advice of its legal counsel, based on the below-described existing facts and circumstances, there is a significant exposure to litigation against the Authority. Facts and circumstances that might result in litigation but which the Authority believes are not yet known to potential plaintiff or plaintiffs. (Gov. Code § 54956.9(e)(1))

Number of Potential Cases: [1]

REPORT OUT

ADJOURNMENT

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**MINUTES OF THE REGULAR MEETING OF
ECO-RAPID TRANSIT/ORANGELINE DEVELOPMENT AUTHORITY
April 12, 2023
In Person
Teleconference Meeting via Zoom or by Phone**

CALL TO ORDER

Vice Chair Gonzalez called the meeting to order at 6:41 PM Pacific Daylight Time. A quorum (7 voting members out of 12 filled seats) was not reached; thus, action items were not taken by the Board.

ROLL CALL AND INTRODUCTION OF ATTENDEES

Voting Board of Directors were present (listed by agency and position on the Board):

1. Airport Authority – Hon. Frank Quintero, Director
2. City of Huntington Park – Hon. Karina Macias, Director
3. City of Cudahy – Hon. Jose R. Gonzalez, Vice Chair (remote)
4. County of Los Angeles Supervisor Hahn's Office – Viviana Gomez, Alt.
5. City of Maywood - Ms. Angelina Martinez, Director (remote)

Eco-Rapid Transit Staff:

8. Eric Shen, Executive Director
9. Bruno Naulls, Community Planner (remote)
10. Thais Alves, Deputy General Counsel
11. Kathryn Morrison, Administrative Services Manager

PUBLIC COMMENTS

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

ITEM 5 – CONSENT CALENDAR

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

- a) **Approval of Minutes of March 23, 2023**
- b) **Treasurer's Report and Warrant Register dated March 31, 2023**

MOTION: No motion was made due to lack of quorum.

ITEM 6 – WEST SANTA ANA BRANCH PROJECT (WSAB) PROJECT – CORRIDOR GOVERNANCE PLAN, FINAL DRAFT, PLAN DISCUSSION

Executive Director Shen announced the completion of the final draft of the West Santa Ana Branch (WSAB) Corridor Governance Plan. Presentation to be focused on the background, approaches, and options. Formal action on the preferred governance model to be taken by the Board on the regular meeting on May 10th, 2023.

Bruno Naulls, Community Planner at Eco-Rapid Transit, provided a brief background on the presentation. LA Metro awarded the City of Artesia a \$180,000 grant to create a Governance Plan building upon the Transit Oriented Development Strategic Implementation Plan for the WSAB Project in September 2021. Ms. Karen Lee is the Project Manager for the grant. HR&A Advisors was hired for the overall structure of the Plan and the Steer Group was hired to address corridor-wide parking challenges. An advisory group comprised of corridor cities (Huntington park, Bell, Bell Gardens, Cudahy, Cerritos, Downey, Maywood, South Gate) was also formed to discuss possible governance structures and areas of concern. The final plan to be brought forth to the Board at the next regular meeting for final acceptance and approval. Deadline for the project is June 30th, 2023.

Jane Carlson of HR&A Advisors introduced the Plan. The full version of the Governance Plan included in the Agenda Package. The WSAB Strategic Implementation Plan was first completed by HR&A Advisors in 2008, which focused on corridor-wide recommendations. HR&A and Eco-Rapid Transit met with corridor cities to understand opportunities or challenges and analyzed case studies to generate a proposed Governance Plan.

Sarah McMinimy and Arushi Chopra of the Steer Group discussed an integrated approach to parking management that is cohesive with the entirety of the corridor. Key opportunities include focus on shared parking resources and corridor-wide parking strategies.

The priorities for the Governance Entity was further discussed. They identified policy opportunities connecting the priorities of equitable community development, density mitigation, and workforce development. They also discussed mobility and traffic management on a corridor-wide basis. Focus areas the Governance structure could address include Economic Development, Parking and Transportation Coordination, and Corridor Coordination. Case studies analyzed focusing on the three focus areas included the I-5 JPA, the Foothill Gold Line Construction Authority, the Greater Sacramento Economic Council, and the Metropolitan Council in Minnesota. Overall takeaways from the case studies were the importance of shared goals, incentivizing participation, supplementing staff, and maintaining transparency. Further case study analyses concluded that the I-5 JPA model would be a successful model for the WSAB governance committees and boards to emulate. The three main entities that comprise the JPA (technical advisory, policy board, administration) work together to protect the interests of member communities. The parking and mobility case studies focused on the approaches of various cities to optimize the cities' resources.

They discussed the issues that existing stakeholders such as Eco-Rapid Transit, Gateway Cities COG, and Metro would have in addressing policy issues. Two alternatives for a governance entity were introduced. First, a new independent entity modelled after the I-5 JPA, to be overseen by an Executive Director. Second alternative recommended to be a governance entity within Eco-Rapid Transit. A WSAB Committee/Fund, Technical Advisory Group, Parking Commission/Authority to be established along with a WSAB Manager. Coordination with external entities would continue. Additional funding to be secured by Eco-Rapid Transit and the WSAB Manager.

Overarching concerns for parking identified included reducing demand for parking, ensuring parking availability, reducing parking related impacts of a new rail system, and optimizing parking distribution. Collaboration and equitability were also a point of importance for member cities. Coordinated parking management would ensure that costs and risks are shared. The coordinated parking management team could be created through a subcommittee or a parking authority.

The presentation was opened to questions and comments from the Board.

Director Quintero (Airport Authority) asked if the member cities not present would be able to access the presentation. Executive Director Shen replied that the team will continue with outreach efforts. Mr. Naulls (Eco-Rapid Transit) recommended that the recorded meeting and report be sent to the Board and staff.

Director Quintero (Airport Authority) expressed his leaning towards the creation of a new JPA. He also asked for clarification on density mitigation. Jane Carlson (HR&A) replied that cities had concerns on patterns of new development that would occur as a result of the train line. Density mitigation would identify where and what kind of development could occur.

Director Macias (Huntington Park) expressed her preference towards the first governance option of a new independent entity modelled after the I-5 JPA. She specifically noted the importance of a Technical Advisory Committee (TAC). Mr. Steve Foster of Huntington Park noted that the public works directors and engineers of the TAC aided greatly in the decision-making process. He also expressed concerns on the creation of a parking committee, as it could be incorporated into the TAC.

Ms. Gomez asked for clarification on the role of Eco-Rapid Transit if a new JPA (Option 1) were to be established. Executive Director Shen replied that Eco-Rapid Transit would continue its advocating efforts, but the role of ERT to be further discussed by the Board. She also noted the importance of multimodal approaches to mitigate parking demand. Sarah McMinimy (Steer Group) noted that potential demand-based strategies to parking focusing on multimodal alternatives to be presented in the next Board meeting. Jane Carlson (HR&A) expressed the need to look at parking mitigation and multimodal transportation on a corridor-wide basis.

Director Quintero (Airport Authority) commented on the City of Glendale's Downtown Specific Plan and Mobility study discussed in the presentation. He noted the success in mitigating traffic issues despite the increased housing units built. Director Macias (Huntington Park) asked for clarification on what kinds of housing units were built. Director Quintero replied that housing supply was a combination of affordable housing. He also noted that downzoning areas of Glendale also aided in traffic mitigation.

Vice Chair Gonzalez further opened the meeting to comments from the rest of the Board. Director Martinez (Maywood) commented via chat that she appreciates the accounting for equal representation that HR&A Advisors and The Steer Group took in their processes.

Executive Director Shen expressed that information provided at the meeting will be shared with member cities and staff for input. He hopes the Board will be able to decide on a general direction on the options presented during the May 10th meeting.

Vice Chair Gonzalez expressed the importance of Board member attendance to ensure that all member cities have representation.

MOTION: No motion was made due to lack of quorum.

ITEM 7 – EXECUTIVE DIRECTOR’S VERBAL REPORT

Executive Director Shen first thanked the Cities of Cudahy and Paramount for responding to the advancement of membership dues. He thanked the Board for responding to inquiries on the meeting and thanked Administrative Services Manager Kathryn Morrison (Eco-Rapid Transit) and General Counsel Thais Alves on aiding with compliance efforts.

He reminded that all future meetings to be held primarily in person. Exceptions for attending via teleconference permitted under the original Brown Act teleconferencing rules or under the AB 2449 “just cause” or “emergency circumstances” exemption.

He lastly informed the Board that the transition of financial oversight responsibilities with the City of South Gate was completed. The monthly register and draft treasurer report reviews prepared by contracted accountant Ms. Toni Penn are reviewed by the City of South Gate effective April 1, 2023.

ITEM 8 – VICE CHAIR’S COMMENTS

No further remarks were made by the Vice Chair.

ITEM 9 – ANNOUNCEMENTS/BOARD OF DIRECTORS COMMENTS

Next meeting to be held on May 10th, 2023 at the Gateway City Council of Government Clearwater building.

ITEM 10 - ADJOURNMENT

The Board Meeting was adjourned at 7:55 PM Pacific Daylight Time.

Attest:

Secretary

Approved:

Chair

**MINUTES OF THE SPECIAL MEETING OF
ECO-RAPID TRANSIT/ORANGELINE DEVELOPMENT AUTHORITY
March 23, 2023
Teleconference Meeting via Zoom or by Phone**

CALL TO ORDER

Vice Chair Gonzalez called the meeting to order at 6:33 PM Pacific Standard Time. A quorum (7 voting members out of 12 filled seats) was reached; thus, action items were taken by the Board.

PLEDGE OF ALLEGIANCE

Director Macias (Huntington Park) led the assembly in the flag salute.

ROLL CALL

Voting Board of Directors were present (listed by agency and position on the Board):

1. City of Cudahy – Hon. Jose R. Gonzalez, Vice Chair
2. County of Los Angeles Supervisor Hahn’s Office – Luke Klipp, Director
3. City of Bell Gardens – Hon. Alejandra Cortez, Director
4. City of Huntington Park – Hon. Karina Macias, Director
5. City of Maywood - Ms. Angelina Martinez, Director
6. City of Paramount – Hon. Isabel Aguayo, Treasurer
7. City of South Gate – Hon. Maria Davila, Director

Eco-Rapid Transit Staff:

8. Eric Shen, Executive Director
9. Thais Alves, Deputy General Counsel
10. Kathryn Morrison, Administrative Services Manager

PUBLIC COMMENTS

No written public comments were received prior to the meeting. Vice Chair Gonzalez opened the meeting to public comments via Zoom.

Kaaren-Lyn Graves, Project Director at the Arizona Hispanic Chamber of Commerce, offered their thanks to Executive Director Shen and Administrative Services Manager Kathryn Morrison of Eco-Rapid Transit for meeting with them.

No further comments were received.

ITEM 5 – CONSENT CALENDAR

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

- a) **Approval of Minutes of February 8, 2023**
- b) **Teleconferencing Legislation: AB 361 and Resolution 2023-03 of the EcoRapid Transit Authority Board of Directors Authorizing Remote Teleconferencing Meetings of the Eco-Rapid Transit Board of Directors Pursuant to Government Code Section 54953(e) for the Continuance of Virtual Meetings and Teleconference as the County of Los Angeles is Under Certain Emergency Orders and Still Promotes Social Distancing and the Use of Face Mask**

MOTION: Board Director Macias (Huntington Park) moved to approve the Consent Calendar. Director Davila (South Gate) seconded the motion. The item was approved unanimously by roll call vote.

ITEM 6 – TREASURER’S REPORT DATED FEBRUARY 2023, WARRANT REGISTER DATED FEBRUARY 8, 2023

Recommended Action: Approve Treasurer’s Report and Warrant Register, defer all other payments pending available funding.

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen proceeded with a report and recommendation. Staff recommended to the Board to approve Treasurer’s Report and Warrant Register and to defer payments pending available funding. Funds were insufficient to pay December 2022 employee salaries, January invoices, and February invoices. Advanced membership payments were received from Cerritos, South Gate, Hollywood-Burbank Airport Authority, and Bell. Staff to issue payments for January invoices and salaries with Board approval. The combined Warrant Register for February and March 2023 to be presented for approval on April 12, 2023. Future invoices expected to be paid timely by the end of April.

Vice Chair Gonzalez opened the meeting to comments and questions. Director Klipp (LA County) inquired for clarification on that payment deferment was included in the motion. Executive Director Shen confirmed its inclusion in the action.

MOTION: Board Director Davila (South Gate) moved to approve the Item. Director Klipp (LA County) seconded the motion. The item was approved unanimously by roll call vote.

ITEM 7 – REPORT ON THE KONICA COPIER ISSUE

Recommended Action: Review findings and direct staff to take appropriate action.

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen proceeded with a report and recommendation. He provided that under the advice of General Counsel, the Authority has no legal obligation to continue paying the remaining monthly payments through August 2023 nor to inherent the machine. The Board may consider directing staff to continue monthly payments through the lease term and additional late penalties or closing costs. Costs to be added to budget deficit and paid through increased membership fees.

Deputy General Counsel Thais Alves provided further clarification on the Item. They found through past documents that ERT does not have a legal contract with Konica or Mr. Kodama for payment of the copier. The Board has historically paid for monthly invoices and not the lease for the machine. The Board may decide to pay for the remaining lease term, though the lease agreement has not been reviewed.

Director Davila (South Gate) inquired on if the machine is in use and the monthly cost of the machine. Executive Director Shen confirmed that it is not in use and provided that the monthly cost is approximately \$429. He also provided that under advice from General Counsel, monthly payments concluded December 2022. Director Davila recommended to stop payment given the budget deficit.

Director Macias (Huntington Park) also recommended to end monthly payments.

Director Martinez (Maywood) commented via chat for the funds to be used in a more efficient manner and expressed appreciation for the Board's work.

Director Davila (South Gate) asked for clarification on the recommendation. Executive Director Shen provided that there is no direct recommendation, but rather to direct staff to uphold staff position to discontinue payments starting January 2023.

MOTION: Board Director Davila (South Gate) moved to approve the motion. Director Macias (Huntington Park) seconded the motion. The motion was approved unanimously by roll call vote.

ITEM 8 – NEW LOGO IDEAS

Recommended Action: Review and draft logos and select a preferred design.

No written public comments were received prior to the meeting. No additional public comments were received during the meeting.

Executive Director Shen proceeded with a report and recommendation. He presented 5 new logo design ideas as a part of modernization and rebranding efforts. He noted that the logo should work in black and white tones, work in multiple sizes, and be simple, unique, and memorable.

Vice Chair Gonzalez opened the meeting to comments and questions. Director Klipp (LA County) commented on their excitement for LA County's involvement in the West Santa Ana Branch Project and noted their preference towards to the 5th design concept given the revision of the letter A.

Director Davila (South Gate) expressed her preference towards the 1st and 3rd design concepts. She also recommended that the design concepts be presented again to the entire Board.

Executive Director Shen directed the Board to further contemplate the presented designs with consideration of designer costs.

Vice Chair Gonzalez expressed that the designs should be presented again to the entire Board in the April 12th meeting and expressed thanks to the design team.

MOTION: The Item was deferred to the April 12, 2023 meeting.

ITEM 9 – EXECUTIVE DIRECTOR’S VERBAL REPORT

Executive Director Shen presented the new web page for Eco-Rapid Transit as a part of the modernization efforts. Web content improvement, language translations, and photo and video improvements to be continued. He also apologized for the cancelling of the March 8th meeting due to technical difficulties but reassured the Board on the April 12th meeting. He welcomed feedback from the Board and presented the location of Board meeting Agendas and Meeting Minutes.

He acknowledged the Cities of Cerritos, South Gate, Bell, and the Airport Authority for responding to the advancement of membership dues. He also thanked the City of Paramount for considering the request of advanced payment at its March 28, 2023 Council meeting.

ITEM 10 – VICE CHAIR’S COMMENTS

Vice Chair Gonzalez welcomed Luke Klipp and Viviana Gomez from Supervisor Hahn’s Office to the Board of Directors. He also thanked Supervisor Hahn on her support towards rebranding the West Santa Ana Branch Project and the 3% local contribution to the implementation of the Project.

ITEM 11 – ANNOUNCEMENTS/BOARD OF DIRECTORS COMMENTS

Director Macias (Huntington Park) welcomed Mr. Klipp to the Board and expressed her appreciation towards the modernization efforts. She also acknowledged the work being done at Supervisor Hahn’s office in advocacy of the southeast section of the Corridor.

Next meeting to be held on April 12th, 2023. It will be a hybrid format at the Gateway City Council of Government Clearwater building.

ITEM 12 - ADJOURNMENT

The Board Meeting was adjourned at 7:25pm Pacific Daylight Time.

Attest:

Secretary


Approved:

Chair

**ORANGELINE DEVELOPMENT AUTHORITY
ECO-RAPID TRANSIT**

**TREASURER'S REPORT
FOR THE MONTH APRIL 2023
(PREPARED ON MAY 10, 2023)**

	<u>Bank of the West</u>
*Cash, beginning balance (deficit)	\$69,904.82
	\$69,904.82
<u>Receipts:</u>	
City of Cudahy (Membership)	\$9,884.97
City of Paramount (Membership)	\$21,535.16
 Total cash receipts	 <u>\$31,420.13</u>
<u>Expenditures:</u>	
Bank fee/Positive Pay Service/Other Charges	-\$10.00
Warrants, approved on 4/12/23	-\$79,160.35
Total expenditures	<u>-\$79,160.35</u>
 Cash, ending balance	 <u><u>\$22,164.60</u></u>

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Isabel Aguayo, Treasurer

Reviewed by City of South Gate:


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**ORANGELINE DEVELOPMENT AUTHORITY
ECO-RAPID TRANSIT**

**TREASURER'S REPORT
FOR THE MONTH MARCH 2023
(PREPARED ON APRIL 12, 2023)**

	<u>Bank of the West</u>
*Cash, beginning balance (deficit)	-\$8,889.92
	-\$8,889.92
<u>Receipts:</u>	
City of Huntington Park (HP SB1 Invoices 14 & 15)	\$16,135.45
City of Cerritos (Membership)	\$18,559.85
Airport Authority (Membership)	\$32,345.33
City of Bell Gardens (Membership)	\$3,859.37
City of South Gate (Membership)	\$37,281.69
Total cash receipts	<u>\$108,181.69</u>
<u>Expenditures:</u>	
Bank fee/Positive Pay Service/Other Charges	-\$35.00
Voided Check No. 13272 (Colantuono, Highsmith)	\$1,710.00
Warrants, approved on 2/8/23	-\$31,061.95
Total expenditures	<u>-\$29,386.95</u>
Cash, ending balance	<u><u>\$69,904.82</u></u>

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Isabel Aguayo, Treasurer

Reviewed by City of South Gate:

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**Item 5B
Cont.****ORANGELINE DEVELOPMENT AUTHORITY
ECO-RAPID TRANSIT
WARRANT REGISTER
(MAY 10, 2023)**

NAME	AMOUNT
SHEN AND ASSOCIATES, LLC (Admin General)	\$5,136.17
SHEN AND ASSOCIATES, LLC (Reimbursement)	\$2,020.65
38ALPHA, LLC (Admin General)	\$5,104.75
BRUNO NAULLS (General Fund)	\$861.25
BRUNO NAULLS (Grant Funds)	\$178.75
PRO-TECH PROPERTY INSPECTIONS, INC. (General Fund)	\$5,043.08
MARIA BARQUERA (General Fund)	\$80.00
COLANTUONO, HIGHSMITH & WHATLEY (General Fund)	\$6,007.50
MOSS, LEVY & HARTZHEIM LLP (General Fund)	\$2,500.00
STEER (Grant Funds)	\$6,348.50
<u>VOIDED CHECKS</u>	
	\$0.00
<u>REPLACEMENT CHECKS</u>	
TOTAL DISBURSEMENTS	\$33,280.65



REPORT: 05/10/2023
RUN: 05/10/2023

Check #	Invoice #	Dated	Name	Distribution	Net Amount
13296	2023-04	4/30/2023	SHEN AND ASSOCIATES, LLC (Admin General)	Professional Services/General Fund	\$5,136.17
13297	2023-04 EXP	4/30/2023	SHEN AND ASSOCIATES, LLC (Reimbursement)	Reimbursement Board Exp/Insurance	\$2,020.65
13298	2023-04	4/30/2023	38ALPHA, LLC (Admin General)	Professional Services/General Fund	\$5,104.75
13299	2023-04A	4/30/2023	BRUNO NAULLS (General Fund)	Professional Services/General Fund	\$861.25
13300	2023-04b	4/30/2023	BRUNO NAULLS (Grant Funds)	Professional Services/Cerritos TOD Governance	\$178.75
13301	2023-04	4/30/2023	PRO-TECH PROPERTY INSPECTIONS, INC. (General Fund)	Professional Services/General Fund	\$5,043.08
13302	2023-04	4/30/2023	MARIA BARQUERA (General Fund)	Professional Services/General Fund	\$80.00
13303	55648	4/11/23	COLANTUONO, HIGHSMITH & WHATLEY (General Fund)	Legal Services/General Fund	\$6,007.50
13304	13313	12/31/22	MOSS, LEVY & HARTZHEIM LLP (General Fund)	Audit/Eco-Rapid Transit	\$2,500.00
13305	5639663	4/11/23	STEER (Grant Funds)	Professional Services/WSAB	\$6,348.50

Sub Total Disbursements

\$33,280.65

Voided Checks

Replacement Checks

Total Disbursements

\$33,280.65

Approved for payment by Eco-Rapid Transit Board of Directors:

^{DS}
MTA

DocuSigned by:

Kristopher Ryan
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Reviewed by City of South Gate:

\$33,280.65

**ORANGELINE DEVELOPMENT AUTHORITY
ECO-RAPID TRANSIT
WARRANT REGISTER
(APRIL 12, 2023)**

NAME	AMOUNT
SHEN AND ASSOCIATES, LLC (Admin General)	\$5,091.70
SHEN AND ASSOCIATES, LLC (Admin General)	\$12,656.40
SHEN AND ASSOCIATES, LLC (Grant Funds)	\$250.00
CRISTINA QUINTERO (Admin General)	\$5,483.40
38ALPHA, LLC	\$5,064.35
38ALPHA, LLC	\$5,035.89
BRUNO NAULLS (General Fund)	\$549.25
BRUNO NAULLS (Grant Funds)	\$422.50
BRUNO NAULLS (Grant Funds)	\$650.00
BRUNO NAULLS (General Fund)	\$211.25
BRUNO NAULLS (Grant Funds)	\$162.50
PRO-TECH PROPERTY INSPECTIONS, INC.	\$6,625.00
PRO-TECH PROPERTY INSPECTIONS, INC.	\$5,044.00
MARIA BARQUERA (General Fund)	\$80.00
MARIA BARQUERA (General Fund)	\$160.00
LA FORET ADVERTISING	\$450.00
COLANTUONO, HIGHSMITH & WHATLEY	\$9,135.00
COLANTUONO, HIGHSMITH & WHATLEY	\$5,639.11
HR&A ADVISORS, INC. (Grant Funds)	\$16,450.00
 <u>VOIDED CHECKS</u>	
COLANTUONO, HIGHSMITH & WHATLEY	-\$1,710.00
 <u>REPLACEMENT CHECKS</u>	
 TOTAL DISBURSEMENTS	 \$77,450.35



REPORT: 04/12/2023
RUN: 04/12/2023

Check #	Invoice #	Dated	Name	Distribution	Net Amount
13277	2023-02	2/28/2023	SHEN AND ASSOCIATES, LLC (Admin General)	Professional Services/General Fund	\$5,091.70
13278	2023-03A	3/31/2023	SHEN AND ASSOCIATES, LLC (Admin General)	Professional Services/General Fund	\$12,656.40
13279	2023-03B	3/31/2023	SHEN AND ASSOCIATES, LLC (Grant Funds)	Professional Services/Artesia TOD Governance	\$250.00
13280	2023-01	1/31/2023	CRISTINA QUINTERO (Admin General)	Professional Services/General Fund	\$5,483.40
13281	2023-02	2/28/2023	38ALPHA, LLC	Professional Services/General Fund	\$5,064.35
13282	2023-03	3/31/2023	38ALPHA, LLC	Professional Services/General Fund	\$5,035.89
13283	2023-02A	2/28/2023	BRUNO NAULLS (General Fund)	Professional Services/Cerritos TOD Governance	\$549.25
13284	2023-02B	2/28/2023	BRUNO NAULLS (Grant Funds)	Professional Services/Caltrans Community Corridor	\$422.50
13285	2023-02C	2/28/2023	BRUNO NAULLS (Grant Funds)	Professional Services/General Fund	\$650.00
13286	2023-03A	3/31/2023	BRUNO NAULLS (General Fund)	Professional Services/General Fund	\$211.25
13287	2023-03B	3/31/2023	BRUNO NAULLS (Grant Funds)	Professional Services/Cerritos TOD Governance	\$162.50
13288	2023-02	2/28/2023	PRO-TECH PROPERTY INSPECTIONS, INC.	Professional Services/General Fund	\$6,625.00
13289	2023-03	3/31/2023	PRO-TECH PROPERTY INSPECTIONS, INC.	Professional Services/General Fund	\$5,044.00
13290	2023-02	2/28/2023	MARIA BARQUERA (General Fund)	Professional Services/General Fund	\$80.00
13291	2023-03	3/31/2023	MARIA BARQUERA (General Fund)	Professional Services/General Fund	\$160.00
13292	980	2/15/23	LA FORET ADVERTISING	Web Maintenance/Eco-Rapid Transit	\$450.00
13293	54954	2/13/23	COLANTUONO, HIGHSMITH & WHATLEY	Legal Services/General Fund	\$9,135.00
13294	55293	3/13/23	COLANTUONO, HIGHSMITH & WHATLEY	Legal Services/General Fund	\$5,639.11
13295	2/16/2023	INV0877	HR&A ADVISORS, INC. (Grant Funds)	Professional Services/Artesia TOD Governance	\$16,450.00
Sub Total Disbursements					\$79,160.35

Voided Checks

13272 2/8/23 COLANTUONO, HIGHSMITH & WHATLEY -\$1,710.00

Replacement Checks**Total Disbursements****\$77,450.35**

Approved for payment by Eco-Rapid Transit Board of Directors:

DS
MTA

\$77,450.35

DocuSigned by:

Kristopher Ryan
C0FFB41592E440F...

Reviewed by City of South Gate:



Connecting its cities via environmentally effective rapid transit

Eco-Rapid Transit, formally known as the Orangeline Development Authority, is a joint powers authority (JPA). Its Board of Directors consists of the following public entities and primary representatives:

County of Los Angeles
Hon. Janice Hahn
Supervisor, Forth District

City of Artesia
Hon. Ali Sajjad Taj
Chair of the Board

City of Bell
Mr. Jesus Casas

City of Bell Gardens
Hon. Alejandra Cortez
Secretary of the Board

City of Cerritos
Hon. Bruce Borrows

City of Cudahy
Hon. Jose R. Gonzalez
Vice Chair of the Board

City of Downey
Hon. Hector Sosa

City of Glendale
(Vacant)

City of Huntington Park
Hon. Karina Macias

City of Maywood
Ms. Angelina Martinez

City of Paramount
Hon. Isabel Aguayo
Treasurer of the Board

City of South Gate
Hon. Maria Davila

**Burbank-Glendale-Pasadena
Airport Authority**
Hon. Frank Quintero

Executive Director
Eric C. Shen, P.E., PTP, CPE

General Counsel
Matthew T. Summers

Ex-Officio
Ricardo Reyes
City Manager Representative

Internal Auditor
(Vacant)

AGENDA REPORT

TO: Members of Eco-Rapid Transit Board of Directors

FROM: Eric C. Shen, Executive Director

DATE: May 10, 2023

SUBJECT: ITEM 6: ACCEPTANCE OF AUDIT REPORT FOR FISCAL YEAR 2019-2020

Public comments on items on the agenda will be taken at the time the item is called and are limited to 3 minutes per speaker.

RECOMMENDATION

Authorize Executive Director to accept the Audit Report for fiscal year 2019-2020 and implement recommended corrective measures as appropriate.

ISSUES

The new management has been collaborating diligently with an independent auditor to complete reviewing the Authority's financial statements for fiscal years 2019-2020, 2020-2021, and 2021-2022. Some major corrective measures have been implemented by April 2023 based on the audit findings for the fiscal year 2018-2019.

BACKGROUND

Ideally, a financial audit ought to be commenced soon after the end of each fiscal year. Due to several factors, including the public health emergency, staff change, and budget constraints, the Authority's financial reviews and audits have not been kept up to date.

On November 30, 2022 the independent auditing firm Moss, Levy & Hartzheim, LLP was authorized to proceed with the work and conduct audit for fiscal year 2019-2020 (July 1, 2019-June 30, 2020), see Attachment 1. On May 2, 2023, the auditor transmitted the draft report (Attachment 2) via email and requested a formal response from the Authority indicating that the draft was reviewed and approved by management. The draft report contains four recommended actions (see page 19 of Attachment 2). Staff has recently implemented corrective measures in response to similar recommendations for the fiscal year 2018-2019 audit. Thus, no new responses are necessary for the Recommendations 2020-001 thru 2020-003.



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Recommendation 2020-004 states that the Authority should establish a policy to document the review of fiscal year-end accruals. With the recent transition of financial oversight to the City of South Gate, the Authority will collaborate with South Gate and establish a policy and procedures to enhance the overall accounting practice.

FISCAL IMPACT

The authorized contract for the auditor to complete the financial reviews cost for fiscal year 2019-2020 is not to exceed \$10,000. The audit cost was not adequately budgeted as part of the approved current (fiscal year 2022-2023) budget. The expense will be funded by the current available balance.

To expedite and complete the required audits for fiscal years 2020-2021 and 2021-2022, staff have negotiated with Moss, Levy & Hartzheim, LLP and locked down the cost at \$20,000 (a not-to-exceed amount). The cost of audit will be reflected in the proposed operating budget for fiscal year 2023-2024.

ATTACHEMENTS

Attachment 6A: Authorization to Proceed, dated November 30, 2022

Attachment 6B: Draft Audit Report for fiscal year 2019-2020

ERT BOD 20230510 ITEM 06 AUDIT FY19-20.DOCX



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City Manager Representative

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(Vacant)

**Attachment 6A:
Authorization to Proceed, dated November 30, 2022**

**PARTNERS**

CRAIG A HARTZHEIM, CPA
 HADLEY Y HUI, CPA
 ALEXANDER C HOM, CPA
 ADAM V GUISE, CPA
 TRAVIS J HOLE, CPA
 WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

9465 WILSHIRE BLVD., 3RD FLOOR
 BEVERLY HILLS, CA 90212
 TEL: 310.670.2745
 FAX: 310.670.1689
 www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
 CULVER CITY, CA 90230
 TEL: 310.670.2745
 FAX: 310.670.1689
 www.mlhcpas.com

November 4, 2022

To the Board of Directors
 Orangeline Development Authority
 DbA Eco-Rapid Transit
 16401 Paramount Blvd
 Paramount, CA 90723

We are pleased to confirm our understanding of the services we are to provide the Orangeline Development Authority DbA Eco-Rapid Transit(the Authority) for the fiscal year ended June 30, 2020.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the major fund, and the disclosures, which collectively comprise the basic financial statements of the Authority as of and for the fiscal year ended June 30, 2020. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- General Fund.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting

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records of the Authority and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to

management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government

complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to management; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Moss, Levy & Hartzheim, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moss, Levy & Hartzheim LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Craig Hartzheim is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately November 4, 2022, and to issue our reports on a mutually agreed upon date.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$10,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Orangeline Development Authority DbA Eco-Rapid Transit and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP

RESPONSE:

This letter correctly sets forth the understanding of Orangeline Development Authority DbA Eco-Rapid Transit

Management signature: _____

Title: Executive Director

Date: November 30, 2022

Eric C. [Signature]



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**Burbank-Glendale-Pasadena
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Hon. Frank Quintero

Executive Director
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General Counsel
Matthew T. Summers

Ex-Officio
Ricardo Reyes
City Manager Representative

Internal Auditor
(Vacant)

**Attachment 6B:
Draft Audit Report for fiscal year 2019-2020**

**ORANGELINE DEVELOPMENT AUTHORITY
dba ECO-RAPID TRANSIT**

BASIC FINANCIAL STATEMENTS

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

JUNE 30, 2020

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

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June 30, 2020

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C. HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Orangeline Development Authority
Dba Eco-Rapid Transit
Paramount, California

Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities and the major fund of the Orangeline Development Authority dba Eco-Rapid Transit (the Authority) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 auditor's 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 auditors consider internal control relevant to the Authority'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 Authority'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority as of June 30, 2020, and the respective changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May X, 2023, on our consideration of the Authority'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 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 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 the Authority's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
May X, 2023

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BASIC FINANCIAL STATEMENTS

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ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

STATEMENT OF NET POSITION

JUNE 30, 2020

	<u>Governmental Activity</u>
Assets:	
Current Assets	
Cash and cash equivalents	\$ 63,711
Accounts receivable	<u>55,165</u>
Total Assets	<u>118,876</u>
Liabilities:	
Current Liabilities	
Accounts payable	75,775
Unearned revenue	<u>93,839</u>
Total Liabilities	<u>169,614</u>
Net Position:	
Unrestricted	<u>(50,738)</u>
Total Net Position	<u><u>\$ (50,738)</u></u>

See accompanying notes to the basic financial statements.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activity
Governmental Activity:					
Transit services	\$ 241,405	\$ -	\$ 79,030	\$ -	\$ (162,375)
Total Governmental Activity	<u>\$ 241,405</u>	<u>\$ -</u>	<u>\$ 79,030</u>	<u>\$ -</u>	<u>(162,375)</u>
General Revenues:					
Member contributions					175,952
Total General Revenues					<u>175,952</u>
Change in Net Position					<u>13,577</u>
Net Position, Beginning of Fiscal Year, as originally stated					(24,441)
Prior Period Adjustment					<u>(39,874)</u>
Net Position, Beginning of Fiscal Year, restated					<u>(64,315)</u>
Net Position, End of Fiscal Year					<u>\$ (50,738)</u>

See accompanying notes to the basic financial statements.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2020

	General Fund
Assets:	
Cash and cash equivalents	\$ 63,711
Accounts receivable	55,165
Total Assets	<u>\$ 118,876</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit):	
Liabilities:	
Accounts payable	\$ 75,775
Unearned revenue	93,839
Total Liabilities	<u>169,614</u>
Deferred Inflows of Resources:	
Unavailable revenue (special assessments and grants receivable)	55,165
Total Deferred Inflows of Resources	<u>55,165</u>
Fund Balances (Deficit):	
Unassigned	<u>(105,903)</u>
Total Fund Balances (Deficit)	<u>(105,903)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 118,876</u>

See accompanying notes to the basic financial statements.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2020

Fund balance (deficit) of governmental Fund	\$ (105,903)
--	--------------

Amounts reported for governmental activity in the Statement of Net Position are different because:

Certain grants receivables are not available to pay for current period expenditures and, therefore, are offset by deferred inflows of resources in the governmental funds.

55,165

Net position of governmental activities
--

<u>\$ (50,738)</u>

See accompanying notes to the basic financial statements.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund
Revenues:	
Membership contributions	\$ 175,952
Intergovernmental grants	109,921
Total Revenues	<u>285,873</u>
Expenditures:	
Current:	
Transit services	<u>241,405</u>
Total Expenditures	<u>241,405</u>
Excess of Revenues over Expenditures	44,468
Fund Balances (Deficit), Beginning of Fiscal Year	<u>(150,371)</u>
Fund Balances (Deficit), End of Fiscal Year	<u><u>\$ (105,903)</u></u>

See accompanying notes to the basic financial statements.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net change in fund balances of governmental fund	\$ 44,468
--	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Certain grant revenues that do not provide current financial resources are not reported as revenues in the governmental fund.	<u>(30,891)</u>
---	-----------------

Change in net position of governmental activity	<u><u>\$ 13,577</u></u>
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See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES:

Financial Reporting Entity:

The Orangeline Development Authority dba Eco-Rapid Transit (Authority) is a public entity created in 2003 pursuant to a joint powers' agreement. Member agencies consist of the following entities:

City of Artesia	City of Glendale	City of Vernon
City of Bell	City of Huntington Park	Burbank-Glendale-Pasadena
City of Bell Gardens	City of Maywood	Airport Authority
City of Cudahy	City of Paramount	
City of Downey	City of South Gate	

The Authority was created to pursue development of a transit system that moves as rapidly as possible, using grade separation as appropriate, and is environmentally friendly and energy efficient (system). The Authority consists of members along a former Pacific Electric right-of-way (West Santa Ana Branch) and an existing rail corridor (Antelope Valley Line between Downtown Los Angeles and Bob Hope Airport) (region). The system is designed to enhance and increase transportation options for riders of the region utilizing safe, advanced transit technology to expand economic growth and maximize ridership throughout Southern California.

The Authority is in the process of assessing viable transportation enhancements to improve passenger mobility and accessibility on this corridor which extends from Artesia to Bob Hope Airport. The Authority is also examining actions to better link the investment in transit to local economic development strategies, including Transit Oriented Development.

The Authority is financially accountable to the member cities and is governed by the Board of Directors. The Board of Directors consists of one person designated as a Director by each of a maximum of three Supervisorial Districts of each County choosing to participate, one person designated as a Director by the Mayor of the City of Los Angeles and one person designated by each of a maximum of five Council Districts of the City of Los Angeles choosing to participate and one person designated as a Director by the governing body of each of the remaining Members, as well as non-voting representatives of the California Department of Transportation, Southern California Association of Governments, Los Angeles County Metropolitan Transportation Authority and the Orange County Transportation Authority, and other agencies, as determined by the Board. Each Member shall also appoint one or more Alternate Directors.

Basis of Presentation

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

**NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)**

June 30, 2020

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):**

Government-Wide Financial Statements:

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activity of the Authority. The governmental activities, which is supported by member contributions and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Authority's activity is governmental; no business-type activities are reported in the statements. The Authority also has no fiduciary activity.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Authority include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Member contributions and other items that are properly not included among program revenues are reported instead as general revenues as there is no restriction on their usage.

Fund financial statements report detailed information about the Authority. The focus of governmental fund financial statements is on the major fund rather than reporting funds by type. The major governmental fund is presented in a separate column, and all non-major funds and aggregated into one column. There are no non-major funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. The Authority has no capital assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

**NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)**

June 30, 2020

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued):**

statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities which are recognized as expenditures to the extent they have matured. Proceeds of long-term liabilities are reported as other financing sources.

Intergovernmental revenues and member contributions are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the Authority.

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures or expenses, as appropriate. Authority resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Authority’s accounts are organized into one major fund as follows:

Major Governmental Fund:

The General Fund is used to account for the accumulation of resources for, and the payment of, transit services.

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position and the Governmental Fund Balance Sheet will sometimes report 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 future periods and so will not be recognized as an outflow of resources

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2020

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Deferred Outflows/Inflows of Resources (Continued):

(expense/expenditure) until then. The Authority does not have any deferred outflows of resources to report.

In addition to liabilities, the Statement of Net Position and the Governmental Fund Balance Sheet will sometimes report 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 future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. It is unavailable revenues from grants receivable collections, which is reported only in the Governmental Fund Balance Sheet and will be recognized as an inflow of resources in the period that the amounts become available. Unavailable revenue totaled \$55,165 at June 30, 2020.

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

Cash:

Cash includes all demand accounts and savings accounts of the Authority.

Receivables:

In the government-wide statements, receivables consist of all revenues earned at fiscal year-end and not yet received. Major receivable balances for the governmental activities includes intergovernmental revenues. The Authority has determined that all receivables are collectible and, therefore, there is no allowance for doubtful accounts.

Capital Assets:

Capital assets are defined by the Authority as assets with a cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at estimated historical cost if purchased or constructed. The Authority has no capital assets at June 30, 2020.

Equity Classifications:

Government-wide Statements

Equity is classified as net position which can be further classified as net investment in capital assets, restricted, or unrestricted.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2020

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Government-wide Statements (Continued)

Net investment in capital assets - consists of net position represented by the current net book value of the Authority's capital assets, less the outstanding balance of any debt issued to finance these assets. The Authority has no capital assets or debt.

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.

Unrestricted net position - consists of net position which is not restricted or invested in capital assets.

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Statements:

In the fund financial statements, governmental fund balances are classified in the following categories:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable. The Authority had no Nonspendable Fund Balance at June 30, 2020.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. The Authority had no Restricted Fund Balance at June 30, 2020.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority, the Board of Directors. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally. The Authority had no Committed Fund Balance at June 30, 2020.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements (Continued):

Assigned Fund Balance – includes amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Directors to which the assigned amounts are to be used for specific purposes. The Authority had no Assigned Fund Balance at June 30, 2020.

Unassigned Fund Balance - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Prior Period Adjustment

The Authority recorded a duplicate account receivable and deferred inflow for \$39,874 as of June 30, 2019, resulting in a reduction of net position as of July 1, 2020 to a deficit balance of \$64,315.

Future/Pending Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued the following statements which may impact the Authority's financial reporting in the future:

GASB Statement Number 84 "*Fiduciary Activities*" – The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

GASB Statement Number 87 "*Leases*" – The provisions of this statement are effective for fiscal years beginning after June 15, 2021.

GASB Statement Number 89 "*Accounting for Interest Cost Incurred before the End of a Construction Period*" – The provisions of this statement are effective for fiscal years beginning after December 15, 2020.

GASB Statement Number 90 "*Majority Equity Interests*" – an amendment of GASB Statements No. 14 and 61 The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

GASB Statements No. 91 "*Conduit Debt Obligations*" – The provisions of this statement are effective for fiscal years beginning after December 15, 2021.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements (Continued):

GASB Statement Number 93 "*Replacement of Interbank Offered Rates*" – The provisions of this statement are effective for fiscal years beginning after June 15, 2020.

GASB Statement Number 94 "*Public-Private Partnerships and Availability Payment Arrangements*" – The provisions of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement Number 96 "*Subscription-Based Information Technology Arrangements*" – The provisions of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement Number 97 "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" – The provisions of this statement are effective for fiscal years beginning after June 15, 2021.

GASB Statement Number 99 "*Omnibus 2022*" – The provisions of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement Number 100 "*Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62" – The provisions of this statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement Number 101 "*Compensated Absences*" – The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE 2 CASH AND INVESTMENTS

As of June 30, 2020, the carrying amount of the Authority's deposits was \$63,711 and the bank balance was \$84,397. The difference represented outstanding checks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of 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 custodial credit risk for investments is the risk that, in the event of the failure of a counterparty (e.g. broker-dealer) to a transaction, a government 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 Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the Authority's Investment Policy:

Under provision of Section 53601 of the California Government Code, the Authority may invest in the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bankers' Acceptances	180 days	40%	30%
Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper, Prime Quality	270 days	25%	None
State of California Local Agency Investment Fund (LAIF)	N/A	None	\$ 65,000,000
Medium Term Notes, Prime Quality	5 years	30%	None
Money Market Mutual Funds, Prime Quality	N/A	20%	10%
Mutual Funds, Prime Quality	N/A	20%	10%
Passbook Savings and Money Market Accounts (Insured)	None	None	None
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None

N/A – Not Applicable

As of June 30, 2020, the Authority has no investments.

The California Government Code requires that a financial institution secure deposit 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. All deposits were fully covered by FDIC insurance at June 30, 2020.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

**NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)**

June 30, 2020

NOTE 3 RISK MANAGEMENT

The Authority has various insurance coverage as follows:

General Liability – The Authority is insured up to \$2,000,000 aggregate limit, \$1,000,000 personal and advertising injury limit, \$1,000,000 each occurrence, and \$100,000 damage to property rented by the Authority with no deductible for general claims. For business personal property, the Authority is insured up to \$10,000 with a \$1,000 deductible.

Public Officials Liability – The Authority is insured up to \$1,000,000 with a deductible of \$5,000.

Non-monetary Coverage – Defense Only – The Authority is insured up to \$50,000 for defense expense from each claim and up to \$100,000 for all such claims with a deductible of \$5,000.

Policy Aggregate Limit of Liability – The Authority is insured for claims and all defense expenses up to \$1,000,000 with a deductible of \$5,000.

Public Officials Crisis Management – The Authority is insured up to \$25,000 for all crisis management expenses with a deductible of \$5,000.

Adequacy of Protection:

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded insured coverage. There were also no significant reductions in insured liability coverage in fiscal year 2019-2020.

NOTE 4 UNCERTAINTIES

The accompanying financial statements have been prepared assuming the Authority will continue as a going concern. As shown in the financial statements, the Authority had a positive change in net position for the fiscal year ending June 30, 2020. However, the Authority had negative changes in net position for three out of the four previous fiscal years. The following table summarizes the change in net position of the Authority for the past five fiscal years as reported in the Statement of Activities.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

**NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)**

June 30, 2020

NOTE 4 UNCERTAINTIES (Continued)

	Cumulative Deficits	Annual Increase (Decrease) in Deficit
June 30, 2020	\$ 50,738	\$ (13,577)
June 30, 2019	64,315	(52,385)
June 30, 2018	116,700	(32,657)
June 30, 2017	149,357	30,991
June 30, 2016	118,366	1,040
June 30, 2015	117,326	44,861
June 30, 2014	72,465	N/A

In addition, the Authority had a cash balance of \$63,711 as of June 30, 2020, while having \$93,839 in prepaid membership contributions (classified as unearned revenue in the accompanying statement of net position) for fiscal year 2020-2021 on hand. The Authority had utilized \$30,128 of the prepaid membership contributions collected through June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Member contributions	\$ 175,922	\$ 175,922	\$ 175,952	\$ 30
Intergovernmental grants	370,300	370,300	109,921	(260,379)
Total Revenues	<u>546,222</u>	<u>546,222</u>	<u>285,873</u>	<u>(260,349)</u>
EXPENDITURES				
Current:				
Transit services	171,000	852,111	241,405	610,706
Total Expenditures	<u>171,000</u>	<u>852,111</u>	<u>241,405</u>	<u>610,706</u>
Excess (Deficiency) of Revenues Over Expenditures	375,222	(305,889)	44,468	350,357
Fund Balance (Deficit), Beginning of Fiscal Year	<u>(150,371)</u>	<u>(150,371)</u>	<u>(150,371)</u>	<u>-</u>
Fund Balance (Deficit), End of the Fiscal Year	<u>\$ 224,851</u>	<u>\$ (456,260)</u>	<u>\$ (105,903)</u>	<u>\$ 350,357</u>

See accompanying notes to required supplemental information.

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2020

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Prior year operating appropriations lapse unless they are re-appropriated through the Authority's Board approval. Prior to July 1, the budget is legally enacted through approval of the Board.

The budget is revised by the Authority's governing board and the Executive Director during the fiscal year, to give consideration to unanticipated income and expenditures. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C. HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 HANNUM AVE, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

**INDEPENDENT AUDITOR'S 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**

To the Board of Directors
Orangeline Development Authority
dba Eco-Rapid Transit
Paramount, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activity and the major fund of the Orangeline Development Authority dba Eco-Rapid Transit (the Authority) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May X, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2020-001, 2020-002, 2020-003, and 2020-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

Authority's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
May X, 2023

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

SCHEDULE OF CURRENT AND PRIOR YEAR FINDINGS

For the Fiscal Year Ended June 30, 2020

CURRENT YEAR FINDINGS

Material Weaknesses

2020-001 – Financial Statements were not completed in a timely manner.

We noted that the Authority had not completed their financial statement preparation within 1 year of the end of the fiscal year.

Effect: Preparation of financial statements in a timely manner is necessary for a proper review of the Authority's activity by the Board.

Recommendation: We recommend the Authority prepare financial statements within 1 year of the end of the fiscal year.

Response: Eco-Rapid Transit has hired an accounting manager to prepare the financial statements in a timely manner.

2020-002 – Results of operations were not recorded in the general ledger in a timely manner.

We noted that during the fiscal year, the member city of the Authority that had been maintaining the general ledger left the Authority and stopped maintaining the general ledger as of March 31, 2019. The Authority did not begin maintaining the general ledger detail in a timely manner.

Effect: Maintaining the general ledger in a timely manner is necessary for proper review of the Authority's activity by the Board.

Recommendation: The Authority should ensure that procedures for the maintenance of the general ledger are established, documented and enforced.

Response: Eco-Rapid Transit has hired an accounting manager to maintain the general ledger in a timely manner.

2020-003 – Review of invoices should be documented by Executive Director:

We noted during the audit that the Executive Director did not sign off on the invoices to document the review of cash disbursements.

Effect: Documenting the review of cash disbursements enhances the Authority's ability to monitor that cash disbursements are for Authority operations.

Recommendation: The Authority should establish a policy to document the review of cash disbursements.

Response: Eco-Rapid Transit has implemented procedures so that the Executive Director signs/initials all of the invoices as part of the review of cash disbursements and reimbursements.

2020-004 – Accounts Payable detail listings should be reviewed at fiscal year-end:

We noted during the audit that an invoice for \$12,504 was recorded as accounts payable at fiscal year-end but it was actually an expenditure for the next fiscal year.

Effect: Review of fiscal year-end accruals enhances the Authority's ability to accurately report activity for the fiscal year.

Recommendation: The Authority should establish a policy to document the review of fiscal year-end accruals.

Response: .

ORANGELINE DEVELOPMENT AUTHORITY dba ECO-RAPID TRANSIT

SCHEDULE OF CURRENT AND PRIOR YEAR FINDINGS

For the Fiscal Year Ended June 30, 2020

PRIOR YEAR FINDINGS

Material Weaknesses

2019-001 – Financial Statements were not completed in a timely manner.

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Ex-Officio
Ricardo Reyes
City Manager Representative

Internal Auditor
(Vacant)

AGENDA REPORT

TO: Members of Eco-Rapid Transit Board of Directors

FROM: Eric C. Shen, Executive Director

DATE: May 10, 2023

**SUBJECT: ITEM 7: POST-HEALTH EMERGENCY TELECONFERENCING
OPTIONS**

Public comments on items on the agenda will be taken at the time the item is called and are limited to 3 minutes per speaker.

RECOMMENDATION

Receive and file

ISSUES

Assistant General Counsel Thais Alves will provide explanation and clarification on the post-health emergency teleconferencing options.

ATTACHMENT

ERT BOD 20230510 ITEM 07 POST HEALTH EMERGENCY.DOCX



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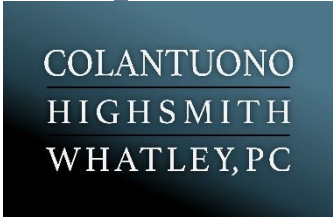
Internal Auditor
(Vacant)

Attachment:
Post-Health Emergency Teleconferencing Options
Presented by Thais Alves, ERT Assistant General Counsel
Colantuono, Highsmith & Whatley, PC



Post-Health Emergency Teleconferencing Options

Presented by
Thais Alves
ERT Assistant General Counsel
Colantuono, Highsmith & Whatley, PC
May 10, 2023



COLANTUONO
HIGHSMITH
WHATLEY, PC

Colantuono, Highsmith & Whatley, PC

Northern California

- 670 West Napa Street
Sonoma, CA 95476
(707) 986-8091
- 420 Sierra College Dr., Ste. 140
Grass Valley, CA 95945
(530) 432-7357
- 333 University Ave., Ste. 200
Sacramento, CA 95825
(916) 400-0370

Southern California

- 790 E. Colorado Blvd., Ste. 850
Pasadena, CA 91101
(213) 542-5700
- 440 Stevens Avenue, Ste. 200
Solana Beach, CA 92075
(858) 682-3665

www.chwlaw.us

www.californiapubliclawreport.com

COLANTUONO
HIGHSMITH
WHATLEY, PC

Where We Have Been

- March 2020—Governor declares statewide COVID emergency and suspends laws requiring in-person meetings under the Brown Act
- June 2021—Governor begins rescinding temporary suspension of laws requiring in-person meetings
- September 2021—Governor signs AB 361 allowing remote meetings during declared state of emergency
- January 1, 2023—AB 2449 allowing limited remote meeting attendance goes into effect
- February 28, 2023—Governor terminated statewide COVID emergency

Current Brown Act Teleconferencing Options

- Applies to meetings of legislative bodies of local agencies, e.g.
 - Cities
 - Counties
 - City's Commissions and Committee
 - Regional agencies
- Does not apply to non-Brown Act bodies, e.g., “ad-hoc committees”
- “Standard” or “traditional” Brown Act teleconferencing
- AB 2449 for “just cause” or “emergency circumstance”

Current Brown Act Teleconferencing Options

- “Standard” or “traditional” Brown Act teleconferencing
- AB 2449 for “just cause” or “emergency circumstance”

Option 1: “Pre-Pandemic” Brown Act Teleconferencing

- The notice and agenda identify the remote location
- Notice posted at all locations and accessible to the public
- Audio or video or both connecting locations
- All votes are by roll call
- A quorum participates from within the jurisdiction (in-person or remote)
- All locations comply with the Brown Act, including allowing ADA-accessible public participation

Option 2: New AB 2449

Teleconferencing

- Effective January 1, 2023 – January 1, 2026
- Allows a Councilmember to participate remotely if “emergency circumstance” or “just cause”
 - “Emergency circumstance” means a physical or family medical emergency that prevents a Councilmember from attending in person
 - “Just cause” means
 - A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires a Councilmember to participate remotely;
 - A contagious illness preventing attendance in person;
 - A need related to a physical or mental disability; or
 - Travel while on official business of the City or another state or local agency

Teleconferencing Options Compared

	Standard	AB 2449
Quorum in the Jurisdiction	Required	Required in one physical location
Posting Agendas at all teleconference locations	Required; must post a copy of the agenda at all remote locations	Not required for remote locations
Teleconferencing Location	Each location must be identified on the agenda and made publicly accessible	<p>Must identify and make accessible physical location only, teleconference location need not be identified or made publicly accessible</p> <p>Must provide information on how to access the meeting/make public comment, either in-person (at a single site) or remotely (by phone or internet)</p>

Teleconferencing Options Compared

	Standard	AB 2449
Method of Councilmember's Participation	Audio or audio-visual	Both audio and video required
Method of Public's Participation	Must allow public comment from every teleconference location	Remote public must be able to watch the meeting and address the agency in real time during the meeting
Disruption of Electronic Access	Meeting may proceed	Meeting must cease; no further action may be taken
Annual limit on use	None	Commissioners cannot participate remotely for more than three consecutive months or 20 percent of the regular meetings.

How to Use Standard Teleconferencing

- Great option for ERT Directors because most have City Hall office or Council Chambers that is publicly accessible
- **Requires advanced planning** due to 72-hour posting requirements
- Speak with Administrative Services Manager or Executive Director well in advance of the meeting

How to Use AB 2449

- Requires agency to regularly allow remote public participation via audio and video and post links to do so
- Requires agency to have technical capability to allow members to video-conference into the meeting
- Contact Administrative Services Manager or Executive Director at earliest opportunity if seeking remote attendance for “just cause” or “emergency circumstance”

AB 2449 Procedure

	Just Cause	Emergency Circumstance
Reason must be disclosed to the Council	Yes	Yes
Reason for teleconferencing needs to be approved by the City Council	No	Yes
When such request must be made	At the earliest opportunity	As soon as possible. If there is insufficient time to make the request before the posting of the public agenda, then it may be made at the beginning of the meeting.
Other disclosures	Must disclose whether any individuals 18 or older are present in the room at the remote location, and the Councilmember's relationship	
Annual limit on use	No more than two meetings per calendar year	
	Commissioners may not use a combination of "just cause" and "emergency circumstances" to participate remotely for more than three months or 20 percent of the regular meetings of the calendar year—e.g., 4 meetings out of 24 per year.	

Questions?





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Internal Auditor
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AGENDA REPORT

TO: Members of Eco-Rapid Transit Board of Directors

FROM: Eric C. Shen, Executive Director

DATE: May 10, 2023

SUBJECT: ITEM 8: ELECTION OF OFFICERS FOR FY2023-24

Public comments on items on the agenda will be taken at the time the item is called and are limited to 3 minutes per speaker.

RECOMMENDATION

Receive and file

ISSUES

Assistant General Counsel Thais Alves will discuss the election of officers process as outlined in the Joint Powers Authority Agreement.

ERT BOD 20230510 ITEM 08 ELECTION OF OFFICERS.DOCX



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AGENDA REPORT

TO: Members of Eco-Rapid Transit Board of Directors

FROM: Eric C. Shen, Executive Director

DATE: May 10, 2023

SUBJECT: ITEM 9: WEST SANTA ANA BRANCH (WSAB) - CORRIDOR GOVERNANCE PLAN PROJECT, FINAL DRAFT PLAN DISCUSSION

Public comments on items on the agenda will be taken at the time the item is called and are limited to 3 minutes per speaker.

RECOMMENDATION

Receive and file

ISSUES

Staff and Project consultants will present the final draft of the WSAB Corridor Governance Plan and seek input from the Board of Directors regarding the presentation of the Project's Final Draft Plan.

BACKGROUND

WSAB Corridor Governance Plan Project

In partnership with Eco-Rapid Transit and WSAB Corridor Cities, Metro awarded the City of Artesia a grant to build upon the Transit Oriented Development Strategic Implementation Plan (TOD SIP) for the West Santa Ana Branch Corridor light rail alignment.

In October 2021, the Eco-Rapid Transit Board approved an agreement to start working with the City of Artesia and other cities to develop the WSAB Corridor Governance Plan. The participating corridor cities include Huntington Park, Bell, Bell Gardens, Cudahy, Cerritos, Downey, Maywood, and South Gate, and Ms. Karen Lee is the City of Artesia's project manager for the Project.

The Scope of Project was to look at the alternative governance structure models and evaluate their application to the corridor-wide goals and viability in working with the cities. To achieve this objective, HR&A Advisors and Steer Group were procured to develop the Governance Plan. HR&A Advisors were responsible for the overall structure of the Plan

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and Steer Group focused on the approach to address corridor-wide parking challenges.

Potential structures included were an economic development corporation, public private benefit corporation, modified joint powers authority, enhanced infrastructure finance district (EIFD's required entity), not for profit development corporation, or other entity.

The Project analyzed how to use each governance model to address equity for local businesses and individuals, attract investment and market growth industries to the corridor; build sustainable infrastructure and multi-city TODs with First Last mile improvements as well as utilize a variety of value capture and other financing tools to finance the corridor-wide improvements.

Additionally, the Plan develops a coordinated pursuit for corridor funding and policies that balances regional and local objectives from a governance context. The study includes case study examinations of models identified in the TOD SIP (e.g., Greater Sacramento Economic Council), as well as other relevant multi-jurisdictional organizations and structures.

To further the Plan, an Advisory Group was formed from the participating WSAB corridor cities to gather opinions as well as vital data regarding the development of a governance structure that would be most beneficial and equitable to all corridor cities.

Advisory Group Meetings/Development of the Plan:

1. The kick-off Advisory Group meeting was held on July 21, 2022 to discuss each cities contribution to the data that was gathered leading up to the group meeting. Each participating city was interviewed and given the opportunity to share their concerns and provide input regarding the possible governance structures, as well as discuss their priority policy focus areas. Once staff met with all participating cities, the data was provided to the Project Consultant's and the following meetings with specific governance topics were scheduled:
2. Organizational Structure Meeting: (October 2022) – At this meeting, HR&A presented high-level findings and takeaways from our best practices research then lead a discussion around the takeaways to better understand what resonated with the cities and what should be included or excluded from the governance plan.
3. Parking Plan for Governance: (November 2022)- The Steer group lead a discussion to better understand parking issues and explore workable solutions to be incorporated into the Governance Plan.
4. Present Draft Plan for Feedback: (January 19, 2023)– HR&A Advisors discussed the draft governance plan and requested feedback to incorporate into the final plan.

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Each meeting was conducted via zoom and the recordings of the meetings and presentations were sent to the Advisory Group members, giving them the opportunity to provide additional comments or suggestions for approximately 7 days after receipt of each meeting video/presentation.

Draft Final Plan Review and Approval – At the April 12, 2023 Eco-Rapid Transit Board meeting, the final draft plan was presented to the Board with a recommendation discussion for consideration and acceptance. HR&A Advisors provided a presentation of the final draft assisted by Steer Group. The Final Plan is being presented to the full Board once more for final acceptance. The grant period will expire by June 30, 2023.

FISCAL IMPACT

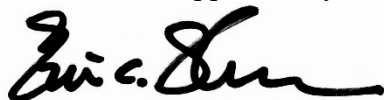
The WSAB Corridor Governance Plan Project is a Metro grant funded project and administered by the City of Artesia. Cost incurred by Eco-Rapid Transit and consultants are submitted to Artesia for reimbursement as they are the grant recipient and lead Agency for this Project. The approval of this report and or Governance Plan recommendation will have no fiscal impact to the general fund. Implementation of the Governance Plan beyond acceptance may have a significant cost which will be determined at that time.

Prepared by:

A handwritten signature in black ink, appearing to read "Bruno Naulls Sr.", written over a white background.

BRUNO NAULLS SR., PMP
Community Planner

Reviewed and Approved by:

A handwritten signature in black ink, appearing to read "Eric C. Shen", written over a white background.

ERIC C. SHEN, PE, PTP, CPE
Executive Director

ERT BOD 20230510 ITEM 09 WSAB GOV PLAN VF.DOCX

ATTACHEMENTS

Attachment A: WSAB Corridor Governance Final Draft Plan

Attachment B: WSAB Universal Parking Plan Scope Report



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**Attachment A:
WSAB Corridor Governance Final Draft Plan**



WSAB Corridor

Governance Plan

April 2023



PAGE 76



15

Overview of SIP

Governance Plan Approach

Policy Priorities

Case Study Takeaways

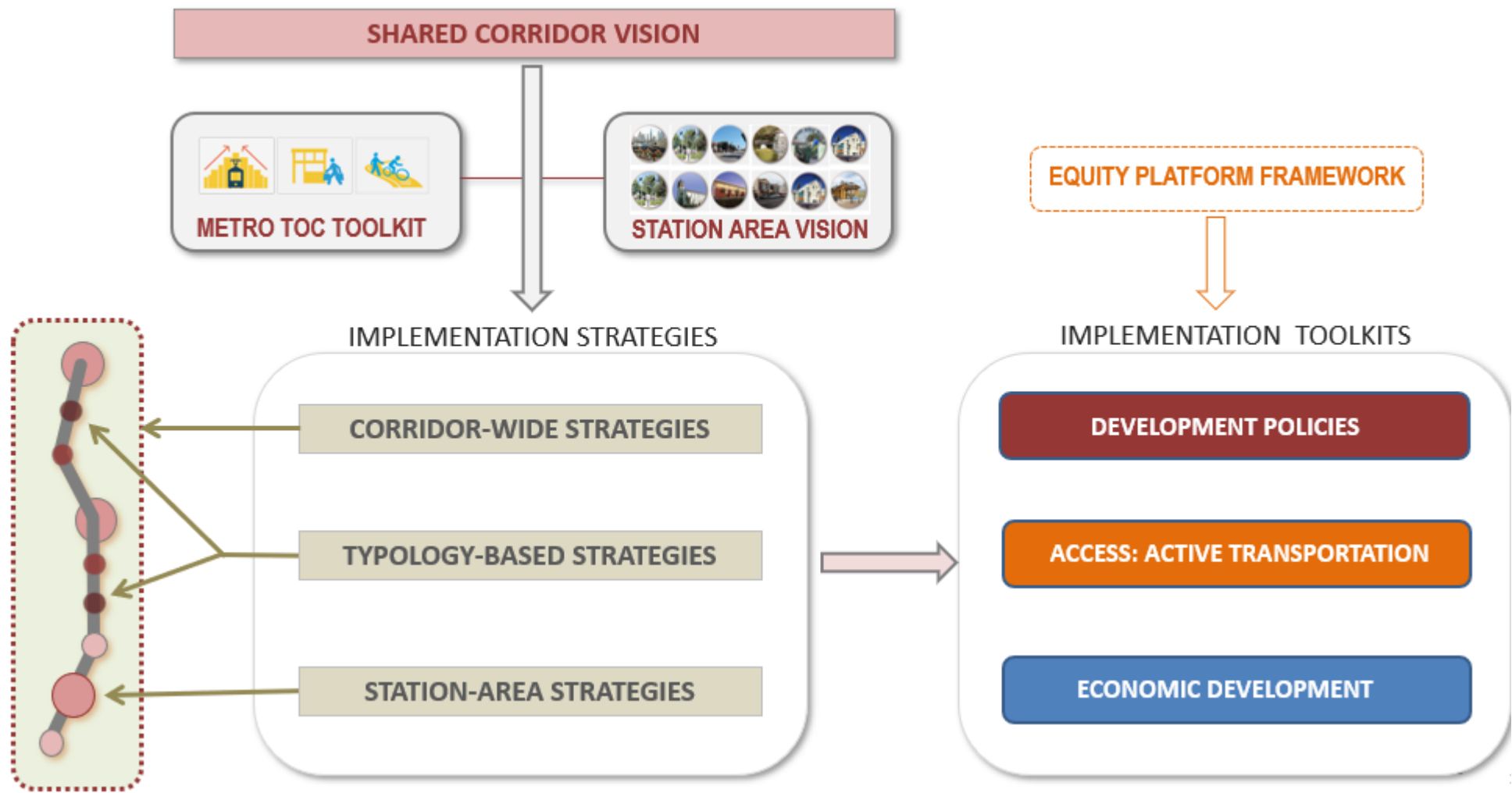
Governance Recommendations

Next Steps

Overview & Review of the WSAB Strategic Implementation Plan

WSAB Strategic Implementation Plan

In 2018, Metro and Eco Rapid retained City Design Studio and HR&A to build the **West Santa Ana Branch (WSAB) Strategic Implementation Plan (SIP)**.

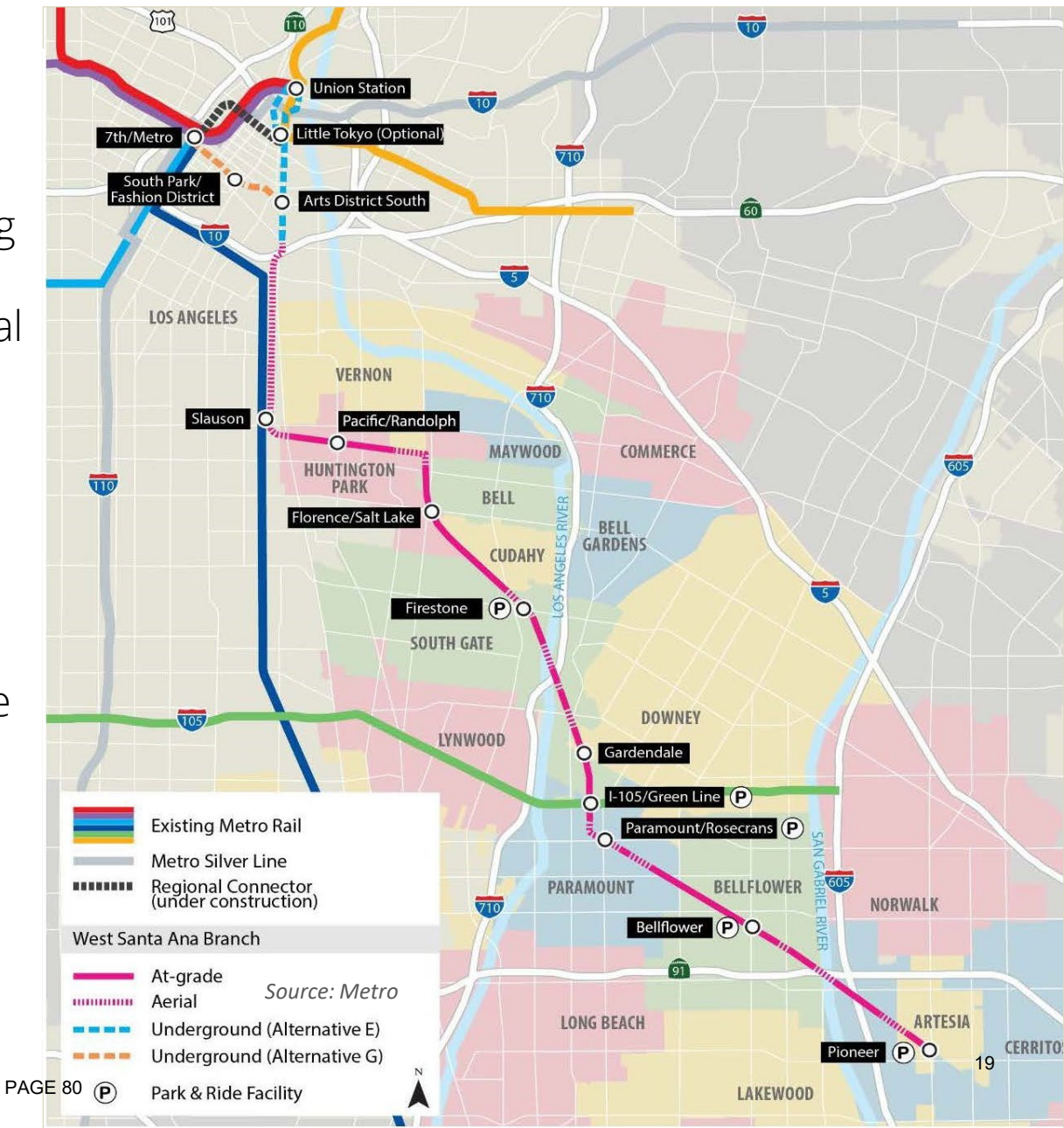


WSAB Strategic Implementation Plan

The SIP found that supporting each station’s role relative to other stations along the corridor improves the potential for TOD at individual stations. How each station area relates to others along the corridor will help determine specific infrastructure or programmatic improvements needed to provide local access and benefit the entire corridor.

KEY OBJECTIVES

- Work collaboratively to produce more impactful economic benefits
- A unified voice to guide and influence regional, state and federal policies
- Tools that will produce more effective results if implemented on a corridor-wide basis



Corridor-wide Strategies Recommended in the TOD SIP

- Governance to enable implementation of corridor wide strategies
- Funding mechanisms for corridor-wide needs
- Affordable Housing policy coordination and implementation mechanisms
- Community Benefits framework that leverage private investment
- Investment Attraction strategies that build on the strengths of individual communities



Courtesy: Metrolinx

Governance Planning Approach

Governance Plan Overview

This Governance Plan aims to aid the cities along the WSAB Corridor to advance sustainable and equitable strategies within their communities in a manner **that balances city autonomy with corridor-wide support.**

1. Identify priority goals and issues best addressed through a governance entity
2. Analyze governance and models that can help to realize the goals and address priority issues
3. Provide recommendations for a governance model and policy goals



Governance Planning Approach

HR&A was hired to create a governance plan and has completed the first 2 phases of the plan and is currently in phase 3.

1

Define the Problem (September – November 2022)

HR&A met with Eco-Rapid Transit, WSAB communities, and other stakeholders to understand opportunities and challenges around governance and implementation of the transit line.

2

Benchmarking (November – December 2022)

HR&A and Steer Group presented high-level case studies to highlight a range of governance models, lessons learned, and best practices.

3

Identify a Proposed Governance Structure (Ongoing)

HR&A engaged with the stakeholders to generate a proposed governance structure, building stakeholder buy-in.

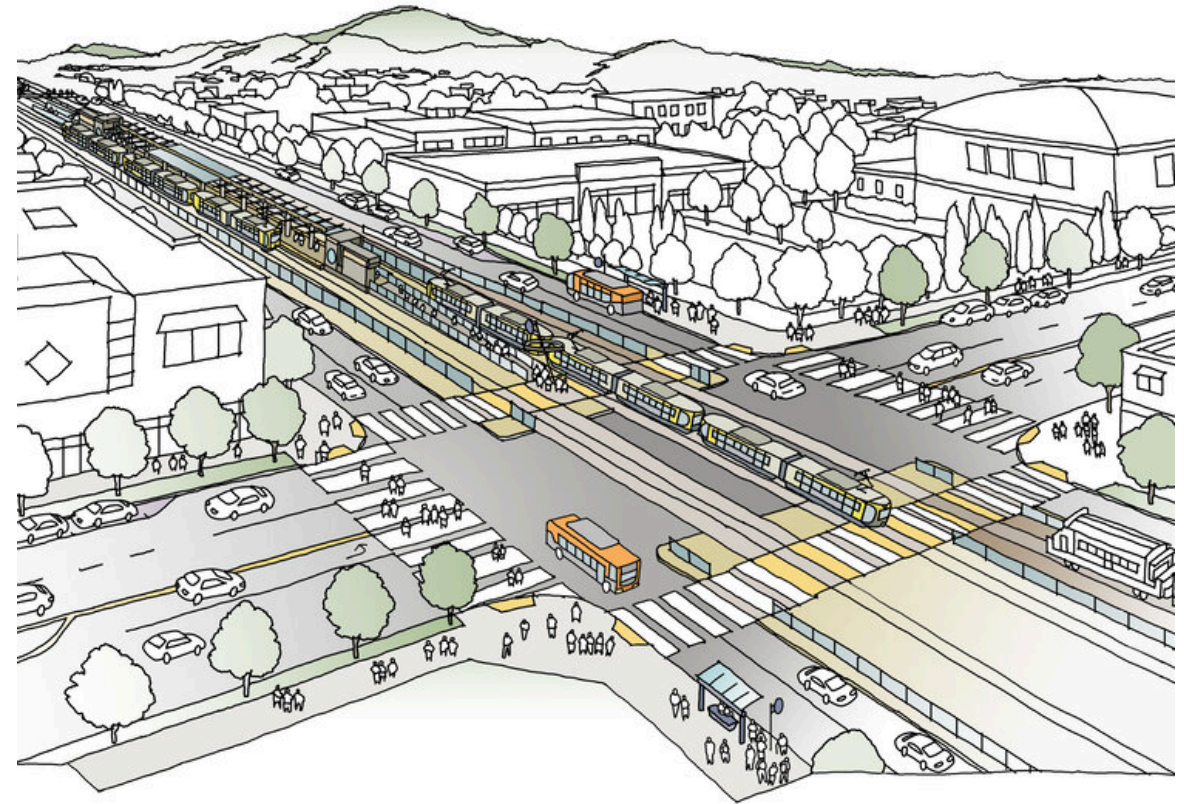
Policy Goals

Recommendations We Heard From WSAB Cities

HR&A built on the previous meetings and conversations that Eco-Rapid Transit has had with WSAB in regard to their priorities and concerns for the train line.

HR&A met with the WSAB cities in July 2022 and discussed potential policy opportunities and challenges. Although each City had a different primary focus, the cities all agreed on four high priority and four second priority policy areas for the governance entity.

The policy priorities served as guidelines for the HR&A and Steer team during the selection of Case Studies and were used to tailor our research. Beyond the Case Studies, the policy priorities inform the governance recommendations included in this report.



Recommendations We Heard From the WSAB Cities

The main priority among all cities is to develop a governing structure that provides all cities with equal weight in decision making.

Focus Areas



Parking



**Equitable
Community
Development**



**Mobility &
Connectedness**



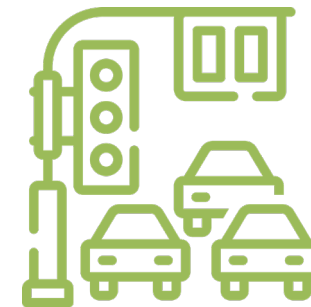
**Density
Mitigation**



**Maintenance &
Operation**



**Workforce
Development**



**Traffic
Management**

Priorities for the Governance Entity

The WSAB cities can coordinate their efforts around parking to address the deficit in parking that many face and potentially profit from a coordinated parking strategy.

Policy Opportunities:



Parking

- Coordinated Parking Management
- Focus on shared parking resources:
 - Staff resources for parking management
 - Revenue and cost sharing
- Deliver corridor-wide parking strategies
- Land value capture associated with parking lot ownership in proximity to stations
- Parking demand management:
 - Shuttle services to address parking overflow
 - Bolster multi modal access to stations

Priorities for the Governance Entity

Economic development along the WSAB is a top concern that remains unaddressed by the existing entities and city staff.

Policy Opportunities:



Equitable Community Development

- Coordinated land value capture
- Coordinated grant applications
- Affordable housing
- Commercial retention and growth
- Promoting home ownership opportunities



Density Mitigation

- Spacing out new residential developments from the already over congested areas



Workforce Development

- Ensuring that local residents are equipped prior to the construction of the train line to fully take advantage of implementation/construction jobs

Priorities for the Governance Entity

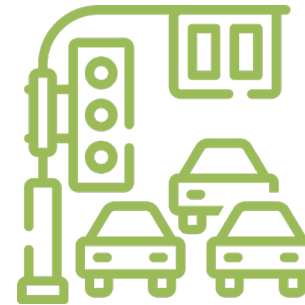
The WSAB cities can work together to ensure that all cities are able to access the train line and to mitigate potential traffic impacts.

Policy Opportunities:



Mobility & Connectedness

- Shuttle services
- Bike and pedestrian facilities
- Signage



Traffic Management

- Joint traffic authority
- Traffic light syncing

Priorities for the Governance Entity

The WSAB cities can collaboratively ensure high quality and safe train station designs.

Policy Opportunities:



Safety & Security Design

- Maintenance, improvement, and safety of train stations



Sustainable Infrastructure

- Sustainable train station designs

Policy Goals

There are many potential policy priorities identified by the WSAB, the governance structure should start by focusing on the following areas:

1 **Economic Development**

Securing funding and investing in equitable economic development such as supporting development opportunities, affordable housing, workforce retention, and supporting local businesses

2 **Parking & Transportation Coordination**

Establishing a traffic management system across the corridor, a parking authority, and leading advocacy around mobility and connectedness to the train line

3 **Corridor Coordination**

Ensuring the initiatives and advocacy remains coordinated and informed among WSAB cities on topics such as: sustainable infrastructure, density mitigation, and safety

Case Study Takeaways

Case Study Takeaways - Governance

The policy priorities from WSAB cities were used to guide the research for best practice governance case studies and to discuss potential models and practices for a recommended governance entity.



The I5 JPA is a regional example of a governing entity formed to address infrastructure development with a **"one for all and all for one" structure.**



The Foothill Gold Line Construction Authority serves as a model for how member cities can **tap into internal resource to reach shared goals.**



The Greater Sacramento Economic Council serves as a model for working with **private partners** to **attract and retain businesses.**



The Metropolitan Council is a Metropolitan Planning Organization that provides a model for a regional organization that has achieved success in **policy coordination and implementation.**

Case Study Takeaways – Parking and Mobility

Research and analysis of parking management by multiple cities, including Glendale, a ERT board member city, to understand their approach to parking management and incorporate that in parking solutions.



- The City of Glendale's award-winning Downtown Specific Plan & Mobility Study serves as an example of successfully **decreasing corridor peak occupancy and increasing transit use and parking revenue.**
- Implemented localized approach:
 - Permit parking district expandable to cover residential areas and prevent spill over
 - Montrose Parking Task Force included representation from Montrose Shopping Park Association
- Regional Cooperation:
 - Informal coalition with other cities – procurement, management, operations, best practices
- Governance structure:
 - Creation of Parking Manager role for occupancy monitoring, pricing policy, and outreach
 - Transportation & Parking Commission meets bi-monthly with recorded, publicly accessible meetings; members are appointed by City Council for four years, limited to three terms
 - Revenue reinvested in-place through parking district designation

Case Study Takeaways

The following roles and functions for a governance entity were identified in the Case Study Analysis.

Establishing Shared Goals



Incentivizing Participation



Supplementing Staff



Maintaining Transparency



Case Study Takeaways

The governance structure must be built on a set of shared core goal(s) of the WSAB cities to allow for collective advocacy.

Shared Goals



- Mediate and provide a space for WSAB cities to build consensus and voice any concerns
- Establish and uphold a decision-making process for how to use funds to ensure that each city contributes and is also able to address their priorities
- Develop strategy and accelerate implementation based on shared goals
- Put together memos and other lobbying materials to ensure that policies and initiatives related to the WSAB are in line with the cities' priorities

Case Study Takeaways

The governance structure can incentivize participation by pursuing funding and revenue sources which lead to a return of investments for WSAB cities.

Incentivizing Participation



- Incentivizing affluent communities to share their resources
- Ensuring a collective return on investments through successful use of funds and efficient implementation of projects/initiatives
- Establishing a decision-making process for how to use funds to ensure that each city contributes and is also able to address their priorities

Case Study Takeaways

The governance structure should aid WSAB cities that currently have very limited staff capacity in functions such as:

Supplementing Staff



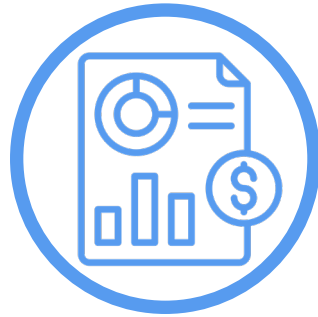
- Applying to funding
- Helping stakeholders reach consensus
- Administering the advocacy and implementation of shared goals
- Keeping the WSAB cities informed on relevant policies
- Providing technical expertise
- Any other administrative tasks

The tasks highlighted above could potentially be led by a WSAB manager that supports cities as part of a governance entity or through an executive director under a new governance entity.

Case Study Takeaways

Maintaining transparency & sharing information with key stakeholders may help WSAB cities avoid bottlenecks and pushback along the way.

Maintaining Transparency



- Share progress metrics and case studies on all investments made by the entity
- Keep all member cities up to date with internal and external initiatives and policies related to the development of the WSAB

Case Study Takeaways

The WSAB Cities felt that the I5 JPA's regional relevance and their "one for all and all for one" model provided a successful model for them to build off.

Identified success metrics:

- Leading collective advocacy to create strength in numbers
- Being equipped with the technical abilities to make recommendations to the board
- A governance structure that communicates and collaborates effectively with all of its member cities
- Creating clear roles for city managers, elected officials, and all participating members



Case Study Takeaways

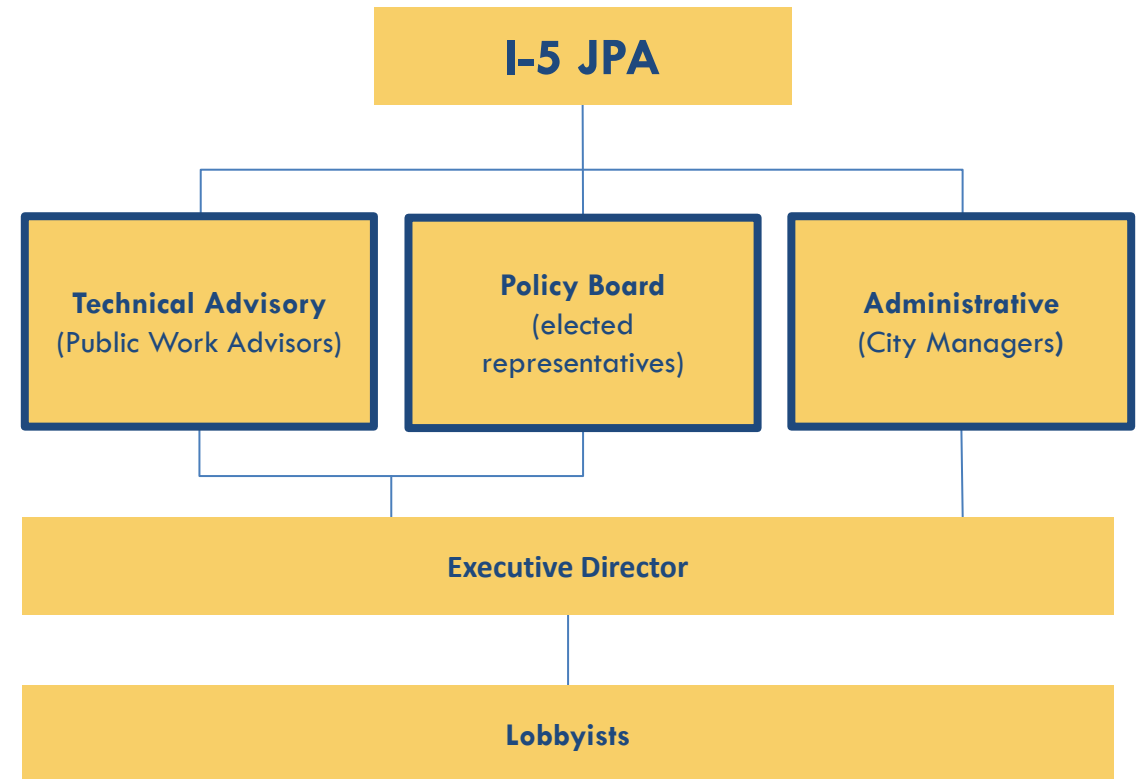
The I-5 JPA serves as a successful model for the WSAB governance committees/boards to emulate.

The JPA is made up of 3 main entities that work together to protect the interests of member communities and partner with the transportation authorities working on the I-5 expansion.

The Policy Board is made up of one elected official per city with alternate City Staff members. The Board votes on the internal budget, policy priorities, investment priorities.

- The board takes a "**one for all and all for one**" decision making approach
- The decisions and votes of the policy board are informed by the expertise of the Technical Advisory, Administrative entity, and the Executive Director

Each member city contributes \$35,000 per year; however, an annual budget request allows members to vote on an increase or decrease of the budget.

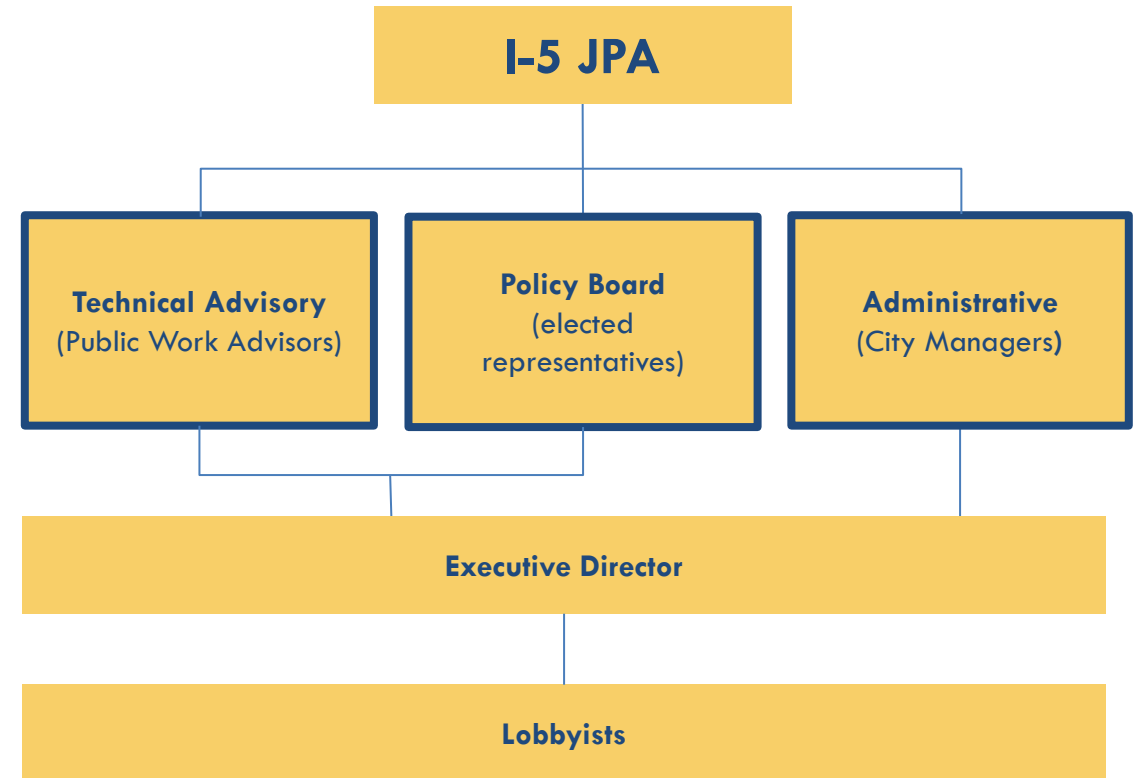


Case Study Takeaways

The Executive Director plays a key role in providing expertise and administrative support to the three entities.

The JPA employs an Executive Director to liaise between the Policy Board and Technical Advisory group on relevant funding and policy initiatives happening at the local to national level.

- The ED works on helping the Policy board secure funding to address the concerns of cities.
- The ED is equipped with the technical expertise needed to understand how developments along the I-5 will affect member cities and equips members to lobby in their best interest. This includes working with members on a person-by-person basis when issues arise relating to their City.
- The ED occasionally hires and oversees lobbyists to advance policy priorities



*For more information on the I-5 structure please refer to the Case Studies briefing book

Existing Stakeholder Roles

Existing Stakeholder Challenges

HR&A reviewed the existing entities to understand how a governance entity might fit into existing entities. Here are some of the challenges:

Eco-Rapid Transit

- Primary convener for the WSAB cities
- JPA status would allow the entity to build on its current programming to spearhead WSAB development
- However, as it stands now, **ERT is not currently structured to address all of the policy priorities**

Gateway Cities COG

- The forum and regional planning entity for cities in South East LA
- Maintains a transportation committee, an economic development working group, and a Technical Advisory Committee (TAC)
- **Efforts of these groups remain uncoordinated**

Metro

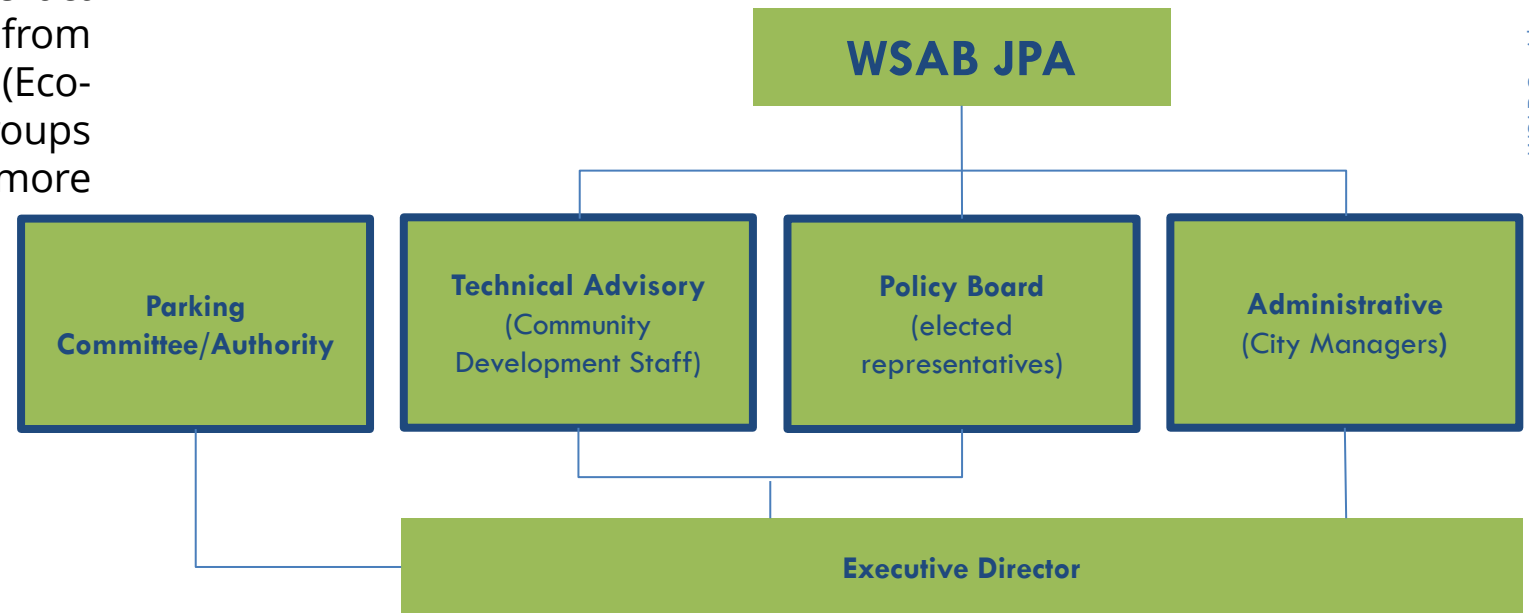
- Leading WSAB implementation, construction, and station planning
- **Its primary objective is efficient construction of the transit line, which may conflict with WSAB city priorities.**

Governance Model Alternatives

Option 1 – New Independent Entity

The I-5 JPA serves as a successful model for the WSAB governance entity to emulate.

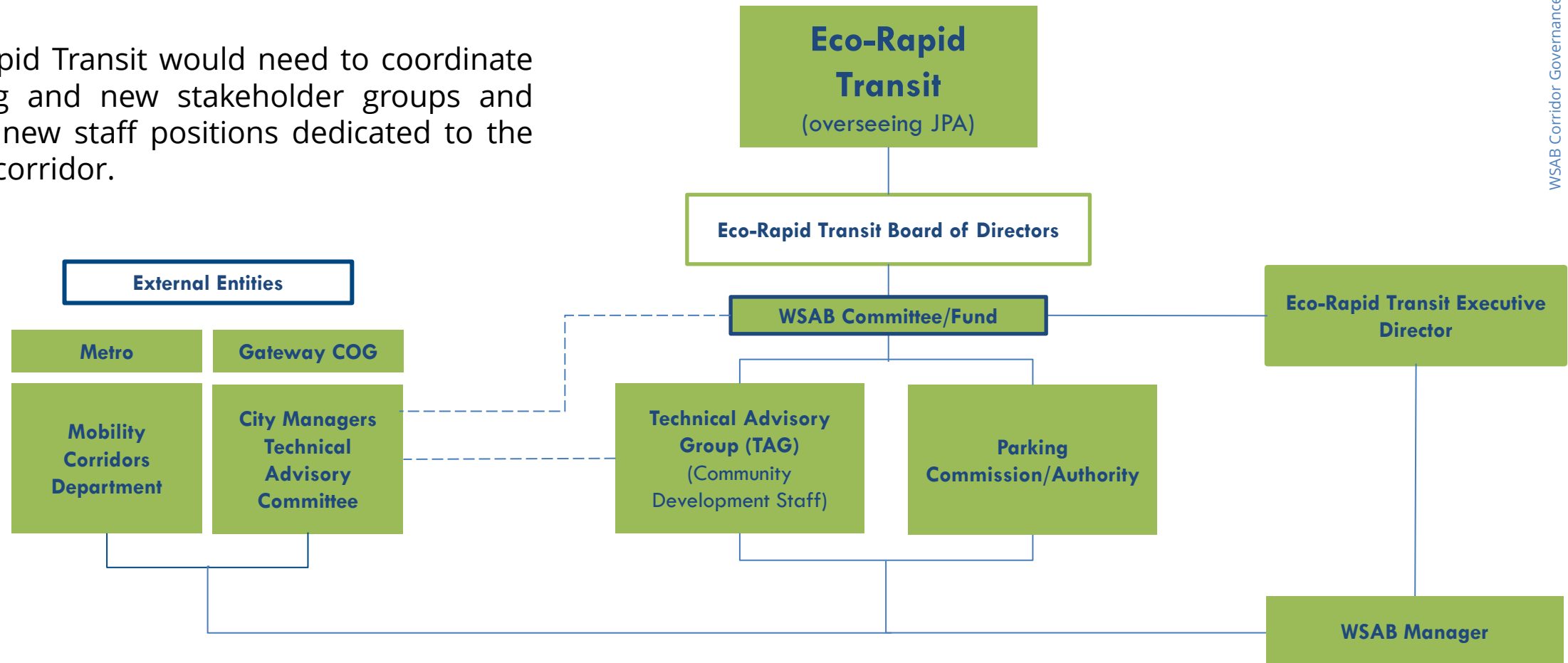
The WSAB corridor cities could create an exact replica of the I5 JPA model separate from existing governance entities in the region (Eco-Rapid Transit, COG) with the stakeholder groups being rehoused under this entity for more cohesion and organization.



Option 2 – Governance Entity Within Eco-Rapid Transit

Housing the governance entity within Eco-Rapid Transit is an efficient and effective alternative to a new and distinct entity

Eco-Rapid Transit would need to coordinate existing and new stakeholder groups and create new staff positions dedicated to the WSAB corridor.



Funding and Financing Strategies

Similar to the I5 JPA, the WSAB governance structure & staff support will require additional funding that may come from the following sources:

- Additional funding secured by Eco-Rapid Transit & the WSAB Manager through grants
- Member dues
- Funding from Metro
- Parking revenues
- Enhanced Infrastructure Financing District or other value capture tools

Parking Management



Parking Needs

Parking is a critical concern. A governance entity should address the challenges and needs related to parking.



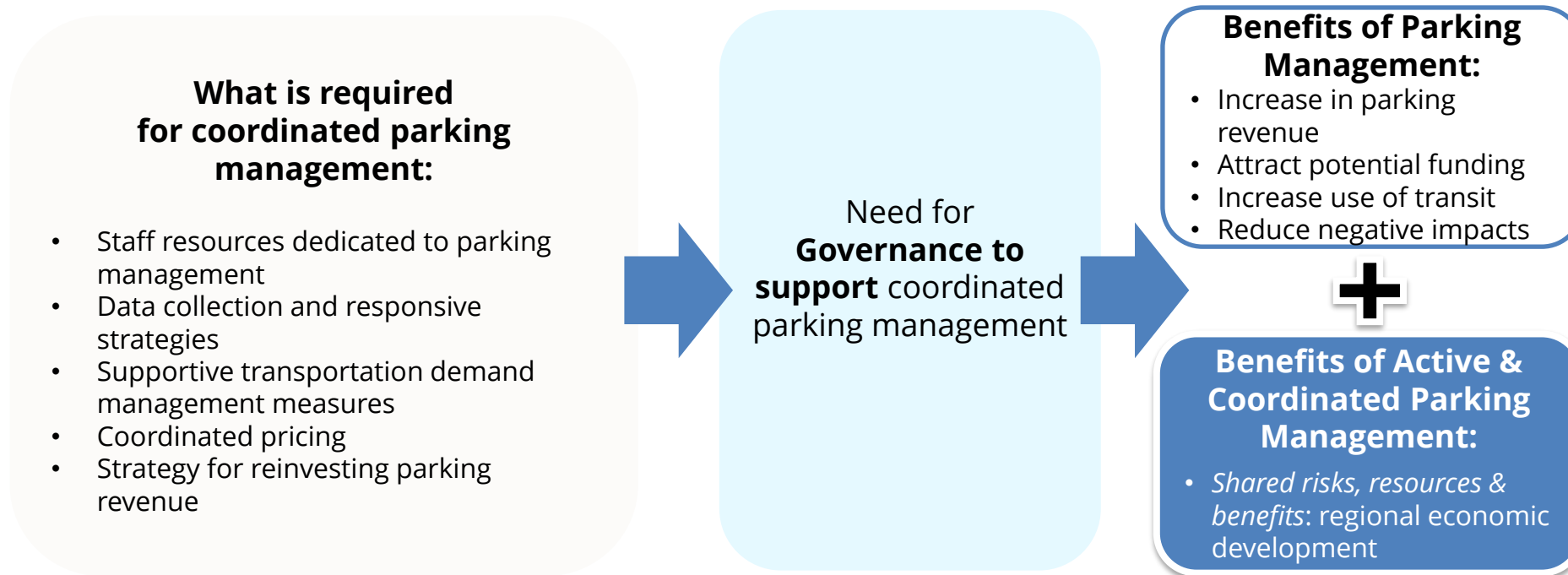
Parking Principles

Corridor wide transit-oriented parking management led by equal representation & focus on users and balancing needs

Guiding Principles	Objectives	Shared Resources
<ul style="list-style-type: none">• Balancing local and regional needs• Understanding the parking users – priority parkers along the corridor, station specific, how to influence travel behavior, etc.• Broader mobility network and region development	<ul style="list-style-type: none">• Coordination with LA Metro and other stakeholders• Equal representation of all member cities• Inclusive decision making & protecting city interests• Making parking beneficial for member cities• Determining parking strategies	<ul style="list-style-type: none">• Determine integrated approach & how will the resources be combined• Delivering parking strategies• Shared staff resources for parking management• Parking related cooperation agreement• Revenue and cost sharing• Parking enforcement• Customer care

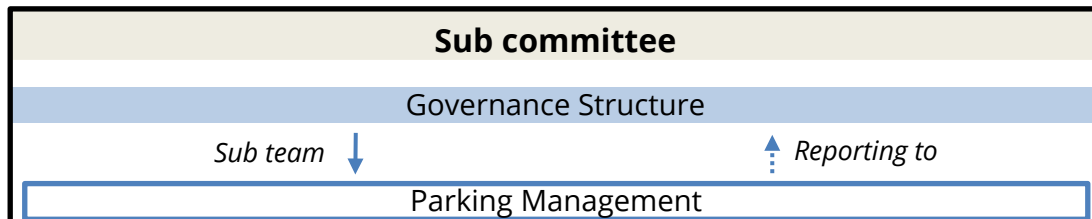
Why Coordinated Parking Management

A coordinated approach to parking management backed by governance will result in regional economic development.

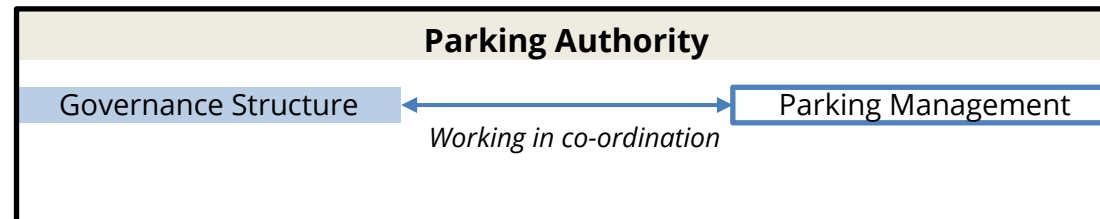


Governance Structure for Coordinated Parking

Coordinated parking management team can be either a sub committee or a parking authority.



The sub-committee functions as an advisory committee to the governance structure which allocates finances and facilitates hiring of the sub-committee. It advises the governing authority on parking strategies and makes recommendations.



Generally autonomous, the parking authority works in coordination with the governing structure, such that it is responsible for its own finances, and responsible for developing parking strategies and implementing them.

	Pro	Cons
Autonomy		Less control; longer decision-making process
Responsibility		Part responsibility of implementing strategies
Risk of implementation	Shared risks	
Financial resources	Secured stream	Financial dependence

	Pro	Cons
Autonomy	Control over decision making	
Responsibility	Responsible to plan manage & implement the parking strategies	
Risk of implementation		Increased risk of successful implementation
Financial resources	Financially more independent	Risk of inadequate funding

Next Steps

Next Steps

Governance plan:

1. **Continue to look for ways to address the priority focus areas identified by the WSAB cities.**
2. **Seek additional funding, such as grant opportunities, to fully develop the governance plan.**
3. **Establish the governance entity through bylaws and formation documents.**
4. **Build out the first set of actions and identify ongoing funding sources for the governance entity.**

Parking:

1. **Develop and present a phased parking strategies through a parking management toolkit.**



Connecting its cities via environmentally effective rapid transit

Eco-Rapid Transit, formally known as the Orangeline Development Authority, is a joint powers authority (JPA). Its Board of Directors consists of the following public entities and primary representatives:

County of Los Angeles

Hon. Janice Hahn
Supervisor, Forth District

City of Artesia

Hon. Ali Sajjad Taj
Chair of the Board

City of Bell

Mr. Jesus Casas

City of Bell Gardens

Hon. Alejandra Cortez
Secretary of the Board

City of Cerritos

Hon. Bruce Borrows

City of Cudahy

Hon. Jose R. Gonzalez
Vice Chair of the Board

City of Downey

Hon. Hector Sosa

City of Glendale

(Vacant)

City of Huntington Park

Hon. Karina Macias

City of Maywood

Ms. Angelina Martinez

City of Paramount

Hon. Isabel Aguayo
Treasurer of the Board

City of South Gate

Hon. Maria Davila

**Burbank-Glendale-Pasadena
Airport Authority**

Hon. Frank Quintero

Executive Director
Eric C. Shen, P.E., PTP, CPE

General Counsel
Matthew T. Summers

Ex-Officio
Ricardo Reyes
City Manager Representative

Internal Auditor
(Vacant)

**Attachment B:
WSAB Universal Parking Plan Scope Report**

Draft Report: West Santa Ana Branch Universal Parking Plan Scope

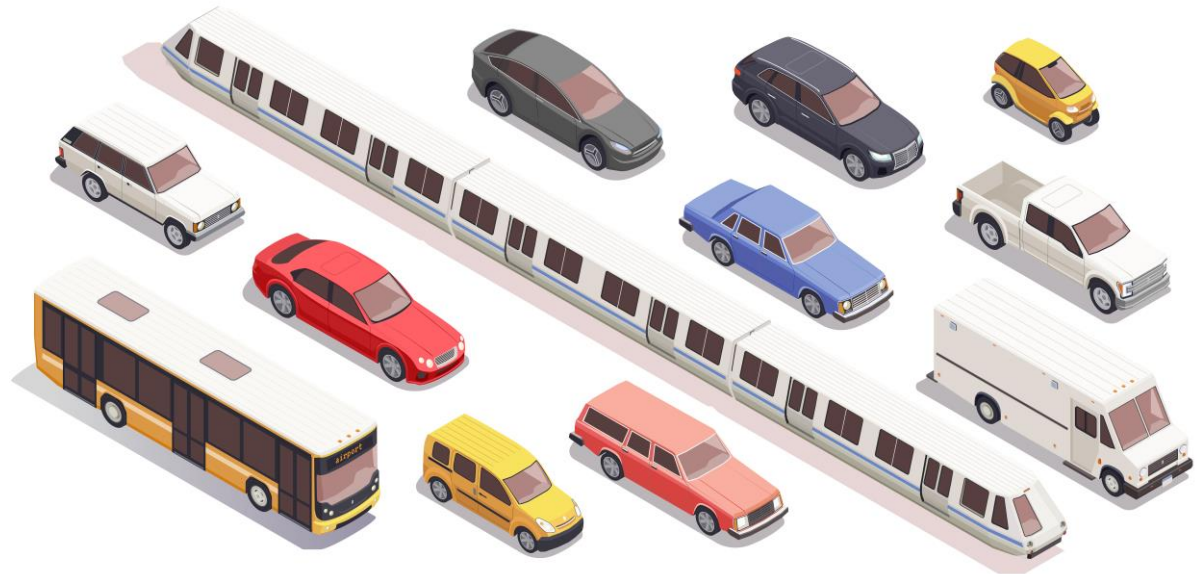


Client: Eco Rapid Transit
March 2023
Our ref: 24234401

steer

Agenda

1. Purpose
 2. Information Collection
 3. About WSAB Corridor
 4. Parking Needs
 5. Parking Principles
 6. Coordinated Parking Management
 7. Governance Structure
 8. Parking Management Toolkit
- Appendices

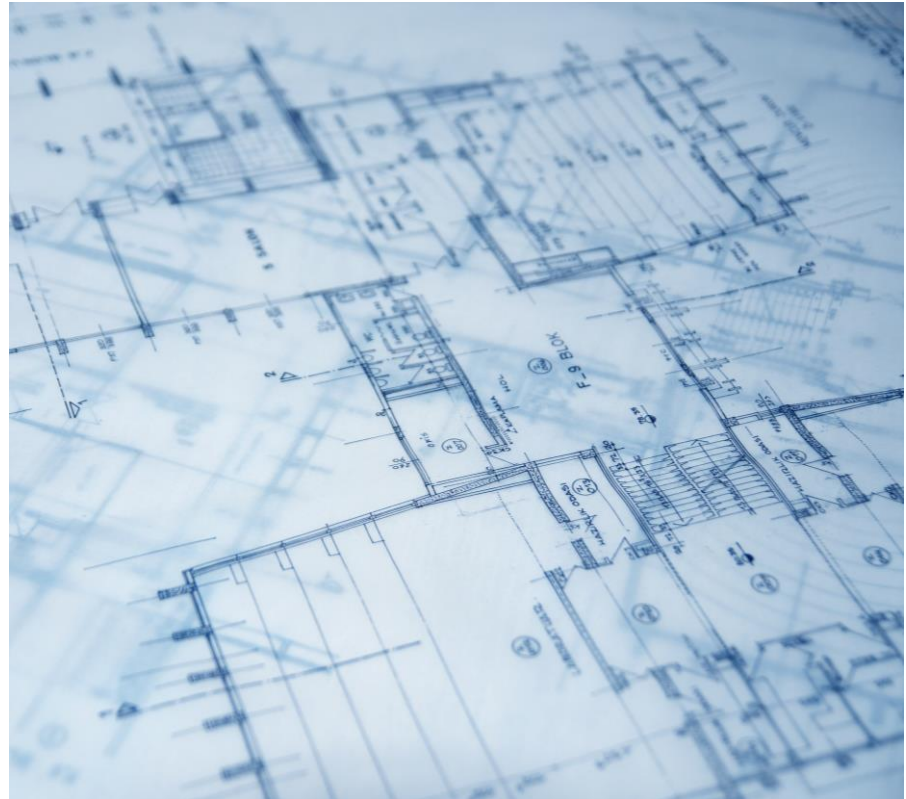


1. Purpose

The intention of the Universal Parking Plan is to understand the parking needs and identify how a governance structure can be used to advance corridor-wide parking and mobility goals.

West Santa Ana Branch Universal Parking Plan:

- Review parking challenges and needs
- Parking plan development
- Governance integration
- Develop a short, mid and long term parking plan recommendation



2. Information collection

Collected information from existing reports, parking focused advisory meeting and best practices research

Our approach to Coordinated Parking Management Plan is based on:

- Thorough review of existing information on parking including reports by member cities, minutes of ERT board meetings
- Secondary research on best practices of implementation of parking strategies
- Various parking issues raised by member cities during the Advisory City Meeting held in November 2022.
- City-wise planned parking structure and parking capacities as shared by LA Metro in September 2022.



3. About WSAB Corridor

WSAB corridor would serve a densely populated region with high car ownership across the member cities

- ERT South: West Santa Ana Branch, 20 miles from Union station in LA downtown to the city of Artesia, spanning across 12 cities.
- Project area covers densely populated region ~1.1million and ~500,000 jobs
- Congested area with high incidence of car ownership
- Limited public transit connectivity, making WSAB a critical factor for economic and regional growth
- Metro plans for parking at a limited number of stations along the line, leading to jurisdictional concerns about impacts to communities in proximity to stations without additional spaces.

4. Parking Needs

Parking is a critical concern. A governance body should address the challenges and needs related to parking.



5. Parking Principles

Corridor wide transit-oriented parking management led by equal representation & focus on users and balancing needs

Guiding Principles

- Balancing local and regional needs
- Understanding the parking users – priority parkers along the corridor, station specific, how to influence travel behavior, etc.
- Broader mobility network and region development

Objectives

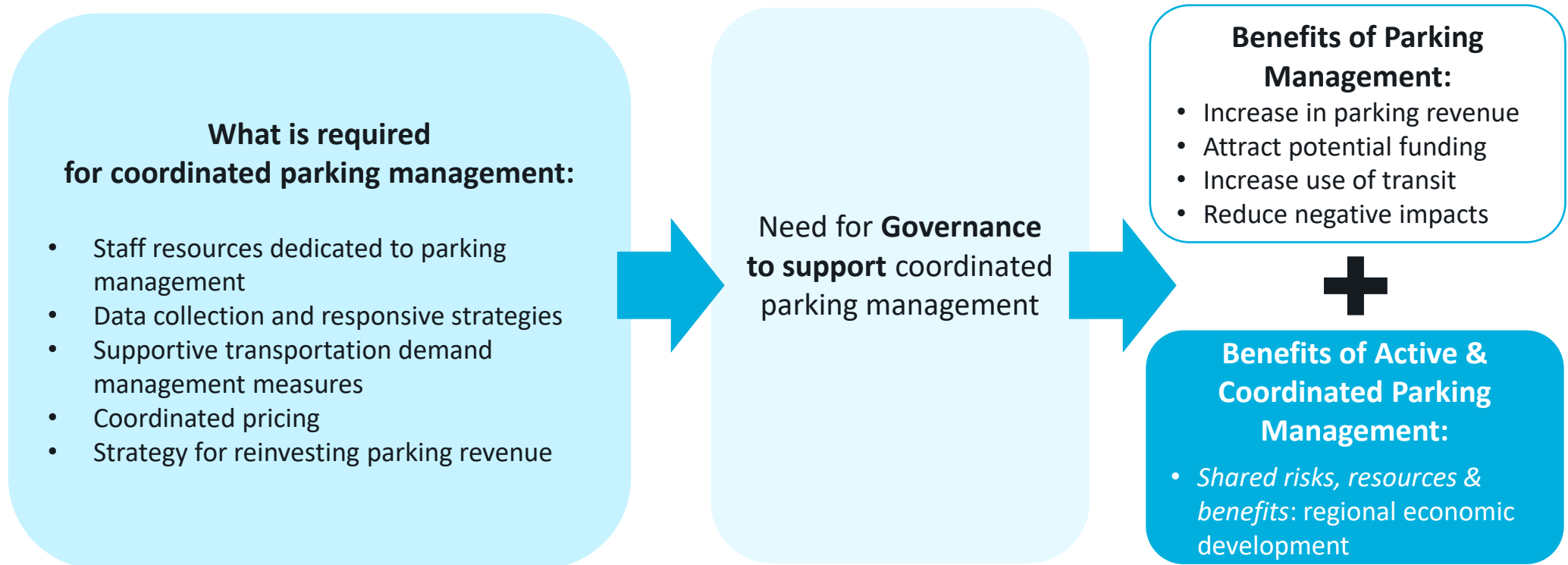
- Coordination with LA Metro and other stakeholders
- Equal representation of all member cities
- Inclusive decision making & protecting city interests
- Making parking beneficial for member cities
- Determining parking strategies

Shared Resources

- Determine integrated approach & how will the resources be combined
- Delivering parking strategies
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- Parking related cooperation agreement
- Revenue and cost sharing
- Parking enforcement
- Customer care

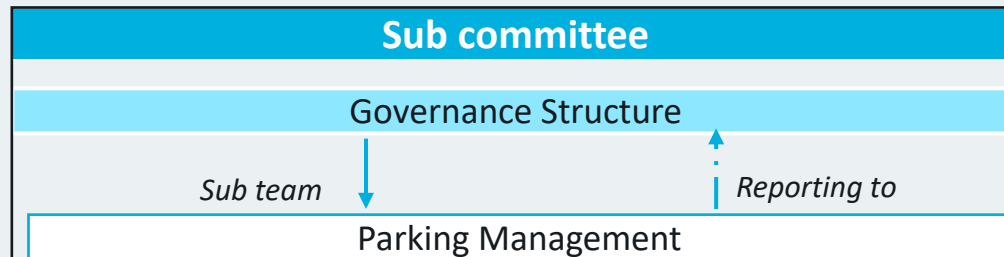
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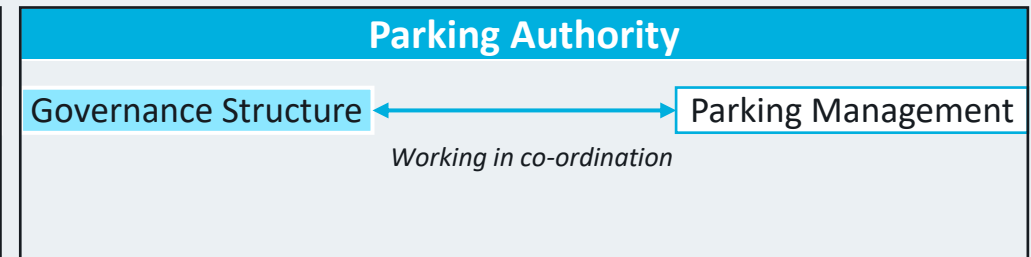


7. Governance Structure for Coordinated Parking Management

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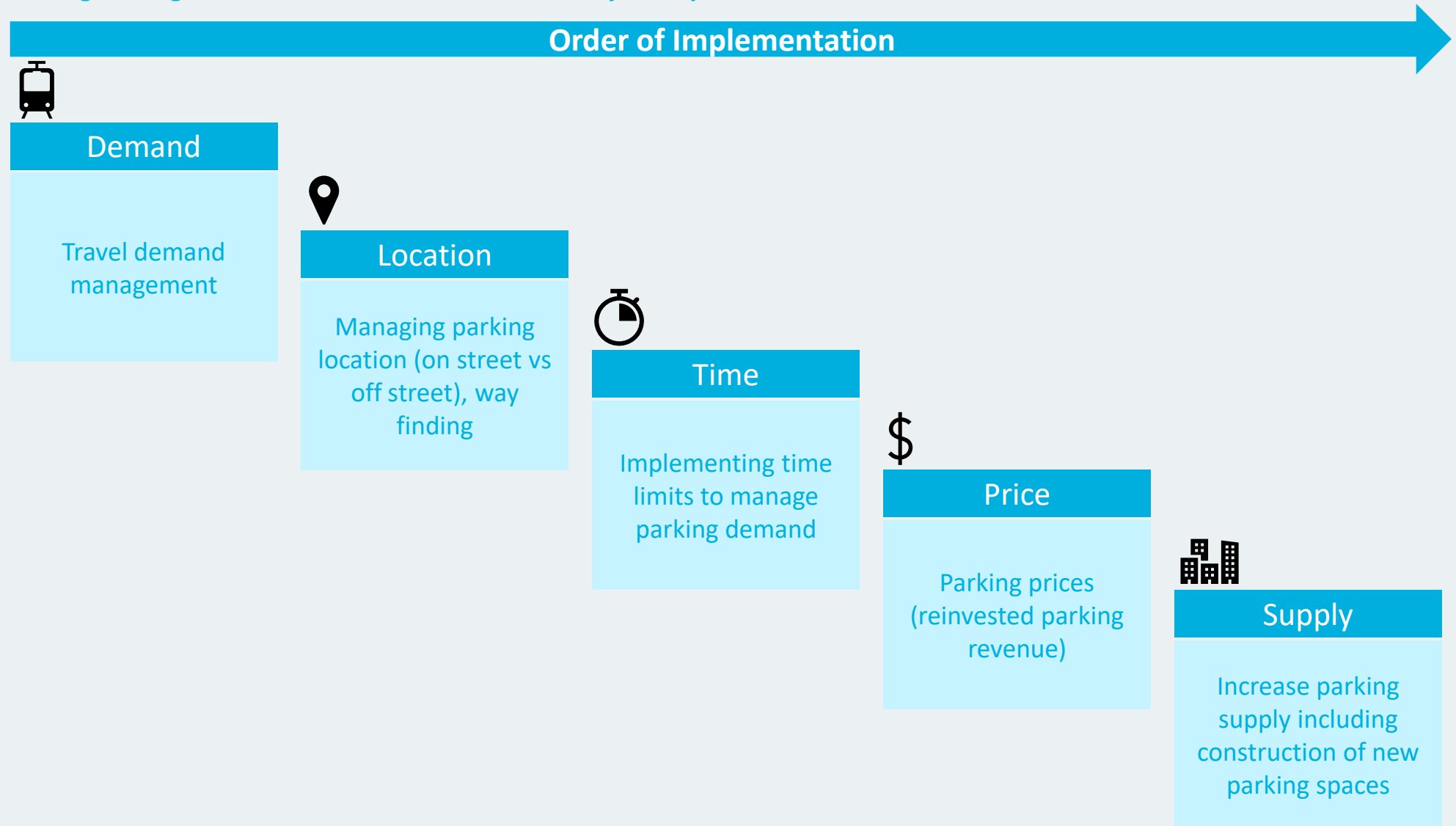
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8. Coordinated Parking Management Toolkit

8.1 Hierarchy of Parking Strategies

Parking strategies can be understood in a hierarchy of implementation



8.2 Example of Relevant Parking Strategies

Selected example of category-wise strategy. The toolkit will contain a bouquet of strategies per category.

Category	Strategy	Description	Stakeholders	Benefits	Challenges	Qualifying Methods
Demand	Transit Supportive Zoning	Implement a transit-oriented zoning code focused on shifting mode split towards non-auto-oriented transit	Municipalities, Transportation Agencies, Developers	Reduces need for SOV trips. Reduces need for car ownership. Reduces demand for parking.	Politically unpopular. Impacts on congestion difficult to measure. Gentrification and displacement of existing population.	Census Data. Car ownership rates. Number of developments/housing units within half-mile to transit.
Location	Promote Park & ride facilities	In fringe areas served by transit, provide parking at facilities	Municipalities, Transportation Agencies, Developers	Moves cars away from denser areas.	Payment process setup, Enforcement, Security,	Survey results, Traffic data, Transit data, Mode Split,
Timing	Progressive Pricing	Pricing Structure where extended stays are charged at higher rates	Employers, Property Managers, TMA's, Developers	Encourages non-SOV travel. Reduces demand for parking.	Politically unpopular, Payment process setup, Enforcement	Survey Results, Traffic Data, Mode split, Congestion, Availability of parking
Price	Unbundled parking	Charging for parking separately from a regular lease or office - rent and parking are itemized transactions.	Employers, Property Managers, TMA's, Developers	Discourages car ownership and trips. May reduce need to build excessive parking for developers.	Developers may need to purchase payment systems. Additional administrative efforts for property managers.	Survey Results, Rate of Car Ownership, Mode Split, Number of leased parking Spaces

8.3 Case Study: Snapshot of strategies implemented*

Successful parking implementation is a result of combination of different parking strategies

Category	Glendale	Pasadena
Demand	<p>Trolley circulator to convert motorists into pedestrians</p> <p>Strengthen TDM Ordinance and require participation in TMA</p>	<p>Reinvest parking revenues to support sustainable alternatives to drive alone trips</p> <p>Parking revenue re-invested into streetscape improvements and maintenance (1993)</p> <p>Implement TDM measures to promote use of biking and transit</p>
Location	Wayfinding system with locations, pricing, and real-time occupancy	Wayfinding/information updates (parking occupancy, directions, and identifiers)
Timing	Downtown Mobility Coordinator is authorized to make adjustments to parking hours along with pricing	<p>Implement escalating parking rates in lieu of time limits - per hour rate increases</p> <p>Standardize operating on-street parking hours, extended in commercial areas</p>
Price	Demand responsive pricing to manage on-off street parking	<p>Demand responsive pricing to manage on-off street parking <i>Now exploring escalating price structure, e.g. \$2 for hours 1-2, \$3 for hours 3-4</i></p> <p>Modify Parking rates to continue achieving 85% occupancy</p>
Supply	<p>Allow leasing of public spaces instead of building own spaces</p> <p>Commercial parking in new development to be public when not serving primary use</p> <p>Permit system for downtown-adjacent residential neighborhoods</p>	<p>Increasing shared parking opportunities in new developments and with existing private facility operators</p> <p>Move operations of city lots under one vendor</p>

*not an exhaustive list

Appendix

Parking Governance Model

Category	Parking Authority	Parking Sub-Committee
Governance	<ul style="list-style-type: none"> • Separate organization from City Council • Members appointed by City Council 	<ul style="list-style-type: none"> • Advisory Committee to City Council
Resources	<ul style="list-style-type: none"> • Finances are the responsibility and authority of the Parking Authority • Staff appointed by Council 	<ul style="list-style-type: none"> • Finances are the responsibility and authority of City Council • Staff are selected through an application and interview process
Responsibilities	<ul style="list-style-type: none"> • Operates municipal on-street and off-street parking (everything related to construction, maintenance, operation and management of parking facilities in the municipality) • Authority to manage land for facilities under the jurisdiction of the Parking Authority 	<ul style="list-style-type: none"> • Provides comments and advice to City Council • Develops annual work plan and budget to meet Committee's mandate
Accountability Mechanism	<ul style="list-style-type: none"> • Submits annual report for preceding year to Council including a financial statement with a balance sheet, revenue, and an expenditure statement 	<ul style="list-style-type: none"> • Submits annual report through city department in community planning
Procedure for Creating and Implementing Policies	<ul style="list-style-type: none"> • Generally autonomous • Reporting through City Council annually 	<ul style="list-style-type: none"> • Provides comments and advice to City Council on strategies and policies relating to the development and delivery of parking services

Case study: Glendale

Glendale's **award-winning Downtown Specific Plan & Mobility Study** was released in 2006 and amended through 2016 by City Council.

KEY SUCCESSES



- Primary corridor peak occupancy reduced from 100% to 85%
- 35% increase in Transportation Demand Management Association
- \$4.8M in grant funding secured for wayfinding, pedestrian, and safety initiatives
- \$750k increase in annual parking revenue
- Increased use of transit, walking, and biking

GOVERNANCE STRUCTURES



- Creation of Parking Manager role for occupancy monitoring, pricing policy, and outreach
- Transportation & Parking Commission meets bi-monthly with recorded, publicly accessible meetings; members are appointed by City Council for four years, limited to three terms
- Revenue reinvested in-place through parking district designation

LOCALIZED APPROACH



- Permit parking district expandable to cover residential areas and prevent spill over
- Montrose Parking Task Force included representation from Montrose Shopping Park Association

REGIONAL COOPERATION



- Informal coalition with other cities
 - procurement, management, operations, best practices

Complex questions

Powerful answers