

BOARD OF DIRECTORS REGULAR MEETING AGENDA
REDWOOD COAST TRANSIT AUTHORITY

DATE: Friday, March 6, 2026

TIME: 5:30pm

PLACE: County Admin/Flynn Building, 981 H Street, Crescent City, CA 96631



A link to view the meeting will be posted on <https://media.co.del-norte.ca.us/> .

1. Call Meeting to Order, Roll Call, Pledge of Allegiance
2. Public Comment
3. Election of Officers
4. Consent Calendar
 - 4a. Approve the Minutes of December 12, 2025
 - 4b. Accept RCTA FY 2024-25 Financial Audit Prepared by O'Connor CPAs
5. Approve Resolution 2025-26-05 Re-adopting RCTA Budget in New ERP Format Required by County
6. Update on RCTA Major Capital Projects – Williams EV Charging Stations, Transit Center, Electric Buses
7. Approve Agreement For Not-To-Exceed \$20,000 with Green Dot Transportation for Grant Writing Support for Cycle 8 TIRCP Funding
8. Continuation of Discussion Regarding LCTOP Funding Strategy and Priorities
9. Announcements
10. Adjourn – Next RCTA Annual Workshop will be Monday March 30th, 2026 at 5:30pm at 140 Williams Drive

Any member of the public may speak on any agenda item for a time period, not to exceed 3 minutes, prior to the Public Agency taking action on that agenda item.

**REDWOOD COAST TRANSIT AUTHORITY
MINUTES**

December 12, 2025 AT 4:30 P.M.

**ATTENDED: ISIAH WRIGHT (CHAIR), DARREN SHORT (DIRECTOR), JOEY BORGES (DIRECTOR),
and RAY ALTMAN (VICE CHAIR)**

ABSENT:

**ALSO PRESENT: JOSEPH RYE, MELLISA ALFARO, SCOTT KEENER, and KELLY SOSKE
(TRANSDEV'S REGIONAL MAINTENANCE MANAGER)**

1. CALL MEETING TO ORDER. ROLL CALL. PLEDGE OF ALLEGIANCE

Chairman Isaiah Wright called the meeting to order at 5:30 p.m. Mellisa Alfaro, conducted roll call. Chairman Isaiah Wright led the Pledge of Allegiance.

2. PUBLIC COMMENT

The following person(s) addressed the Board: **NONE**

3. CONSENT CALENDAR

3A. APPROVE THE MINUTES OF THE OCTOBER 27, 2025

**3B. APPROVE PURCHASE ORDER 2025-26-21 TO COACHWEST IN A NOT-TO-EXCEED
AMOUNT OF \$360,000 FOR ONE ENDERA MODEL B FORD ELECTRIC BUS – REPLACES
PURCHASE ORDER 2023-24-21**

On a motion by Director Short and seconded by Director Altman, unanimously carried on a polled vote, the Redwood Coast Transit Authority Board of Directors approved the Consent Agenda items 3A-3B.

4. CLOSED SESSION:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
PURSUANT TO GOVERNMENT CODE SECTION 54957(b)
POSITION: EXECUTIVE DIRECTOR

5. APPROVE RESOLUTION 2025-26-04 ADOPTING RCTA 2025 SHORT RANGE TRANSIT PLAN

On a motion by Director Borges and seconded by Director Altman, unanimously carried on a polled vote, the Redwood Coast Transit Authority Board of Directors approved the Resolution 2025-26-04 Adopting RCTA 2025 Short Range Transit Plan.

6. AWARD AGREEMENT TO MOBILITY HOUSE FOR WILLIAMS DRIVE CHARGE MANAGEMENT SYSTEM IN NOT-TO-EXCEED AMOUNT OF \$29,083 AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENT DOCUMENTS

On a motion by Director Short and seconded by Director Borges, unanimously carried on a polled vote the Redwood Coast Transit Authority Board of Directors approved the Award Agreement to Mobility House for Williams Drive Charge Management System in Not-to-Exceed Amount of \$29,083 and Authorize Executive Director to Execute Agreement Documents.

7. APPROVE AMENDMENT 1 WITH DOKKEN ENGINEERING FOR WILLIAMS DRIVE PLANS SPECS AND ESTIMATES ADDING \$33,500 FOR SURVEY AND DESIGN FOR GENERATORS AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE DOCUMENTS

On a motion by Director Short and seconded by Director Altman, unanimously carried on a polled vote the Redwood Coast Transit Authority Board of Directors approved the Amendment 1 with Dokken Engineering for Williams Drive Plans Specs and Estimates Adding \$33,500 for Survey and Design for Generators and Authorize Executive Director to Execute Documents.

8. UPDATE ON LCTOP FUNDING AND LCTOP-FUNDED PROGRAMS

The Executive Director, Joseph Rye, provided updates on the LCTOP Funding and LCTOP Funded programs.

PUBLIC COMMENT: Scott Keener inquired about the amount of funding to be allocated toward the program.

9. DISCUSSION OF \$2 PROMO FARES ON ROUTE 20 AS PART OF NORTH STATE EXPRESS ROUTE 101 PROMOTION

The Executive Director, Joseph Rye, led the discussion of the \$2 Promo Fares on Route 20 as Part of North State Express Route 101 Promotion.

PUBLIC COMMENT: Scott Keener reported potential concern about the complexity of implementing the promo fares on different trips, same route.

10. ANNOUNCEMENTS

The Executive Director, Joseph Rye, provided an update on the Fairgrounds ground lease, stating that termination of the current lease and initiation of a new lease have been discussed, but the process is currently on hold. Also, an introduction to Kelly Soske who is RCTA's Transdev Regional Maintenance Manager.

11. ADJOURN – NEXT RCTA BOARD MEETING WILL BE MONDAY, JANUARY 26TH, 2026 AT 5:30PM AT FLYNN

The Redwood Coast Transit Board of Directors adjourned the meeting at 5:36 PM. The next regular scheduled meeting will be on Monday January 26th, 2026, at 5:30 p.m. at Flynn

Joseph Rye, Executive Director
Redwood Coast Transit Authority

March 6, 2026

MEMO TO: Board of Directors

FROM: Joe Rye, Executive Director

SUBJECT: Acceptance of FY 2024-25 Financial Audit



RECOMMENDATION:

That the Redwood Coast Transit Authority Board of Directors accept the RCTA Financial Audit for the Fiscal Year Ending June 30, 2025.

BACKGROUND:

The attached subject document is recommended for Board acceptance. This year's audit was performed by Michael O'Connor, in their second fiscal year of a five-year agreement with Del Norte Local Transportation Commission (DNLTC) and RCTA. This year's audit was completed on time in late December, including submittal of the critical State Controller's Report by its new December 31st reporting deadline. This allows RCTA to remain eligible for various state transit funding.

There were no significant findings again this year.

One item of note was that the cash reserves took another unexpected fall as of June 30, 2025. This is caused by a combination of factors, both bureaucratic and economic. RCTA had fallen behind in claiming reimbursement for its annual array of federal operating assistance funding. This was caused by delayed issuance of standard agreements by Caltrans, and an unrelated delay in requesting reimbursements for two buses that arrived in June 2024. RCTA's reserves are always "lumpy" in that they rise and fall during the year based on delays in receiving reimbursements for operations and bus replacements. Adding to the problem this year, was slowing economic activity statewide leading to unexpected drops in actual sales tax revenues (TDA LTF, Local Transportation Funds, and STA, State Transit Assistance). Both funds came in under original projections, causing a balanced, slightly reserves-building budget to come in approximately \$200k under projections and draw down reserves. This causes RCTA to dip into its reserves to cover the overage as spending came in just slightly under budget, but revenues were \$200k light.

This year's audit pegs RCTA's reserves at \$276,575 as of June 30, 2025, down from \$551,611 a year prior, and \$850k two years ago.

The reserves are expected to increase in the near future assuming RCTA gets caught up on grant reimbursements AND if key operating revenues (LTF and STA) rebound to past levels. If these funding sources do not rebound, RCTA will face continuing to draw down reserves each year unless operating expenses are reduced. What was a robust reserve level two years ago is now dwindling to barely more than a year's worth of RCTA's current structural operating deficit. These reserve funds are not truly reserves in the sense of extra money, as they are critical and used to provide RCTA's local match on capital projects.

ATTACHMENT

1. RCTA Annual Financial Audit for Fiscal Year Ended June 30, 2025

**REDWOOD COAST TRANSIT AUTHORITY
TRANSPORTATION DEVELOPMENT ACT FUNDS**

CRESCENT CITY, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2025



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Redwood Coast Transit Authority
Crescent City, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Redwood Coast Transit Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Redwood Coast Transit Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Redwood Coast Transit Authority, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Redwood Coast Transit Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Redwood Coast Transit Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Redwood Coast Transit Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Redwood Coast Transit Authority's ability to continue as a going concern for a reasonable period of time.

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

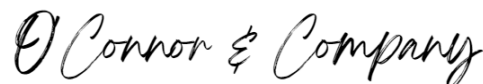
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the Redwood Coast Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Redwood Coast Transit Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Redwood Coast Transit Authority's internal control over financial reporting and compliance.



O'Connor & Company

Novato, California
December 17, 2025

Redwood Coast Transit Authority
Transportation Development Act Funds
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2025

This section of Redwood Coast Transit Authority's (the Authority's) financial statements presents management's overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2025. The Authority is a joint powers authority entered into by the County of Del Norte and the City of Crescent City. The Authority administers transportation programs to the public including local and regional bus routes, specialized transportation services for seniors and disabled, and intercity bus routes that connect to national carriers, Greyhound and Amtrak Thruway.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's audited financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The required financial statements include the Statement of Net Position - Proprietary Fund; Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund; and Statement of Cash Flows - Proprietary Fund.

Statement of Net Position

This statement includes all assets and liabilities using the accrual basis of accounting as of the statement date. The difference between the classifications is represented as "Net Position"; this section of the statement identifies major categories of restrictions on these assets and reflects the overall financial position of the Authority.

Statement of Revenues, Expenses and Changes in Net Position

This statement presents the revenues earned and expenses incurred during the year using the accrual basis of accounting. Under the accrual basis of accounting, all changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the cash flow.

Statement of Cash Flows

This statement reflects the inflows and outflows of cash, summarized by type of activity. The direct method was used to prepare information for the reporting period activities. This means that gross rather than net amounts were presented for the year's activities.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Authority.

Proprietary Fund Analytical Overview

Table 1
Proprietary Fund Net Position on June 30

	2025	2024
Current assets	\$ 1,672,349	\$ 852,168
Capital assets	1,513,277	1,660,609
Total assets	3,185,626	2,512,777
Current liabilities	788,313	241,681
Long-term liabilities	749,020	779,298
Total liabilities	1,537,333	1,020,979
Net position:		
Net investment in capital assets	733,979	852,062
Restricted	276,565	194,058
Unrestricted	637,749	445,678
Total net position	\$ 1,648,293	\$ 1,491,798

Redwood Coast Transit Authority
 Transportation Development Act Funds
MANAGEMENT'S DISCUSSION & ANALYSIS
 June 30, 2025

The Authority's cash balance decreased partly due to the timing of TDA and STA grant receipts. The Authority's account receivable balance was \$1,376,381, which is included with the cash balance in current assets. The Authority's net position amounted to \$1,648,293 as of June 30, 2025, a change of \$156,496 from the June 30, 2024 balance. This change in net position is reflected in Table 2, the Statement of Changes in Proprietary Fund Net Position.

The Authority's programs are financed through a combination of passenger fares, federal and state grants, and Local Transportation Funds derived from 1/4 cent of the state sales tax collected per dollar in Del Norte County. Since most state and federal grant funds are received on a reimbursement basis, the Authority may have significant Accounts Receivable at the conclusion of each fiscal year. The reliance on reimbursement of grant funds affects available cash and could result in a significant Accounts Payable balance.

Table 2
Changes in Proprietary Fund Net Position

	2025	2024
<u>Expenses</u>		
Services and supplies	\$ 2,413,637	\$ 2,231,369
Total expenses	2,413,637	2,231,369
<u>Revenues</u>		
Program revenues:		
Charges for services	127,859	149,058
Government grants	731,598	410,327
Total program revenues	859,457	559,385
General revenues:		
Interest and other income	578,732	644,864
Taxes	1,131,944	1,321,601
Total general revenues	1,710,676	1,966,465
Total revenues	2,570,133	2,525,850
<u>Change in net position</u>	\$ 156,496	\$ 294,481

As shown in Table 2 above, \$859,457 or 33% of the Authority's 2025 revenue, came from operating revenues which consisted of passenger fares and government grants. \$1,710,676, or 67% of the Authority's 2025 revenue, came from non-operating revenues consisting of sales taxes, gas taxes, local transportation funds, and other revenue.

Government grants increased to \$731,598 in 2025. This change is due to a variety of factors including timing of federal operating assistance grants, and the use of federal capital grants for the purchase of equipment and vehicles.

Capital Assets

GASB Statement No. 34 requires the Authority to record all its capital assets that were not recorded in prior years. Details on capital assets can be found in Note 3 of the financial statements.

Debt Administration

The Authority does not utilize long-term debt to fund operations or growth. Please refer to note 7 of the financial statements.

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the Authority.

Redwood Coast Transit Authority
Transportation Development Act Funds
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2025

Statement of Cash Flows

The Authority cash and cash equivalent at the end of the period is \$276,565, which is synonymous with "reserves" and is used by the Authority to buffer against funding fluctuations and provide the required local match to capital grant funded projects.

In addition, the Authority anticipates receiving an estimated \$400,000 per year in FTA pandemic funds through 2029.

Contacting the Authority's Financial Management

These financial statements are intended to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances. Questions about this Report should be directed to Redwood Coast Transit Authority, c/o TMTP Consulting LLC, 900 Northcrest Drive #134, Crescent City, CA 95531.

Redwood Coast Transit Authority
Transportation Development Act Funds
STATEMENT OF NET POSITION
Public Transit Fund
June 30, 2025

ASSETS

Current assets:

Cash	\$ 276,565
Prepaid items	19,403
Accounts receivable	<u>1,376,381</u>
Total current assets	<u>1,672,349</u>

Long-term assets:

Right to use leased asset, net of accumulated amortization	779,298
Capital assets, net of accumulated depreciation	<u>733,979</u>
Total long-term assets	<u>1,513,277</u>

Total assets	<u>3,185,626</u>
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LIABILITIES AND NET POSITION

Current liabilities:

Cash overdraft	758,035
Lease payable	<u>30,278</u>
Total current liabilities	<u>788,313</u>

Long-term liabilities:

Lease payable	<u>749,020</u>
Total liabilities	<u>1,537,333</u>

Net Position:

Net investment in capital assets	733,979
Restricted	276,565
Unrestricted	<u>637,749</u>
Total net position	<u>\$ 1,648,293</u>

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

Redwood Coast Transit Authority
Transportation Development Act Funds
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
Public Transit Fund
For the Fiscal Year Ended June 30, 2025

Operating revenue:	
Fares	\$ 127,859
Total operating revenue	<u>127,859</u>
Operating expenses:	
Purchased transportation	1,326,276
Administrative services and supplies	934,034
Amortization	29,249
Depreciation	<u>118,083</u>
Total operating expenses	<u>2,407,642</u>
Net operating income (loss)	<u>(2,279,783)</u>
Other revenues and (expenses):	
Local Transportation Funds	767,919
State Transit Assistance Funds	289,867
Intergovernmental revenue	731,598
LCTOP	74,158
Other income	570,383
Interest expense	(5,995)
Interest	<u>8,349</u>
Total other revenues and expenses	<u>2,436,279</u>
Change in net position	156,496
Net position, beginning of period	<u>1,491,797</u>
Net position, end of period	<u>\$ 1,648,293</u>

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

Redwood Coast Transit Authority
Transportation Development Act Funds
STATEMENT OF CASH FLOWS
Public Transit Fund
For the Year Ended June 30, 2025

Cash flows from operating activities:	
Receipts from customers	\$ (967,911)
Payments to suppliers	(1,714,164)
Net cash provided (used) by operating activities	<u>(2,682,075)</u>
Cash flows from non-capital financing activities:	
Taxes and aid from other governments	<u>2,433,924</u>
Net cash provided (used) by non-capital financing activities	<u>2,433,924</u>
Cash flows from capital and related financing activities:	
Current lease principal payments	(29,249)
Interest expense	(5,995)
Net cash provided (used) by capital and related financing activities	<u>(35,244)</u>
Cash flows from investing activities:	
Vehicles purchased	-
Interest earned	<u>8,349</u>
Net cash provided by investing activities	<u>8,349</u>
Net increase (decrease) in cash and cash equivalents	(275,046)
Cash and cash equivalents - beginning of period	<u>551,611</u>
Cash and cash equivalents - end of period	<u>\$ 276,565</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:	
Operating income (loss)	<u>\$ (2,279,783)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	118,083
Amortization expense	29,249
Changes in certain assets and liabilities:	
Prepaid	543
Accounts receivable	(1,095,770)
Cash overdraft	758,035
Accounts payable	<u>(212,432)</u>
Total adjustments	<u>(402,292)</u>
Net cash provided (used) by operating activities	<u>\$ (2,682,075)</u>

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

Redwood Coast Transit Authority
Transportation Development Act Funds
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements are intended to present the financial position and results of operations of only those transactions attributable to the Transportation Development Act Funds used by the Redwood Coast Transit Authority (the Authority).

This summary of significant accounting policies of the Authority is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of financial statements.

The Authority owns buses and related equipment, and contracts with a third party, First Transit, Inc., for the operations of the bus routes in Del Norte County and surrounding areas. The financial statements are intended to present the financial position and results of operations of only those transactions attributable to the Authority. The Authority does not exercise control over any other governmental agency. Criteria used in determining the reporting entity was based on control or dependence determined based on budget adoption, funding, and appointment of the respective governing board.

B. Basis of Presentation

The accounts of the Authority are organized based on funds, each of which is considered 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, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. In the financial statements in this report, the various funds are grouped into two generic fund types and one broad fund category as described below:

Proprietary Funds:

Enterprise Funds (Public Transit Fund) - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned and their expenses are recognized when incurred.

Redwood Coast Transit Authority
Transportation Development Act Funds
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

The fixed assets of the Proprietary Fund are recorded on a historical cost basis. Depreciation is provided for on the straight-line method over the remaining useful life of the asset, which ranges from five to forty years. The threshold for capitalizing capital expenses is \$5,000.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The Authority may fund programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Authority's policy is to first apply restricted grant resources to such programs, followed by other revenues if necessary.

D. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash and investments are used in preparing the statement of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

F. Fair Value Hierarchy

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The valuation method used for rental properties is the Leased Fee Market method, which is dependent on the income generated from the rental properties.

The Authority did not have any investments subject to the recurring fair value measurements as of June 30, 2025.

G. Contingencies

The Authority receives revenue from Federal, State and Local agencies that have requirements to be met when expending these revenues. If the requirements are not followed, the unauthorized expenditure would be a liability to be refunded to the appropriate agency. Although that is a possibility, management currently deems the contingency remote based upon their knowledge of the objectives of the grantors and the provisions of the grants. Accordingly, no amount has been accrued as a contingent liability in the accompanying financial statements.

Redwood Coast Transit Authority
Transportation Development Act Funds
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

H. Leases

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases. If the Authority does not have an incremental borrowing rate the Authority uses the risk free 52-week treasury bill rate.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities and are reported with long-term debt on the statement of net position.

I. Net Position

In the financial statements, the fund net position is reported in three categories as follows:

- Net investment in capital assets - This category of net position reports the net book value of capital assets used in Authority operations including construction in progress all net of related accumulated depreciation and reduced by the carrying value of related long-term debt issued to finance the acquisition of such assets.
- Restricted for debt service and capital projects - This category of net position reports all unspent proceeds from the issuance of long-term debt restricted for capital asset improvement, replacement, or construction, net of the related long-term debt. It also includes funds restricted for debt service payment and reserve requirements.
- Unrestricted - Unrestricted net position represents all other assets net of related liabilities available for use by the Authority.

Net Position Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. 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 applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Redwood Coast Transit Authority
Transportation Development Act Funds
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - CASH & INVESTMENTS

The Treasurer of Del Norte County (the County) is responsible for maintaining the cash and investment pool. The total cash deposited with the County was \$276,565 as of June 30, 2025.

Credit Risk, Carrying Amount and Market Value of Investments

The Authority maintains specific cash deposits with the County and involuntarily participates in the external investment pool of the County. The County is restricted by the state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than the state code as to terms of maturity and type of investment. Also, the County has an investment committee that performs regulatory oversight for its pool as required by California Government Code Section 27134.

The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. At June 30, 2025, the Authority's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors.

NOTE 3 - FIXED ASSETS

A summary of changes in fixed assets of the Proprietary Fund is as follows:

	Balance 6/30/24	Additions	Deletions	Balance 6/30/25
Vehicles	\$ 2,155,144	\$ -	\$ -	\$ 2,155,144
Buildings	1,032,198	-	-	1,032,198
Subtotal	3,187,342	-	-	3,187,342
Less accumulated depreciation	(2,335,280)	(118,083)	-	(2,453,363)
Total fixed assets	<u>\$ 852,062</u>	<u>\$ (118,083)</u>	<u>\$ -</u>	<u>\$ 733,979</u>

Redwood Coast Transit Authority
Transportation Development Act Funds
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - FIXED ASSETS (concluded)

Depreciation was \$118,083 for the year ended June 30, 2025. Depreciation was calculated using the straight-line method over the useful life of the asset. The useful lives of the assets range from five to ten years.

<u>Right To Use Asset</u>	Balance 7/1/24	Additions	Deletions	Balance 6/30/25
Right to use land space	\$ 890,501	\$ -	\$ -	\$ 890,501
Less accumulated amortization	(81,954)	(29,249)	-	(111,203)
Total net right to use asset	<u>\$ 808,547</u>	<u>\$ (29,249)</u>	<u>\$ -</u>	<u>\$ 779,298</u>

NOTE 4 - FARE REVENUE RATIO

The Authority is required under the Transportation Development Act to maintain a fare revenue to operating expenses ratio of 10%. Governor Newsom signed AB 149 into law on July 16, 2021, which suspends the Fare Box Recovery Ration requirements through June 30, 2025. The calculation of the fare revenue ratio for the year ending June 30, 2025 is as follows:

Fare revenues	\$ 127,859
Total	<u>\$ 127,859</u>
Operating expenses	\$ 2,407,642
Less: Depreciation	(118,083)
Amortization	(29,249)
Exempted services	-
Total	<u>\$ 2,260,310</u>
Fare revenue ratio	<u>6%</u>

The Authority has not met the required farebox revenue ratio. In response to the COVID-19 pandemic crisis, relief measures have been put in place for transit agencies statewide. The following TDA regulations have been temporarily eliminated and noted for reference purposes only. The TDA regulations allow a grace year for the first year an operator does not meet the required farebox revenue ratio. The second year the ratio is not met is the noncompliance year. Failure to meet the ratio during these two years does not result in any penalties to the Authority. However, if the Authority does not meet the required ratio for a third year (determination year) the Authority will be subjected to reduced funding in the fourth year (penalty year). Funding for the fourth year would be reduced by the difference between the required 10 percent farebox ratio revenue amount and the actual farebox revenues received, per Section 6633.9 of the TDA. The amount of reduced TDA funding, if any, cannot be determined at this time.

NOTE 5 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Authority engages contractors for its operations and management services and requires all these contractors to provide commercial insurance covering such risks of loss.

Redwood Coast Transit Authority
Transportation Development Act Funds
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 - CONCENTRATIONS

The Authority receives a substantial amount of its support from Transportation Development Act funding as well as Federal Transit Administration Grants. A reduction in the level of support may have a significant effect on the Authority's activities.

NOTE 7 - LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Beginning	Additions	Retirements	Balance	Due in one Year
Leases payable	\$ 808,547	\$ -	\$ 29,249	\$ 779,298	\$ 30,278

NOTE 8 - LEASES

The Authority leases ground space with the State of California located on the Del Norte County Fair Grounds through February 28, 2024. The lease has an option for an additional 20 years through February 28, 2044, which the Authority intends to execute. The Authority uses the estimated incremental borrowing rate of 3%. The Authority has recorded a right to use asset with a net book value of \$779,298 at June 30, 2025. Future minimum payments required under the above lease are as follows:

Year End June 30	Principal	Interest	Total
2026	\$ 30,278	\$ 418	\$ 30,696
2027	31,332	432	31,764
2028	32,433	447	32,880
2029	33,557	463	34,020
2030	34,741	479	35,220
2031	35,948	496	36,444
2032	37,203	513	37,716
2033	38,505	531	39,036
2034	39,854	550	40,404
2035	41,251	569	41,820
2036	42,695	589	43,284
2037	44,187	609	44,796
2038	45,737	631	46,368
2039	47,347	653	48,000
2040	49,004	676	49,680
2041	50,721	699	51,420
2042	52,496	724	53,220
2043	54,331	749	55,080
2044	37,678	330	38,008
Totals	\$ 779,298	\$ 10,558	\$ 789,856

NOTE 9 - SUBSEQUENT EVENTS

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

REPORT ON COMPLIANCE AND OTHER MATTERS
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS IN RELATION TO THE LOCAL
TRANSPORTATION FUNDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Redwood Coast Transit Authority
Crescent City, 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 business-type activities of the Redwood Coast Transit Authority, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Redwood Coast Transit Authority's basic financial statements, and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Redwood Coast Transit Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Redwood Coast Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Redwood Coast Transit 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 Redwood Coast Transit Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

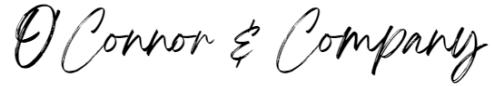
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the requirements of the California Public Utilities Code Sections 142257, 5554 and 6667 regulations as it applies to Local Transportation Funds noncompliance, which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with such 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 that are required to be reported herein under the California Public Utilities Code Sections 142257, 5554 and 6667 regulations as it applies to Local Transportation Funds and *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Redwood Coast Transit 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 Redwood Coast Transit Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



O'Connor & Company.

Novato, California
December 17, 2025

REDWOOD COAST TRANSIT AUTHORITY

BOARD & MANAGEMENT REPORT

**For the Year Ended
JUNE 30, 2025**



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Board of Directors
Redwood Coast Transit Authority
Crescent City, California

In planning and performing our audit of the basic financial statements of Redwood Coast Transit Authority for the fiscal year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Redwood Coast Transit Authority's internal control.

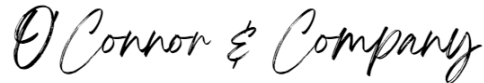
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

During our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration in this report. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are not intended to be all-inclusive, but rather represent those matters that we considered worthy of your consideration. Our comments and recommendations are submitted as constructive suggestions to assist you in strengthening controls and procedures; they are not intended to reflect on the honesty or integrity of any employee. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist Redwood Coast Transit Authority in implementing the recommendations.

This report is intended solely for the information and use of the Board of Directors and management of the Redwood Coast Transit Authority and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank Redwood Coast Transit Authority's staff for its cooperation during our audit.



O'Connor & Company

Novato, California
December 17, 2025

Board of Directors
Redwood Coast Transit Authority
Crescent City, California

We have audited the basic financial statements of Redwood Coast Transit Authority for the year ended June 30, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 9, 2025, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Redwood Coast Transit Authority. Such considerations were solely for the purpose of determining our audit procedures and not providing any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Redwood Coast Transit Authority are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered by Redwood Coast Transit Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 101 – Compensated Absences

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole. The most sensitive estimates affecting the basic financial statements were:

- Capital asset lives and depreciation expense.
- Accrual and disclosure of leases.

Disclosures

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, there were 19 audit adjustments proposed to assist management in recording changes to capital assets, other balance sheet accounts, and revenue.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 17, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Redwood Coast Transit Authority and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Redwood Coast Transit Authority
BOARD & MANAGEMENT REPORT
For the Year Ended June 30, 2025

Current Year Observations

1) Revenue Recognition

Observation:

During our audit, we noted that some revenues were recorded in the period only when cash was received. Several adjustments were made to record revenue in the correct period when earned.

Recommendation:

We recommend that Redwood Coast Transit Authority (the Authority) implement an accounting policy to record revenue in the period earned to follow generally accepted accounting principles.

Prior Year Observations

1) Lease Capitalization Policy

Observation:

As discussed in Notes 1H and 8 to the financial statements, the Authority implemented Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective for the year ended June 30, 2022, and had material effects on the financial statements. This new standard requires leases to be capitalized as intangible assets. In compliance with the new accounting statement the Authority should consider formalizing a capitalization policy for leases like their capitalization policy for capital assets.

Recommendation:

We recommended the Authority consider formalizing a capitalization policy for leases and IT subscription arrangements over \$100,000.

Status:

This recommendation has not been implemented.

March 6, 2026

MEMO TO: Board of Directors

FROM: Joe Rye, Executive Director



SUBJECT: Adopt Resolution 2025-26-05 Approving Revised Format Fiscal Year 2025-26 Budget

RECOMMENDATION:

Adopt Resolution 2025-26-05 approving Revised Format Fiscal Year 2025-26 Budget.

BACKGROUND:

RCTA utilizes a partnership with Del Norte County to where the County Auditor's Office acts as RCTA's finance section, establishes and monitors and reports on RCTA budgets, earns interest on investment accounts and interest revenue to RCTA, as well as processing RCTA revenues and payments to vendors. RCTA was notified that Del Norte County was switching to a new financial software package effective in Fiscal Year (FY) 2025-26. While the RCTA adopted a budget for FY 2025-26 in late June, 2025, RCTA must now re-adopt a revised format budget that adheres to the new software systems nomenclature and numbering system.

DISCUSSION:

RCTA Admin staff are working closely with County Auditor staff to take the adopted RCTA budget and morph it to fit into the new accounting system. Advantages of the new software include ability for RCTA to adopt budgets for its special funds to draw funds directly down from these funds without the extra step of moving funds from the special fund accounts into the main RCTA fund (645, under the old accounts system). The budget for RCTA Board re-adoption today includes established revenue and expenditure budgets for RCTA Main, RTCA TIRCP/SB 125, and RCTA CTSA budgets. In a future Board meeting later this spring, RCTA will be able to adopt budgets for STA State of Good Repair, STA, and LCTOP. Details of RCTA Special Funds that now feature their own revenue and expenditures budgets, allowing RCTA to spend directly from these funds, usually for capital projects, include:

- RCTA budget now includes 3 Funds: 5501000 (RCTA Main) 5501000 (CTSA), and 55050000 (TIRCP/SB 125)
- Small changes as adopted budget line items are transferred into new lines based on categories and line names contained in the new software system.
- Includes all same service platform as adopted in June 2025 FY 2025-26 budget

Resolution 2025-26-05 Adopting Revised Reformatted FY 2025-26 RCTA Budget

Attachment 1: RCTA Adopted FY 2025-26 Budgets in New Format with Separate Capital Fund Budgets

RESOLUTION NO. 2025-26-05
REDWOOD COAST TRANSIT AUTHORITY RESOLUTION
APPROVING REVISED FORMAT FISCAL YEAR 2025-26 REDWOOD COAST TRANSIT AUTHORITY BUDGET

WHEREAS, there is need for moderately low or low-priced transportation in Del Norte County; and

WHEREAS, the transit services in Del Norte County are successful programs; and RCTA needs to change its accounting approach to adapt to the County's new financial software package, including establishing separate accounts with revenue and expenditure budgets for spending directly on capital projects; and

WHEREAS, Redwood Coast Transit Authority provides public transportation services on a dial-a-ride and on a fixed-route basis to the citizens of Del Norte County; and

WHEREAS, the proposed expenditure of funds by the Redwood Coast Transit Authority is in accordance with the most recent Transit Development Plan and approved 2024 Del Norte Regional Transportation Plan; and

WHEREAS, the available funds include Local Transportation Fund estimate of \$795,243 plus \$41,855 for CTSA Activities and State Transit Assistance Funds estimated at \$388,829, plus various federal and other state funding, including approximately \$400,000 in CARES (COVID Relief) Act funds; and

WHEREAS, RCTA staff and the Board have identified the optimal mix of operating projects and capital projects to be delivered in Fiscal Year 2025-26 based upon transit needs in the service area, available funds to the agency, and staff resources available to manage and deliver projects.

NOW, THEREFORE, BE IT RESOLVED THAT the RCTA Board of Directors hereby adopts the attached Fiscal Year 2025-26 Budget and directs the Executive Director to manage the transit system according to and in compliance with the funding allocated herein for use by the Redwood Coast Transit Authority for the purpose of funding the operation of dial-a-ride and fixed-route transit services during fiscal year 2025-26 and the delivery of various capital projects.

PASSED AND ADOPTED by the Redwood Coast Transit Authority on the 11th day of February 2026 by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Isaiah Wright, Chair
Redwood Coast Transit Authority

ATTEST:

Joseph Rye, Executive Director
Redwood Coast Transit Authority

RCTA CTSA Fund - Fund 5502000 (Formerly Fund 691)

ORG	OBJECT	PROJECT	DESCRIPTION	TYPE	STATUS	BUDGET	
5502000	42000		Interest	Revenue	Active		
5502000	47920		Del Norte Healthcare District	Revenue	Active	\$8,000.00	
5502000	47920	PRIOR	Del Norte Healthcare District	Revenue	Active		
5502000	48757		Passenger Fares	Revenue	Active	\$6,500.00	
5502000	49710		TR IN-Inter Fund Revenue	Revenue	Active	\$41,855.00	
				Revenue Total:		\$56,355.00	
5502000	52125		Accounting/Auditing Services	Expense	Active	\$250.00	was 691-20235
5502000	52140		Legal Services	Expense	Active	\$1,000.00	was 691-20236
5502000	52180		Administration Services	Expense	Active	\$6,000.00	was 691-20233
5502000	52182		Operation/Maint Contract	Expense	Active	\$34,155.00	was 691-20242
5502000	52515		Computer Software/Licensing	Expense	Active	\$5,700.00	was 691-20232
5502000	52810		Advertising/Marketing	Expense	Active	\$250.00	was 691-20237
5502000	52820		Printing and Binding	Expense	Active	\$500.00	was 691-20221
5502000	52830		Publications and Legal Notices	Expense	Active		
5502000	53250		Fuel	Expense	Active	\$8,000.00	was 691-20239
5502000	53600		Special Department Expense	Expense	Active	\$500.00	was 691-20280
				Expense Total:		\$56,355.00	
				Difference:		\$112,710.00	

RCTA Fund TIRCP & SB 125 5505500 (Formerly Fund 693)

ORG	OBJECT	PROJECT	DESCRIPTION	TYPE	STATUS	BUDGET	
5505500	42000		Interest	Revenue	Active	-\$678,500.00	
5505500	46017		State Aid-SB 125	Revenue	Active	-\$3,756,248.00	
5505500	49048		Misc Refunds/Reimbursements	Revenue	Active	\$0.00	
				Revenue Total:		-\$4,434,748.00	
5505500	52140		Legal Services	Expense	Active	\$5,000.00	was 693-018-20236
5505500	52180		Administration Services	Expense	Active	\$12,000.00	RCTA Admin - was 693-20233
5505500	52310		Consulting Services	Expense	Active	\$210,000.00	Green Dot PM Support - was 693-20230
5505500	52360		Construction Services	Expense	Active		
5505500	52366		Planning Services	Expense	Active	\$88,000.00	Transit Center PA/ED (NorthPoint) includes some for start of PS&E was 693-20237
5505500	52800		Communications/Telephone	Expense	Active	\$500.00	was 693-018-20120
5505500	52810		Advertising/Marketing	Expense	Active		
5505500	53600		Special Department Expense	Expense	Active	\$1,000.00	was 693-018-20280
5505500	54000		Department Allotment	Expense	Active	\$3,756,248.00	
5505500	55252		Planning Engineering & Design	Expense	Active	\$362,000.00	Williams Drive PS&E Design (Dokken) was 693-20234
5505500	55450		Vehicles	Expense	Active		
				Expense Total:		\$4,434,748.00	
				Difference:		\$0.00	

March 6, 2026

MEMO TO: RCTA Board of Directors
FROM: Joe Rye, Executive Director
SUBJECT: Update on TIRCP Capital Projects



RECOMMENDATION:

Discussion only.

BACKGROUND:

Update to the Board on RCTA’s major TIRCP-funded capital projects, including Williams Drive Electric Vehicle Charging Stations, Downtown Transit Center, and Electric Bus Procurement projects.

DISCUSSION:

Since the inception of these three major capital projects, RCTA has been very fortunate to secure TIRCP and SB 125 grant funding to design and construct all three projects.

Overall Project Funding

Table 1: RCTA TIRCP Projects Funding Plan After First Tranche SB 125 funds applied in 2024

2023 Transit and Intercity Rail Capital Program - Program Allocation Plan																
Proposed DNLTC RCTA TIRCP and SB 125 Allocation Plan Draft - November 25, 2024																
Project Information						Project Programming										
Award No.	Cycle 6 Award Amount	Award Recipient	Implementing Agency	Project Title	Separable Phases/ Components	PPNO	Phase	FY 23-24	FY 24-25	FY 25-26	FY 26-27					
2023:10	\$ 8,612,000	Humboldt Transit Authority (HTA) with Yurok Tribe and Redwood Coast Transit Authority	Redwood Coast Transit Authority	Expanding Transit Service and Growing Zero-Emission Fleets on California's North Coast	Crecent City Transit Center	CP116	PA&ED	\$ 100,000								
							PS&E			\$ 250,000						
							CONST				\$ 1,556,000					
									Procure Battery Electric Buses	CP116B	CONST			\$ 1,678,974	\$ 121,026	\$ 4,401,000
									Procure Battery Electric Buses	CP116B	CONST			\$ 1,303,000	\$ 401,733	\$ 3,504,733
									Charging Stations	CP116C	PA&ED	\$ 37,000				
								PS&E				\$ 250,000				
						CONST			\$ 3,199,000		\$ 3,486,000					
	\$ 8,612,000				Cycle 6 Total			\$ 37,000	\$ 350,000	\$ 6,430,974	\$ 4,573,759					
	Key:				SB 125 Funds by Year	TIRCP		\$1,675,501	\$1,678,974		\$3,354,475					
						ZETCP		\$149,752	\$84,007	\$84,007	\$401,773					
						Total SB 125					\$3,756,248					

The funds awarded to RCTA in the original TIRCP Cycle 6 funding application were based on “pre-inflation” estimates and are shown above without color. In 2024 RCTA added in funding from both tranches of SB 125 (emergency state transit funding to mitigate fiscal impacts from the pandemic) funds. These are shown in yellow and green above. SB 125 second tranche funds have been delayed in arrival but are expected later in 2026. RCTA’s original estimates of project soft costs (planning, enviro, design) have proven low, and RCTA has worked with Caltrans to reallocate some construction phase funding to design (PS&E) to keep projects moving, but this borrowing from construction phase may force difficult scope decisions once bids are opened, unless additional funds can be obtained. Additional TIRCP funds are recommended to be applied for. RCTA received its first tranche (\$1.8M) of SB 125 funds in early 2024 but has yet to receive the second tranche, also estimated around \$1.8M, only now divided into a second and third tranches due to state budget challenges. RCTA expects both second and third tranches of SB 125 funds later in CY 2026. However, SB 125 funding can be used to support operations. RCTA’s recently adopted Short Range Transit Plan identified a structural operating deficit RCTA faces without significant new operations funding. Staff must consider future operating fund requirements when considering options to fully fund major capital projects.

Staff have developed an option that is predicated upon delivering the three capital projects as fully as possible assuming that half of RCTA’s remaining (the third tranche) SB 125 funds will go toward sustaining operations. Along with additional TIRCP funding, the key to the strategy is reducing the number of electric buses to be procured, from 10 back to the original grant application of 6. This saves \$1.4M that can be used to help with underfunded phases of the two major capital projects. Table 2 shows funding that was shifted in 2025 “forward” from Williams Drive Charging Stations construction phase to design phase as well as a similar forward shift of funds from construction to design phase for the Transit Center Project scheduled for 2026. Table 2 shows RCTA diverting \$800k (half) of the estimated future SB 125 funds, \$1.68M, the third tranche, towards operating assistance. This would likely amount to \$200k extra operating assistance per year for 4 years, starting after the last of RCTA’s federal pandemic relief funds which arrive in FY 2027-28 or FY 2028-29.

Table 2: Option 1 TIRCP Funding Plan – Showing \$1.4M reallocated from EV Bus Purchases to support soft costs on both projects and Construction for Williams Drive Charging Stations

2023 Transit and Intercity Rail Capital Program - Program Allocation Plan																	
Proposed DNLTC RCTA TIRCP and SB 125 Allocation Plan Draft - Revised January 26, 2026																	
Project Information						Project Programming											
Award No.	Cycle 6 Award Amount	Award Recipient	Implementing Agency	Project Title	Separable Phases/ Components	PPNO	Phase	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Project Totals					
2023:10	\$ 8,612,000	Humboldt Transit Authority (HTA) with Yurok Tribe and Redwood Coast Transit Authority	Redwood Coast Transit Authority	Expanding Transit Service and Growing Zero-Emission Fleets on California's North Coast	Crescent City Transit Center	CP116	PA&ED	\$ 100,000		\$ 25,000							
							PS&E			\$ 250,000	\$ 250,000						
							CONST				\$ 1,556,000						
									Procure Battery Electric Buses	CP116B	CONST			\$ 278,974	\$ 121,026	\$ 4,676,000	
									Procure Battery Electric Buses	CP116B	CONST			\$ 1,303,000	\$ 401,733	\$ 2,104,733	
									Charging Stations	CP116C	PA&ED	\$ 37,000					
								PS&E				\$ 434,000	\$ 50,000				
			CONST			\$ 3,015,000	\$ 275,000										
	\$ 8,612,000				Cycle 6 Total			\$ 37,000	\$ 534,000	\$ 4,921,974	\$ 5,098,759	\$10,591,733					
Key:					SB 125 Funds												
				1st Tranche TIRCP	TIRCP			\$1,675,501									
				2nd Tranche TIRCP	TIRCP					\$1,678,974		\$800,000					
				ZETCP	ZETCP			\$149,752	\$84,007	\$84,007	\$84,007	\$401,773					

Option 1 moves \$1.4M out of procuring buses to meet immediate needs for additional money for known shortfalls in Charging Station design and Transit Center environmental and design phases, then sets aside the remaining available funds (\$275k) to help with Charging Station Construction. See red text above for changed funding. Early engineer’s estimates indicate a shortfall that could threaten to remove key elements of the Charging Stations Project from the scope if additional funding is not secured. Of particular concern is very high estimates for the bus parking (and EV charger-area) shade canopy. This amenity is highly desired to keep buses and bus drivers dry as well as to protect EV chargers from rain and weather. With a current (90% design) engineer’s estimate of \$4M, it is likely that the \$275k reallocated to Charging Stations Construction may not be enough to deliver the project with the shade canopy.

Other options can be developed but staff firmly believe the basic premise of Option 1 is optimal, to reduce the quantity of electric buses purchased from 10 to 6. This saves \$1.4M. Electric buses cannot help with Route 20’s South Segment to Eureka, so will be limited to local routes in and around Crescent City and Del Norte County, including Route 20 and 199 trips to Smith River and Gasquet. 7 (6 new from TIRCP/SB 125 funds, plus one “pilot bus” arriving in 2026 from other funds) electric buses will be enough to meet the needs of local routes.

After implementing Option 1, RCTA should seek out an augmentation of additional TIRCP funding in the upcoming Cycle 8 call for projects (Feb 20, 2026). TIRCP Cycle 8 funding criteria may or may not prioritize previously funded projects experiencing shortfalls. RCTA is cautiously optimistic that another well-written and

supported TIRCP application could attract additional funds for underfunded aspects of either the Charging Stations or Transit Center projects.

Option 2: Reallocate funding from Construction of the Transit Center Project to Construction of the Williams Drive Charging Stations Project

Since the Transit Center is a year (or two) behind the Charging Stations project, one idea that dovetails well with a Cycle 8 TIRCP application may be to reallocate \$1,000,000 (\$1M) from Transit Center Construction to Williams Drive Construction to ensure that project is deliverable and fully functional, and then apply for additional Cycle 8 TIRCP funding to backfill the construction phase shortfall for the Transit Center Project. This would allow RCTA to deliver Williams Drive without painful scope cuts (including a shade structure to protect at least 12 bus bays and charging stations) and proceed through PS&E (design, Plans, Specs, and Estimates) with the Transit Center to have a much sharper cost estimate on that project. Any awarded TIRCP that cannot be expended on either Williams Drive or Transit Center projects can be reallocated to the Electric Bus purchases at the end. This will avoid RCTA having to give back TIRCP funds after both major facility projects are completed.

RCTA has been leaning heavily upon Green Dot to provide extensive project management support services to keep these labor-intensive TIRCP projects moving. To that effect, RCTA has burned through Green Dot's initial not-to-exceed five-year contract faster than anticipated, and will be returning to the Board in the coming months with an amendment to add funding to the Green Dot PM Support contract. Funds spent on PM Support from Green Dot are eligible TIRCP project expenditures.

INSERT TABLE 3 – THE PREFERRED OPTION BORROWING FROM TC CONSTRUCT

Individual Project Updates

Williams Drive Electric Bus Charging Infrastructure

The Williams Drive Charging Stations Project was the first component of RCTA's TIRCP program to advance into implementation, initiating in 2024. It represented a logical starting point, as charging infrastructure is a prerequisite to placing RCTA's six battery-electric buses into revenue service.

The environmental phase was completed in January 2025, culminating in adoption of a Negative Declaration by the RCTA Board on January 27, 2025. The design phase received allocation approval from the California Transportation Commission (CTC) in January 2025. RCTA subsequently solicited engineering services and selected Dokken Engineering in June 2025 based on qualifications and experience.

Upon receipt of design cost proposals, estimated design costs exceeded the originally programmed amount for the phase by approximately 35 percent. This increase is attributed to significant escalation in labor costs, inflationary pressures, and the project's remote location relative to consultant offices. To address this shortfall, RCTA successfully reprogrammed \$184,000 from Construction to design through the CTC in August 2025, increasing the total PS&E phase budget to \$434,000.

As the project advanced, it became apparent that the original RFP and scope of work did not fully capture RCTA's intent to include two backup generators as part of the charging station system. In addition, a site survey was required to clarify the extent of a modified leasehold area, supporting both the project and RCTA's ongoing partnership with the County and State Fairgrounds. These additional requirements resulted in Amendment No. 1 to Dokken's contract, increasing the budget by \$33,000 (to a total of \$401,000 in PSE phase), which was approved by the RCTA Board in December 2025.

Despite these scope refinements, the project has progressed steadily and achieved the 90 percent design milestone in late February 2026. The design phase closeout is currently anticipated by the end of April 2026, with bid-ready construction documents expected later in 2026. The latest engineer's estimate for the project, including the shade structure, is \$4M plus contingency for a total of \$4.5M.

Next Steps

RCTA will continue working with Dokken Engineering to complete the 100 percent design and prepare a construction bid package for public release in fall of 2026. RCTA anticipates seeking CTC allocation for the Construction phase in June 2026, consistent with the CTC's sequential agenda process, which requires completion and closeout of each project phase prior to authorization of funding for the subsequent phase. RCTA will also evaluate the timing of construction award, including the advantages and constraints of issuing a contract during winter months, and strategies to manage weather-related impacts to achieve construction completion by mid-2027.

In parallel, RCTA plans to procure a construction management firm to support the Charging Stations Project during construction. Preference will be given to firms with demonstrated experience delivering similar projects and familiarity with the region to minimize travel-related costs. RCTA intends to engage construction management services as soon as possible to allow a constructability analysis prior to finalization of 100 percent design. To support this effort, RCTA expects to seek Board approval to issue a Request for Proposals for Charging Station Construction Management in the coming months.

Downtown Transit Center

The Downtown Transit Center project originated in 2022 with RCTA's Transit Hub Feasibility Study, which evaluated and identified potential sites for a new transit center. Following this effort, RCTA successfully secured funding to design and construct the project using a combination of TIRCP and SB 125 funds, totaling approximately \$4.6 million. The project will provide RCTA riders with a permanent, centralized transfer facility featuring staffed ticketing, improved passenger amenities, and enhanced oversight and security.

The Transit Center is planned for construction within the City's existing Library Parking Lot, located approximately 200 feet from the current transit transfer location at the northwest corner of Front and K Streets. An MOU for use of the parking lot site was executed between RCTA and the City of Crescent City in September 2025. A long-term ground lease, anticipated to be adopted within the next year, will establish the framework governing project design and construction, as well as ongoing operational responsibilities, including security, janitorial services, maintenance, and cost-sharing arrangements. RCTA's preference is for the City to provide janitorial and maintenance services using existing City staff.

Throughout project development, RCTA has actively participated in the City of Crescent City's Downtown Specific Plan process. The Downtown Transit Center is widely regarded as a key catalyst for revitalization of the Downtown area, supporting expansion northward from Front Street. Over the past year, RCTA has worked closely with the City and its urban design consultants through several iterations of the Transit Center kiosk and site layout to ensure consistency with anticipated design standards. The current concept envisions a small building, possibly two-stories, with walkup ticket windows, office space for housing dispatch and driver break activities, as well as public and driver restrooms, and additional off-street bus bays. (see Figure 1).

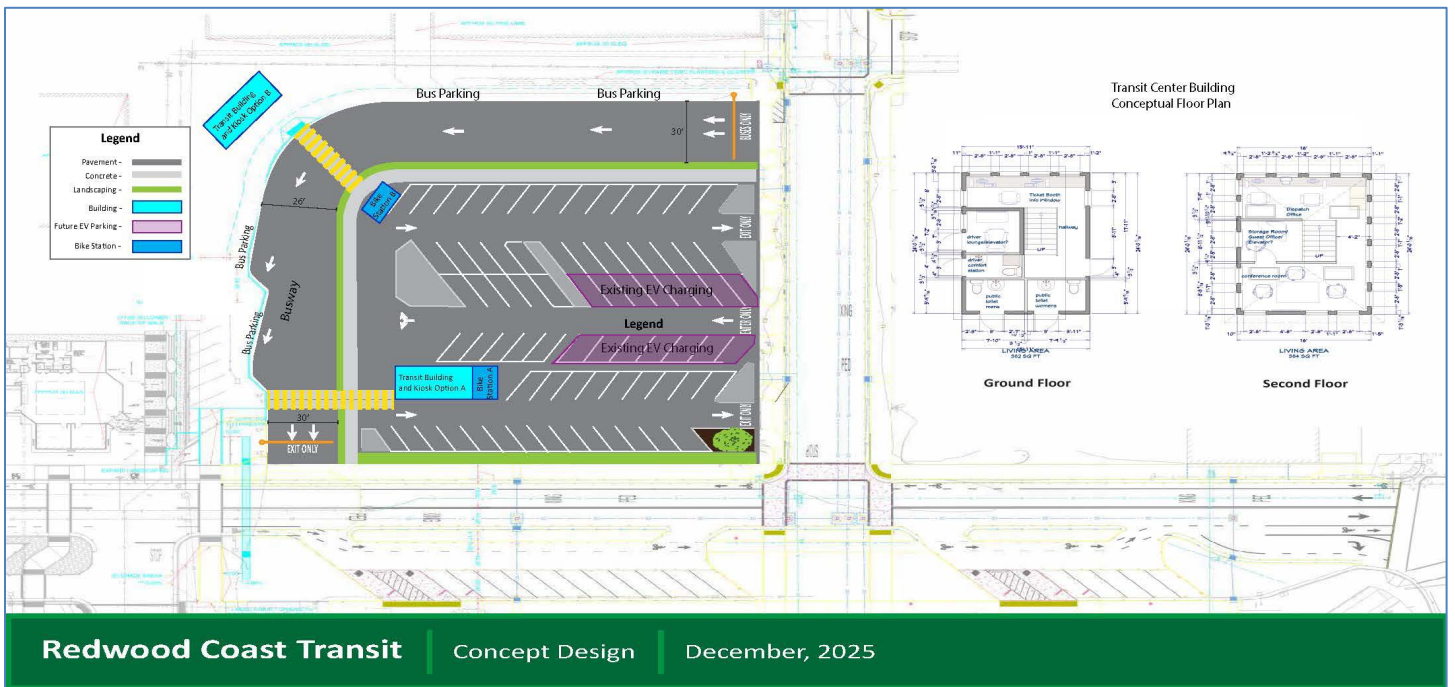


Figure 1: Transit Center Concept Designs – December 2025

RCTA has also coordinated closely with the City on the Gateway Beautification Project, which will improve curbs and sidewalks surrounding the Library Parking Lot and directly benefit the Transit Center site. However, as construction activities progress along Front Street, RCTA will be required to temporarily relocate the existing transit transfer operations from Front Street to an interim location prior to construction of the new facility. Continued coordination with the City will be critical to maintaining uninterrupted transit service while ensuring successful project delivery.

The environmental phase (PA&ED) received allocation approval from the California Transportation Commission in January 2025. RCTA subsequently solicited environmental consulting services and selected NorthPoint Consulting in June 2025 based on qualifications. The project has progressed steadily through environmental review, and NorthPoint submitted the Architectural Review packet and supporting CEQA Negative Declaration documentation on December 19, 2025. RCTA received Planning Commission approval on February 12, 2026 and has supported the City’s filing of the enviro documents with the State Clearinghouse.

Next Steps

The environmental phase is expected to conclude in spring 2026, positioning RCTA to seek design phase allocation from the CTC at its May 2026 meeting. Upon allocation, RCTA will initiate procurement of engineering and architectural services through a competitive RFQ process. Currently, \$250,000 is programmed for the design phase. Based on recent experience with the Williams Drive Charging Stations Project, RCTA anticipates that additional funds, on the order of at least \$250,000, may need to be reprogrammed from Construction to design to adequately support design development. Design activities are anticipated to begin later in 2026 and continue into 2027, with construction potentially commencing as early as 2027, though more likely in 2028, depending on funding availability and project readiness.

Procurement of Electric Buses

This project will begin soon due to the desire to receive the batch of EV buses shortly after conclusion of the construction phase of the Charging Stations Project. This project is funded by a mix of funds, including second tranche SB 125 and ZETCP (Zero Emission Transit Capital Program) funds that are limited to purchase of ZEB vehicles (EV buses). RCTA hopes to obtain CTC approval of at least part of the project's funding at the May 2026 CTC meeting. This will allow RCTA to order some amount of buses in spring 2026 for delivery by 2027. EV buses, like their petroleum-powered counterparts, must be ordered well in advance of receipt, with production backlogs of a year or more common.

RCTA is struggling with EV availability and design issues. RCTA strongly prefers to use low-floor buses on its local routes, due to safety and running time efficiency advantages. There is only one firm producing low-floor electric cutaways, and their low-floor cutaway is new, with very few buses in revenue service. Alternatively, RCTA could order more of the high-floor Endera Model B buses. The agency continues to expect delivery of its first EV, an Endera Model B that was ordered nearly two years ago and is (still) expected to be delivered any day now. Between the inordinate time it has taken to receive the first "pilot" Endera bus and the lack of available low-floor options, RCTA is not convinced that ordering more Endera buses is the optimal choice.

Next Steps

RCTA has been communicating with the bus vendors (and especially the new low-floor Optimal S1 EV cutaway) and encouraging them to setup a demo in Crescent City and submit a proposal on the next CalACT/MBTA purchasing cooperative solicitation. Optimal has recently partnered with A-Z Bus Sales here in California to expand sales into the growing EV transit cutaway bus market. This would make it much easier for RCTA to purchase these cutting-edge vehicles. Assuming A-Z Bus Sales can offer a piggyback contract that allows RCTA to easily order a second "pilot bus", this time a low-floor Optimal S1 that seems, if soundly built, to be a better match for RCTA's fixed route fleet. Unfortunately, RCTA finds itself on the cutting edge of the EV industry when it comes to low-floor vehicles. Should the Optimal bus not pan out, RCTA will be in a position of choosing between ordering more buses that take forever to manufacture and are not ideal for local fixed route duties (Endera Model B), or waiting until another low-floor cutaway bus emerges onto the cutaway EV market. This would be negative in the respect that RCTA could be criticized for investing heavily into chargers at its yard but then not having enough EV buses to utilize the new chargers during the first years after the Charging Station Project is completed.

Project Management Costs

RCTA operates with the leanest administrative structure of any independent transit agency in California. With administrative capacity limited to a half-time position held by experienced transit professionals, RCTA engaged Green DOT Transportation Solutions to provide essential staff-extension project management support for the duration of three TIRCP- and SB 125-funded projects. The multi-year project management support contract was approved in April 2024 with a not-to-exceed amount of \$304,950. This value was established based on four percent of the total estimated construction costs at the time of proposal development (\$7,580,000).

Green DOT's support has been critical to advancing these projects. To date, services have included weekly project coordination meetings with RCTA; regular coordination with the California Transportation Commission (CTC) and Caltrans; consultant procurement support (including RFP development, proposal evaluation, and interview participation); ongoing consultant coordination; preparation of TIRCP monthly meeting materials and quarterly reports; allocation request support; future phase planning; and planning services to respond to evolving project needs. As the projects have progressed, the level of coordination, reporting, and interagency

engagement required has exceeded initial assumptions, resulting in a higher-than-anticipated expenditure rate under the base contract.

As a result, Green DOT has expended approximately \$217,000 (71 percent) of the original not-to-exceed amount as of the end of 2025—equating to roughly \$100,000 per year, compared to the originally anticipated annual level of effort of approximately \$61,000.

Green DOT and RCTA explored opportunities to rebalance or reduce workload in order to avoid the need for a contract amendment. However, given the complexity of the remaining work and the importance of maintaining continuity and accountability through project delivery, it was determined that reducing scope or responsibility would pose risks to project outcomes. Upcoming tasks include continued consultant and contractor procurement, construction-phase coordination, allocation and reporting support, and overall project management through delivery.

Based on the remaining project delivery timeline and anticipated level of effort, an amendment is anticipated to increase the contract by approximately \$200,000 (approximately \$100,000 per year for each of the two remaining years) to allow Green DOT to continue providing critical project management services through project completion. Staff anticipates bringing an amendment for Green Dot to the Board in the near future.

Recommendation

Discussion only.

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March 6, 2026

MEMO TO: Board of Directors
FROM: Joe Rye, Executive Director RCTA
SUBJECT: Grant Writing Services – Award to Green Dot



RECOMMENDATION:

That the Board approve an agreement with Green Dot Transportation not to exceed \$20,000 to perform grant writing services for the upcoming TIRCP Cycle 8 capital funding opportunity.

BACKGROUND:

RCTA's contract administration team of TMTP Consulting handles routine grant applications and reporting duties as part of its general transit management role. However, this model falls short when one off discretionary grant opportunities come up during times when RCTA's grant writing resources are engaged in other critical grant tasks, in particular the involved process of requesting fund reimbursements (RFRs). This spring, this scenario is playing out. Limited TMTP resources are fully engaged in RFR production and work on projects such as the transit hub and have no bandwidth to submit complex grant applications.

An important grant call for projects is looming that could bring up to \$4M in funds to RCTA:

- Cycle 8 Transit Intercity Rail Capital Program (TIRCP)

DISCUSSION:

RCTA engaged Green Dot to assist in Cycle 6 TIRCP 3 years ago. The investment paid off wonderfully, as RCTA was awarded \$7.6M in Cycle 6 TIRCP for three major capital projects in a joint application with our partners at Humboldt Transit: electric buses, Williams Drive charging infrastructure, and the Downtown Transit Center. Cycle 8 of TIRCP funds are being made available, with applications due in April. RCTA expects to compete very well for an augmentation of additional TIRCP funds that will address inflation and help to avoid scope cuts in its three major TIRCP capital projects. Green Dot has submitted a proposal to craft RCTA's Cycle 8 TIRCP grant application for not-to-exceed \$20,000. There are no guarantees of success with this grant application, but both operate on an annual cycle with similar requirements each year, so if RCTA is not funded in the 2026 round of grants, the funding expended to write these grants will not be wasted and can be utilized the following year for Cycle 9. RCTA will own the applications and can quickly resubmit for future grant opportunities, whether for future rounds of these funds, or other undetermined future grant opportunities.

Regardless, RCTA lacks staff resources to do a formal procurement for these grant writing services in time to meet submittal deadlines, as the TIRCP grant is due in early April. Green Dot features experience writing funded-TIRCP grants for RCTA and other clients, and will be able to meet the deadlines for TIRCP submittal.

Recommendation

Approve an agreement with Green Dot Transportation Solutions in the not-to-exceed amount of \$20,000 for grant writing services for the TIRCP Cycle 8 Grant Cycle.

Attachments: Green Dot Transportation Grant Writing Letter Proposal Dated January 30, 2026
RCTA Agreement with Green Dot Transportation for Grant Writing Services

REDWOOD COAST TRANSIT AUTHORITY

Transit and Intercity Rail Capital Program Grant Application Assistance

Redwood Coast Transit Authority

140 Williams Drive
Crescent City CA 95531

Dear Joe,

Based on recent coordination and the advancement of multiple Redwood Coast Transit Authority (RCTA) capital projects, RCTA is now entering a critical phase of project delivery. The Transit Center project is advancing into Plans, Specifications, and Estimates (PS&E), while the Williams Drive Charging Stations project is moving toward Construction (CON). As projects have progressed, there are identified funding gaps that were not fully quantifiable during earlier phases.

Given this transition, RCTA anticipates the need to supplement existing construction constraints to ensure projects can be delivered as envisioned and in compliance with program requirements. The Transit and Intercity Rail Capital Program (TIRCP) Cycle 8 presents a timely and strategic opportunity to secure this additional funding. TIRCP places a high priority on previously funded projects that demonstrate clear progress, readiness for implementation, and the ability to leverage prior State investments. By pursuing an additional TIRCP application at this juncture, RCTA can build upon earlier awards, reduce risk to project delivery, and position these projects for successful construction without scope reductions or delays.

To support this effort and develop a competitive application aligned with current project status and TIRCP priorities, Green DOT proposes the following scope of services.

Scope of Services

1 PROJECT UNDERSTANDING AND EXISTING CONDITIONS

Green DOT will compile and synthesize background information necessary to establish a clear and compelling project narrative. This task will include:

- Review of previous Cycle 7 TIRCP application and supporting materials
- Documentation of current project status, including recent progress toward PS&E and Construction
- Identification of unforeseen conditions and cost drivers that have emerged since earlier funding cycles
- Articulation of how lessons learned from prior phases inform the current funding request and future project delivery

This effort will result in a consolidated understanding of past, current, and planned capital investments, forming the foundation for a coherent and persuasive grant narrative supported by quantitative data.

2 ALIGNMENT WITH TIRCP PROGRAM OBJECTIVES

Green DOT will review the most recent TIRCP Cycle 8 guidelines and scoring criteria and evaluate opportunities to leverage relevant material from the prior application. The project team will ensure that the proposed project is clearly aligned with state, regional, and local planning objectives, including consistency with the following adopted plans and studies:

- Zero-Emission Vehicle Study
- Unmet Transit Needs Analysis
- 2025 Short Range Transit Plan
- 2024 Del Norte Regional Transportation Plan
- Transit Hub Feasibility Study
- 2025 Del Norte Active Transportation Plan

If refinements to project descriptions, benefits, or phasing are necessary to strengthen alignment with these documents and TIRCP objectives, Green DOT will recommend and incorporate those adjustments into the application materials.

3 GRANT APPLICATION PREPARATION AND SUBMITTAL

Green DOT will prepare and submit a complete TIRCP Cycle 8 grant application. The application will be developed through two review stages – Administrative Draft and Final Draft – to allow for coordination with RCTA staff and stakeholders.

The application package will include, at a minimum:

- Completed application forms
- Project narrative
- Detailed scope of work
- Schedule of products and deliverables
- Budget and financial forms
- Key staff resumes
- Contact lists
- Letters of support and commitment
- Proposed project schedule and cost estimates

Green DOT will manage all aspects of application development through final submittal, ensuring accuracy, consistency, and compliance with TIRCP requirements.

Proposed Schedule and Costs

Green DOT proposes that the total cost to prepare the TIRCP application is **NOT TO EXCEED A LUMP SUM OF \$20,000.**

The development and submittal of the application and all associated work will take place from February 2026 (Call for Projects released) to May 14, 2026 (submission deadline). Please let us know if you have questions regarding this proposal.

Sincerely,



Jeff Schwein, AICP CTP

President

Green DOT Transportation Solutions

March 6, 2026



MEMO TO: Board of Directors

FROM: Joe Rye, Executive Director

SUBJECT: Update on LCTOP Funding, LCTOP-funded Projects, and State of Good Repair Fund

RECOMMENDATION:

Continuation of December Discussion. The Board shall provide direction for future use of LCTOP.

BACKGROUND

LCTOP is a cap-and-trade program allocated to transit agencies based on population and the percentage of local transit fare revenues. For 2025-26 fiscal year, the LCTOP allocation for Del Norte County totaled \$71,725, roughly the same as in previous years. DNLTC will program the funds to RCTA, RCTA will be responsible for program requirements and reporting. **LCTOP fund estimates for FY 2026-27 are drastically lower, dropping RCTA’s (estimated) apportionment to \$46,199.** This drop in projected funding, is partially attributed to lower proceeds from the statewide Cap-and-Trade program that produces the revenue. This combined with a recategorization of LCTOP from a Tier 1 funded program to Tier 3, as part of 2025’ SB 840 law, is causing a projected 40% drop in future funds starting in FY 2026-27.

History

RCTA first utilized LCTOP for a purchase of bus shelters in FY 15-16, then Free Bus farebox subsidy program (in FY 16-17, 17-18 and 18-19) then to Fleet Electrification (FY 2019-20, 2020-21, 2021-22, and FY22-23, and finally back to Free Bus every fiscal year since.

Free Bus Program Overview – Funded FY 16-17 through 18-19, 20-21, and 23-24 through 25-26

Initially, two population groups were targeted for the Free Bus program, College of the Redwoods students and Cal Poly Humboldt students. Two other groups were added to those eligible 2 years later, High School/Middle School students and Veterans. Starting in FY 2024-25, the Free Bus program was expanded to seniors & disabled residents, and the program has been effective in attracting ridership and community appreciation.

Fleet Electrification Project – Funded FY 19-20, and FY 21-22 through 22-23

The Fleet Electrification LCTOP funds accumulated as they are restricted to construction or equipment/bus purchases, and were not available for planning and design phases of the Williams Drive Charging Stations Project. RCTA submitted a successful request to transfer \$29,552 (one small year’s allocation) from the Electrification Project to the Free Rides Project in 2024. RCTA has amassed a balance of nearly \$140,000 for LCTOP Electrification Projects:

In 2023, RCTA obtained its \$7.6M TIRCP grant to fund the Williams Drive Project, plus the Downtown

TOTAL AVAILABLE LCTOP FUNDS FOR FLEE ELECTRIFICATION	
FY 2021-22 --	69,084
FY 2022-23 --	<u>70,264</u>
	\$ 139,348
Note: one years’ EV funding already has been transferred to Free Bus	
	FY 2020-21 -- 29,552

Transit Center and a large batch of electric buses, all with zero local match.

RCTA has the following options with regards to the Fleet Electrification Project balance:

- Use funds to support construction-phase costs of the Williams Drive EV Infrastructure Project
- Use funds to cover local match (\$33,838) on the Pilot Electric Bus, the Endera Model B
- Ask Caltrans to approve moving funds from Fleet Electrification to Free Rides (between projects)

Apply LCTOP Fleet Electrification Funds to the Williams Drive EV Infrastructure Project

The Williams Drive EV Infrastructure (Fleet Electrification) Project is in need of some additional funding, based on the current Engineer’s Estimate, in order to deliver the full scope of the project. The scope item most at risk currently is the steel shade structure to cover buses and EV charging stations. This structure is very expensive due to macro outside factors impacting steel prices, and may have to be reduced or eliminated if additional funds are not obtained by the time the project completes construction. To cover all 20 bus parking stalls is projected to cost \$2M, out of an overall project cost estimate of \$4.8M. Even a reduced shade structure that covers 12 spots and all 6 initial EV chargers is projected to cost \$1.5M, or a then total project value of \$4.3M. This renders the small amount of LCTOP Fleet Electrification funds as ineffective in staving off scope reduction. Even if RCTA applies all \$139,348 towards the Williams Drive Project, additional TIRCP funds or scope reduction will be required. Staff believes that RCTA can obtain additional funding for all its Cycle 6 TIRCP projects by submittal of a competitive TIRCP Cycle 8 application this spring. Funding of previously funded projects struggling with inflation and other fund shortfalls is expressly noted as an eligible TIRCP project.

Use \$33,838 in Fleet Electrification LCTOP to the Local Match for Purchase of Pilot Endera EV Bus

RCTA now has a strong chance to obtain a large HVIP voucher to help with purchase of the Pilot Endera electric bus. RCTA reapplied for a HVIP voucher when the voucher application reopened in December 2025. California's Clean Truck and Bus Voucher Incentive Project (**HVIP**) provides lump sum funding to be applied to purchase of zero emission buses to offset the current price differential. In prior rounds of HVIP, vouchers were capped at \$60,000 per ZEB purchase. Currently, that per-bus HVIP limit has been raised to \$156,000. RCTA has received early indication from Tetrattech, the consultants managing the HVIP Program for CARB, that RCTA is highly likely to receive a \$156k voucher. This will provide very welcome relief from what was to be a large overmatch required for this pilot EV.

Assuming receipt of a HVIP Voucher, the pilot Endera Model B electric bus will be funded as follows:

Original Volkswagen Settlement Fund Grant	\$160,000
HVIP Voucher	\$156,000
<i>Remaining Required Local Match (SGR or LCTOP?)</i>	<u>\$ 33,838</u>
Total Purchase Price (PO 2025-26-21)	\$349,838

Submit request to Caltrans to move the LCTOP Fleet Electrification balance to the Free Ride Program

The Fleet Electrification balance (would be \$105,510 after local match on the Endera Bus) is insufficient to help much with the Williams Drive EV Infrastructure Project shortfalls. However, \$105k is enough to extend the sustainability of the Free Rides Program by at least 1.5 years. This would be enough to fund the Free Rides Program at current ridership levels 2027-28, even with drops in LCTOP anticipated.

Capacity of SB-1 State of Good Repair (Fund 697) and Ability to Provide Vehicle Purchase Local Match

It is important to analyze the capacity of the SGR fund (Fund 697) and its ability to provide local match for all bus purchases, as RCTA is committed to a series of long anticipated bus replacement grants, many of which require local match. The current SGR fund balance for the Bus Replacement Project (1 of 2 projects SGR funds) is about \$100,000 as of July 2025. This balance will NOT be enough to fully pay for local match for the two new (Blue) diesel buses that arrived in late 2025. Unfortunately, the older grants that provided funding to these two buses combine to require 33% local match, or \$152k, which is far from ideal. RCTA has stopped applying for grants that require more than 20% local match, due to its lack of local match funds. However, these older grants were awarded at high local match levels.

RCTA gets new allocations of SGR funding annually, approximately \$44k/fiscal year and at this point, all funds are being programmed to Bus Replacements. Under both scenarios, RCTA will appeal to Caltrans to reduce the magnitude of two recently awarded grants from 2 diesel buses each to 1. Historically, Caltrans can work with the FTA to do this, and this would meet RCTA future fleet needs AND reduce the amount of local match required by about \$70k.

SGR Bus Replacement Local Match Shortfall – Scenario 1 use \$33,838 for Endera Pilot EV

Local Match Needs – Bus Replacement

Local Match on Endera Pilot EV Bus (3/26)	\$0-33,838
Local Match (33%) on (2) F550 Buses (12/25)	\$152,000
Local Match (15%) on (3) ARBOC LFs (3/26)	\$ 85,500
Local Match (15%) on (2) F550 Buses (12/26)	\$ 71,000
Local Match (15%) on (1) F550 Buses (12/27)	\$ 35,000 (will require Caltrans change, 2 to 1 bus)
Local Match (15%) on (1) F550 Buses (12/27)	\$ 35,000 (will require Caltrans change, 2 to 1 bus)
	\$412,338

Available SGR Bus Replacement Funding

Starting Balance of SGR Bus Replacement	\$100,000
FY 25-26 SGR Bus Replacement Allocation	\$ 44,000
FY 26-27 SGR Bus Replacement Allocation	\$ 44,000
<u>FY 27-28 SGR Bus Replacement Allocation</u>	<u>\$ 44,000</u>
Projected Total Available SGR	\$232,000
<i>Projected SGR Local Match Shortfall (TDA)</i>	<i>\$180,838</i>

SGR Bus Replacement Local Match Shortfall – Scenario 2 use \$33,838 in LCTOP for Endera Pilot EV

Local Match Needs – Bus Replacement

Local Match on Endera Pilot EV Bus (3/26)	\$0
Local Match (33%) on (2) F550 Buses (12/25)	\$152,000
Local Match (15%) on (3) ARBOC LFs (3/26)	\$ 85,500
Local Match (15%) on (2) F550 Buses (12/26)	\$ 71,000
Local Match (15%) on (1) F550 Buses (12/27)	\$ 35,000 (will require Caltrans change, 2 to 1 bus)
Local Match (15%) on (1) F550 Buses (12/27)	\$ 35,000 (will require Caltrans change, 2 to 1 bus)
	\$379,000

Starting Balance of SGR Bus Replacement	\$100,000
FY 25-26 SGR Bus Replacement Allocation	\$ 44,000
FY 26-27 SGR Bus Replacement Allocation	\$ 44,000
<u>FY 27-28 SGR Bus Replacement Allocation</u>	<u>\$ 44,000</u>
Projected Total Available SGR	\$232,000
<i>Projected SGR Local Match Shortfall (TDA)</i>	<i>\$147,000</i>

DISCUSSION

Staff recommends the following “Scenario 2” actions relating to LCTOP and SGR:

Expend \$33,838 of LCTOP Fleet Electrification on the local match for the Pilot Endera EV Bus Move remaining \$105k of LCTOP from Fleet Electrification to Free Rides (funds through 2028)
Work with Caltrans to reduce number of diesel buses in two future grants from 4 to 2
Utilize TDA Reserves (\$147k) to cover SGR Fund shortfall on committed bus purchases

Moving of \$105k in LCTOP Fleet Electrification funds to Free Rides will allow the Free Rides Program to cover all current ridership through Fiscal Year (FY) 2028-29. RCTA expects to receive near its annual historic average of \$70k in FY 2025-26, then a drop to \$46,199 in FY 2026-27 and beyond. Adding \$105k to the Free Ride Program will allow RCTA to avoid running out of Free Rides funds through three fiscal years after the funding drops off (26-27, 27-28, and 28-29). This assumes no further expansion of Free Ride Program rider eligibility. Should RCTA choose to expand the Free Ride Program to include “\$2 fares on Route 20 and/or North State Express” or anything like that, that expansion would quicken the draw down of the LCTOP Free Ride Funds and cause the balance to expire as soon as 2027-28.

LCTOP FREE RIDE PROGRAM REPORT

The Free Ride Program has become a critical marketing campaign for RCTA. This program has been warmly received by the community and its popularity has helped RCTA gain ridership. Riders experience the ride as “Free”, but drivers tally each time an eligible rider boards the bus, and LCTOP is billed annually for the published fare. Initially targeted to College of the Redwoods Students, the Free Bus Program expanded to include all youth and Veterans in 2019 and expanded again in 2024 to include seniors and certified disabled riders. At this point, the fare replacement cost in one year is similar to the level of annual LCTOP grant amounts, \$60,000 to \$75,000.

From inception in 2017 through FY 2023-24, the Free Bus Program served 78,535 riders and accumulated \$94,664.50 of deferred fares. The program is revenue-neutral to operations, as all of the \$94,664.50 are charged against the grant rather than the riders.

Potential New Free Rides “Express Rides” Project – North State Express Route 101

RCTA is being asked to participate in a joint marketing campaign for the North State Express (NSE) to market this new service, that helps fill the void left by Greyhound in the US 101 Corridor. NSE partners are considering a flat \$2 fare per segment for adults.

It will be helpful at this point to explain how the NSE 101 compares to RCTA Route 20. Route 20 features 4 daily round trips on its North Segment (CC to Smith River) and 2 daily round trips (3 in the summer, funding permitting) on its South Segment (CC to Eureka). NSE 101, at this point, is one round trip per day. For RCTA, the Route 20 trips that are part of NSE 101 are the early morning southbound, and the early evening northbound trips. Most 20 trips are NOT NSE 101.

Options to Discuss

Implement the \$2 fare on ALL adults that use Route 20, not just NSE 101 trips

The easiest way to participate in the joint marketing of the NSE 101 fare structure with RCTA's partners from Humboldt Transit, Mendocino Transit, and Lake Transit would be to adopt the \$2 flat fare for ALL Route 20 trips, both NSE 101 trips of Route 20 and non-NSE 101 trips. However, this will also be the most expensive option in terms of lost fares. Route 20 features a distance-based fare structure that charges more the further a rider travels, with fares ranging from \$2.50 to \$14 per one-way trip, for adults. All seniors, veterans, youth, and college students ride free. In digging deep into FY 24-25 Route 20 ridership data, 80% of adults that ride either only cross one zone (a two zone trip, \$2.50 fare) or use a pass. Lost fares of full participation in the \$2 flat fare promo on ALL Route 20 trips would primarily focus on the 20% of adult riders that ride longer distances, and pay higher fares. RCTA had 1331 adult cash riders who travelled 3 or more zones in FY 24-25, a mix of 3, 4, and 5 zone rides. According to FY 24-25 adult cash rider statistics, enacting the \$2 flat fare would cause a loss of \$12,835 per year.

Implement the \$2 fare ONLY on NSE 101 trips of Route 20

As mentioned earlier, not all Route 20 trips are part of NSE 101, in fact only 2 one-way segments out of 12 daily one-way segments are NSE 101 trips. RCTA could, in theory, apply the \$2 flat fare to only the NSE 101 trips and reduce the lost revenue. However, this will be very difficult to communicate to riders and drivers alike, and the risk of non-compliance or confusion will be high. RCTA will have to do a great job communicating this situation to riders and go above and beyond to train drivers and dispatchers on the fare scheme. Not all runs of Route 20 will have \$2 fares, only the ones connecting with NSE 101 in Eureka. The safest way to estimate this impact would be to take the same group of long-distance cash paying adults from above and cut those in half (the long distance riders are, by nature, using the South Segment, and half of those South Segment trips are NSE 101 trips in the winter, 33% in the summer). That rate, just offering the \$2 flat fare on NSE 101 trips will cost RCTA \$6417 per year.

Implement the \$2 fare ONLY for Credit Card/Tap Card users

RCTA has offered promotional fares of \$1 (\$2 if you fail to tap off) on all its buses since the start of the Cal-ITP Far North Contactless Fares demonstration project in early 2023. This was part of the NSE 101 partnership, and all NSE 101 operators participated, and still do. RCTA could decline to extend the \$2 flat fare to cash riders and limit it to contactless card paying customers. This would drastically reduce the lost fares, but might be viewed negatively by RCTA's partners in the corridor. Right now, Humboldt Transit has fully implemented \$2 flat fares, while Mendocino Transit is in the same spot as RCTA, in discussions with their Board on whether or not and how to reduce fares to \$2 on their segment.

RECOMMENDATION

Discussion only. Staff will bring this back to the Board at March's Annual Workshop.