

SPECIAL MEETING CALIFORNIA VANPOOL AUTHORITY

Board of Directors

1340 North Drive * Hanford, California 93230
(559) 852-2711

Meeting Date: June 27, 2013

Time: 10:00 AM

Place: Kings County Association of Governments
CalVans office at 1340 North Drive, Hanford, CA 93230

This Meeting may also be attended at the following locations:

- Association of Monterey Bay Area Governments, 147 Fourth Street, Community Room, Gonzales, CA 93936
- Fresno Council of Governments, Huron City Hall, Council Chambers, 36311 Lassen Avenue, Huron, CA 93234
- Kern Council of Governments, Conference Rm. 336 Pacific Ave., Shafter, CA 93263, **and second location of** 1401 19th Street, Board Room, Bakersfield, CA 93301
- Madera County Transportation Commission, Citizens Business Bank, Room 101, 2001 Howard Road, Madera, CA 93637
- Merced County Association of Governments, Conference Room, 369 West 18th Street, Merced, CA 95340
- Napa County Transportation and Planning Agency, 707 Randolph Street, Suite 100, Napa, CA 94559
- Sacramento Area Council of Governments, Sutter Buttes Room, 1415 L Street, Suite 300, Sacramento, CA 95814
- Santa Barbara County Association of Governments, Solvang City Hall, 1644 Oak Street Solvang, Ca. 93463
- Tulare County Association of Governments, Conference Room, 210 N Church St., Suite B, Visalia, CA 93291
- Southern California Association of Governments, 950 County Square Drive, Suite 101, Ventura, CA 93003
- Ventura County Transportation Commission, Conference Room, 950 County Square Drive, Suite 108, Ventura, CA 93003

The call in number for this meeting is 1-866-244-8528, Password 574681

Please note that the Brown Act requires that Board members calling in do so from one of the above locations noted above. Please contact Ronald Hughes the Executive Director at least 72 hours before the meeting date and time if you plan on calling in from another location.

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Authority to provide a disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the Authority. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, facsimile, or written correspondence to Ron Hughes, at the office of the California Vanpool Authority, at least 48 hours before a public Authority meeting.

A G E N D A

<u>Item #</u>	<u>Description</u>	<u>Action</u>
1.	CALL TO ORDER	
	Roll Call – Clerk of the Board	
2.	PUBLIC COMMENT (Unscheduled Appearances)	
	<p>The public may address the Board of Directors on any item relevant to the Authority. To comment on an agenda item, speakers should notify the Board or Staff member at the meeting location, when the agenda item is announced. The Board or Staff member will indicate whether speakers are to make their comments before or after any staff comment or report. Public comment shall precede discussion of the item by the Board of Directors. Comments by individuals and entities will be limited to five minutes or as may be reasonable as determined by the conducting officer.</p>	
3.	Consent Items:	Approval
	<p>All items listed as consent items are considered routine and will be enacted by one motion. For any discussion of any consent item, it will be removed at the request of any Board member and made a part of the regular agenda.</p>	
	<p>A. Minutes of May 9, 2013 meeting B. Disposal of older equipment</p>	
4.	System Update	Information
	<p>a. Regional Reports from Transit Coordinators b. Award from Breathe California c. Deployment of new vans d. California Agricultural Workforce Housing and Transportation Project Summit</p>	
5.	Review Annual Financial Report	information
6.	Establishment of PARS retirement system	Action
7.	Authorize employee raise for contribution into employee’s retirement plan	Action
8.	Discuss CalPERS Appeal process	Action
9.	Miscellaneous Comments	Information
10.	Adjournment	

Attachments:

<u>Item</u>	<u>Page</u>	<u>Description</u>
A-	10	Board Minutes of May 9, 2013
B-	17	TAC Minutes of June 13, 2013
C-	24	List of assigned vanpools
D-	33	Copy of Clean Air Awards Program and award
E-	35	Annual Financial Report
F-	42	PARS Plan Provisions with actuarial study by Milliman
G-	60	CalPERS letter dated May 24, 2013

STAFF REPORT

3. Consent Items

A. Minutes of May 9, 2013

The attached minutes are from the last meeting and are ready for approval, pending any changes from the members.

B. Disposal of older equipment

The following vehicles have reached the end of their useful life. Staff is recommending that the equipment be declared surplus and disposed of:

Year	MAKE	MODEL	VIN #	MILEAGE
2002	DODGE	Dakota	1B7GL32XX2S542487	93,415
2004	GMC	Savana	1GJHG39U941241649	156,312
2005	GMC	Savana	1GJHG39U751173966	233,000

4. System Update

a. Regional Reports from Transit Coordinators

There has been a lot of activity over the past month as Staff has fielded a number of requests for new vanpools as well as attending a number of presentations at employer’s worksites for those interested in forming a vanpool. Each Coordinator will give a brief update on what is happening in their area. The Coordinators and their respective areas are listed below. I have attached a list of all vanpools presently assigned. The list is short by about 15 vans as teachers have turned in their vans for the summer, they will be returning in August.

<u>Coordinator</u>	<u>Counties Served</u>
Georgina Cardenas	Sacramento region and Napa
Carmen Mora	Monterey, San Benito and Santa Cruz
Thomas Hernandez	Ventura and Santa Barbara
Gus Banda	Merced, Madera, Fresno, Kings and Kern (Agricultural Vanpools)
Temo Ortiz	Merced, Madera, Fresno, Kings and Kern (General Vanpools)

b. Award from Breathe California

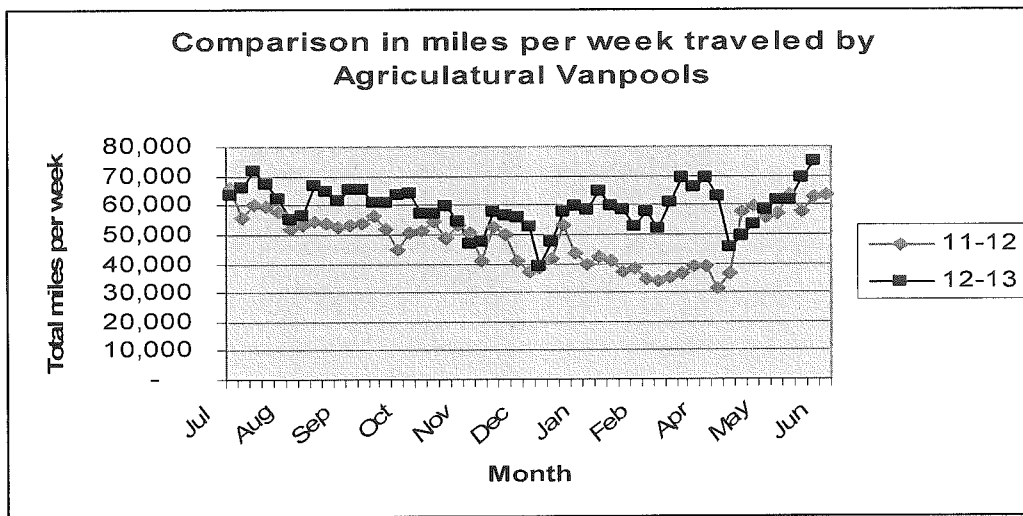
Staff attended an awards ceremony in Monterey last month where CalVans received recognition for its positive impact towards reducing Green House Gases. The award noted the 450 vanpools CalVans operates and the corresponding number of vehicles removed from the road way each day.

Following the award, Staff met with AMBAG Staff to discuss ways of tracking or measuring the trips in the Monterey area. Staff discussed using AMBAG’s GIS capabilities to plot the vanpool trips as they occur in the region, showing movement over the course of the growing season. Staff is now working with AMBAG Staff to identify data that CalVans now receives that could be used for this effort. One of the goals will be to come up with a way of mapping all vans system wide on a real-time basis. Attached is a copy of the program and award.

c. Deployment of new vans

Staff is in now receiving the new vans that were ordered several months ago. About half the vans have arrived with about half of these going into service as soon as they are ready. The 30 CNG Ford vans are being phased in over several months due to the fact that only about 3 per week can be fitted with the necessary CNG equipment. This up fitting takes place at A-1 Electric in Fresno. The vanpools going to farmworkers take time to prepare because they need to have the vinyl mats removed and a rhino-lining surface applied to the floor. Demand for agricultural vanpools remains strong with vans going out as soon as they are ready.

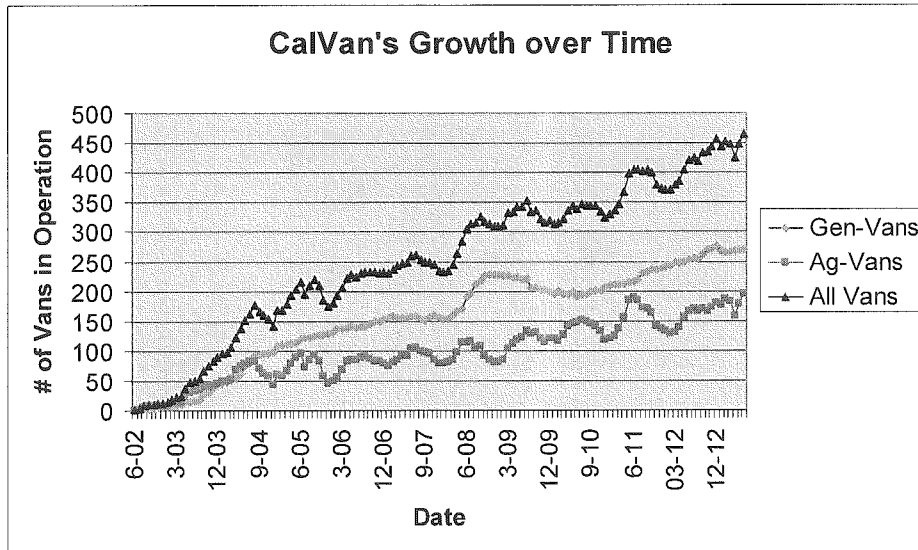
The following graph tracks the total miles traveled each week by all agricultural vanpools. The graph below illustrates the continued demand why the new vans are going out at a steady rate.



Vanpool activity normally drops off in the November/December as work transitions the growing of crops to the planting and pruning of trees. Activity picks up in May as planting gets underway for the summer. This was not the pattern last winter as more of the activity shifted to row crops in the Yuma/Imperial areas. In May, Salinas Valley growers and their workers began are shifting their work back to the Salinas Valley. Agricultural workers who were in the Yuma/Imperial also return to their homes in the Salinas Valley. Since May, miles traveled have increased an average of 5,000 miles a week and show no sign of slowing down. The limiting factor this summer will be the lack of available vans.

As Staff has mentioned in previous meetings, the cyclic up and down seen in past years has been pretty much eliminated. This helps in several ways. It provides for a more stable funding source for budgeting purposes and is a better utilization of the vehicles. Vehicles sitting around for an extended period of time experience more mechanical issues than those that are used on a regular basis. Agricultural workers are working for longer periods insuring a steady income.

The following graph illustrates the cyclic nature of the agricultural vanpools over the past 11 years. The normal drop did not occur this past winter; the growth in vans now follows the more predictable path of the general vanpools. We have over 450 vanpools in service and anticipate putting another 30 to 50 out over the next several months.



d. California Agricultural Workforce Housing and Transportation Project Summit

Staff participated in the California Agricultural Workforce Housing and Transportation Project Summit that was held on May 8th in Sacramento. The meeting was well attended by key individuals who are involved with establishing policies as well as working with agricultural workers on a daily basis. The goals for the group are to come up with some recommendations that can be used to positively impact housing and transportation. Several participants spoke about how the CalVans program has had a positive impact on their workers and recommended that it be looked at for possible expansion. Staff has been asked to help chair a subcommittee that will work on the transportation issues. The subcommittee's goal is to work to insure some positive transportation recommendations are developed.

5. Review Annual Financial Report

The attached audit reflects the period January 2012 to June 2012. CalVans began operating as a separate entity in January. The audit was prepared by the firm of Dedekian, George, Small and Markarian. Page 4 shows an operating loss of \$1,321,050, this was offset by non-operating revenue such as vouchers and grants provided by other agencies as well as the capital contributions coming into CalVans from the vanpool program generated under KCAPTA. As this reflects only six months, the actual operating cost for the year was slightly less than twice the amount shown.

6. Establishment of PARS retirement system

In December 2011 the vanpool program split from KCAPTA to form CalVans. Prior to that separation KCAPTA Staff worked with CalPERS Staff in submitting an application for CalVans to join CalPERS. CalPERS Staff guided KCAPTA Staff through this process, stating the application process would take several months to complete. They directed KCAPTA to continue paying CalVans employee and employer retirement contributions into CalPERS through KCAPTA, stating that when CalVans was approved the funds would be rolled into CalVans' retirement account.

Proposed IRS guidelines circulated in 2012 and the adoption the California Public Employees' Pension Reform Act (PEPRA) slowed down the CalPERS review process, ultimately ending up with CalPERS denying CalVans application to join CalPERS, 18 months after the application was submitted. Up until the denial letter Staff was fairly confident that the application would be approved. CalVans Staff heard repeated comments that they were waiting for one more, or the final approval, before proceeding with approval.

Three major issues raised by the denial are; what happens to contributions made into CalPERS per the direction of CalPERS Staff, what are the Social Security implications if CalVans was not in a recognized retirement plan for the past 18 months, and what happens to the 18 months that the employees assumed were being counted towards their retirement.

In an attempt to address these concerns, Staff looked at options that might provide the employees with a comparable program while addressing the Social Security concern. Staff identified the PARS program as being one comparable to CalPERS in that it is a defined benefit plan program similar in structure to CalPERS. Staff has also determined that the PARS program will be able to pick up the employee's contribution and vesting for the 18 month period that CalVans employees thought they were in CalPERS. This is important because they will not lose any earned retirement service and the agency will not be exposed to any Social Security issues.

Staff was asked at the last Board meeting to look into some private retirement options. Staff contacted the firms of Buckman-Mitchell, Nationwide and Fidelity in reviewing alternate retirement plans. It appears that the primary plan available for public agencies is a tax deferred 457 plan that establishes an employee tax free contribution plan. Unlike CalPERS or PARS, the program is not a defined benefit plan, but based on the earning achieved by the plan at the time of retirement. The maximum contribution is limited to \$17,500 per year, whether from the employee or employer.

Staff also researched the retirement plan offered to Tulare County employees. Tulare County employees are under TCERA (Tulare County Employees' Retirement Association), which is a defined benefit plan. The plan is also offered to the Tulare County Superior Courts, the Strathmore Public Utility District and Tulare County Association of Governments. The retirement contribution is based on years of service and final salary, similar to the CalPERS structure. The employees also have a 457 plan they can contribute in to if they wish. CalVans is not eligible to join their program as it is only open to employees of Tulare County.

In reviewing the options, Staff has found that most public employees are enrolled in a defined benefit plan as opposed to a 457 plan. Two examples of this are Santa Barbara County Employee Retirement System for Santa Barbara County Association of Governments employees and Kern County Employees Retirement Employee's Retirement System for Kern Council of Governments employees. These agencies also provide 457 plans that an employee may contribute to.

CalVans is a public agency with employees who have generally been in the CalPERS retirement system. Moving to PARS will maintain the same defined benefit system and provide the minimal disruption for the employees. Moving to a 457 plan will result in employees losing 18 months of retirement service benefits and exposing CalVans to possible Social Security liability. CalVans can elect at any point in the future to decrease or cease funding into the PARS system. Joining PARS does not obligate CalVans to future payments or the payment for other agencies that may not be adequately funded, as under CalPERS.

With the rollover of funds from CalPERS into PARS the plan will be 100% funded, there will be no unfunded liabilities. Going forward the plan will be monitored to ensure unfunded liabilities do not occur. The Board at any point in the future may modify the plan benefits to address any unforeseen issues in the future. The only obligations are for those that have occurred in the past, which would be covered by past contributions.

The bigger question is, does the Board wish to continue the same retirement program going forward or do they want to cease application to PARS and solicit proposals for establishing a 457 program? Not going into PARS presents the agency with complications as explained above. Soliciting 457 proposals will take some time as it is a formal process where the agency is required to demonstrate that they have worked to select the firm that provides the best value to the employee. Determination is based on the portfolio being offered and the fees charged to administer the plan.

Should the Board select PARS; the cost to enroll in PARS will be slightly less than the amount we were paying into CalPERS. Currently the agency pays 17.28%, 7% on the employee's behalf and 10.28% on the employers'

behalf. Under PARS the 17.12% contribution will be split evenly, 8.56% for the employee and 8.56% for the employer. The 50/50 split is required under the PEPRA regulations. PEPRA also requires that the employee contributions be paid by the employee. Going forward it is anticipated that the contributions will remain constant or increase slightly, as our plan is not tied to other plans.

The present system is funded in the present budget and provides employees with a system comparable to other public agencies. Staff is recommending that the Board authorize the Executive Director to sign the documents required for joining PARS.

7. Provide employee raise for contribution into employee's retirement plan

In the past CalVans has been paying both employer and employee contribution. Changes to California retirement law requires that employees begin paying that portion of their retirement that the employer may have been paying on their behalf. The new law requires that the employer and the employee pay their contributions separately. CalVans presently pays the employee's 7% contributions.

With the establishment of the new retirement plan Staff is recommending that the employees receive their contribution in the form of pay raise of 8.565% that will be withheld from their check and sent to PARS. This will not result in a pay increase for the employees, but make them whole as far as their retirement contributions are concerned. There will be slight cost increase of \$7,262 per year due to the increase in FICA, due to the employee's higher earnings. The employees will not see a wage increase as the 8.56% will be automatically deducted from their pay and forwarded to the retirement plan sponsors. Any changes in the employee rate going forward will be a responsibility of the employee, as this is a one time action to transition from the CalPERS system to the PARS system. The employer contribution paid by CalVans will drop from 10.28% to 8.56%, representing a 1.72% drop.

	Salary	FICA	Retirement	Unfunded Liability *
Budget	1,109,087	84,845	192,582	-
With Increase	1,204,025	92,108	103,515	22,251
Difference	94,938	7,263	(89,067)	22,251

* Unfunded Liability represents retirement contributions made to CalPERS over the last 18 months that have not been refunded yet. This liability will be eliminated as these funds are received.

Increase in Salary for funding employees retirement	94,938
Decrease in Retirement cost paid to CalPERS	(89,067)
Increase in FICA	7,263
Annual increase in employer cost	13,134

Retirement breakdown for CalPERS:

Employer	10.28%	
Employee	<u>7.00%</u>	(employer paid)
Total	17.28%	

Retirement breakdown for PARS:

Employer	8.56%
Employee	<u>8.56%</u>
Total	17.12%

As shown above the only impact to the agency will be the increase in FICA costs. Staff is working closely with CalPERS Staff to roll the funds CalPERS is presently holding on CalVans behalf into the PARS plan. When

this is done it will eliminate the unfunded liability of \$22,251. The agency has budgeted the amount shown above for employees, either in the form of retirement contributions or direct salaries, authorizing the salary increase not increase these numbers. Staff is recommending that the Executive Director be authorized to sign the documents required for establishment of the 8.56% pay raise for the purpose of paying the employees retirement contributions on a one time basis.

The following lists all employee positions, Salary Range as well at starting and ending pay for the range. The increase in pay for retirement proposes will result in an upward adjusted of 8.56%:

July 1, 2013 - June 30, 2014			
Title	Range Jul-13	Beginning	Ending
Executive Director	245.5	39.91	48.70
Accountant	207	27.20	33.19
Transit Coordinator	206	26.93	32.86
Office Manager	170	18.82	22.97
Accounting Clerk III	152	15.73	19.20
Service Writer	151	15.57	19.01
Transit Assistant III	147	14.97	18.27
Transit Assistant II	142	14.24	17.38
Accounting Clerk II	142	14.24	17.38
Transit Assistant I	137	13.54	16.53
Accounting Clerk I	134	13.15	16.05
Lead Transit Aide	117	11.10	13.54
Transit Clerk II	110	10.35	12.63
Transit Clerk I	104	9.75	11.84
Transit Aide	102	9.55	11.66

Note: Last employee pay raise was in 2008.

8. Discuss CalPERS Appeal process

In a May 24, 2013 letter CalPERS explained the reasons for the denial of CalVans application to join CalPERS. The three reason are found in the third paragraph of the attached letter and listed below:

1. One of our members, TCAG (Tulare County Association of Governments) is not a public agency.
2. CalVans is not primarily funded through tax revenues.
3. Fresno Council of Governments does not specify the appropriate common powers.

In response:

1. TCAG is a Joint Powers Agency, formed in the same fashion as other member agencies. I believe CalPERS concern comes from the fact that their Board is made up of all Supervisors as well as a Council member from each city, who then appoint up to three "citizens at Large" to serve on the Board. In discussions with CalPERS Staff, they expressed concern that one of these "at large members" could end up serving on the CalVans Board.
2. Staff could find nothing that states an amount except within the CalPERS guidelines requiring that retirement paid on behalf of the employees has to come from revenue other than passenger fares. Calvans does recover a large portion of its revenue from passenger fares, but also receives approximately 3 million in Federal, State and local taxes or assessments from various government agencies. The following lists some of the non-fare funds we received this year:

\$934,000	State of Good Repair finds from the Federal Government
1,120,000	San Joaquin Air Pollution Control District
1,000,000	Fresno Rural Transit Agency funds
200,000	Monterey Air Pollution Control District funds
300,000	State Job Access and Reverse Commute funds

3. Prior to joining CalVans, Fresno COG attorney drafted an amendment that was adopted by their JPA to address the "common powers" issues so that they could become a member of CalVans.

The news that TCAG is not a public agency and that Fresno COG lacks the "common powers" would be news to them.

Staff submitted an appeal to the CalPERS decision with the intent of rejoining CalPERS should the appeal be successful. However, given the following reasons, Staff believes it may be better to remain with PARS, as opposed to rejoining CalPERS:

- 1 PARS has lower participation cost.
- 2 With PARS, CalVans will have no unfunded liability, as opposed to CalPERS which has an much larger unfunded liability.
- 3 The PARS plan can be modified as needed going forward.

The denial by CalPERS has raised concerns, given they have cited the proposed IRS guideline in making this determination. Does the Board wish to continue the appeal to address these concerns or drop the appeals process.

9. Miscellaneous Comments

Staff does not anticipate holding a meeting in July. The next meeting would be August 8th.

California Vanpool Authority (CalVans)

Minutes of Board Meeting

A regular meeting of the California Vanpool Authority was called to order by Joe Neves, Chairman of the Board at 10:00 a.m. on May 9, 2013, in the conference room of CalVans, 1340 North Drive, Hanford, CA. 93230

California Vanpool Authority Members

AMBAG – Association of Monterey Bay Area Governments
Fresno COG – Fresno Council of Governments
KCAG – Kings County Association of Governments
Kern COG – Kern Council of Governments
MCTC – Madera County Transportation Commission
MCAG – Merced County Association of Governments
NCTPA – Napa County Transportation & Planning Agency
SACOG – Sacramento Area Council of Governments
SBCAG – Santa Barbara County Association of Governments
TCAG – Tulare County Association of Governments
VCTC – Ventura County Transportation Commission

1. CALL TO ORDER

Roll Call – Clerk of the Board

Directors present:

AMBAG	Scott Funk	Primary
Fresno COG	Sylvia Chavez *joined @ 10:01	Primary
KCAG	Joe Neves	Primary
Kern COG	Jon Johnston	Primary
MGAC	Jerry O'Banion	Primary
MCTC	Robert Poythress	Primary
SACOG	Sharon Sprowls *joined @10:21	Alternate
SBCAG	Jim Richardson	Primary
TCAG	Rudy Mendoza	Primary
VCTC	James White	Primary

Directors absent:

NCTPA Keith Caldwell/ Tom Roberts

Counsel present: Zack Smith

Staff/Visitors in attendance:

Ron Hughes, Heather Corder, Georgina Cardenas, Gus Banda and Trish Barberick from CalVans.

Also in attendance were Matt Fell and Kent Epperson.

2. UNSCHEDULED APPEARANCES:

There were no unscheduled appearances.

3. CONSENT CALENDAR:

A. Minutes of April 11, 2013

Motion was made, seconded Poythress/Johnston and carried to approve the consent calendar A: Approval of minutes of April 11, 2013. Sylvia Chavez and Rudy Mendoza abstained.

B. Review DBP Program/Plan

Motion was made, seconded O'Banion/Poythress and carried to approve the consent calendar B: Review DBE Program/Plan. Rudy Mendoza abstained.

4. SYSTEM UPDATE.

a. JARC Grant Submittal.

Ron explained that the JARC applications were submitted to Caltrans for the following areas for the amount shown:

Kern County	\$100,000
Merced	\$50,000
Sutter County	\$50,000
Tulare	\$50,000
Yolo	\$50,000

In each case the grants reflect 50% federal funding matched with 50% in toll credits. If approved, the grant funds will be available next January. Staff is currently administering 5 JARC grants in the following Counties:

Madera	\$50,000
Monterey	\$100,000
Santa Barbara	\$101,000
Ventura	\$50,000
Yuba	\$50,000

Ron explained that the grant money in Monterey is an older grant that is closing down and the others will start providing vouchers in January. There is a \$200,000 grant from the Air District in Monterey that can be used.

Grants can be used for Farm Workers and General Vanpools.

Merced, Monterey, Santa Barbara and Ventura have a lot of activity. CalVans is still working on the Yuba area.

b. Presentation at Caltrans training session.

Ron attended the Caltrans training session in Visalia in April. Ron stated that the presentation went well with lots of comments and questions from those in attendance. One gentleman from Caltrans, Office of Traffic Safety (OTS), stated they were really interested in the program to get unlicensed drivers off the road. One Ag van could have 10-14 non-licensed riders on board and would otherwise drive, really impacts the roadways.

The presentation will be on the CalVans' website once it is narrowed down to forty five (45) minutes.

c. Update on LA Metro review process.

Several months ago Staff responded to a call for proposals for the receipt of \$400 a month for a vanpool traveling in or out of the LA Metro area. The initial approval was granted but pulled after a protest was submitted by vRide.

LA Metro also received a letter from Enterprise asking for all information related to the RFP and the proposals that were submitted.

Staff received a letter from LA Metro last week advising Staff they were going to proceed and allow CalVans the ability to provide the subsidy to its vanpool participants. It appears that the funds they are using for the program are local not Federal. For that reason the protest that was filed by vRide was without merit.

d. Revised One-Year Update flyer.

The One-Year update that was prepared by Staff has been condensed to a two page flyer.

Commissioner White commented that it was a great flyer and readable. He stated most people wouldn't take the time to go through an eight (8) page flyer.

5. REVIEW CALPERS APPROVAL PROCESS.

Ron reported that last week Staff received notification that CalPERS issued a formal opinion that CalVans would not be allowed to join CalPERS. It took 18 months for CalPERS to make that determination all the while informing CalVans to continue making contributions through KCAPTA. CalPERS Staff was very positive when the process began and stated the process should take 3-5 months.

This means any service time and contributions from 12/26/2011 will not be recognized. KATPA Staff and CalVans Staff will be working closely with CalPERS to accurately return all funds remitted on behalf of CalVans employees for the last eighteen (18) months.

Staff has contacted Public Agency Retirement Services (PARS) regarding establishing a retirement package similar to CalPERS. Unlike CalPERS, it does not have a lot of State agencies representing State employees. PARS has over 600 public agencies in California: cities, school districts, community colleges, counties and special districts, covering over 270,000 public employees.

PARS has indicated that CalVans can be a member and is taking the necessary steps to accomplish enrollment by July 1st, 2013. There are very few other public agency options. PARS is an established firm with retirement benefits such as 401(a) that the IRS recognizes as tax qualified.

Staff is working with PARS to recognize the contributions made over the last 18 months paid into CalPERS. The goal is to establish the PARS contract retroactive to December 26, 2011. This way CalVans employee's will not lose their vested time or contributions during the 18 months in question. Actuarial studies are being done and must be made public 15 days before the Board can take action to Join PARS.

Staff recommended the Board to approve all necessary agreements, allowing CalVans to join PARS at the next meeting.

Commissioner Mendoza inquired about the open market in the private sector for a retirement plan for CalVans employees.

Ron replied that PARS mirrored what CalVans employees previously had with CalPERS and had not checked into the open market/private plans.

Commissioner Chavez agreed with the rollover to PARS due to it being the most seamless way and due to the eighteen (18) months in question for the employees. Going out to the open market would take even longer for the employees to have a retirement plan. Commissioner Chavez also questioned if the employees were in agreement with PARS.

Ron stated that the employees were in agreement due to PARS being a plan that is mirrored like CalPERS, a defined benefit plan. Ron stated that all plans have an uncertainty going forward and he recommended employees proceed with the PARS option.

Commissioner Chavez agreed that all plans have an uncertainty and there shouldn't even be an argument if the employees were in agreement in going into PARS.

Ron stated the PARS is better funded than CalPERS currently, due to not having State employees with large salaries and the spiking that has occurred. Going forward PARS has a better long term track record than CalPERS, as far as employer contributions are concerned.

Commissioner Johnston stated he thinks all defined benefit plans whether private or public are in trouble and are a risk.

Commissioner Sprowls commented that SACOG's legal council agrees with CalVans that CalPERS is wrong and made a mistake in not allowing CalVans into CalPERS. And any help SACOG can to have CalVans approved they are willing to assist.

Ron commented that CalVans legal council agrees it is incorrect but has advised CalVans that an appeal process takes approximately two (2) years. CalVans will appeal the decision.

Commissioner Richardson inquired if PARS was similar to CalPERS in that a percentage of contributions is based on the economy and can vary. He also inquired if PARS is working under the same rules and restrictions as CalPERS.

Ron replied that PARS does work under the same rules and restrictions but at this time a recommendation needs to be made. Ron's recommendation is to join PARS, secure the last eighteen (18) months and if the Board wants to look at another benefit plan going forward, we can do so. Ron also explained that at this time we may have some tax liabilities because we have not paid into social security and may have some tax issues if we do not have a defined benefit plan.

Commissioner Spowls questioned if we do not have a retroactive plan would CalVans have social security contribution liabilities that would need to be included in the budget. Ron replied yes there would be social security tax liabilities for the last eighteen (18) months if we do not have a defined benefit plan from December 2011 to current. Ron reiterated that the PARS plan would take care of that.

Commissioner Johnston agreed that CalVans should proceed with joining PARS.

Commissioner Neves stated that CalVans has been working diligently to get CalPERS or a retirement plan in place for CalVans employees. This time is for a discussion and

to share information. If there are strong concerns with a private enterprise now is the time to discuss the options.

Ron stated that at the next Board meeting CalVans is going to ask the Board to approve joining PARS.

Commissioner Neves stated that Staff may need to explore alternatives but there is a timeline that needs to be met.

Commissioner Mendoza strongly recommends research into other plans.

Commissioner Richardson agrees that additional research is needed.

Commissioner Johnston inquired into how much time CalVans has to do this.

Ron stated CalVans doesn't have much time but he will explore other options and bring back to the next meeting.

Commissioner Neves requested anyone with contact information regarding other plans to contact Ron.

6. RECLASSIFY ACCOUNT CLERK I/II POSITION TO ¾ TIME.

Ron explained that one of the bilingual individuals in the accounting department has been working an alternate schedule for the past several months due to family and child care issues. This individual has been with the program since the beginning and has helped develop the system that bills out the vouchers to growers. It is anticipated that the family/child care issues will resolve themselves within the next eighteen (18) months. This employee is currently working 6 hours per day.

Commissioner Johnston inquired why if ¾ times works now why wouldn't ¾ time work going forward.

Ron explained that CalVans is growing and getting busier and has explained to the employee that in future more will be needed from this position. She is in agreement that at that time she will be able to work full time.

Staff recommended the reclassification of one Account Clerk I/II position to ¾ time.

Motion was made, seconded Richardson/Poythress and unanimously carried to approve the reclassification of one Account I/II position to ¾ time.

7. REVIEW FINAL 13/14 BUDGET.

Ron explained that the final budget includes \$30,000 in marketing funds. Staff has also increased the budget by \$167,400 to make funds available for upgrading the

MDTs (Mobil Data Terminals) on the vans. We have been notified that the 2G system our present units operate on will be phased out over the next 18 months to a 4G system. This is an industry wide change affecting all cell towers and will require replacing all older units at a cost of about \$300,000.

Staff recommended the Board adopt the 2013 - 2014 budget.

Commissioner Sprowls inquired where the revenue for the upgrades would come from. Ron replied that the funds would come from increased maintenance fees on the general vanpools and the fees on the farm labor vanpools.

Commissioner White commented that it is great to have more marketing money for public relations and to let people know about our program.

Commissioner Mendoza inquired how those marketing dollars are going to be spent and where. Ron replied that a TAC will be formed to come up with a marketing plan for all areas.

Commissioner Mendoza questioned the total marketing dollars available. TCAG contributes \$25,000 for marketing in their area, in addition to the \$30,000 marketing fund for all locations.

Motion was made, seconded Funk/Chavez and unanimously carried to adopt the 2013 -2014 budget.

8. MISCELLANEOUS COMMENTS FROM THE BOARD AND STAFF.

The next meeting will be a special meeting on June 27th and there will not be a July meeting.

The meeting was adjourned at 10:38 a.m.

Respectfully submitted,



Ronald H. Hughes
Executive Director

5/9/2013 tb

Technical Advisory Committee Minutes

A special unofficial meeting of the California Vanpool Authority Technical Advisory Committee was held on June 13, 2013 at 1:32 p.m. in the conference room of CalVans, 1340 North Drive, Hanford, CA. 93230

California Vanpool Authority Members

AMBAG – Association of Monterey Bay Area Governments
Fresno COG – Fresno Council of Governments
Kern COG – Kern Council of Governments
KCAG – Kings County Association of Governments
MCTC – Madera County Transportation Commission
Merced COG – Merced County of Governments
NCTPA – Napa County Transportation & Planning Agency
SACOG – Sacramento Area Council of Governments
SBCAG – Santa Barbara County Association of Governments
TCAG – Tulare County Association of Governments
VCTC – Ventura County Transportation Commission

1. ROLL CALL AND ATTENDANCE

Ron Hughes, Heather Corder, Gus Banda, Temo Ortiz, Carmen Mora, Georgina Cardenas, Tomas Hernandez and Trish Barberick from CalVans.

Also attending were Bob Snoddy, Suzanne Martinez, Lori Flanders, Tom Roberts, Alan Holmes, Kent Epperson, Sharon Sprowls and Christine Chavez.

2. PUBLIC COMMENT

No comments were received.

3. CONSENT ITEMS

All items listed as consent items are considered routine and will be enacted by one motion. For any discussion of any consent item, it will be removed at the request of any Board member and made a part of the regular agenda.

A. Minutes of April 25, 2013.

Motion was made, seconded Christine Chavez/Alan Holmes and unanimously carried to approve the minutes of April 25, 2013. Sharon Sprowls and Kent Epperson abstained.

4. SYSTEM UPDATE

A. Regional Reports from Transit Coordinators.

Ron reported there has been a lot of activity over the past month as Staff has fielded a number of requests for new vanpools as well as attending a number of presentations at employer's worksites for those interested in forming a vanpool.

Georgina Cardenas – Sacramento Region and Napa

Georgina reported that the area continues to grow. Currently 18 vans are being used in the Napa area. A group of 10 from the Medical facility in Stockton would like to start a vanpool. There are Government employees (State) individuals who have been sharing information about our program who currently travel to Rancho Cordova. Also a new vanpool is starting from W. Sacramento to Richmond. It looks like the general vanpools are taking off now.

Carmen Mora – Monterey, San Benito and Santa Cruz

Carmen reported that currently in Monterey, Salinas and Santa Cruz counties they are 48 farm labor vanpools. General vanpools are used by the prisons, a vanpool travels from S.L.O. to Monterey and teachers have a vanpool. 8 vans are currently being used for 3 weeks to grow garlic in Yuma from Salinas Valley Grower, GTO. Staff is currently working with a new grower in Hollister to start a new vanpool that was referred to us by the DOL. She is also working with the CHP to schedule a class for farm labor workers.

Gus Banda – Merced, Madera, Fresno, Kings and Kern (Agricultural Vans)

Gus reported the busy season has just barely started and the number of vanpools continues to grow. GTO also has vans in Bakersfield and when the vans from Yuma return they will be working in Bakersfield. GTO also has 12 vanpools in Madera County. Currently, Staff is busy swapping new vehicles in Fresno County. CalVans currently has 46 vanpools in Fresno County and 35 of those are getting new vans. CalVans is expanding in Fresno County due to measure C. So far this month we have 6 new drivers applying for new vans. Kern County has 2 new companies providing vouchers for their employees, Rancho Encantado and Jaguar. Jaguar has been with CalVans since 2004. As rates increased they lost a few

vanpools and the company decided to help offset the cost for their employees by providing them with vouchers to use the vanpools. The real season is in July when they are growing grapes.

Bob Snoddy inquired into GTO and vanpools traveling from Rosamond to Soledad.

Gus replied that GTO has actually changed their name to Western Packing and is a farming company. Gus also explained that GTO is a company that has vanpools in 8 different counties, they move around. Their home base is in McFarland. Most of the workers are from Soledad. GTO pays for their hotel room and provides vouchers. They do not travel daily from Rosamond to Soledad. They usually stay a week or so in a certain area and then return to their home base. Accommodations are made closest to where they are working in the fields.

Temo Ortiz – Merced, Madera, Fresno, Kings and Kern (General Vanpools)

Temo reported that he is working on starting a 24 hour vanpool from Hanford to Coalinga in July. Currently there are about 30 people interested in the vanpool which makes it really inexpensive for the riders.

Temo also stated he is working on vanpools from Merced County to Jamestown in Tuolumne County for the Department of Corrections. Jamestown Corrections currently has vanpools but they will be shutting down on July 1, 2013.

Temo reported he is also working with the IRS in Tulare that will be moving to Fresno. Currently the IRS has 15 employees but during peak season they have 200 employees. He will be scheduling a question and answer session with them and then will go from there.

Tomas Hernandez – Ventura and Santa Barbara

Tomas reported Staff is currently dropping off a van to MD Labor, a large user of our services and they just requested 3 more vans in the last 2 days. Ryder Bros is currently trying to help their employees to offset the cost of their vanpools. Staff had outreach last week in West Lake, Camarillo and Oxnard. It went really well and correspondence has been sent to interested parties. A vanpool was just started in Santa Barbara for Channel Tech. Staff is currently working with their H/R Dept to get more vanpools started in the future. Tomas hopes to expand the program in the Santa Barbara area and have more corporate contacts there.

Kent Epperson inquired into where the Channel Tech new vanpool was traveling from.

Tomas replied that the Channel Tech new vanpool was coming from Lompoc and Santa Maria. Oxnard currently has 4 people interested in starting a vanpool but it isn't cost effective for 4 riders. When the overtime stops at Channel Tech there should be at least 7 people interested in starting a new vanpool.

B. Award from Breathe California.

Staff attended an awards ceremony in Monterey last month where CalVans received recognition for its positive impact towards reducing Green House Gases. The award noted the 450 vanpools CalVans operates and the corresponding number of vehicles removed from the road way each day. Ron complimented Carmen and the Staff in Greenfield for their hard work.

Following the award, Staff met with AMBAG Staff to discuss ways of tracking or measuring the trips in the Monterey area.

C. Deployment of New Vans.

Staff is now receiving the new vans that were ordered several months ago. Staff is working hard to get them out as soon as possible. The vanpools going to farm workers take time to prepare because they need to have the vinyl mats removed and rhino-lining surface applied to the floor. The demand for agricultural vanpools remains strong with vans going out as soon as they are ready. The 30 CNG Ford vans are being phased in over the next several months due to the fact that only about 3 per week can be fitted with the necessary CNG equipment.

D. California Agricultural Workforce Housing and Transportation Project Summit.

Staff participated in the California Agricultural Workforce Housing and Transportation Project Summit that was held on May 8th in Sacramento. The meeting was well attended with key personnel who are involved with establishing policies as well as working with agricultural workers on a daily basis. Several participants spoke about how the CalVans program has had a positive impact on their workers and recommended that it be looked at for possible expansion.

5. ESTABLISHMENT OF PARS.

Ron explained that Staff has spent the past several months working on options following the announcement by CalPERS that they denied CalVans application to become a member of CalPERS.

The announcement from CalPERS presented the agency with several challenges that Staff has worked to address. The first concern is that the employees will lose 18 months of retirement service benefit that they thought they were accumulating in the CalPERS system. The second concern comes from the fact that if CalVans was not in an approved plan for the past 18 months we could owe Social Security.

To address these two concerns Staff looked at options that would mirror the CalPERS program while addressing the Social Security concern. Staff identified PARS as being comparable to CalPERS. The PARS program will be able to pick up the employee's contribution and vesting for the 18 month period in question. This is very important because employees will not lose any earned retirement service and the agency will not be exposed to any Social Security issues.

At the last Board meeting Staff was asked to look into some private retirement plans. Staff contacted several firms in reviewing alternate plans such as Buckman-Mitchell, Nationwide and Fidelity. They offer 457 plans which CalVans already has in place with Mass Mutual, which is where the employee/employer can contribute up to \$17,500 per year. Unlike CalPERS and PARS the program is not a defined benefit plan.

Staff also researched the retirement plan offered to Tulare County employees. Tulare County is under TCERA (Tulare County Employee's Retirement Association), which is a defined benefit plan offered to all Tulare County employees. The retirement contribution is based on years of service and final salary, similar to the CalPERS structure. CalVans is not eligible to join their program as it is only open to employees of Tulare County.

In reviewing the options, Staff has found that most public employees are enrolled in a defined benefit plan as opposed to a 457 plan. Those agencies using 457 plans may provide an employer match but it is not standard. CalVans is a public agency with the majority of employees being members in the CalPERS retirement system. Moving to PARS will maintain the same defined benefit system and provide the minimal disruption for the employees. PARS has completed an actuarial study and if we sign on the 27th of this month, PARS will go back the 18 months in question and allow vesting for the period that CalVans employees thought they were in CalPERS.

Staff recommended that the Board authorize the Executive Director to sign the necessary documents required for joining PARS and a raise for the employees for their contribution into the retirement plan.

Sharon Spowls requested separate action items on joining PARS and the raise to cover the employees cost of PARS.

Ron responded that there will be two separate action items for the Board.

Motion was made, seconded Tom Roberts/Sharon Spowls and unanimously carried to establish PARS retirement system for CalVans' employees and authorize the Executive Director to sign the necessary documents to join.

6. PROVIDE EMPLOYEE RAISE FOR CONTRIBUTION INTO EMPLOYEE'S RETIREMENT PLAN.

It has been common for an agency to pay the employees' contribution in lieu of a wage increase. CalVans has not had a cost of living increase since 2008. CalVans has paid the employee's 7% contribution into their retirement plan. Total paid into CalPERS retirement plan is 17.82%. Employer portion was 10.82% and employee portion was 7%.

The new California law requires that the employer and employee pay their contributions separately.

Under PARS the total contribution would be 17.12%. That is .70% less than paid into CalPERS.

PARS retirement plan is 2% at 62. CalPERS retirement plan was 2% at 55.

With the establishment of the new retirement plan, Staff recommended that the employees receive an 8.56% increase which they in return will contribute towards their retirement plan. 8.56% is half of the cost for the retirement plan into PARS.

Staff recommended that the Executive Director be authorized to sign the documents required for establishing the 8.56% pay increase for the purpose of paying the employees retirement contributions.

Sharon had a few questions and wanted a discussion regarding the pay raise. Sharon stated looking at the salaries they look relatively low for most organizations or at least the rates for similar positions. There is a concern

regarding the higher pay scale for some employees going forward in regard to retirement. She understands the sensitivity to employees contributing their portion. Requested discussion regarding what other agencies were experiencing in regard to that.

With no comments or discussion, Ron stated he is sure his staff thinks they are underpaid and is curious as to what other agencies are experiencing.

This item will be brought back before the Board at the next meeting on Thursday, June 27th at 10:00 a.m.

7. MISCELLANEOUS COMMENTS

Ron inquired if there were any items for the next meeting.

Sharon requested clarification on the previous motion.

Ron replied that he would hope the TAC would recommend both items be passed by the Board. Both items (Joining PARS and the employee pay raise) would be separate items at the next Board meeting.

Kent Epperson commented that this has gone on long enough and is happy this is coming to a close.

Sharon clarified that she isn't opposed to joining PARS but would abstain regarding the pay raise.

ANNOUNCE NEXT MEETING DATE

The next California Vanpool Authority Board meeting is scheduled for Thursday, June 27th at 10:00 a.m. in the CalVans conference room located at 1340 North Drive, Hanford, CA.

ADJOURNMENT

The meeting was adjourned at 2:11 p.m.

Respectfully submitted


Ron Hughes
Executive Director

6/13/13 tb

List of Active Vans as of 6-21-13

<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
749	Avenal	Fresno	Pybas Seed Co	Bakersfield	Kern
268	Clovis	Fresno	CSH	Coalinga	Fresno
237	Clovis	Fresno	ASP	Avenal	Kings
244	Clovis	Fresno	PVSP	Coalinga	Fresno
157	Clovis	Fresno	Fresno EDD	Fresno	Fresno
213	Clovis	Fresno	PVSP	Coalinga	Fresno
253	Clovis	Fresno	CCWF	Chowchilla	Madera
205	Clovis	Fresno	PVSP	Coalinga	Fresno
200.2	Clovis	Fresno	PVSP	Coalinga	Fresno
118.3	Clovis	Fresno	CSP	Corcoran	Kings
265	Clovis	Fresno	HRD	Visalia	Tulare
184	Clovis	Fresno	ASP	Avenal	Kings
736	Coalinga	Fresno	Family Ranch	Huron	Fresno
713	Firebaugh	Fresno	Hall AG	Kerman	Fresno
118.2	Fowler	Fresno	CSP	Corcoran	Kings
190.2	Fowler	Fresno	CSP	Corcoran	Kings
202.2	Fowler	Fresno	NKSP	Delano	Kern
206.3	Fresno	Fresno	PVSP	Coalinga	Fresno
248	Fresno	Fresno	VSPW	Chowchilla	Madera
242	Fresno	Fresno	PVSP	Coalinga	Fresno
206.2	Fresno	Fresno	PVSP	Coalinga	Fresno
115	Fresno	Fresno	CSATF	Corcoran	Kings
264	Fresno	Fresno	ASP	Avenal	Kings
216.3	Fresno	Fresno	CSP	Corcoran	Kings
258	Fresno	Fresno	FCI Mendota	Mendota	Fresno
156	Fresno	Fresno	PVSP	Coalinga	Fresno
263	Fresno	Fresno	CSATF	Corcoran	Kings
240	Fresno	Fresno	CSATF	Corcoran	Kings
261	Fresno	Fresno	Government Center	Hanford	Kings
160	Fresno	Fresno	VSPW	Chowchilla	Madera
235.3	Fresno	Fresno			
836	Fresno	Fresno	J.A Farmlabor	Fresno	Fresno
871	Fresno	Fresno	Fruit Harvest	Kettlemen	Fresno
875	Fresno	Fresno	Western Packing	Soledad	Monterey
256	Fresno	Fresno	ASP	Avenal	Kings
187.3	Fresno	Fresno	CSATF	Corcoran	Kings
251	Fresno	Fresno	CSATF	Corcoran	Kings
192.2	Fresno	Fresno	CSATF	Corcoran	Kings
252	Fresno	Fresno	ASP	Avenal	Kings
746	Fresno	Fresno	Western Packing	Soledad	Monterey
2	Fresno	Fresno	ASP	Avenal	Kings
257	Fresno	Fresno	CSH	Coalinga	Fresno
241	Fresno	Fresno	CSATF	Corcoran	Kings
272	Fresno	Fresno	VSPW	Chowchilla	Madera
235.1	Fresno	Fresno	PVSP	Coalinga	Fresno
250	Fresno	Fresno	VSPW	Chowchilla	Madera
187.1	Fresno	Fresno	CSATF	Corcoran	Kings
267	Fresno	Fresno	FCI Mendota	Mendota	Fresno
275	Fresno	Fresno	VPSW	Chowchilla	Madera
239	Fresno	Fresno	CSH	Coalinga	Fresno
235.2	Fresno	Fresno			
266	Fresno	Fresno	CSH	Coalinga	Fresno

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247	Fresno	Fresno	VSPW	Chowchilla	Madera
246	Fresno	Fresno	VSPW	Chowchilla	Madera
255	Fresno	Fresno	ASP	Avenal	Kings
259	Fresno	Fresno	CCWF	Chowchilla	Madera
206.1	Fresno	Fresno	PVSP	Coalinga	Fresno
126	Fresno	Fresno	CSH	Coalinga	Fresno
271	Fresno	Fresno	ASP	Avenal	Kings
270	Fresno	Fresno	EDD	Fresno	Fresno
781	Huron	Fresno	Garza Contracting	Bakersfield	Kern
761	Huron	Fresno	Kern Farm Labor	Wasco	Kern
805	Huron	Fresno	Sun Rise Farms	Huron	Fresno
764	Huron	Fresno	Garza Farms	Bakersfield	Kern
707	Huron	Fresno	Jimmy Hernandez	Madera	Madera
744	Huron	Fresno	Garza Contracting	Bakersfield	Kern
662	Huron	Fresno	Cream Of Crop	Coalinga	Fresno
853	Huron	Fresno	Mosqueda Farms	Madera	Madera
711	Huron	Fresno	Garza Contracting	Bakersfield	Kern
869	Kerman	Fresno	Werstern Packing	Soledad	Monterey
200.1	Kerman	Fresno	PVSP	Coalinga	Fresno
200.3	Kerman	Fresno	PVSP	Coalinga	Fresno
236	Kingsburg	Fresno	FCHD	Fresno	Fresno
202.3	Kingsburg	Fresno	NKSP	Delano	Kern
202.1	Kingsburg	Fresno	NKSP	Delano	Kern
216.1	Kingsburg	Fresno	CSP	Corcoran	Kings
95	Kingsburg	Fresno	CSP	Corcoran	Kings
855	Mendota	Fresno	Llamas	Mendota	Fresno
870	Orange Cove	Fresno	Mission Ventures	Dinuba	Tulare
796	Orange Cove	Fresno	Mission Ventures INC	Dinuba	Tulare
873	OrangeCove	Fresno	Loredo Tree Planters	Reedley	Fresno
122	Parlier	Fresno	Manufacturing Co	Kerman	Fresno
681	Parlier	Fresno	Family Tree	Reedley	Fresno
771	Parlier	Fresno	Fred Garza	Sanger	Fresno
807	Parlier	Fresno	Fruit Harvest	Sanger	Fresno
881	Parlier	Fresno	Family Ranch	Goshen	Tulare
695	Parlier	Fresno	Rodriguez Farms	Parlier	Fresno
712	Parlier	Fresno	Jorge Garza	Reedley	Fresno
698	Parlier	Fresno	Fruit Harvest	Sanger	Fresno
759	Parlier	Fresno	Family Ranch	Huron	Fresno
790	Reedley	Fresno	Sierra Labor	Dinuba	Tulare
216.2	Reedley	Fresno	CSP	Corcoran	Kings
187.2	Reedley	Fresno	CSATF	Corcoran	Kinks
652	Reedley	Fresno	Alila Farmlabor	Selma	Fresno
752	Reedley	Fresno	Gerawan Farming	Reedley	Fresno
878	Reedley	Fresno	Y&T Labor	Reedley	Fresno
868	Reedley	Fresno	Bills Nursey	Soledad	Monterey
657	Reedley	Fresno	Family Ranch	Goshen	Tulare
658	Reedley	Fresno	Saravian Farms	Sanger	Fresno
685	Reedley	Fresno	Alila Farmlabor	Selma	Fresno
254	Reedley	Fresno	City of Fresno	Fresno	Fresno
872	Reedley	Fresno	Loredo Tree Planter	Reedley	Fresno
699	Reedley	Fresno	Lorado Tree Planters	Reedley	Fresno
874	Reedley	Fresno	V.F.S	Dinuba	Tulare

List of Active Vans as of 6-21-13

<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
192.3	Sanger	Fresno	CSATF	Corcoran	Kings
876	Sanger	Fresno	G&G	Madera	Madera
192.1	Sanger	Fresno	CSATF	Corcoran	Kings
131	Sanger	Fresno	Fresno EDD	Fresno	Fresno
856	Selma	Fresno	Cream of the Crop	Bakersfield	Kern
793	Selma	Fresno	Manuel Garcia	Fresno	Fresno
643	Selma	Fresno	JSV Farm	Laton	Fresno
719	Selma	Fresno	Fruit Harvesting	Sanger	Fresno
660	Selma	Fresno	Cream Of the Crop	Bakersfield	Kern
647	Selma	Fresno	JSV Farm	Kingsburg	Fresno
74	Selma	Fresno	CSP	Corcoran	Kings
238	Selma	Fresno	PVSP	Coalinga	Fresno
710	Selma	Fresno	Guadalupe Antuna	Del-Rey	Fresno
245	Selma	Fresno	PVSP	Coalinga	Fresno
669	Selma	Fresno	J&A Contracting	Dinuba	Tulare
682	Selma	Fresno	Uriel Calvo Farm	Selma	Fresno
190.3	Selma	Fresno	CSP	Corcoran	Kings
702	Selma	Fresno	Wawona Packing	Cutler	Tulare
243	Selma	Fresno	KVSP	Delano	Kern
118.1	Selma	Fresno	CSP	Corcoran	Kings
190.1	Selma	Fresno	CSP	Corcoran	Kings
72	Bakersfield	Kern	CSP	Corcoran	Kings
750	Bakersfield	Kern	S&R Labor Contractor	Bakersfield	Kern
174	Bakersfield	Kern	KVSP	Delano	Kern
808	Bakersfield	kern	Reiter Affiliated	Santa Maria	Monterey
59	Bakersfield	Kern	NKSP	Delano	Kern
778	Bakersfield	Kern	GTO	Soledad	Monterey
177	Bakersfield	Kern	CCI	Tehachapi	
107	Bakersfield	Kern	NKSP	Delano	Kern
804	California City	Kern	Western Packing	Soledad	Monterey
816	Delano	Kern	Jaguar FarmLabor	Delano	Kern
740	Lamont	Kern	Nidea Perez	Lamont	Kern
849	Lancaster	Kern	GTO	Soledad	Monterey
864	McFarLand	Kern	Maricopa	Bakersfield	Kern
843	Mojave	Kern	GTO	Soledad	Monterey
867	Palmdale	Kern	GTO	Soledad	Monterey
730	Richgrove	Kern	Jaguar Farms	Delano	Kern
776	Rosamond	Kern	Western Packing	Soledad	Monterey
844	Rosamond	Kern	GTO	Soledad	Monterey
835	Tehachapi	Kern	GTO	Salinas	Monterey
852	Tehachapi	Kern	GTO	Soledad	Monterey
29	Wasco	Kern	CSATF	Corcoran	Kings
760	Wasco	Kern	Rancho Encantado	Kerman	Fresno
64	Armona	Kings	CSH	Coalinga	Fresno
125	Armona	Kings	CSH	Coalinga	Fresno
653	Avenal	Kings	El Bajio Packing	Greenfield	Monterey
743	Avenal	Kings	Paramont	Lost Hills	Kern
697	Corcoran	Kings	R.V Farms	Delano	Kern
154	Corcoran	Kings	PVSP	Coalinga	Fresno
33	Hanford	Kings	PVSP	Coalinga	Fresno
233	Hanford	Kings	CSP	Corcoran	Kings
221	Hanford	Kings	PVSP	Coalinga	Fresno

List of Active Vans as of 6-21-13

<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
57	Hanford	Kings	ASP	Avenal	Kings
56	Hanford	Kings	CSH	Coalinga	Fresno
226	Hanford	Kings	PVSP	Coalinga	Fresno
219	Hanford	Kings	PVSP	Coalinga	Fresno
230	Hanford	Kings	ASP	Avenal	Kings
50	Hanford	Kings	CSH	Coalinga	Fresno
VP-821	Hanford	Kings	LNAS	Lemoore	Kings
58	Hanford	Kings	CSATF	Corcoran	Kings
141	Hanford	Kings	PVSP	Coalinga	Fresno
175	Hanford	Kings	CSATF	Corcoran	Kings
183	Hanford	Kings	ASP	Avenal	Fresno
98	Hanford	Kings	CSH	Coalinga	Fresno
109	Hanford	Kings	PVSP	Coalinga	Fresno
25	Hanford	Kings	PVSP	Coalinga	Fresno
214	Hanford	Kings	LNAS	Lemoore	Kings
19	Hanford	Kings	PVSP	Coalinga	Fresno
83	Hanford	Kings	CSH	Coalinga	Fresno
90	Hanford	Kings	CSP	Corcoran	Kings
123	Hanford	Kings	ASP	Avenal	Kings
108	Hanford	Kings	CSP	Corcoran	Kings
231	Hanford	Kings	ASP	Avenal	Kings
38	Hanford	Kings	CSH	Coalinga	Fresno
1	Hanford	Kings	CSP	Corcoran	Kings
27	Hanford	Kings	PVSP	Coalinga	Fresno
81	Hanford	Kings	PVSP	Coalinga	Fresno
201	Hanford	Kings	ASP	Avenal	Kings
6	Hanford	Kings	PVSP	Coalinga	Fresno
232	Hanford	Kings	ASP	Avenal	Kings
93	Hanford	Kings	ASP	Avenal	Kings
43	Hanford	Kings	ASP	Avenal	Kings
84	Hanford	Kings	CSH	Coalinga	Fresno
44	Hanford	Kings	ASP	Avenal	Kings
180	Hanford	Kings	CSP	Corcoran	Kings
9	Hanford	Kings	ASP	Avenal	Kings
229	Hanford	Kings	ASP	Avenal	Kings
11	Hanford	Kings	CSH	Coalinga	Fresno
198	Hanford	Kings	CSATF	Corcoran	Kings
77	Hanford	Kings	PVSP	Coalinga	Fresno
286	Hanford	Kings	LNAS	Lemoore	Kings
274	Hanford	Kings	LNAS	Lemoore	Kings
117	Hanford	Kings	ASP	Avenal	Kings
28	Hanford	Kings	PVSP	Coalinga	Fresno
85	Hanford	Kings	ASP	Avenal	Kings
228	Hanford	Kings	ASP	Avenal	Kings
32	Hanford	Kings	CSH	Coalinga	Fresno
121	Hanford	Kings	CSH	Coalinga	Fresno
269	Hanford	Kings	LNAS	Lemoore	Kings
30	Hanford	Kings	ASP	Avenal	Kings
101	Hanford	Kings	CSH	Coalinga	Fresno
47	Hanford	Kings	ASP	Avenal	Kings
178	Hanford	Kings	CSH	Coalinga	Fresno
663	Kettleman City	Kings	Garza Contracting	Bakersfield	Kern

List of Active Vans as of 6-21-13

<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
222	Lemoore	Kings	ASP	Avenal	Kings
227	Lemoore	Kings	ASP	Avenal	Kings
VP-818	Lemoore	Kings	LNAS	Lemoore	Kings
168	Lemoore	Kings	CSATF	Corcoran	Kings
225	Lemoore	Kings	CSH	Coalinga	Fresno
220	Lemoore	Kings	PVSP	Coalinga	Fresno
116	Lemoore	Kings	PVSP	Coalinga	Fresno
68	Lemoore	Kings	PVSP	Coalinga	Fresno
65	Lemoore	Kings	CSATF	Corcoran	Kings
223	Lemoore	Kings	ASP	Avenal	Kings
151	Lemoore	Kings	ASP	Avenal	Kings
8	Lemoore	Kings	PVSP	Coalinga	Fresno
86	Lemoore	Kings	PVSP	Coalinga	Fresno
66	Lemoore	Kings	PVSP	Coalinga	Fresno
13	Lemoore	Kings	PVSP	Coalinga	Fresno
113	Lemoore	Kings	ASP	Avenal	Kings
18	Lemoore	Kings	ASP	Avenal	Kings
49	Lemoore	Kings	CSP	Corcoran	Kings
224	Lemoore	Kings	PVSP	Coalinga	Fresno
111	Lemoore	Kings	PVSP	Coalinga	Fresno
142	Lemoore	Kings	ASP	Avenal	Kings
78	Lemoore	Kings	CSH	Coalinga	Fresno
144	Lemoore	Kings	ASP	Avenal	Kings
782	Madera	Madera	Western Packing	Soledad	Monterey
716	Madera	Madera		Madera	Monterey
703	Madera	Madera	Western Packing	Soledad	Monterey
742	Madera	Madera	West Packing	Madera	Madera
667	Madera	Madera	Western Packing	Soledad	Monterey
674	Madera	Madera	Western Packing	Soledad	Monterey
724	Madera	Madera	Western Packing	Soledad	Monterey
797	Madera	Madera	Western Packing	Soledad	Monterey
812	Madera	Madera	Western Packing	Soledad	Monterey
112	Madera	Madera	VSPW	Chowchilla	Madera
769	Madera	Madera	Paramont Farms	Lost Hills	Kern
650	Madera	Madera	Werstern Packing	Soledad	Monterey
806	Madera	Madera	Western Packing	Soledad	Monterey
VP-820	Merced	Madera	VSPW	Chowchilla	Madera
4	Atwater	Merced	CCWF	Chowchilla	Madera
817	Los Banos	Merced	Reiter	Aromas	Monterey
795	Los Banos	Merced	Reiter	Aromas	Monterey
772	Merced	Merced	Reyes AG	Chowchilla	Merced
723	Gonzales	Monterey	DelREal	Salinas	Monterey
725	Gonzales	Monterey	DelREal	Salinas	Monterey
692	Greenfield	Monterey	Azcona	Greenfield	Monterey
722	Greenfield	Monterey	Church Brothers	Salinas	Monterey
780	Greenfield	Monterey	Dominguez	Greenfield	Monterey
668	Greenfield	Monterey	PFL	Soledad	Monterey
785	King City	Monterey	GTO	Soledad	Monterey
729	King City	Monterey	Azcona	Greenfield	Monterey
651	King City	Monterey	Fresh Harvest	Salinas	Monterey
659	King City	Monterey	Fresh Harvest	Salinas	Monterey
666	King City	Monterey	Fresh Harvest	Salinas	Monterey

List of Active Vans as of 6-21-13

<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
863	King City	Monterey	Fresh Harvest	Salinas	Monterey
848	King City	Monterey	Green Valley	Greenfield	Monterey
705	King City	Monterey	Hacienda Farms	Green field	Monterey
721	King City	Monterey	Guerrero	Salinas	Monterey
766	King City	Monterey	Fresh Harvest	Salinas	Monterey
847	King City	Monterey	Fresh Harvest	Salinas	Monterey
654	Salinas	Monterey	Reiter	Aromas	Monterey
770	Salinas	Monterey	GTO	Soledad	Monterey
684	Salinas	Monterey	Coast King	Salinas	Monterey
648	Salinas	Monterey	GTO	Soledad	Monterey
676	Salinas	Monterey	AG Association	Paicinis	San Benito
810	Salinas	Monterey	MD Labor	Salinas	Monterey
837	Salinas	Monterey	Vista Harvesting	Salinas	Monterey
794	Salinas	Monterey	GTO	Soledad	Monterey
814	Salinas	Monterey	Elkhorn Packing	Salinas	Monterey
751	Salinas	Monterey	Fresh Harvest	Salinas	Monterey
670	Salinas	Monterey	Fresh Harvest	Salinas	Monterey
675	Salinas	Monterey	Ramco	Salinas	Monterey
773	Salinas	Monterey	Oseguero	Salinas	Monterey
718	Salinas	Monterey	Elkhorn	Salinas	Monterey
727	Salinas	Monterey	Foothill	Salinas	Monterey
728	Salinas	Monterey	Foothill	Salinas	Monterey
802	Salinas	Monterey	GTO	Salinas	Monterey
800	Salinas	Monterey	GTO	Salinas	Monterey
717	Salinas	Monterey	Oseguera	Salinas	Monterey
649	Salinas	Monterey	Fresh Harvest	Salinas	Monterey
799	Soledad	Monterey	Western Packing	San Luis	AZ
768	Soledad	Monterey	Western Packing	San Luis	AZ
789	Soledad	Monterey	Western Packing	San Luis	AZ
846	Soledad	Monterey	Western Packing	San Luis	AZ
767	Soledad	Monterey	Western Packing	San Luis	Az
726	Soledad	Monterey	Roberta Labor	Soledad	Monterey
678	Soledad	Monterey	Hacienda	Greenfield	Monterey
840	Soledad	Monterey	GTO	Soledad	Monterey
741	Soledad	Monterey	Roberta's Labor	Soledad	Monterey
747	Soledad	Monterey	Somoco Labor	Greenfield	Monterey
714	Soledad	Monterey	Azcona	Greenfield	Monterey
841	Watsonville	Monterey	Angel's Contracting	Watsonville	Monterey
779	Watsonville	Monterey	MB Labor	Salinas	Monterey
664	Watsonville	Monterey	Angel's Contracting	Watsonville	Monterey
798	Salinas	Monterey	Elkhorn	Salinas	Monterey
762	Soledad	Monterey	Western Packing	San Luis	AZ
763	Soledad	Monterey	Western Packing	San Luis	AZ
758	Soledad	Monterey	Western Packing	San Luis	AZ
756	American Canyon	Napa	Joseph Phelps Vineyards	Napa	Napa
774	Napa	Napa	Joseph Phelps Vineyards	Napa	Napa
859	Santa Rosa	Napa	Foothill	Salinas	Monterey
739	Santa Rosa	Napa	Foothill	Napa	Solano
775	Santa Rosa	Napa	Foothill	Napa	Napa
715	Santa Rosa	Napa	Foot hill	Salinas	Monterey
777	Santa Rosa	Napa	Foothill	Salinas	Monterey
786	Santa Rosa	Napa	Foothill	Salinas	Monterey

List of Active Vans as of 6-21-13

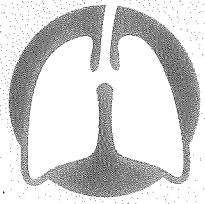
<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
757	Santa Rosa	Napa	Foothill	Napa	Napa
792	Santa Rosa	Napa	Foot hill	Napa	Napa
791	St Helena	Napa	V. Satlui Winery	St Helena	Napa
137	Roseville	Placer	Calif Technology	Rancho Cord	Sacramento
VP-823	Citrus Heights	Sacramento	State of Calif	Sacramento	Sacramento
159	Elk Grove	Sacramento	State of Calif	Sacramento	Sacramento
140	Hollister	San Benito	Stryker Endoscopy	San Jose	Santa Clara
693	Hollister	San Benito	Foothill	Salinas	Monterey
97	Atascadero	San Luis Obis	ASP	Avenal	Kings
40	Atascadero	San Luis Obis	CTF Soledad	Soledad	Monterey
136	Atascadero	san luis Obis	CTF Soledad	Soledad	Monterey
94	Atascadero	San Luis Obis	CTF Soledad	Soledad	Monterey
36	Paso Robles	San Luis Obis	CTF Soledad	Soledad	Monterey
146	Paso Robles	San Luis Obis	PVSP	Coalinga	Fresno
149	Paso Robles	San Luis Obis	CTF Soledad	Soledad	Monterey
842	Santa Maria	Santa Barbar	Old Town Harvesting	Santa Maria	Santa Barbara
14	Lompoc	Santa Barbara	Channel Tech Group	Santa Barbar	Santa Barbara
120	Orcutt	Santa Barbara	Channel Tech Group	Santa Barbar	Santa Bara
41	Santa Barbara	Santa Barbara	El Encanto	Santa Barbar	Santa Barbara
811	Santa Maria	Santa Barbara	RoseMarie Produce	Santa Maria	Santa Barbara
803	Santa Maria	Santa Barbara	Reiter Affiliated	Santa Maria	Santa Barbara
787	Santa Maria	Santa Barbara	Oseguro	Santa Maria	Santa Barbara
815	Santa Maria	Santa Barbara	MD Labor	Santa Maria	Santa Barbara
839	Santa Maria	Santa Barbara	DB Specialty Farms	Santa Maria	Santa Barbara
845	Santa Maria	Santa Barbara	Rancho Laguna	Guadalupe,C	Monterey
833	Santa Maria	Santa Barbara	VTC Enterprises	Santa Maria	Santa Barbara
851	Santa Maria	Santa Barbara	Cambria Winery	Santa Maria	Santa Barbara
754	Fairfaild	Solano	Maldonado Vineyard	Calistoga	Napa
753	Fairfield	Solano	Foothill	Napa	Solano
784	Healdsburg	Sonoma	Foothill	Salinas	Monterey
138	Turlock	Stanislaus	VSPW	Chowchilla	Madera
679	Cutler	Tulare	J,A Labor	Orosi	Tulare
850	Cutler	Tulare	Trevino & Son	Orosi	Tulare
644	Cutler	Tulare	MidCal Farming	Orosi	Tulare
866	Cutler	Tulare	WMJ	Dinuba	Tulare
788	Cutler	Tulare	Alila Farmlabor	Cutler	Tulare
704	Cutler	Tulare	Latino Farm Labor	Visalia	Tulare
671	Dinuba	Tulare	A.G Tree& Loreda Tree	Reedley	Fresno
645	Dinuba	Tulare	ENS Company	Dinuba	Tulare
672	Dinuba	Tulare	Rivas	Dinuba	Tulare
656	Dinuba	Tulare	Wawona	Cutler	Tulare
683	Dinuba	Tulare	Mission Venture	Dinuba	Tulare
709	Dinuba	Tulare	Family Ranch	Avenal	Kings
103	Exeter	Tulare	CSP	Corcoran	Kings
100	Lindsay	Tulare	CSATF	Corcoran	Kings
39	Lindsay	Tulare	CSP	Corcoran	Kings
212	Lindsay	Tulare	NKSP	Delano	Kern
677	Orange Cove	Tulare	Mc Clurry Farms	Selma	Fresno
581	Orosi	Tulare	JA FarmLabor	Orosi	Tulare
745	Orosi	Tulare	Y&T	Dinuba	Tulare
210.3	Porterville	Tulare	KVSP	Delano	Kern
134	Porterville	Tulare	CSATF	Corcoran	Kings

List of Active Vans as of 6-21-13

<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
152	Porterville	Tulare	NKSP	Delano	Kern
26	Porterville	Tulare	NKSP	Delano	Kern
127	Porterville	Tulare	CSP	Corcoran	Kings
161	Porterville	Tulare	CSP	Corcoran	Kings
210.1	Porterville	Tulare	KVSP	Delano	Kern
45	Porterville	Tulare	NKSP	Delano	Kern
21	Porterville	Tulare	CSP	Corcoran	Kings
170	Porterville	Tulare	CSP	Corcoran	Kings
62	Porterville	Tulare	CSATF	Corcoran	Kings
7	Porterville	Tulare	KVSP	Delano	Kern
655	Porterville	Tulare	AG Contracting	Porterville	Tulare
79	Porterville	Tulare	CSP	Corcoran	Kings
61	Porterville	Tulare	KVSP	Delano	Kern
34	Porterville	Tulare	WSP	Wasco	Kern
114	Porterville	Tulare	KVSP	Delano	Kern
70	Springville	Tulare	CSATF	Corcoran	Kings
210.2	Springville	Tulare	KVSP	Delano	Kern
185	Tulare	Tulare	TASMG	Fresno	Fresno
63	Tulare	Tulare	CSATF	Corcoran	Kings
10	Tulare	Tulare	CSATF	Corcoran	Kings
150	Tulare	Tulare	NKSP	Delano	Kern
139	Tulare	Tulare	CSP	Corcoran	Kings
89	Tulare	Tulare	LNAS	Lemoore	Kings
129	Tulare	Tulare	CSP	Corcoran	Kings
20	Tulare	Tulare	CSP	Corcoran	Kings
51	Tulare	Tulare	CSATF	Corcoran	Kings
53	Tulare	Tulare	CSP	Corcoran	Kings
215	Tulare	Tulare	Fresno	Fresno	Fresno
249	Visalia	Tulare	KVSP	Delano	Kern
204.2	Visalia	Tulare	PVSP	Coalinga	Fresno
188	Visalia	Tulare	CSP	Corcoran	Kings
191.2	Visalia	Tulare	CSP	Corcoran	Kings
67	Visalia	Tulare	KVSP	Delano	Kern
191.1	Visalia	Tulare			
54	Visalia	Tulare	ASP	Avenal	Kings
82	Visalia	Tulare	NKSP	Delano	Kern
52	Visalia	Tulare	CSATF	Corcoran	Kings
218	Visalia	Tulare	CSATF	Corcoran	Kings
91	Visalia	Tulare	CSATF	Corcoran	Kings
204.1	Visalia	Tulare	PVSP	Coalinga	Fresno
16	Visalia	Tulare	CSH	Coalinga	Fresno
204.3	Visalia	Tulare	PVSP	Coalinga	Fresno
24	Visalia	Tulare	CSP	Corcoran	Kings
186	Visalia	Tulare	CSP	Corcoran	Kings
208.3	Visalia	Tulare	NKSP	Delano	Kern
209.3	Visalia	Tulare	NKSP	Delano	Kern
203	Visalia	Tulare	PVSP	Coalinga	Fresno
195	Visalia	Tulare	CSP	Corcoran	Kings
783	Visalia	Tulare	Cream of the Crop	Bakersfield	Kern
801	Visalia	Tulare	AGR Contracting	Porterville	Tulare
12	Visalia	Tulare	PVSP	Coalinga	Fresno
148	Visalia	Tulare	KVSP	Delano	Kern

List of Active Vans as of 6-21-13

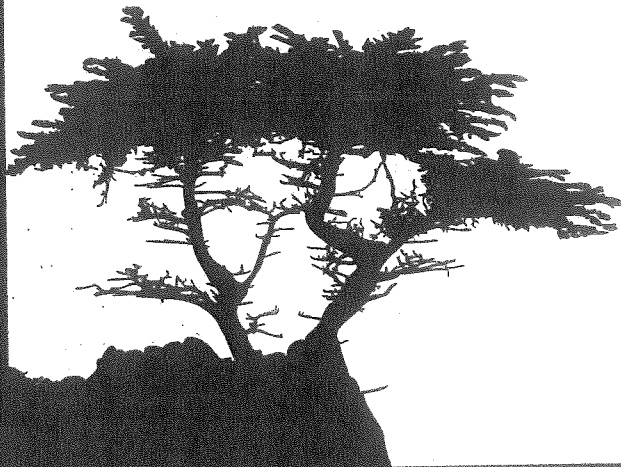
<u>Vehicle #</u>	<u>City</u>	<u>County</u>	<u>Employer</u>	<u>City</u>	<u>County</u>
130	Visalia	Tulare	CSATF	Corcoran	Kings
69	Visalia	Tulare	CSP	Corcoran	Kings
99	Visalia	Tulare	NKSP	Delano	Kern
76	Visalia	Tulare	CSATF	Corcoran	Kings
92	Visalia	Tulare	ASP	Avenal	Kings
119	Visalia	Tulare	CSP	Corcoran	Kings
179	Visalia	Tulare	KVSP	Delano	Kern
17	Visalia	Tulare	CSP	Corcoran	Kings
80	Visalia	Tulare	CSP	Corcoran	Kings
3	Visalia	Tulare	CSATF	Corcoran	Kings
135	Visalia	Tulare	KVSP	Delano	Kern
31	Visalia	Tulare	CSP	Corcoran	Kings
208.1	Visalia	Tulare	NKSP	Delano	Kern
209.1	Visalia	Tulare	NKSP	Delano	Kern
71	Visalia	Tulare	CSP	Corcoran	Kings
208.2	Visalia	Tulare	NKSP	Delano	Kern
209.2	Visalia	Tulare	NKSP	Delano	Kern
181	Visalia	Tulare	PVSP	Coalinga	Fresno
191.3	Visalia	Tulare	CSP	Corcoran	Kings
37	Visalia	Tulare	CSH	Coalinga	Fresno
765	Fillmore	Ventura			
854	Fillmore	Ventura	V & V Harvesting	Santa Paula	Ventura
865	Fillmore	Ventura	Coastline	Fillmore	Ventura
858	Oxnard	Ventura	MD Labor	Salinas	Monterey
128	Oxnard	Ventura	Medtronics	Goleta	Ventura
147	Oxnard	Ventura	Dept Social Services	Santa Barbar	SantaBarbara
862	Oxnard	Ventura	MD Labor	Camarillo	Monterey
735	Santa Maria	Ventura	DB Specialty Farms		
737	Santa Maria	Ventura	MD Labor	Camarillo	Ventura
738	Santa Maria	Ventura	MD Labor	Heber	Inperial
860	Santa Maria	Ventura	DB Specialty Farms	Santa Paula	Ventura
731	Santa Paula	Ventura	Melquiadez Farms	Santa Paula	Ventura
834	Santa Paula	Ventura	Total Labor Force	Santa Paula	Ventura
838	Ventura, Ca	Ventura	MD Labor	Heber	Inperial
755	Dunnigan	Yolo	Demetrio Campos Inc	Woodland	Yolo



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CALIFORNIA

3rd Annual
Clean Air Awards

May 30, 2013
Monterey Plaza Hotel
Monterey, California



*Working for clean air and lung health
on the Central Coast since 1952*



CERTIFICATE OF RECOGNITION

Presented to:

CalVans


In recognition of receiving:

2013 Clean Air Award:

Greenhouse Gas Reduction

*For organizing 50 commute vans in the Tri-County area
and over 450 throughout California*

Dated this 30th day of May, 2013;



WILLIAM W. MONNING
17TH SENATE DISTRICT
CALIFORNIA STATE LEGISLATURE

CALIFORNIA VANPOOL AUTHORITY
COUNTY OF KINGS, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

PREPARED BY
FINANCE DEPARTMENT

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent auditors' report	1-2
Management's discussion and analysis	3-8
BASIC FINANCIAL STATEMENTS	
Statement of net assets	9
Statement of revenues, expenses, and changes in net assets	10
Statement of cash flows.....	11
Notes to the financial statements.....	12-23
OTHER REPORT SECTION	
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with "Government Auditing Standards"	24-25

INDEPENDENT AUDITORS' REPORT

The Board of Directors
California Vanpool Authority
Hanford, California

We have audited the accompanying basic financial statements of the California Vanpool Authority for the period from inception (October 21, 2011) to June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the California Vanpool Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the California Vanpool Authority, as of June 30, 2012, and the respective changes in financial position and cash flows thereof for the period from inception (October 21, 2011) to June 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated May 13, 2013, on our consideration of the California Vanpool Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

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Palm Avenue,
Suite 201

Fresno, CA
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559/431-5500

Fax: 559/431-4937
www.cpaplus.com

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Dedekian, George, Small & Markarian

Dedekian, George, Small & Markarian
Accountancy Corporation
May 13, 2013

CALIFORNIA VANPOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

Introduction

The following discussion and analysis of the financial performance and activity of the California Vanpool Authority (CalVans) provides an introduction and understanding of the basic financial statements of CalVans for the period from inception (October 21, 2011) to June 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Kings County Area Public Transit Agency (KCAPTA) started the vanpool programs in 2001. Over the past ten years, these programs have grown by operating in multiple counties. In 2008, KCAPTA began the process to separate the vanpool programs into a new joint powers entity comprised of the counties in which the vanpool programs operated. This process was completed with the formation of CalVans in October of 2011. CalVans began operating the vanpool programs as of January 1, 2012. All assets and staff related to the vanpool programs were transferred to CalVans as of January 1, 2012.

Since CalVans received the vanpool programs in January 2012, financial statements for the period from inception (October 21, 2011) to June 30, 2012 only reflect a six month period. Also, since this was the first six months of CalVans operation, there is no comparative data to prior years available.

CalVans is a Joint Powers Agency with nine members as of June 30, 2012. The Board of Directors is comprised of one person from each member agency.

The Financial Statements

CalVans' basic financial statements include (1) the Statement of Net Assets, (2) the Statement of Revenues, Expenses and Changes in Net Assets, and (3) the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Assets presents information on all of CalVans' assets and liabilities with the difference between the two being reported as net assets. Trends of increasing or decreasing net assets may serve as useful indicators of financial health. The entire equity section is combined to report total net assets and is displayed in three components – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The net asset component invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any borrowings attributable to the acquisition, construction or improvements of those assets.

CALIFORNIA VANPOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

The Financial Statements (Continued)

Restricted net assets consist of assets where constraints on their use are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net assets consist of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

Revenues and expenses are categorized as either operating or non-operating based upon the definitions provided by GASB Statements No. 33 and No. 34. Significant recurring resources of CalVans, such as capital contributions, are reported as non-operating revenues.

The Statement of Cash Flows is presented using the direct method and includes a reconciliation of operating cash flows to operating income.

Financial Highlights

Statement of Revenues, Expenses and Changes in Net Assets

A summary of CalVans' Statement of Revenues, Expenses, and Changes in Net Assets for the period from inception (October 21, 2011) to June 30, 2012 is as follows:

Operating revenues	\$ 2,866,827
Operating expenses	<u>4,187,877</u>
Operating loss	(1,321,050)
Non-operating revenues	359,716
Capital contributions	1,090,725
Transfer in	<u>7,204,368</u>
Increase in net assets	<u>\$ 7,333,759</u>

Since CalVans received the vanpool programs in January 2012, there is no prior year data available to provide a comparison.

CALIFORNIA VANPOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

Financial Highlights (Continued)

Below is a schedule showing major sources of revenue broken out between operating and non-operating sources.

Operating Revenues by Major Source:

Passenger fares	\$ 2,866,827
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Non-Operating Revenues by Major Source:

Federal grants	127,307
Measure C funding	102,822
San Joaquin Air Pollution Control District	70,890
Miscellaneous	413
Gain on sale of equip	55,291
Interest income (net expense)	<u>2,993</u>

Total Revenue	<u><u>\$ 3,226,543</u></u>
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Below is a schedule showing the detail of operating expenditures.

Salaries	\$ 485,572
Fringe benefits	161,225
Maintenance - equip	285,162
Fuel & oil	1,341,779
Other materials & supplies	4,701
Rents & leases of equip	105,924
Utilities	14,821
Insurance	486,971
Miscellaneous	378,039
Depreciation	<u>923,683</u>

Total Operating Expenses	<u><u>\$ 4,187,877</u></u>
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CALIFORNIA VANPOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

Statement of Net Assets

CalVans' Statement of Net Assets as of June 30, 2012:

Current assets	\$ 629,590
Noncurrent assets - capital assets, net	<u>7,048,230</u>
Total Assets	<u>\$ 7,677,820</u>
Current liabilities	<u>\$ 344,061</u>
Total Liabilities	<u>344,061</u>
Net assets:	
Invested in capital assets, net of related debt	7,048,230
Unrestricted	<u>285,529</u>
Total Net Assets	<u>\$ 7,333,759</u>

Statement of Cash Flows/Cash Investments

A presentation of CalVans' major sources and uses of cash, for the period from inception (October 21, 2011) to June 30, 2012 is as follows:

Net cash used in operating activities	\$ (368,541)
Net cash provided by noncapital financing activities	410,019
Net cash provided by capital and related financing activities	251,630
Net cash provided by investing activities	<u>2,993</u>
Net increase in cash and cash equivalents	<u>296,101</u>
Cash and cash equivalents, October 21, 2011	<u>-</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 296,101</u>

CALIFORNIA VANPOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

Capital Assets

Details of the capital assets, net of accumulated depreciation, as of June 30, 2012 is as follows:

Capital assets being depreciated:	
Service vehicles, shop, office and other equipment	<u>\$ 13,339,281</u>
Total capital assets being depreciated	<u>13,339,281</u>
Less: accumulated depreciation:	
Service vehicles, shop, office and other equipment	<u>6,291,051</u>
Total accumulated depreciation	<u>6,291,051</u>
Capital Assets, net	<u><u>\$ 7,048,230</u></u>

More detailed information about CalVans' capital assets and depreciation is presented in Note 4 of the Notes to the Financial Statements.

Economic Condition, Outlook, and Activity

As a vanpool provider to over 25 counties across the State of California, CalVans' staff monitors the economic outlook of the State of California. During the first eleven months of 2012, California gained an average of 21,200 jobs per month, indicating that the State is in a period of economic recovery.

Since 2009, most State employees have been subject to unpaid leave days which equate to a pay reduction of approximately 5 to 14 percent. This plus the rising cost in gas has made CalVans' vanpools more attractive to the general public. The increase in vanpools is a product of the reduced income of the passengers over the past years.

Currently, CalVans has over 80 agriculture vans that are paid with company vouchers. The use of company vouchers for agriculture vans has eliminated the seasonality of these vans. Now, instead of turning in the van at the end of the season, the company moves the van to a new region. This allows the company to have a stable workforce.

CalVans' staff will continue to monitor any changes in the economic conditions and gas prices. CalVans is committed to providing commuters with safe and reliable transportation at a lower cost and a smaller carbon footprint than driving alone.

CALIFORNIA VANPOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011)
TO JUNE 30, 2012

Contacting CalVans' Financial Management

CalVans' financial report is designed to provide CalVans' Board of Directors, management, and the public with an overview of CalVans' finances. For additional information about this report, please contact Heather Corder, Accountant Auditor, at 1340 North Drive, Hanford, CA 93230-5962.

CALIFORNIA VANPOOL AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS

Current assets:

Cash	\$ 296,101
Receivables	333,489
Total current assets	629,590

Noncurrent assets:

Capital assets:

Vans	12,099,333
Equipment - vans	719,122
Admin vehicles	164,791
Equipment - office	356,035
Less accumulated depreciation	(6,291,051)
Total capital assets (net of accumulated depreciation)	7,048,230
Total noncurrent assets	7,048,230
TOTAL ASSETS	\$ 7,677,820

LIABILITIES

Current liabilities:

Accounts payable	\$ 234,086
Accrued payroll & related liabilities	109,975
Total current liabilities	344,061

TOTAL LIABILITIES

344,061

NET ASSETS

Invested in capital assets, net of related debt	7,048,230
Unrestricted	285,529
TOTAL NET ASSETS	\$ 7,333,759

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

45

CALIFORNIA VANPOOL AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011) TO JUNE 30, 2012

OPERATING REVENUES

Passenger fares	\$ 2,866,827
Total operating revenues	2,866,827

OPERATING EXPENSES

Salaries & benefits	646,797
Insurance	486,971
Professional & specialized services	143,975
General & administrative	359,510
Fuel, repairs, and maintenance	1,626,941
Depreciation	923,683
Total operating expenses	4,187,877

OPERATING LOSS (1,321,050)

NONOPERATING REVENUES (EXPENSES)

Federal & state operating grants	127,307
Other governmental funds	173,712
Gain (loss) on sale of equip	55,291
Other income	413
Interest income	2,993
Total nonoperating revenues (expenses)	359,716

NET LOSS BEFORE CAPITAL CONTRIBUTIONS
AND TRANSFERS (961,334)

CAPITAL CONTRIBUTIONS AND TRANSFERS

Contributions from governmental agencies	1,090,725
Transfer in	7,204,368
Total capital contributions and transfers	8,295,093

INCREASE IN NET ASSETS 7,333,759

TOTAL NET ASSETS, OCTOBER 21, 2011 -

TOTAL NET ASSETS, JUNE 30, 2012 \$ 7,333,759

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

CALIFORNIA VANPOOL AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (OCTOBER 21, 2011) TO JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,717,131
Payments to suppliers, contracted entities, and others	(2,438,602)
Payments to employees	(647,070)
	<hr/>
Net cash used in operating activities	(368,541)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal, state, and local operating assistance	159,634
Transfers in	250,385
	<hr/>
Net cash provided by noncapital financing activities	410,019
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	251,630
	<hr/>
Net cash provided by capital and related financing activities	251,630
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest from investments	2,993
	<hr/>
Net cash provided by investing activities	2,993
NET INCREASE IN CASH AND CASH EQUIVALENTS	
	296,101
CASH AND CASH EQUIVALENTS AT OCTOBER 21, 2011	
	<hr/> -
CASH AND CASH EQUIVALENTS AT JUNE 30, 2012	
	<u>\$ 296,101</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating loss	(1,321,050)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	923,683
(Gain) Loss on sale of capital assets	(55,291)
(Increase) decrease in:	
Accounts receivable	(149,696)
Prepaid expenses	-
Increase (decrease) in:	
Accounts payable	234,086
Accrued payroll and related liabilities	(273)
	<hr/>
Net cash used in operating activities	<u>\$ (368,541)</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS

During the period from inception (October 21, 2011) to June 30, 2012, KCAPTA transferred net capital assets related to the vanpool program to CalVans in the amount of \$7,204,368. In addition, the Santa Barbara County Association of Governments contributed vans to the vanpool program in the amount of \$1,090,725.

CALIFORNIA VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

California Vanpool Authority (CalVans), a joint powers agency, is comprised of the following nine agencies: Association of Monterey Bay Area Governments, Fresno Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Napa County Transportation and Planning Agency, Sacramento Area Council of Governments, Santa Barbara County Association of Governments, Tulare County Association of Governments and the Ventura County Transportation Commission.

The program began in 2001 under Kings County Area Public Transit Agency (KCAPTA) and was formed in response to a Corcoran State Prison employee who learned Caltrans was pulling the van they had provided for her commute. To help retain the Caltrans vanpool that Caltrans was taking back, the employee requested assistance with her daily commute. The KCAPTA board agreed to provide a vanpool for the employee and her coworkers to use and established that all costs would have to be recouped from those using the vanpool. What started with one vanpool for a State employee and her coworkers has grown to one providing over 450 vanpools serving State and federal workers, teachers, students and farm workers. Due to the growth of the programs, CalVans was formed on October 21, 2011, and assumed operations of the vanpool programs on January 1, 2012.

CalVans currently has a fleet of vehicles, which include seven, eight and fifteen passenger vans. There are currently two types of vanpools, the general and agricultural vanpools.

CalVans was formed on October 21, 2011. The transition of staffing and equipment to CalVans was completed by December 31, 2011. Personnel became employees of CalVans and maintained the same employment benefits, rights, and protections they had as employees of KCAPTA, with the exception of participation in KCAPTA's defined pension benefit plan. Management is currently researching retirement plan options for CalVans' employees.

Prior to July 4, 2005, KCAPTA was part of the governmental structure of Kings County (the "County"). On July 4, 2005, the Agency became a public entity separate from the County. Personnel became employees of KCAPTA and maintained the same employment benefits, rights, and protections afforded to employees of the County. After the transition of vanpool program employees from KCAPTA to CalVans, the County continues to provide the following benefits and services to CalVans on a cost allocation basis: self-insurance benefits; fiscal and accounting services; banking and investment services; and information technology. The following services are reimbursed by CalVans to the County: human resources, motor pool services, building maintenance services, and engineering services. These services are reimbursed to the County based upon actual cost or rates established by the County for the same services provided to non-County agencies. The County provides additional services to CalVans on an as needed basis billed at the standard rate for actual services provided.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Presentation

The financial statements of CalVans have been prepared in conformity with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

As required under GASB Statement No. 20, *Accounting and Financial reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting*, CalVans will continue to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. CalVans has elected under GASB Statement No. 20, to not apply all FASB Statements and Interpretations issued after November 30, 1989, due to the governmental nature of CalVans' operations.

Measurement Focus

The statement of net assets and the statement of revenues, expenses and changes in net assets, are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

CalVans maintains their accounting records on the cash basis of accounting. The records are converted to the accrual basis for financial reporting purposes at year-end. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with CalVans' principal ongoing operational activities. Charges to customers represent CalVans' principal operating revenues and include passenger fares. Operating expenses include the cost of operating maintenance and support of transit services and related capital assets, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and/or expenses.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Presentation (Continued)

Basis of Accounting (Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, CalVans may fund certain programs with a combination of cost-reimbursement grants, state, and local grants.

C. Pooled Cash and Investments

The Kings County Treasurer pools cash from various governmental agencies for investment purposes. Interest received on the investment is prorated to individual agencies based on their average cash balances.

The County is authorized to deposit cash and invest excess funds by the California Government Code Section 53600 et. seq. Deposited funds maintained by the County are either secured by federal depository insurance or collateralized. These pooled funds are carried at cost, which approximates market value.

For purposes of the Statement of Cash Flows, CalVans considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

D. Capital Assets

Purchases of capital assets are recorded at cost at the time of purchase. Capital assets are defined by CalVans as assets with an estimated useful life in excess of one year and an initial individual cost of \$5,000 or more. Depreciation is computed using the straight-line method over the asset's estimated useful life ranging from five to fifty years.

	<u>Years</u>
Revenue equipment	5-10
Service vehicles, shop, office, and other equipment	5-10

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CALVANS VANPOOL AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Accrued Vacation and Sick Leave

All regular full-time and regular part-time employees accumulate vacation based on length of service. Unused accrued vacation is paid out to employees at the date of termination.

All regular full-time and regular part-time employees accumulate sick leave based on length of service. If the employee retires in good standing from PERS at the time of their separation from CalVans employment, they will have, at their option, the ability to (1) apply to PERS for retirement service credit for their unused sick leave balance or (2) the option to receive a percentage of the dollar value of accrued sick leave (at the time of retirement) put into an "account" to be used toward Kings County health insurance premiums only, at a rate not to exceed the family option per month until the employee is eligible (by age) for Medicare or the money runs out, whichever is first. The retiree health benefit percentage shall be as follows for employees hired after January 1, 1999:

Service Hours	Percent of Compensation (based on hours) Health Benefit
20,801 - 31,200	25%
31,201 - 41,600	35%
41,601 and over	45%

The accrued vacation liability and 25% of accrued sick leave liability is recorded on the statement of net assets as a current liability. Changes to the liability are recorded as an increase or decrease to operating expenditures on the statement of revenues, expenses, and changes in net assets.

Employees hired prior to January 1, 1999, shall be allowed a one time irrevocable election to decide whether to receive the retiree health insurance option or cash as follows:

Service Hours	Percent of Compensation (based on hours) Cash	Percent of Compensation (based on hours) Health Benefit
10,401-41,600	25%	40%
41,601 and over	30%	50%

The accrued vacation liability and 25% of accrued sick leave liability for all employees hired after January 1, 1999 and 50% accrued sick leave liability for all employees hired prior to January 1, 1999 is recorded on the statement of net assets as a current liability.

51

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Classification of Revenues and Expenses

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions such as passenger revenues and advertising revenues.

Operating expenses: Payments to suppliers and to employees and on behalf of employees and all payments that do not result from transactions defined as capital and related financing, noncapital financing, or investing activities.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting cash flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Examples of non-operating revenues would be federal grants and investment income.

G. Contributed Capital

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, capital grants are required to be included in the determination of net income, resulting in net revenue of \$1,090,725 for the period from inception (October 21, 2011) to June 30, 2012.

H. Net Assets

Net assets represent the residual interest in CalVans’ assets after liabilities are deducted. Net assets are presented in three broad components: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets invested in capital assets, net of related debt include capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net assets are restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net assets are unrestricted.

I. Federal, State, and Local Grants

Federal, state, and local grants are accounted for in accordance with the purpose for which the grants are intended. Grants for operating assistance and the acquisition of equipment are recorded as revenues in the year in which the related grant conditions are met. Advances received on grants are recorded as deferred revenue until related grant conditions are met.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

K. Funding Sources/Program

Federal Grants

Section 5307 Formula Capital and Operating Grants for Urbanized Area with population of 200,000 or more.

Section 5307 provides grants to finance planning and capital projects at 80%. Capital projects include the acquisition, construction, improvement, and other incidental costs of facilities and equipment used in the operation or lease of transportation services. Operating assistance is provided at 50% to finance program administration, technical assistance activities, and operating assistance to transit authorities to continue existing service and to meet routine changes in demand.

Section 5316 Capital, Planning, and Operating Grants

Section 5316 was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. Many new entry-level jobs are located in suburban areas, and low-income individuals have difficulty accessing these jobs from their inner city, urban, or rural neighborhoods. In addition, many entry-level jobs require working when conventional transit services are either reduced or non-existent. Grants may be used for capital, planning and operating expenses for projects that transport low-income individuals to and from jobs and activities related to employment and for reverse commuters regardless of income.

Congestion Mitigation and Air Quality (CMAQ)

The State of California apportions Federal CMAQ funding for projects that will contribute to meeting the attainment of national ambient air quality standards. The CMAQ program supports two important goals of the Department of Transportation: improving air quality and relieving congestion. The Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) strengthens these goals by establishing priority consideration for cost-effective emission reduction and congestion mitigation activities. The Kings County Council of Governments is responsible for selecting and prioritizing projects for funding, in consultation with the State of California, for this program.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Funding Sources/Program (Continued)

Other Governmental Grants Capital and Operating Grants

Fresno County Measure C: The 2006 Measure “C” Extension Expenditure Plan, passed by voters in November 2006, provides funds for vanpool programs in Fresno County. The program is designed to encourage, facilitate and help fund new vanpools and offer financial assistance to existing vanpools to ensure their viability.

San Joaquin Valley Air Pollution Control District (the “District”) “REMOVE II”: The REMOVE II Program provides incentives for specific projects that will reduce motor vehicle emissions within the District. The purpose of the REMOVE II Program is to assist the District in attaining the requirements of the California Clean Air Act. This is accomplished by allocating funds to cost-effective projects that have the greatest motor vehicle emission reductions resulting in long-term impacts on air pollution problems in the San Joaquin Valley. All projects must have a direct air quality benefit to the District. Any portion of a project that does not directly benefit the District within its boundaries will not be allowed for funding or in calculating emission reductions.

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in the Kings County Treasury as part of the common investment pool and with a commercial bank. These pooled funds are carried at cost, which approximates market value. Investment income from the pool is allocated back to the respective funds based on each fund’s equity in the pool. Any investment losses are proportionately shared by all funds in the pool. At June 30, 2012, CalVans had \$160,114 with the County Treasury. The fair market value of this pool as of that date, provided by the pool sponsor was \$160,466.

At June 30, 2012, the reported amount of CalVans’ deposits with banks was \$135,937.

In May of 2011, in preparation of the vanpool programs operations being relinquished to the newly formed CalVans, the Kings County Area Transit Board approved transferring any cash remaining from the sale of surplus vehicles, after all obligations had been met, to CalVans. The total amount of cash transferred to CalVans was \$250,385.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The County is authorized to deposit cash and invest excess funds by *California Government Code* Sections 53601 et. seq., 53635 et. seq., and 53648 et. seq. The County is restricted by *Government Code* Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, banker's acceptances, commercial paper, negotiable certificates of deposit, and repurchase agreements.

Investments in investment pools are considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book entry form. Investments in investment pools and other pooled investments are excluded from the concentration of credit risk disclosure under GASB Statement No. 40.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rate. As of the year-end, the weighted average maturity of the investments contained in the County Treasury investment pool was approximately twenty-two months.

Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk is mitigated by: (a) limiting investments to the safest types of securities; (b) prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Treasury will do business; and (c) diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The County Treasury does not invest in any one corporate issuer that is in excess of 10 percent of the County's total investments. There were no investments in corporate issuers which exceeded 5 percent.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. Kings County issues a financial report that includes custodial credit risk disclosures for the cash in County Treasury. The report may be obtained by writing to the Kings County Treasurer, at Government Center, 1400 West Lacey Boulevard, Hanford, California 93230.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 3: RECEIVABLES

Receivables as of June 30, 2012 consist of the following balance:

Accounts receivable	\$ 191,692
Due from other governments	<u>141,797</u>
	<u>\$ 333,489</u>

Management considers all receivables to be fully collectible. No allowance for uncollectible accounts has been recorded.

NOTE 4: CAPITAL ASSETS AND DEPRECIATION

Capital assets, net of accumulated depreciation, as of June 30, 2012 are as follows:

	Balance October 21, 2011	Increases	Decreases	Assets Transferred from KCAPTA	Balance June 30, 2012
Capital assets being depreciated:					
Vans	\$ -	\$ 1,090,725	\$ (973,508)	\$ 11,982,116	\$ 12,099,333
Administrative vehicles	-	-	-	164,791	164,791
Equipment –vans	-	-	-	719,122	719,122
Equipment – office	-	-	-	356,035	356,035
Total capital assets, being depreciated:	-	1,090,725	(973,508)	13,222,064	13,339,281
Less accumulated depreciation for:					
Vans	-	(801,171)	790,466	(5,894,184)	(5,904,889)
Administrative vehicles	-	(14,995)	-	(38,626)	(53,621)
Equipment –vans	-	(71,912)	-	(180,504)	(252,416)
Equipment – office	-	(35,604)	-	(44,521)	(80,125)
Total accumulated depreciation	-	(923,682)	790,466	(6,157,835)	(6,291,051)
Capital assets, net	\$ -	\$ 167,043	\$ (183,042)	\$ 7,064,229	\$ 7,048,230

On November 23, 2011, the Kings County Area Public Transit Authority Board approved the transfer of all assets related to the operations of the vanpool programs to CalVans. Effective December 31, 2011, 489 vans, 9 administrative vehicles, mobile data terminals, and various office equipment were transferred to CalVans.

The amount recorded for depreciation for the period from inception (October 21, 2011) to June 30, 2012 was \$923,682.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 5: OPERATING LEASE COMMITMENTS

In March 2012, CalVans assumed all rights and obligations under a lease negotiated between KCAPTA and ALD Automotive on January 1, 2009. The term of the lease begins on the date a vehicle is accepted and continues for a minimum of twelve months. After the twelve months, the lease shall continue on a month-to-month basis until the vehicle is surrendered to ALD Automotive.

At any time after the expiration of the minimum lease term, the vehicle can be surrendered to ALD Automotive. ALD will sell the vehicle. If the net proceeds exceed the depreciated value less the guaranteed residual value, ALD will issue a refund. If the net proceeds are less than the depreciated value, less the guaranteed residual value, KCAPTA will be billed for the difference. Vehicles are being depreciated over sixty months. The twenty-seven vehicles being leased with ALD have met their minimum operating lease requirement. These vehicles are part of the vanpool fleet that was transferred to CalVans.

On August 31, 2010 Merchants Leasing acquired ALD Automotive. The same terms and conditions exist between CalVans and Merchant leasing that existed between ALD and KCAPTA. In March of 2012, Calvans leased seven vehicles. The seven vehicles have not met their minimum operating lease requirement.

NOTE 6: COMPENSATED ABSENCES

Accumulated compensated absences payable in future years is recorded as an expense in the year earned by employees. Twenty-five of KCAPTA's twenty-eight employees were transferred to CalVans as of December 26, 2011. Employees were transferred at their current position, range, and step. Related accrued benefits were also transferred to CalVans in the amount of \$108,468. On May 1, 2012 an additional employee was transferred at her current position, range and step. Related accrued benefits were also transferred in the amount of \$1,780. At June 30, 2012, \$109,975 had been accrued and is included in accrued payroll and related liabilities.

NOTE 7: DEFINED BENEFIT PLAN

After the transition of vanpool program employees from KCAPTA to CalVans, employees maintained the same employment benefits they had as employees of KCAPTA. This was also intended to include participation in the California Public Employee Retirement System (CalPERS), a cost sharing, multiple-employer defined benefit pension plan administered by the CalPERS Board of Administration. CalPERS provides retirement, disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

CALVANS VANPOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 7: DEFINED BENEFIT PLAN (CONTINUED)

Upon the transfer of employees from KCAPTA, CalVans submitted an application to participate in CalPERS. Pending review of the application by CalPERS, the agency was advised by CalPERS to continue making employee contributions to KCAPTA's CalPERS account in the names of the employees transferred to CalVans. Subsequently, in April 2013, CalVans was notified by CalPERS that they had determined that CalVans was not eligible to participate in the CalPERS retirement plan.

CalVans' total contribution to CalPERS for the period from inception (October 21, 2011) to June 30, 2012, was \$75,197. CalPERS has informed CalVans' management that these contributions will not be recognized by CalPERS as eligible retirement plan contributions for the CalVans employees. As a result, CalVans' management is currently reviewing other appropriate retirement plans for CalVans employees, with the hope that a new plan will be retroactive to December 2011, and will recognize contributions made to CalPERS on the behalf of CalVans employees.

NOTE 8: DEFERRED COMPENSATION PLAN

CalVans has made available to its eligible employees a deferred compensation plan under the terms of Section 457 of the Internal Revenue Code. CalVans matches 33.3% of the management employee's deferral up to a maximum of \$2,500 annually. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Amounts accumulated under the plan have been invested in several investment options at the direction of the employee. As of June 30, 2012 \$3,542, had been contributed to the Deferred Compensation Plan, which is not included as part of the CalVans financial statements.

GASB Statement No. 32 rescinded GASB Statement No. 2 and established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governmental employers. The laws governing these plans were changed to state that as of August 20, 1996, new plans would not be considered eligible unless all assets and income of the plan are held in trust or covered by annuity contract for the exclusive benefits of the participants and their beneficiaries. CalVans' plan meets this requirement.

NOTE 9: CONTINGENT LIABILITIES

Grants have been received by CalVans for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement for costs disallowed under the terms of the grants. The amount, if any, of costs that may be disallowed by the granting agencies cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

CALVANS VANPOOL AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2012

NOTE 10: FEDERAL TRANSPORTATION FUNDS

Under provisions of section 5307 of the Federal Transit Administration, federal resources are made available for operating, planning, capital, and capital maintenance, subject to certain limitations. For the period from inception (October 21, 2011) to June 30, 2012, CalVans spent federal assistance funds in the amount of \$4,816.

NOTE 11: RISK MANAGEMENT LIABILITY

CalVans is exposed to various risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CalVans is insured with commercial carriers. CalVans' schedule of insurance coverage is as follows:

CALIFORNIA VANPOOL AUTHORITY
 SCHEDULE OF INSURANCE COVERAGE
 JUNE 30, 2012

Type of Coverage	Amount of Coverage	Effective Dates
Worker's Compensation	1,000,000	12/26/2011 to 12/26/2012
Commercial Property	Varies	12/26/2011 to 12/26/2012
General Liability	\$1,000,000	12/26/2011 to 12/26/2012
Commercial Automobile	\$1,000,000	12/26/2011 to 12/26/2012
Automobile Excess Liability	\$9,000,000	12/26/2011 to 12/26/2012
Crime Policy	Varies	12/26/2011 to 12/26/2012

NOTE 12: OTHER POST EMPLOYMENT BENEFITS

In July 2004, GASB issued Statement 45, Accounting, and Financial Reporting by Employers for Post-retirement Benefits Other Than Pensions. This statement establishes standards for the measurement, recognition, and display of other post-retirement benefits expenses/expenditures and related liabilities (assets), note disclosures and required supplementary information in the financial reports of state and local governmental employers.

CalVans does not offer any post-retirement benefits other than pensions.

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

The Board of Directors
California Vanpool Authority

We have audited the financial statements of the California Vanpool Authority for the period from inception (October 21, 2011) to June 30, 2012, and have issued our report thereon dated May 13, 2013. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the California Vanpool Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the California Vanpool Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the California Vanpool Authority's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the California Vanpool Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards."

This report is intended solely for the information and use of the California Vanpool Authority's management and Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dedekian, George, Small & Markarian

Dedekian, George, Small & Markarian
Accountancy Corporation
May 13, 2013

Making retirement work for you.

California Vanpool Authority

Plan Provisions for Defined Benefit Plan

a. PARS Defined Benefit Plan

For all full-time employees employed on or after July 1, 2013, it is the intention of California Vanpool Authority ("Agency") to provide a 2.0% at 62 defined benefit plan. Benefits shall be calculated based on the following formula:

PARS Monthly Benefit = PARS Age Factor (2% at 62) multiplied by Benefit Service multiplied by Final Pay.

b. PARS Age Factor:

Age at Retirement	Age Factor
52	1.00%
53	1.10%
54	1.20%
55	1.30%
56	1.40%
57	1.50%
58	1.60%
59	1.70%
60	1.80%
61	1.90%
62	2.00%
63	2.10%
64	2.20%
65	2.30%
66	2.40%
67+	2.50%

c. Benefit Service

Benefit service is credited from date of hire as a full-time employee of the Agency until the last date of employment with the Agency. Benefit service shall only be calculated no earlier than July 1, 2013.

d. Final Pay

Final Pay is equal to the highest average consecutive thirty-six (36) months of compensation with the Agency. Final Pay shall be based on normal monthly rate of pay of similarly situated employees and shall not exceed an annual amount equal to 120% of the maximum taxable earnings under Social Security as of 2013 (adjusted annually by CPI).

e. Vesting

Employees must have attained at least five (5) years of Agency Service.

f. Employee Contributions

Employees shall contribute at least half of normal cost as determined by an actuarial valuation to be performed as required by CA Govt Code Section 7504. Employee Contributions shall be made on a pre-tax basis and shall be deducted each payroll period

Employees who terminate employment prior to meeting the vesting requirements under Section E shall receive a refund of Employee Contributions plus three percent (3%) interest earnings.

g. Disability Benefit

There is no disability benefit under the plan.

h. Death Benefit

If an eligible employee over the age of fifty-two (52) dies while employed with the Agency after attaining 5 years of service, a benefit will be paid to an eligible beneficiary (spouse or registered domestic partner) assuming that retirement occurred on the date of death and that the participant had elected the 100% joint-and-survivor option.

If an eligible employee dies while employed with the Agency prior to attaining fifty-two (52) years of age but having completed at least five (5) years of Agency service, the benefit will be paid to an eligible beneficiary (spouse or registered domestic partner) the first of the month following the date that the employee would have turned fifty-two (52) years of age. The benefit level paid would be equal to the election of the 100% joint-and-survivor option.

i. Deferred Retirement Benefit

Deferred Retirement is available assuming vesting requirements have been met. Benefits can begin as early as age fifty-two (52)

j. Normal Form of Payment

The normal form of benefit for the Retirement Enhancement Plan is a life-only annuity.

k. Optional Forms of Payment

In lieu of a life-only annuity, a participant may elect an actuarial equivalent optional form of payment. The optional form is a joint and survivor annuity.

l. Post-Retirement Pension Increases

Any benefit in payment status will increase by 2% per annum on each participant's anniversary date of retirement.

Proposed Timeline

Implementation Steps	Suggested Time Frame for completion
Submit finalized plan features to actuary for valuation per Government Code Section 7507.	Late April 2013
Actuarial Valuation Completed	Mid-June 2013
Actuarial Valuation results disclosed at Board Meeting	Mid-June, 2013
Agency passes resolution to adopt PARS plan and name a plan administrator to sign documents on behalf of the Agency (PARS provides sample resolution)	Late-June, 2013
PARS provides "signature ready" plan documents including service agreement, plan and trust documents with plan effective date of July 1, 2013	Early July 2013
Plan Communication - Plan summaries distributed to participants with employee orientation meeting	July 2013
Plan submitted to the IRS for IRS Letter of Determination (Optional)	September 2013

Summary of Services

Step 1: Plan Design and Implementation

- Meet with Agency personnel to discuss plan provisions, implementation timelines, and benefit communication strategies
- Advise Agency's Plan Administrator regarding Trustee investment options
- Provide the necessary advisory services to finalize these elements of the plan, including development of plan document
- Draft Board Resolution to transfer retirement plan administration to PARS
- Prepare Employee Benefit Communication Materials
- Conduct group Orientation meetings and provide toll-free 800 number for employee education
- Coordinate and consult with appropriate Agency personnel to ensure timely and effective completion of required implementation activities

Step 2: Ongoing Plan Administration

- Field participant information requests via toll-free phone lines
- Process enrollments directly with participants to reduce the Agency's administrative role
- Perform benefit calculations based on data provided by Agency
- Coordinate distribution payments to participants (which shall be made by the PARS Trustee), including required tax filings in regard to these payments, and act as an on-going liaison (via toll-free telephone) between the participant and the Agency in regard to these distribution payments
- Provide a periodic accounting of contributions, distributions, expenses and investment earnings
- Monitor plan funding
- Prepare and submit an annual report to the Agency
- Prepare and submit an annual report to the State Controller's Office, including the required certified trust-wide audit
- Advise the Agency of ongoing compliance and qualification requirements
- Conduct on-site Orientations for Participants as needed by the Agency
- Coordinate actuarial valuation with Agency's selected actuary

Trust Administrator Fees (PARS)

- **One time Setup Fee:** \$3,500
- **On-Going Monthly Administrative Fee:** \$600/month with an annual 3% increase

Trustee Fees (US Bank)

- 0.12% of Contributions
- Investment Mgmt fee of 0.60% of Assets (if Discretionary Trustee is selected)

Fees paid to the actuary for actuarial valuations and filing fees charged by the IRS (if required) shall be paid separately by the Agency



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June 11, 2013

Mr. Dennis Yu, CEBS
Senior Vice President
Public Agency Retirement Services (PARS)
4350 Von Karman Avenue, Ste. 100
Newport Beach, CA 92660

Re: July 1, 2013 Contribution Rate for the Proposed California Vanpool Authority PARS Defined Benefit Plan

Dear Dennis:

As requested, we have completed our July 1, 2013 contribution rate calculations for the proposed California Vanpool Authority ("Agency") PARS Defined Benefit Plan based on a July 1, 2013 valuation date. The calculations were completed as follows:

1. The plan provides a monthly retirement benefit for all full-time employees of the Agency on or after July 1, 2013 upon attaining age 52 and at least five (5) years of Agency service. The benefit is equal to the PARS Age Factor multiplied by Benefit Service multiplied by Final Pay. The PARS Age Factor is "2.0% at 62", which ranges from 1.00% at age 52 to 2.50% at ages 67 or older. Benefit Service is credited from date of hire as a full-time employee of the Agency until the last date of employment with the Agency. Final Pay is the highest average consecutive thirty-six (36) months of compensation with the Agency, limited by 120% of the maximum taxable earnings under Social Security.
2. Employees will contribute at least half of the normal cost as determined by our actuarial valuation.
3. The plan provides a deferred retirement benefit if the employee has at least five years of Agency service upon termination of employment. Benefits may begin as early as age 52. Employees who terminate employment prior to having five years of Agency service will receive a refund of their employee contributions with interest credited at three percent (3%) per annum.

This work product was prepared solely for Public Agency Retirement Services and the California Vanpool Authority for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

4. The plan also provides a pre-retirement death benefit to the employee's eligible beneficiary (spouse or registered domestic partner) payable over the lifetime of the beneficiary.
5. We valued the Plan benefits using an interest assumption of 7.0% per annum. In general, the interest rate assumption should be a best estimate of the expected long-term rate of return on assets, which is largely driven by your expected asset mix.
6. We have utilized actuarial assumptions for pre- and post-retirement mortality, disability, withdrawal and salary scale to those recommended for CalPERS actuarial valuations for public agency pension plans dated September 1, 2010 or later. The new demographic actuarial assumptions are based on the experience study on the California Public Employees Retirement System using data from 1997 to 2007.
7. Finally, we used retirement rate assumptions of those recommended for CalPERS actuarial valuations for public agencies utilizing the "2.0% at 60" formula. The rates used from the "2.0% at 60" table are those for retirees with 20 years of service.
8. We were provided with Agency data as of May 1, 2013. We assumed no terminations or retirements nor any new hires prior to July 1, 2013.

This letter-report summarizes our results and is separated into the following five sections:

1. **Results**
2. **Participant Data**
3. **Plan Provisions**
4. **Actuarial Assumptions**
5. **Actuarial Methods**

In preparing this letter-report, we relied, without audit, on information supplied by PARS. This information includes, but is not limited to, plan provisions, employee data, plan assumptions, and financial information provided in your May 6, 2013, May 28, 2013, May 31, 2013 and June 4, 2013 e-mails.



Mr. Dennis Yu, CEBS

June 11, 2013

Page 3

In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the contribution rate calculations are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the actuarial standards of Practice promulgated by the Actuarial Standards Board and applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which are individually reasonable, taking into account the experience of CalPERS and reasonable expectations. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

Actuarial computations presented in this letter-report are for purposes of determining the recommended funding amount for the fiscal year beginning July 1, 2013. Actuarial computations under GASB Statements No. 25 and 27 are for purposes of fulfilling financial accounting requirements. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding goals and of the GASB Statements No. 25 and 27. Determinations for purposes other than meeting those requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work product was prepared exclusively for the management of the California Vanpool Authority ("Agency") and PARS for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning the Agency operations, and uses Agency data, which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

This work product was prepared solely for Public Agency Retirement Services and the California Vanpool Authority for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.



Mr. Dennis Yu, CEBS
June 11, 2013
Page 4

- (a) The Agency or PARS may provide a copy of Milliman's work, in its entirety, to the Agency's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The Agency or PARS may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.


No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

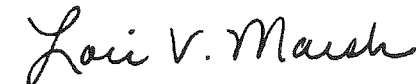
The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.


We respectfully submit the following report, and we look forward to discussing it with you at your convenience. I, Robert S. Dezube, am a consulting actuary for Milliman, Inc. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Milliman, Inc.


Laura Lyn-Kew
Actuarial Analyst


Lori V. Marsh ASA, EA, MAAA
Associate Actuary


Robert S. Dezube, FSA
Consulting Actuary

C: Ryan Nicasio

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1. California Vanpool Authority Results

	<u>Valuation at July 1, 2013*</u>
1. Present Value of Future Benefits:	
a. Actives	\$ 1,841,159
b. Retirees	0
c. Terminated Vesteds	<u>0</u>
d. Total	\$ 1,841,159
2. Present Value of Future Normal Costs:	
a. Actives	\$ 1,584,515
b. Retirees	0
c. Terminated Vesteds	<u>0</u>
d. Total	\$ 1,584,515
3. Actuarial Liability: [(1d.) – (2d.)]	\$ 256,644
4. Gross Entry Age Normal Cost (EANC):	\$ 165,652
5. Expected Employee Contributions at 8.56%:	\$ 80,619
6. Net EANC: [(4.) – (5.)]	\$ 85,033
7. Actuarial Value of Assets:	\$ 0
8. Unfunded Actuarial Liability (UAL): [(3.) – (7.)]	\$ 256,644
9. Unfunded Actuarial Liability Amortization ¹⁾ :	\$ 18,240
10. Valuation Payroll:	\$ 993,453
11. Fiscal Year 2013-2014	
Employer Contribution %:	
a. Normal Cost [(6.) / (10.)]	8.56%
b. Unfunded Actuarial Liability [(9.) / (10.)]	<u>1.84%</u>
c. Total	10.40%

* See page 9 for valuation assumptions; interest rate of 7.00% employed.

¹ Based on a 20-year amortization period from July 1, 2013 with amortization payments increasing 3.25% annually. Payments are assumed to be made throughout the year.

2. Participant Data – July 1, 2013

a. Active Participant Counts:

Male	14
Female	<u>13</u>
Total	27

b. Average Active Ages:

Male	45.0
Female	<u>39.1</u>
Overall	42.1

c. Average Years of Service:

1.7

d. Valuation Pay:

\$993,453

e. Average Pay:

\$36,795

3. **Plan Provisions**

a. **Benefit Service**

Benefit service is credited from date of hire as a full-time employee of the Agency until the last date of employment with the Agency.

b. **Vesting Service**

Vesting service is equal to Benefit Service (Agency Years of Service) as described above.

c. **Employee Contributions**

Employees will contribute at least half of the normal cost as determined by actuarial valuation. In this valuation, we have determined the employee contribution rate to be 8.56% of compensation beginning on July 1, 2013.

d. **Final Pay**

Final Pay is the highest average consecutive thirty-six (36) months of compensation with the Agency. Final pay shall be based on normal monthly rate of pay of similarly-situated employees and shall not exceed an annual amount equal to 120% of the maximum taxable earnings under Social Security as of 2013 (adjusted annually by CPI).

e. **Retirement Benefit**

A full-time employee of the Agency on or after July 1, 2013 will be eligible for a retirement benefit upon meeting the minimum age of 52 and completing 5 years of Agency service. The monthly retirement benefit is the product of the following three items:

- i. Benefit Service
- ii. Final Pay
- iii. The following "2.0% at 62" Plan factors:

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
52	1.000%	58	1.600%	64	2.200%
53	1.100%	59	1.700%	65	2.300%
54	1.200%	60	1.800%	66	2.400%
55	1.300%	61	1.900%	67+	2.500%
56	1.400%	62	2.000%		
57	1.500%	63	2.100%		

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f. Disability Retirement Benefit

The plan does not provide a special pre-retirement disability benefit.

g. Death Benefit

The plan provides a pre-retirement death benefit to the employee's eligible beneficiary (spouse or registered domestic partner) payable over the lifetime of the beneficiary. If the employee dies after attaining the age of 52 and five years of Agency service, the benefit will be paid assuming retirement occurred on the date of death and the participant elected the 100% joint-and-survivor option. If the employee dies prior to age 52 but after attaining five years of Agency service, the benefit will be paid on the first of the month following the date the employee would have attained age 52, in an amount equal to the 100% joint-and-survivor option.

h. Withdrawal Benefit

The plan provides a deferred retirement benefit if the employee has at least five years of Agency service upon termination of employment. Benefits may begin as early as age 52. Employees who terminate employment prior to having five years of Agency service will receive a refund of their employee contributions with interest credited at three percent (3%) per annum.

i. Normal Form of Payment

The normal form of benefit is a life-only annuity.

j. Optional Forms of Payment

In lieu of a life-only annuity, a participant may elect an actuarially equivalent optional form of payment. The optional forms are joint-and-survivor annuities.

k. Post-Retirement Pension Increases

Any benefit in payment status will increase by 2% per annum on the anniversary of the participant's date of retirement.

4. Actuarial Assumptions

- a. Valuation Date: July 1, 2013
- b. Investment Return: 7.00%
- c. Inflation: 3.00%
- d. Salary Increases: (includes inflation) Increases are based on service. Sample rates are as follows:

<u>Years of Service</u>	<u>Annual Increase</u>
0	12.65%
1	10.75%
2	9.35%
3	8.25%
4	7.35%
5	6.75%
10	4.85%
15	4.35%
20	3.95%
22 or more	3.85%

- e. Cost of Living Adjustment: 2.00% compounded annually
- f. Pre-Retirement Mortality: Sample rates are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.047%	0.016%
25	0.050%	0.026%
30	0.053%	0.036%
35	0.067%	0.046%
40	0.087%	0.065%
45	0.120%	0.093%
50	0.176%	0.126%
52	0.209%	0.146%

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g. **Post-Retirement Mortality:** Sample rates are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
52	0.331%	0.163%
60	0.720%	0.431%
70	1.675%	1.244%
80	5.270%	3.749%
90	16.747%	12.404%
100	34.551%	31.876%
110	100.000%	100.00%

h. **Withdrawal:** Sample select and ultimate rates are as follows:

		<u>Years of Service</u>				
<u>Hire Age</u>	<u>Under 1</u>	<u>1 to 2</u>	<u>2 to 3</u>	<u>3 to 4</u>	<u>4 to 5</u>	
30	16.06%	14.09%	12.12%	10.15%	8.18%	
40	14.68%	12.71%	10.74%	8.77%	6.80%	
50	13.32%	11.35%	9.38%	7.41%	5.43%	

		<u>Years of Service</u>				
<u>Hire Age</u>	<u>5 to 6</u>	<u>6 to 7</u>	<u>7 to 8</u>	<u>8 to 9</u>	<u>9 to 10</u>	
30	7.11%	6.70%	6.31%	5.91%	5.48%	
40	5.54%	5.14%	4.71%	4.30%	3.89%	
50	0.97%	0.84%	0.72%	0.60%	0.49%	

		<u>Years of Service</u>				
<u>Hire Age</u>	<u>10 to 11</u>	<u>11 to 12</u>	<u>12 to 13</u>	<u>13 to 14</u>	<u>14 to 15</u>	
30	5.07%	4.80%	4.52%	3.97%	3.73%	
40	0.71%	0.63%	0.56%	0.32%	0.27%	
50	0.38%	0.31%	0.24%	0.12%	0.08%	

For participants with more than thirty-five years of service:

Ages 50-84	0.010%
Ages 85+	0.000%

This work product was prepared solely for Public Agency Retirement Services and the California Vanpool Authority for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

i. Retirement: Rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
52	2.50%	64	23.40%
53	2.20%	65	33.40%
54	2.80%	66	21.90%
55	4.40%	67	30.70%
56	3.70%	68	21.80%
57	4.80%	69	22.00%
58	5.80%	70	24.40%
59	6.80%	71	15.90%
60	11.90%	72	18.70%
61	15.20%	73	10.70%
62	25.50%	74	17.00%
63	24.40%	75+	100.00%

j. Disability: Sample rates are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.021%	0.020%
40	0.145%	0.164%
50	0.331%	0.311%

k. Maximum Benefits and Salary:

Final pay is subject to a limit equal to 120% of the maximum taxable earnings under Social Security as of 2013 (adjusted annually by CPI).

l. Expenses: None are assumed.

m. Form of Payment: All current participants are assumed to elect the normal form of annuity.

n. Entry Age: Age of hire with the Agency.

o. Beneficiaries: 85% of participants are assumed to have spouses or registered domestic partners of the same age.

5. **Actuarial Methods**

Funding Method

The cost method for valuation of liabilities used for this valuation is the **entry age normal** method. This is one of a family of valuation methods known as projected benefits methods. The chief characteristic of projected benefits methods is that the actuarial present value of all plan benefits is determined as of the valuation date and then allocated between the period before and after the valuation date. The present value of plan benefits earned prior to the valuation date is called the **actuarial liability**. The present value of plan benefits to be earned after the valuation date is called the **present value of future normal costs**.

Under the entry age normal actuarial cost method, an individual entry age normal cost ratio is determined for each participant by taking the value, as of his entry age in the plan, of the participant's projected future benefits (assuming the current plan benefit provisions had always been in existence), and dividing it by the value, as of the participant's entry age, of his expected future service. This ratio for each participant is then multiplied by the present value, as of the valuation date, of the participant's future service. The sum of these values for all active participants is the plan's present value (as of the valuation date) of future normal costs. The excess of the present value of all plan benefits over the present value of future normal costs is the actuarial liability. The difference between the actuarial liability and the value of the plan assets as of the valuation date is the **unfunded actuarial liability**.

Asset Valuation Method

The actuarial value of assets is expected to be the market value of assets as provided by Public Agency Retirement Services. As of July 1, 2013, the Plan has no assets.



California Public Employees' Retirement System
Customer Account Services Division
P.O. Box 942704
Sacramento, CA 94229-2704
TTY: (877) 249-7442
888 CalPERS (or 888-225-7377) phone • (916) 795-3005 fax
www.calpers.ca.gov

May 24, 2013

Mr. Ronald Hughes
Executive Director
California Vanpool Authority
1340 North Drive
Hanford, California 93230

Dear Mr. Hughes:

On April 29, 2013, the California Public Employees' Retirement System (CalPERS) sent you a letter notifying you of our determination that the California Vanpool Authority (CalVans) has not demonstrated its eligibility to participate in the CalPERS pension plan (the "CalPERS Plan"). You have asked that we provide you with additional information regarding the reasons for this determination.

To participate in the CalPERS Plan, an entity must demonstrate that it is a public agency under applicable state law and that it is eligible to participate in a governmental plan pursuant to Section 414(d) of the Internal Revenue Code ("IRC"). For the reasons discussed below, it is our determination that CalVans has not met these requirements.

Based on our review of the documents provided to us, CalVans does not qualify as a public agency, as that term is defined in sections 20056 and 20057 of the Public Employees' Retirement Law (PERL). A number of factors contributed to our determination. First, to qualify as a public agency that is eligible to participate in the CalPERS Plan, among other things, a joint powers authority's membership must generally be confined to public agencies and no private entities may have voting power on the authority's board of directors. It is our determination that CalVans does not satisfy this requirement because one of its voting members, Tulare County Association of Governments, is not a public agency. Second, it also appears that CalVans is not primarily funded through tax revenues or other public sources, but rather is primarily funded through private funds. Third, the Fresno Council of Governments based on its Joint Powers Agreement does not specify the common powers to carry out the purposes and functions as a governmental entity.

It is also our determination that CalVans has not demonstrated its eligibility to participate in a governmental plan pursuant to existing guidance under IRC Section 414(d). As stated in our April 29th letter, to determine eligibility under IRC Section 414(d), CalPERS has aligned its eligibility review process for contract applicants to include the facts and circumstances test set forth in the advance notice of proposed rulemaking regarding the definition of a governmental plan that was issued by the Internal Revenue Service and the Treasury Department in November 2011 (the "Notice"). It is not clear that CalVans qualifies as either a political

subdivision or an "agency or instrumentality of the state or political subdivision of the state" under this guidance. Please refer to Circular Letters #200-013-12 and #200-022-13 for additional information regarding the Notice and CalPERS eligibility review process. Both letters can be found at the following link <http://www.calpers.ca.gov/index.jsp?bc=/employer/cir-ltrs/cir-ltrs-search.xml>

As stated in our April 29th letter, in accordance with Government Codes section 20134 and sections 555-555.4, Title 2, California Code of Regulations, CalVans has the right to appeal this decision by filing a written appeal with CalPERS, in Sacramento. Your written appeal must be filed **within thirty days of April 29, 2013**. An appeal, if filed, should set forth the factual basis and legal authorities for such appeal. A copy of the applicable statute and Code of Regulations sections were provided to you in the prior letter. If you file an appeal, the CalPERS Legal Office will contact you and handle all requests for information.

Your appeal will be set for hearing with the Office of Administrative Hearings (OAH). The assigned CalPERS attorney will contact you to coordinate a hearing date. Depending on the current caseload of the OAH and the assigned attorney, the hearing date may be set several months after the case is opened. The OAH will typically offer its earliest available hearing date that meets the schedule of both parties. If you choose not to be represented by an attorney, the assigned CalPERS lawyer will be in direct communication with you during the appeal process. If you do hire an attorney, please let CalPERS know immediately so our attorney can work directly with him or her.

After the hearing is completed, the Administrative Law Judge will issue a Proposed Decision in approximately 30 days. The CalPERS Board of Administration will then make a determination whether to accept or reject that Proposed Decision. If the Board rejects the Proposed Decision, they will hold a Full Board Hearing in order to review the entire hearing record again before finalizing their decision.

Your appeal should be mailed to the following address:

Karen DeFrank, Division Chief
Customer Account Services Division
P.O. Box 942709
Sacramento, CA 94229-2709

If you have any questions or concerns regarding this matter, please contact Reuben Jimenez, at (916) 795-9159

Sincerely,



KAREN DeFRANK, Chief
Customer Account Services Division