



February 24, 2022
1:00 p.m.

AGENDA

Board Executive Committee Meeting Telephonic Meeting

Please join the meeting from your computer, tablet or smartphone.

<https://us02web.zoom.us/j/84405053611?pwd=bEJFMXVUMGVCR1dDUGxrTFYxRTJqZz09>

Meeting ID: 844 0505 3611; Passcode: 747204

You can also dial in using your phone: +1 669-900-6833

Meeting ID: 844 0505 3611; Passcode: 747204

SPECIAL NOTICE REGARDING COVID-19

On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 that amends and extends certain Brown Act requirements pertaining to telephonic conferencing of local government meetings through January 1, 2024. As such, RTA has opted to conduct the February 24, 2022 committee meeting via teleconference. Participants can participate via teleconference in each participant's own office/home area which will not be made physically accessible to the public.

Members of the public wishing to participate via teleconference can do so by joining the meeting from your computer, tablet or smart phone at 1:00 p.m. on February 24, 2022: <https://us02web.zoom.us/j/84405053611?pwd=bEJFMXVUMGVCR1dDUGxrTFYxRTJqZz09>; Meeting ID 844 0505 3611; Passcode: 747204; or you may dial in using your phone to (669) 900-6833; Meeting ID 844 0505 3611; Passcode: 747204. If you do not wish to speak, please silence/mute your device during the meeting.

Those wishing to speak during the meeting must submit comments and/or questions in writing for Board consideration by completing the online Speaker Request Form which can be accessed through our website at RiversideTransit.com or by clicking [HERE](#). Please submit your written comments by Wednesday, February 23, 2022, at 5:00 p.m. Once you dial in, you must ensure that you are in a quiet environment with no background noise (traffic, children, pets, etc.) **You must mute your phone until called upon by the Chair or the Clerk to speak.** Once called upon, please unmute your device and speak. You will be warned prior to your allotted time being over.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5066, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at www.riversidetransit.com or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

ITEM

RECOMMENDATION

1. CALL TO ORDER

2. SELF-INTRODUCTIONS

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.

RECEIVE COMMENTS

**4. APPROVAL OF MINUTES – JANUARY 27, 2022
EXECUTIVE COMMITTEE MEETING (P.4)**

APPROVE

**5. FEDERAL TRANSIT ADMINISTRATION (FTA) FISCAL
YEAR 2021 COVID-19 RELIEF ELECTRONIC
CLEARING HOUSE OPERATION (ECHO)
DRAWDOWN REVIEW (P.7)**

ACCEPT

ITEM

RECOMMENDATION

6. NEXT MEETING

Thursday, March 24, 2022
1:00 p.m.
Riverside County Administration Center
4080 Lemon St., Board Chambers, First Floor
Riverside, CA 92501

7. MEETING ADJOURNMENT

RTA BOARD EXECUTIVE COMMITTEE MEETING
Minutes
January 27, 2022

1. CALL TO ORDER

Chair Zak Schwank called the Board Executive Committee meeting to order at 1:00 p.m. on January 27, 2022, in the Board of Supervisors Chambers, 4080 Lemon St., Riverside, CA.

2. SELF-INTRODUCTIONS

Self-introductions were dispensed with.

Committee Members Attending

1. Zak Schwank, City of Temecula
2. Linda Molina, City of Calimesa
3. Jeremy Smith, City of Canyon Lake
4. Linda Krupa, City of Hemet

Committee Members Absent

1. Bridgette Moore, City of Wildomar
2. Alonso Ledezma, City of San Jacinto

RTA Staff

1. Kristin Warsinski, Chief Executive Officer
2. Rick Kaczerowski, Chief Technology Officer
3. Laura Camacho, Chief Administrative Officer
4. Jim Kneepkens, Chief Marketing Officer
5. Albert Jimenez, Director of Risk Management
6. Jennifer Nguyen, Grants Manager
7. Joan Hepworth, Clerk of the Board
8. Yesenia Felix, Administrative Assistant

Other Attendees

1. Barbara Raileanu, Agency General Counsel

3. PUBLIC COMMENTS - NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – NOVEMBER 18, 2021 EXECUTIVE COMMITTEE MEETING

M/S/C (SMITH/KRUPA) approving the minutes of the November 18, 2021, Executive Committee meeting.

The motion carried unanimously by roll call vote..

5. APPROVAL OF MINUTES – DECEMBER 16, 2021 EXECUTIVE COMMITTEE MEETING

M/S/C (SMITH/MOLINA) approving the minutes of the December 16, 2021, Executive Committee meeting.

The motion carried by roll call vote with 3 affirmative and 1 abstention (SMITH).

6. TNOW QUARTERLY ATTENDANCE REPORT

Jim Kneepkens presented the Transportation Now Quarterly Attendance Report which was received and filed.

7. AUTHORIZATION TO PARTNER WITH THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION (RCTC) AND THE CITY OF RIVERSIDE TO APPLY TO THE FISCAL YEAR 2022 (FY22) CLEAN CALIFORNIA LOCAL GRANT PROGRAM (CCLGP) AND SUBMIT A LETTER OF COMMITMENT FOR THE RIVERSIDE CLEAN AND GREEN TRANSIT CENTER IMPROVEMENTS PROJECT

Jennifer Nguyen presented the staff report. Executive Committee Member Linda Krupa had a question which was answered by staff.

M/S/C (SMITH/KRUPA) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to partner with the Riverside County Transportation Commission and the City of Riverside to apply to the Fiscal Year 2022 Clean California Local Grant Program.

The motion carried unanimously by roll call vote.

8. VINE STREET MOBILITY HUB UPDATE

Kristin Warsinski provided an update. Executive Committee Members Linda Krupa and Jeremy Smith made comments.

9. NEXT MEETING

Thursday, February 24, 2022
1:00 p.m.
Riverside County Administration Center
4080 Lemon St.,
Riverside, CA 92501

10. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) REGARDING CLAIM NUMBER RSTA 0072A1 – CORTEZ-PECK

Agency General Counsel Barbara Raileanu removed this item from the Agenda as it is not necessary for this committee, pursuant to its own Settlement Policy, to consider the item.

11. MEETING ADJOURNMENT

The meeting was adjourned at 1:12 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 24, 2022

TO: BOARD EXECUTIVE COMMITTEE

THRU: Kristin Warsinski, Chief Executive Officer

FROM: Charlie Ramirez, Chief Financial Officer

SUBJECT: Federal Transit Administration (FTA) Fiscal Year 2021 Covid-19 Relief Electronic Clearing House Operation (ECHO) Drawdown Review

Background: The Agency receives federal funding from the FTA for a significant portion of its annual operating and capital expenses. Historically, the funding provided by the FTA comes by way of Congress and ongoing surface transportation legislation. However, over the course of the pandemic, Congress appropriated additional specific funding for the FTA as part of its various Covid-19 stimulus packages. The Agency received significant federal funding from the FTA under the following Covid-19 stimulus packages: the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA). The Agency accessed funding for these awards through individual drawdown requests made via the FTA ECHO system.

The FTA is also charged with providing oversight activities. They are responsible for ensuring that their recipients use federal funding in a manner that is consistent with its intended purpose and in compliance with regulatory and statutory requirements. The FTA's most basic and regular oversight activity is the Triennial Review. The Triennial Review occurs every three years and is a broad review of the many functional areas and activities of a transit agency. While the Triennial Review covers a broad range of areas, the FTA also conducts reviews that are more detailed in nature and focus on very specific areas. These focused reviews typically focus on either procurement or financial activities.

Summary: On October 4, 2021, the Agency received notification from the FTA that it had been selected to undergo a focused financial review. The review was to be conducted by RMW Associates, LLC (RMW) and would focus on ECHO drawdown requests specifically tied to Covid-19 related awards. The review was to ensure that drawdowns were calculated correctly, that only eligible costs were claimed, that correct federal share was calculated, that there was proper segregation of duties, and that the disbursement of federal funding was made within specified timelines.

Principal work for the review began in October 2021. At that time, RMW requested supporting documentation related to five specific ECHO drawdowns. Staff provided this documentation which included payroll registers, check and wire covers, invoices, and supporting calculations. In addition to their review of the drawdowns, RMW also requested and reviewed our Finance Policies & Procedures Manual (FPPM), proof of award and budget tracking, identification of awards by Catalog of Federal Domestic Assistance (CFDA), and our responses to their questionnaire.

Upon conclusion of their review, RMW produced a draft report that indicated no issues with four of the five ECHO drawdowns reviewed. There were also no issues related to any of the other information provided or reviewed, except for the following items noted in the draft report:

1. One of the five ECHO drawdowns did not show a deduction of fare/other revenue from operating expenses claimed and thus was not in accordance with FTA requirements.
2. The current ECHO drawdown process documented in the FPPM was not consistent with the current practice of performing ECHO drawdowns.

After review of the draft report, staff participated in a meeting with RMW and the FTA. During the meeting, staff noted that they disagreed with the issues as presented in the draft report and provided the following explanation:

In regard to issue one noted above, staff believed the ECHO drawdown was performed in accordance with FTA requirements. While the calculation did not display a deduction of fare and other revenue, staff noted that fare and other revenue had already been deducted from eligible costs and was presented in the ECHO drawdown under review as net of those costs. Staff indicated that they could provide additional cost documentation to prove that out. The FTA and RMW understood this point and indicated that staff would have the opportunity to provide that support during the next phase of the review.

In regard to issue two noted above, staff expressed their concern that it was misleading to make the general statement that the FPPM was not consistent with current practice, which could indicate that the entire process is flawed. There were no issues found with how staff conducted drawdown requests, however, the reviewer noted two specific steps that could have been discussed in greater detail in the FPPM. They were looking for detail on who takes in ECHO receipts and who keeps record of ECHO transactions. While the FPPM did have some of this information in a more generic form, it did not specifically identify the processes as they related to "ECHO" drawdowns. RMW felt it important that these processes were documented specifically as they related to ECHO drawdowns. As such, staff made the recommended changes to the FPPM in real-time during the review period. Because staff had made these changes already, RMW indicated that this issue would be cleared and posted as resolved in the final report.

After the draft report meeting, the review moved into the Technical Assistance phase. The Technical Assistance phase is the time where issues noted in the draft report can be addressed and either cleared from the final report or have a plan of action put in place for remediation of the issues moving forward. During this phase, staff worked with RMW to address the lone remaining issue from the draft report, which was the claim that one of the ECHO drawdowns selected was not calculated in accordance with FTA requirements.

Staff was able to provide additional expense support and calculations to RMW that satisfactorily proved to them that the Agency had deducted fare and other revenue from eligible expenses. Therefore, RMW determined that RTA had calculated the drawdown in accordance with FTA requirements. To avoid confusion in the future, RMW recommended that the Agency display the deduction of fare and other revenue in each operating assistance ECHO drawdown and that the process is documented in the FPPM to ensure proper training. Staff made these adjustments as is noted in the final report. RMW cleared this issue in the final report and posted it as resolved.

Both issues identified in the draft report are also identified in the final report. In the final report, both issues are identified as resolved. There are no pending issues, recommendations, or corrective actions required by the Agency. The final report issued by the FTA is attached to this staff report.

Fiscal Impact:

None.

Recommendation:

Recommend this item to the full Board of Directors for their consideration as follows:

Accept the FTA Fiscal Year 2021 Covid-19 Relief ECHO Drawdown Review Report.

FINAL REPORT

FISCAL YEAR 2021
COVID-19 RELIEF ECHO DRAWDOWN REVIEW

of

Riverside Transit Agency
(RTA)

Riverside, California
Recipient ID Number: 1686

Performed for:

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION 9

Prepared By:

RMW Associates, LLC

FINAL Report Date: February 10, 2022

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I. Review Background and Process

1. Background

On March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 outbreak. The funding provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); and the American Rescue Plan (ARP) allowed for changes in how recipients use Federal Transit Administration (FTA) funds. The most significant of these changes has been allowing all recipients, regardless of size or urbanized area population, to charge operating expenses to FTA grants at one hundred percent Federal share.

Because of the amount of FTA funding and the flexibilities provided to support transit systems through COVID-19, the FTA is performing supplemental oversight of ECHO drawdowns. The FTA's ECHO Drawdown Review focuses only on CARES, CRRSAA, and ARP funds.

This report documents the FTA COVID-19 Relief ECHO Drawdown Review of the Riverside Transit Agency (RTA) of Riverside, California. The review was performed by RMW Associates, LLC (RMW).

2. Process

The COVID-19 Relief ECHO Drawdown Review process includes an ECHO Information Request, documentation review, and recipient interview. The review period is from January 20, 2020, the date from which operating expenses were eligible under COVID-19 Relief funds, to the date of the review. An ECHO Information Request was sent to the RTA on October 4, 2021, indicating a review would be conducted during Fiscal Year 2021. Requested drawdown documentation was sent to the reviewer electronically.

The reviewer evaluated how the RTA used CARES, CRRSAA, and ARP operating assistance funding through a sample of five (5) ECHO drawdowns. The reviewer used FTA's COVID-19 ECHO Drawdown Review guidance to complete an assessment of the recipient's financial management systems through interviews with the recipient and review of additional documentation.

II. Results of the Review

Basic Requirement: The recipient must calculate operating assistance drawdowns correctly, including charging only eligible and allowable costs to the award, calculating the correct federal share; documenting proper segregation of duties; and ensuring timely disbursement of funds.

During this review, issues were found. The following table summarizes the ECHO drawdowns reviewed and the issues noted. A more detailed description of the issues is included below. The completed ECHO Review Tool spreadsheet is included as an appendix to this report.

Award Number	Financial Purpose Code	Transaction Date	Drawdown Amount	Issues
CA-95-X296-00	04	01/21/2021	\$96,388	• None
CA-2020-013-01	04	06/22/2020	\$2,104,076	• None
CA-2020-108-00	04	06/01/2020	\$5,000,000	• None
CA-2020-108-00	04	08/26/2020	\$5,975,757	• None
CA-2021-071-00	04	08/03/2021	\$3,141,311	• Drawdown calculation did not show farebox revenue and other applicable revenue items (that directly offset expenses) had been eliminated. The calculation of eligible operating expenses was not performed in accordance with FTA requirements.
The following is applicable to each of the grant award numbers listed above:				
The FTA Grant Funds Drawdown & ECHO Payment process in the Finance Policy and Procedures Manual does not appear to be consistent with the practice of performing ECHO drawdowns.				

Issue 1 of 1: In one of the five (5) ECHO drawdown samples reviewed, the farebox revenues were not appropriately eliminated. The calculation of eligible operating expenses was not performed in accordance with the requirements in FTA Circular 9030.1E, Appendix C. We took note that in four of the five (5) ECHO drawdown samples, the RTA had eliminated the farebox and other revenues in its calculation for the ECHO drawdown amount. As it relates to the sample that did not show the elimination of farebox revenue, the RTA noted farebox revenues were eliminated in other operating expenditures. However, to calculate the eligible operating expenses based on the FTA requirements, CARES' drawdowns must be calculated based on eligible operating expenses net of associated farebox and other revenues.

Recommendation to address issues:

- We recommend the RTA document the process for performing operating expenses net of the associated farebox and other revenues in line with the FTA requirements.
- We recommend the RTA provide training or have individuals involved in the preparation, review and approval of the operating expense calculation, acknowledge that they have received training and understand how to implement the process consistently.
- To be consistent with the FTA's requirements, we recommend the RTA update their net operating expense calculation for one of the five samples ECHO drawdowns, specifically for the sample under Project/Grant Number: CA-2021-071-00, ECHO Transaction Date: 08/03/2021; ECHO Transaction Amount: \$3,141,311.

Status update:

To properly calculate the eligible operating expenses based on the FTA requirements, CARES' drawdowns must be calculated based on eligible operating expenses net of associated farebox and other revenues. During the Technical Assistance period, the RTA provided documentation of its process for performing operating expenses net of the associated farebox and other revenues and indicated individuals involved in this process have received training.

To ensure a consistency in this process going forward, the RTA provided Procedures for Calculation of eligible Net Operating Expenditures for COVID-19 Emergency Relief Programs, outlining processes, systems, individual roles of responsible staff, and segregation of duties.

The RTA provided the Reviewer with documentation to reflect a recalculation of its operating expenses net of associated farebox and other revenues in line with FTA requirements. The ECHO drawdown sample noted above, in the amount of \$3,141,311, was recalculated and supporting documentation was provided.

Issue 2 of 2: In our interview, it appears, the RTA in practice is performing steps in the ECHO drawdown process that show segregation of duties. However, the Finance Policy and Procedures Manual did not appear consistent with the practice of performing ECHO drawdowns. The Finance Policy and Procedures Manual did not display the steps and responsible staff performing some of the duties. The RTA noted they will update their Finance Policy and Procedures Manual to identify staff performing all tasks in the processing of ECHO drawdowns.

Recommendation to address issues:

- The Finance Policy and Procedures Manual should be updated to ensure consistency.
- State clearly within Procedures the title and role of individuals, ensuring proper segregation of duties that are consistent with steps being performed.

Status update:

During the review, the RTA provided the updated Finance Policy and Procedures Manual. The updated manual stated the title and role of individuals performing the specific tasks for their ECHO Drawdowns, ensuring proper segregation of duties.

III. Summary of Issues

Issue Number	Issue Description	Recommendation	Status
1	<p>Operating expenditures were utilized for CARES' Drawdowns. The applicable farebox and other revenues were not appropriately eliminated. The calculation of eligible operating expenses was not performed in accordance with the FTA requirements.</p>	<ul style="list-style-type: none"> • We recommend the RTA document the process for performing operating expenses net of the associated farebox and other revenues in line with the FTA requirements. • We recommend the RTA provide training or have individuals involved in the preparation, review and approval of the operating expense calculation, acknowledge that they have received training and understand how to implement the process consistently. • We recommend the RTA update their net operating expense calculation for the one sampled drawdown (identified above in this report) to be consistent with the FTA requirements. 	Resolved

Issue Number	Issue Description	Recommendation	Status
2	The Finance Policy and Procedures Manual did not appear to be consistent with the practice of performing ECHO drawdowns.	<ul style="list-style-type: none"> • The Finance Policy and Procedures Manual should be updated to ensure consistency. • State clearly within Procedures the title and role of individuals, ensuring proper segregation of duties that are consistent with steps being performed. 	Resolved

IV. Review Participants

Name	Title	Phone Number	E-mail Address
<i>Riverside Transit Agency (RTA)</i>			
Kristin Warsinski	Chief Executive Officer	951.565.5136	kwarsinski@riversidetransit.com
Charlie Ramirez	Chief Financial Officer	951-565-5156	cramirez@riversidetransit.com
<i>FTA</i>			
Charlene Lee Lorenzo	Director, Los Angeles Office	213-202-3952	Charlene.LeeLorenzo@dot.gov
Mahilet Amare	General Engineer	213-629-8610	mahilet.amare@dot.gov
Luis Lopez	General Engineer	213-629-8615	l.lopez@dot.gov
<i>RMW Associates, LLC</i>			
Rosemary Womack	Principal	240-455-5420	r.womack@rmw-associates.com
Marine Harris	Manager	404-410-7417	mharris@rmw-associates.com
Denise Miller	Manager	404-410-7419	dmiller@rmw-associates.com
Arlene Harris	Senior	404-410-7435	aharris@rmw-associates.com

V. Appendix

Refer to the ECHO Review Tool spreadsheet for details of each drawdown reviewed.