# STAFF REPORT

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|---|---|
| **MEETING DATE:** | **October 22, 2019** |
| **SUBJECT:** | **Correspondence** |
| **AGENDA ITEM:** | **5-5** |
| **STAFF CONTACT:** | **Amy Lindsey, Administrative Associate** |

Attached and summarized below is correspondence determined to be of interest to the board of directors.

**INCOMING CORRESPONDENCE**

| Date | From | Subject |
|---|---|---|
| 6/20 through 7/2/19 | • Mary Machado, Shasta Voices<br>• Patrick Minturn, Director of Public Works, Shasta County<br>• Chuck Aukland, Director of Public Works, City of Redding<br>• Doug LaMalfa, 1st District, United States Congressman<br>• Brian Dahle, District 1, California State Senator<br>• Mike Woodman, Deputy Executive Director, North State Super Region<br>• Stan Neutze, Mayor, City of Anderson | Letter of support for BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project |
| 6/28/19 | Wendy King, Office Chief, Transit Grants and Contracts, Division of Rail and Mass Transportation, California Department of Transportation | Letter of grant award for FY 2018-19 Low Carbon Transit Operations Program (LCTOP) Project in the amount of $329,232 for the Regional Reduced and Free Fare Program |
| 7/23/19 | Aaron Casas, Grant Manager, Associate Transportation Planner, Office of Community and Regional Planning, California Department of Transportation | Letter of grant award for FY 2019-20 Public Transportation Account – Adaptation Planning in the amount of $338,550 for the Shasta Ready Extreme Climate Event Mobility and Adaptation Plan |
| 8/19/19 | The PUN Group, LLP | Letter to the SRTA Board of Directors regarding the audit of the financial statements - year-end audit for the year ending June 30, 2019 |
| 8/19/19 | The PUN Group, LLP | Letter of confirmation to the SRTA Board of Directors to perform SRTA's year audit for the year ending June 30, 2019 |

| | | |
|---|---|---|
| 8/28/19 | Kathy Grah, Chief, Office of Community and Regional Planning, California Department of Transportation | Letter of approval for Amendment #6 to SRTA's FY 2018/19 Overall Work Program (OWP) |
| 9/12/19 | Erin Thompson, Chief, Office of Regional Planning, Department of Transportation, Division of Transportation Planning | Letter of audit resolution for FY 14-15 Indirect Cost Allocation Plan (ICAP) Audit |
| 9/12/19 | Erin Thompson, Chief, Office of Regional Planning, Department of Transportation, Division of Transportation Planning | Letter of audit resolution for FY 16-17 Single Audit Report |
| 9/17/19 | Tashia Clemons, Director, Planning & Environment, U.S. Department of Transportation, Federal Highway Administration | Letter of approval for SRTA's FY 2019 FTIP Amendment #6 |

**OUTGOING CORRESPONDENCE**

| Date | To | Subject |
|---|---|---|
| 9/19/19 | John Clark, Executive Director, Butte County Association of Governments/Butte Regional Transit | Letter of support for the Chico to Sacramento Thruway Strategic Plan |

**Daniel S. Little, AICP, Executive Director**

Attachment: SRTA Correspondence Letters

Shasta VOICES
Citizens for a Sustainable Future
P.O. Box 492794, Redding, CA 96049

June 20, 2019

Daniel Little, Executive Director
1255 East Street, Suite 202
Redding, CA 96001

**Subject: Recommend BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project**

Dear Mr. Little:

Shasta VOICES, a Redding non-profit organization representing over 1,300 local supporters with a focus on providing economic sustainability in the Shasta County area, is pleased to support the North Redding Six-Lane Project application for funding under the Better Utilizing Investments to Leverage Development (BUILD) program.

If funded, the project will widen Interstate 5 (I-5) between State Route 299 and 44, including two bridge structures. These proposed improvements are the continuation of a larger legacy project with a long history of coordinated local, regional, state, and federal investment, which we have also strongly supported. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes (three northbound and three southbound) spanning the entire Redding metropolitan area.

Key project benefits include:

- Long-term preservation of traffic operations and level of service needed to ***support regional economic growth***, including enhanced access to designated Opportunity Zones, industrial parks, and three institutions of higher education;
- Reduce lane weave-related collisions by providing southbound freight trucks additional time to merge from inside lanes (as a result of vehicles entering I-5 at three locations near the Route 44 junction) to the Route 299 offramp.

This project would create a long-term, significant benefit to our community and those who travel through it on Interstate 5. There is support for this project locally and regionally by all sectors of construction, real estate, service and retail business, and especially people who need stable employment.

Please do not hesitate to contact us if we can do anything to further support this effort.

Sincerely,

Mary B. Machado
Executive Director, Shasta VOICES
(530) 222-5251; mary@shastavoices.com

# Shasta County

**DEPARTMENT OF PUBLIC WORKS**

1855 PLACER STREET
REDDING, CA 96001-1759
530.225.5661 530.225.5667 FAX
800.479.8022 California Relay Service at 700 or 800.735.2922

**PATRICK J. MINTURN, DIRECTOR**
C. TROY BARTOLOMEI, DEPUTY
KEN D. CRISTOBAL, DEPUTY
SCOTT G. WAHL, DEPUTY


FSH 090003

June 21, 2019

Daniel Little, Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

**Subject: Recommend BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project**

Dear Mr. Little:

The county of Shasta is pleased to support the North Redding Six-Lane Project application for funding under the Better Utilizing Investments to Leverage Development (BUILD) program. If funded, the project will widen Interstate 5 (I-5) between State Route 299 and 44, including two bridge structures. These proposed improvements are the continuation of a larger legacy project with a long history of coordinated local, regional, state, and federal investment. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes (three northbound and three southbound) spanning the entire Redding metropolitan area.

Key project benefits include:

- Long-term preservation of traffic operations and level of service needed to support regional economy growth, including enhanced access to designated Opportunity Zones, industrial parks, and three institutions of higher education; and
- Reduce lane weave-related collisions by providing southbound freight trucks additional time to merge from inside lanes (as a result of vehicles entering I-5 at three locations near the Route 44 junction) to the Route 299 off-ramp.

The proposed project is of great national and regional importance. Shasta County looks forward to seeing the expansion of the final segment of the I-5 corridor through the Redding metropolitan area brought to fruition.

Sincerely,

Patrick J. Minturn, Director

PJM/ldr

CITY OF REDDING
777 CYPRESS AVENUE, REDDING, CA 96001
P.O. BOX 496071, REDDING, CA 96049-6071

June 28, 2019

Daniel Little, Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

**Subject: Recommend BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project**

Dear Mr. Little:

The City of Redding is pleased to support the North Redding Six-Lane Project application for funding under the Better Utilizing Investments to Leverage Development (BUILD) program. If funded, the project will widen Interstate 5 (I-5) between State Route 299 and 44, including two bridge structures. These proposed improvements are the continuation of a larger legacy project with a long history of coordinated local, regional, state, and federal investment. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes (three northbound and three southbound) spanning the entire Redding metropolitan area.

Key project benefits include:

- Long-term preservation of traffic operations and level of service needed to support regional economy growth, including enhanced access to designated Opportunity Zones, industrial parks, and three institutions of higher education;
- Reduce lane weave-related collisions by providing southbound freight trucks additional time to merge from inside lanes (as a result of vehicles entering I-5 at three locations near the Route 44 junction) to the Route 299 off-ramp.

The proposed project would complement already planned improvements in the City of Redding. The City is undergoing significant redevelopment in its core with new mixed-use projects downtown, redevelopment of the regional mall adjacent to I-5, and entirely new shopping centers on the southern edge of Redding along the I-5 frontage. With economic growth, comes a need to manage the associated additional traffic and transportation needs. The North Redding Six-Lane Project would provide a much needed solution to improve the safety and efficiency of traffic generated by this new development on Interstate 5 through the City.

Sincerely,

Chuck Aukland
Director of Public Works

DOUG LaMALFA
1st District, California
COMMITTEE ON
NATURAL RESOURCES
COMMITTEE ON AGRICULTURE
COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE

# Congress of the United States
## House of Representatives
## Washington, DC 20515-0501

WASHINGTON OFFICE:
322 Cannon House Office Building
Washington, DC 20515
Tel: (202) 225-3076
Fax: (202) 226-0852

OROVILLE DISTRICT OFFICE:
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Suite D
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Tel: (530) 534-7100
Fax: (530) 534-7800

REDDING DISTRICT OFFICE:
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Tel: (530) 223-5898
Fax: (530) 223-5897

AUBURN DISTRICT OFFICE:
2399 Rickenbacker Way
Auburn CA, 95602
Tel: (530) 878-5035
Fax: (530) 878-5037

http://lamalfa.house.gov

July 1, 2019

Daniel Little
Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

RE: Support for Interstate 5 North Redding Six-Lane Project application through the BUILD Grant Program

Mr. Little,

I am writing you today to issue my strong support for the North Redding Six-Lane Project application for the Better Utilizing Investments to Leverage Development (BUILD) program to widen Interstate 5 (I-5) between State Route 299 and State Route 44, including two bridge structures. These proposed improvements are the continuation of a larger legacy project with a long history of coordinated local, regional, State and federal investment. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes spanning the entire Redding metropolitan area.

This project is important both for the immediate economic benefits it will provide, and for its long-term impact on preserving the growth of the regional economy. This project also serves to amplify the existing efforts of economic development in Opportunity Zones designated from Public Law 115-97, otherwise known as the Tax Cuts and Jobs Act, existing industrial parks, and the three institutions of higher education in the entire region. Importantly, there are also tremendous safety benefits that can be attained as freight traffic has increased along this section of I-5. In particular, we hope widening provides adequate space to reduce weave-related collisions near the Route 44 junction, where several additional on-ramps are.

Again, I would like to reinforce my strong support for this project. If you have any questions, please contact John Veale in my Washington, D.C. office at john.veale@mail.house.gov.

Sincerely,

Doug LaMalfa
Member of Congress

STATE CAPITOL
SACRAMENTO, CA 95814
(916) 651-4001

# California State Senate

SENATOR
BRIAN DAHLE
FIRST SENATE DISTRICT

July 1, 2019

Daniel Little, Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Re: **BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project**

Dear Mr. Little:

I write to share my strong support for the North Redding Six-Lane Project and its application for funding under the Better Utilizing Investments to Leverage Development (BUILD) program. If funded, the project will widen Interstate 5 between State Route 299 and 44, including two bridge structures.

These proposed improvements would extend a larger legacy project with a long history of coordinated local, regional, state, and federal investment. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes (three northbound and three southbound) through the Redding metropolitan area.

The project has both economic and safety benefits. It would preserve the level of service to support regional economic growth, including enhanced access to Opportunity Zones, industrial parks, and three institutions of higher education. It would also reduce lane weave-related collisions by providing freight trucks additional time to merge from inside lanes (as a result of vehicles entering I-5 at three locations near the Route 44 junction) to the Route 299 offramp.

This is a key long-term priority for the state of California in the region, and I fully support the efforts to fund and build it.

Sincerely,

Brian Dahle

**BRIAN DAHLE**
Senator, 1st District

North State Super Region

1255 East Street, Suite 202, Redding, CA 96001
(530) 265-3202 nssr16@gmail.com
www.superregion.org
Mike Woodman, Chair



July 2, 2019

Daniel Little, Executive Director
1255 East Street, Suite 202
Redding, CA 96001

**Subject: Recommend BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project**

Dear Mr. Little:

The North State Super Region (NSSR) representing the collaborative partnership between the sixteen northern California Regional Transportation Planning Agencies is pleased to support the North Redding Six-Lane Project application for funding under the Better Utilizing Investments to Leverage Development (BUILD) program.

If funded, the project will widen Interstate 5 (I-5) between State Route 299 and 44, including two bridge structures. These proposed improvements are the continuation of a larger legacy project with a long history of coordinated local, regional, state, and federal investment. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes (three northbound and three southbound) spanning the entire Redding metropolitan area. This portion of I-5 is included in the Sacramento - Oregon Strategic Interregional Corridor identified in the Caltrans 2015 Interregional Transportation Strategic Plan (ITSP). The ITSP identifies 11 Strategic Interregional Corridors that have been identified as the most significant interregional travel corridors in California.

Key project benefits include:

- Long-term preservation of traffic operations and level of service needed to support regional economy growth, including enhanced access to designated Opportunity Zones, industrial parks, and three institutions of higher education;

- Reduce lane weave-related collisions by providing southbound freight trucks additional time to merge from inside lanes (as a result of vehicles entering I-5 at three locations near the Route 44 junction) to the Route 299 off-ramp.

The proposed improvements align with the unified goal of the NSSR to support transportation investments that improve the economy of the region, the efficiency of the movement of goods and people, and safety. Investment in this segment of I-5 will also enhance operations, connections for emergency response, and aid resiliency for the region.

Sincerely,

Mike Woodman

Mike Woodman, Deputy Executive Director
Nevada County Transportation Commission
Chair, North State Super Region

**DEPARTMENT OF TRANSPORTATION**
OFFICE OF RAIL AND MASS TRANSPORTATION
P.O. BOX 942874, MS-74
SACRAMENTO, CA 94274-0001
PHONE (916) 654-8811
FAX (916) 6543-4565
TTY 711
www.dot.ca.gov

*Making Conservation a California Way of Life.*

June 28, 2019

Daniel S. Little
Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Dear Daniel S. Little:

Congratulations! Your FY18-19 Low Carbon Transit Operations Program (LCTOP) project meets the guidelines of the program and has been authorized for funding. The California Department of Transportation (Caltrans), in coordination with the California Air Resources Board, reviewed the project(s) listed below and have determined they meet the requirements for funding. The funding will be allocated directly to you, the lead agency, by the State Controller's Office.

| | | |
|---|---|---|
| 18-19-D02-011 | Regional Reduced and Free Transit Fare Program | $329,232 |

Please use the project ID number listed above on all future correspondence with Caltrans LCTOP including all semi-annual reports, corrective action plans and final reports. A list of awarded FY 18-19 projects will be posted on the LCTOP website (http://www.dot.ca.gov/drmt/splctop.html) along with project summaries.

Should you have any questions, please feel free to contact LCTOP Branch Chief Amar Cid, by phone at 916-651-6114 or by email at LCTOPcomments@dot.ca.gov.

Sincerely,

Wendy King

Wendy King
Office Chief
Transit Grants and Contracts
Division of Rail and Mass Transportation
California Department of Transportation

RECEIVED
JUL 03 2019
SHASTA REGIONAL TRANSPORTATION AGENCY

July 2, 2019

Daniel Little, Executive Director
1255 East Street, Suite 202
Redding, CA 96001

**Subject: Recommend BUILD Program Funding for the Interstate 5 North Redding Six-Lane Project**

Dear Mr. Little:

The City of Anderson is pleased to support the North Redding Six-Lane Project application for funding under the Better Utilizing Investments to Leverage Development (BUILD) program. If funded, the project will widen Interstate 5 (I-5) between State Route 299 and 44, including two bridge structures. These proposed improvements are the continuation of a larger legacy project with a long history of coordinated local, regional, state, and federal investment. Building upon previously completed and currently underway improvements, the end result will be six contiguous travel lanes (three northbound and three southbound) spanning the entire Redding metropolitan area.

Key project benefits include:

- Long-term preservation of traffic operations and level of service needed to support regional economy growth, including enhanced access to designated Opportunity Zones, industrial parks, and three institutions of higher education;
- Reduce lane weave-related collisions by providing southbound freight trucks additional time to merge from inside lanes (as a result of vehicles entering I-5 at three locations near the Route 44 junction) to the Route 299 offramp.

Sincerely,

Stan Neutze, Mayor

**City Council**
**1887 Howard Street**
**Anderson, CA 96007**

www.ci.anderson.ca.us

**Phone: (530) 378-6646**
**Fax: (530) 378-6648**

**DEPARTMENT OF TRANSPORTATION**
DISTRICT 2
Office of Community and Regional Planning
1657 Riverside Drive, MS-7
REDDING, CA 96002
PHONE (530) 225-3426
TTY 711
www.dot.ca.gov

*Making Conservation a California Way of Life.*

July 23, 2019

Mr. Daniel Little
Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Dear Mr. Little:

This letter is to provide the Shasta Regional Transportation Agency with notice to proceed for the following transportation planning grant awarded Fiscal Year (FY) 2019-20:

Grant Program: Public Transportation Account – Adaptation Planning

| | |
|---|---|
| Grant Title: | Shasta Ready Extreme Climate Event Mobility and Adaptation Plan |
| Grant Award: | $289,850 |
| Local Match: | $48,700 |
| Total Project Amount: | $338,550 |

The Shasta Regional Transportation Agency has met all the Conditions of Grant Acceptance included in the May 17, 2019, award letter from the California Department of Transportation (Caltrans), Office of Regional Planning, and is now authorized to begin work, effective July 1, 2019.

As a reminder, Shasta Regional Transportation Agency is responsible for satisfying local match commitments in the amount shown above, including any local match amount above the minimum amount that is required with every invoice or request for reimbursement

Please contact me, at (530) 225-4732, to schedule an administrative kick-off meeting when we can discuss grant requirements and address any questions. I look forward to working with you and your staff on this important project.

Sincerely,

AARON CASAS, GRANT MANAGER
Associate Transportation Planner
Office of Community and Regional Planning

THE
PUN GROUP
ACCOUNTANTS & ADVISORS

August 19, 2019

To the Board of Directors and Management
of the Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shasta Regional Transportation Agency ("SRTA") for the year ending June 30, 2019. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

**Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and *Title 2 U.S. Code of Federal Regulation* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance")**

As stated in our engagement letter dated August 19, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider SRTA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether SRTA's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about SRTA's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on SRTA's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on SRTA's compliance with those requirements.

Generally accepted accounting principles provide for certain Required Supplementary Information ("RSI") to supplement the basic financial statements. Our responsibility with respect to the Management's Discussion & Analysis ("MD&A"), Budgetary Comparison Schedules, the Schedule of the Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – CalPERS Miscellaneous Plan, the Schedule of the Net OPEB Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits Plan, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the Schedules of Allocations and Disbursements – Local Planning Fund and State Transit Assistance Fund, the Schedule of Cost Allocation Plan Reconciliation and Indirect Cost Rate Carryover, the Schedule of Cost Allocation Plan Reconciliation and Indirect Cost Allocation Carryover, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Planned Scope, Timing of the Audit, and Other**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately August 19, 2019 and issue our report on approximately November 30, 2019. Frances J. Kuo is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of Board of Directors and Management of SRTA and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Pun Group, LLP

Santa Ana, California

August 19, 2019

**Shasta Regional Transportation Agency**
1255 East Street, Suite 202
Redding, CA 96001

To the Board of Directors and Management:

We are pleased to confirm our understanding of the services we are to provide Shasta Regional Transportation Agency ("SRTA") for the year ended June 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of SRTA as of and for the year ended June 30, 2019.

Accounting standards generally accepted in the United States of America provide for certain Required Supplementary Information ("RSI"), such as Management's Discussion and Analysis ("MD&A"), to supplement SRTA's 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. As part of our engagement, we will apply certain limited procedures to SRTA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Budgetary Comparison Schedule – Local Planning Fund
3) Budgetary Comparison Schedule – Local Transportation Fund
4) Budgetary Comparison Schedule – State Transit Assistance Fund
5) Schedule of the Proportionate Share of the Net Pension Liability and Related Ratios
6) Schedule of the Contributions – CalPERS Miscellaneous Plan
7) Schedule of the Proportionate Share of the Net OPEB Liability and Related Ratios
8) Schedule of the Contributions – Other Postemployment Benefits Plan

We have also been engaged to report on supplementary information other than RSI that accompanies SRTA's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Schedule of Allocations and Disbursements – Local Transportation Fund
2) Schedule of Allocations and Disbursements – State Transit Assistance Fund
3) Schedule of Cost Allocation Plan Reconciliation and Indirect Cost Rate Carryover
4) Schedule of Cost Allocation Plan Reconciliation and Indirect Cost Allocation Carryover
5) Schedule of Expenditures of Federal Awards

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

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

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance").

- Internal control related to compliance with the compliance requirements described in §6662 and §6663 of the California Code of Regulation, Title 21, Division 3, Chapter 3, Article 5.5 ("California Code of Regulation").

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Board of Directors and Management of SRTA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

**Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

**Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

**Audit Procedures—Compliance**

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of SRTA's major programs. The purpose of these procedures will be to express an opinion on SRTA's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will conduct our audit of compliance in accordance with the Transportation Development Act Guidebook ("the "TDA Guide Book") – Statutes and California Codes of Regulations, April, 2013, issued by the California Department of Transportation Division of Mass Transportation to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations applicable to the Planning Agency. Our procedures will consist of tests of transactions and other applicable procedures described in the TDA Guide Book for the types of compliance requirements that could have a direct and material effect on SRTA. The purpose of these procedures will be to express an opinion on SRTA's compliance with requirements applicable to the planning Agency in our report on compliance issued pursuant to the California Code of Regulation.

**Other Nonaudit Services**

We will also assist in preparing GASB 68 net pension liabilities worksheet and GASB 75 net OPEB liabilities worksheet of SRTA in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to GASB 68 net pension liabilities worksheet and GASB 75 net OPEB liabilities services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be constructed as assuming management responsibilities.

**Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations (including federal statues) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance,(3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provision of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior year audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on August 19, 2019.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that include our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all management responsibilities relating to GASB 68 net pension liabilities worksheet, GASB 75 net OPEB liabilities worksheet, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of GASB 68 net pension liabilities worksheet and GASB 75 net OPEB liabilities worksheet prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

**Third-Party Service Providers**

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

**Assistance By Your Personnel**

We will ask that your personnel, to the extent possible, prepare required schedules and analyses, and make selected invoices and other required documents available to our staff. This assistance by your personnel will serve to facilitate the progress of our work and minimize our time requirements.

**Data Collection Form**

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

**Independence**

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship, no offer of employment shall be discussed with any The Pun Group, LLP professionals assigned to the audit, during the one year period prior to the commencement of the year end audit. Should such an offer of employment be made, or employment commences during the indicated time period, we will consider this an indication that our independence has been compromised. As such, we may be required to recall our auditors' report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at our standard hourly rates.

**Report Distribution and Other**

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

**Access to Working Papers**

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

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

The Firm is required to undergo a "peer review" every three years. During the course of a Peer Review engagement, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting and/or auditing work we performed for you may be selected. Your signing this letter represents your acknowledgement and permission to allow such access should your engagement be selected for review. As a result of our prior or future services to you, we may be required or requested to provide information or documents to you or a third-party in connection with a legal or administrative proceeding (including a grand jury investigation) in which we are not a party. If this occurs, our efforts in complying with such request or demands will be deemed a part of this engagement and we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

**Other Services**

We are always available to meet with you and/or other management personnel at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting your Agency. Whenever you feel such meeting are desirable please let us know; we are prepared to provide services to assist you in any of these areas.

**Fees**

Our fee for these services will be $30,600 for the year ending June 30, 2019. Our fees are based on certain assumptions, including the required assistance described above. To the extent that certain circumstances included but not limited to those listed in Appendix A, arise during the engagement, our fee estimate may be significantly affected and additional fees may be necessary. Additional services provided beyond the described scope of services will be billed separately.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

If SRTA is required to undergo a single audit in accordance with the Federal Single Audit Act and the Uniform Guidance, there will be an additional fee of $$4,000 for each major program in excess of one (1). The number of programs determined to be a major program will be based on the determination required by the Uniform Guidance and will be discussed with you prior to commencement of any audit work.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

**Termination**

We acknowledge SRTA's right to terminate our services at any time, and SRTA acknowledges our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct and indirect charges incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees.

**Dispute Resolution Procedure, Waiver of Jury Trial, Jurisdiction and Venue for All Disputes, and Governing Law**

We appreciate the opportunity to serve as SRTA's auditor and anticipate a productive, harmonious relationship. If SRTA becomes dissatisfied for any reason with the services we have performed or the fees charged, we encourage SRTA to bring that to our attention immediately. Most such problems should be remedied by communication and discussion. However, a dispute could arise between us, regarding the construction or application of this agreement and/or the performance of any services under this agreement, which cannot be resolved by discussion. SRTA and this Firm believe that such accountant-client disputes are more satisfactorily resolved through confidential, binding arbitration than by litigation in court. Therefore, SRTA and this Firm choose confidential binding arbitration to resolve such disputes. It is understood and agreed that choosing binding arbitration waives a trial by jury.

The place of the confidential binding arbitration will be JAMS in Orange County, California. Arbitration proceedings may be commenced by either SRTA or this Firm, by giving all other interested parties written notice; and the proceedings shall be governed by the California Arbitration Act (Code Civ. Proc., § 1281 et seq.), except as is otherwise specified herein. The arbitrator must decide all disputes in accordance with the California Arbitration Act, and the applicable rules of JAMS (except to the extent such rules conflict with this arbitration agreement). The arbitrator shall have the power to decide all matters, including legal questions raised by pleading or summary judgment motions. That decision shall be in accordance with California law; and the California Evidence Code shall govern all proceedings before the arbitrator. The arbitrator's award shall be final and binding, and a judgment upon the award may be entered and enforced by any court of competent jurisdiction.

By entering into this arbitration agreement, SRTA and this Firm expressly waive the right to commence an action in court, except with respect to provisional remedies; and waive the right to trial by jury.

SRTA and this Firm each agree to submit to the jurisdiction of any state or federal court in Orange County, California, in any action or proceeding arising out of or relating to the enforcement of the arbitration provisions of this agreement, or for any other purpose. SRTA and this Firm agree not to bring any action or proceeding of any kind in any other court. SRTA and this Firm waive any defense of inconvenient forum to the maintenance of any action or proceeding in Orange County, California.

**Most Recent External Quality Control Review**

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2017 peer review report accompanies this letter.

****

**Agreement**

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of SRTA and that no other person or entity shall be authorized to enforce the terms of this engagement.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

We appreciate the opportunity to be of service to Shasta Regional Transportation Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Very truly yours,

**The Pun Group, LLP**

Frances J. Kuo, CPA, CGMA
Engagement Partner

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**RESPONSE:**

This letter correctly sets forth the understanding of the Shasta Regional Transportation Agency.

By: ____________________

Title: Exec. Director

Date: 8-19-2019

## APPENDIX A

**Shasta Regional Transportation Agency**
**Circumstances Affecting Timing and Fee Estimate**

Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by The Pun Group, LLP (the "Firm") in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, the Firm may incur significant unanticipated costs.

2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to the Firm (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). The Firm will provide the accounting personnel with a separate listing of required schedules and deadlines.

3. Weaknesses in the internal control structure.

4. Significant new issues or unforeseen circumstances as follows:

    a. New accounting issues that require an unusual amount of time to resolve.

    b. Changes or transactions that occur prior to the issuance of our report.

    c. Changes in the Entity's accounting personnel, their responsibilities, or their availability.

    d. Changes in auditing requirements set by regulators.

5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by the Firm. All invoices, contracts and other documents which we will identify for the Entity, are not located by the accounting personnel or made ready for our easy access.

6. A significant level of proposed audit adjustments is identified during our audit.

7. Changes in audit scope caused by events that are beyond our control.

8. Untimely payment of our invoices as they are rendered.

EFPR GROUP, CPAs PLLC

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**Report on the Firm's System of Quality Control**

December 7, 2018

To the Partners of
The Pun Group, LLP
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of The Pun Group, LLP, (the firm), in effect for the year ended December 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

**Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of The Pun Group, LLP, in effect for the year ended December 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. The Pun Group, LLP, has received a peer review rating of *pass*.

EFPR Group, CPAs, PLLC

**EFPR Group, CPAs, PLLC**
Corning, NY

**DEPARTMENT OF TRANSPORTATION**

1657 RIVERSIDE DRIVE
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*Making Conservation a California Way of Life.*

August 28, 2019

Dan Little, Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Dear Mr. Little:

Caltrans District 2 is pleased to advise you of its recommendation for approval of the Shasta Regional Transportation Agency's (SRTA) FY 2018/2019 Overall Work Program (OWP) Amendment #6.

We look forward to working with SRTA and continuing the great working relationship between your agency and Caltrans. This approval will ensure that SRTA has their OWP finalized and in place, so we can properly reimburse SRTA for all planning work associated with the OWP and its Work Elements.

If you have any questions or comments regarding this matter, please feel free to contact your Regional Planner Aaron Casas, at (530) 225-4732.

Sincerely,

Kathy Grah

KATHY GRAH
CHIEF, Office of Community and Regional Planning

c: Aaron Casas, Associate Transportation Planner, Caltrans District 2
Tom Balkow, District Deputy Director Planning and Local Assistance
Gilbert Valencia, Associate Transportation planner, Office of Regional Planning
Jackie Karhs, Branch Chief, Office of Regional Planning

**DEPARTMENT OF TRANSPORTATION**
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*Making Conservation a California Way of Life.*

September 12, 2019

Mr. Dan Little
Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Dear Mr. Little:

On June 28, 2019, the California Department of Transportation (Caltrans) Division of Transportation Planning and the Division of Local Assistance received the Shasta Regional Transportation Agency (SRTA) final submission of corrective actions to resolve the findings identified in the Fiscal Year (FY) 2014-15 Indirect Cost Allocation Plan (ICAP) audit.

SRTA has provided adequate documentation to show their purchasing policies and procedures were updated in accordance with federal and State regulations and staff was trained accordingly. Additionally, SRTA established written agreements with Regional Surface Transportation fund recipients to ensure compliance with fund requirements and developed Planning Programming and Monitoring fund policies and procedures. Finally, SRTA submitted documentation for the repayment of disallowed costs to Caltrans.

The Caltrans Independent Office of Audits and Investigations may perform a follow-up review after all corrective actions were made to determine if SRTA has implemented adequate corrective measures for each agency review finding and to ensure compliance with Caltrans agreements and federal and State rules and regulations.

We appreciate the cooperation and coordination that SRTA has provided during this process. If you have any questions, please contact Jacqueline Kahrs at Jacqueline.kahrs@dot.ca.gov or (916) 653-9255.

Sincerely,

ERIN THOMPSON
Chief
Office of Regional Planning

c: Tashia Clemons, Director of Planning and Environment, Federal Highway Administration
Rodney Whitfield, Director of Financial Services, Federal Highway Administration
Veneshia Smith, Financial Manager, Financial Services, Federal Highway Administration
Marsue Morrill, Chief, External Audits - Local Government Independent Office of Audits and Investigations, Caltrans
Kamal Sah, Chief, Office of Guidance and Oversight, Division of Local Assistance, Caltrans
Tom Balkow, Deputy Director, Planning and Local Assistance, District 2, Caltrans
Kathy Grah, Senior Transportation Planner, Planning and Local Assistance, District 2, Caltrans

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*Making Conservation a California Way of Life.*

September 12, 2019

Mr. Dan Little
Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Dear Mr. Little:

On June 28, 2019, the California Department of Transportation (Caltrans) Division of Transportation Planning received the Shasta Regional Transportation Agency (SRTA) final submission of documentation for corrective actions to resolve the finding identified in the Fiscal Year (FY) 2016-17 Single Audit Report.

SRTA has provided adequate documentation for adopting more stringent policies and procedures as well as improving the control environment over reporting and sub-recipient monitoring.

The Caltrans Independent Office of Audits and Investigations may perform a follow-up review after all corrective actions were made to determine if SRTA has implemented adequate corrective measures for each agency review finding and to ensure compliance with Caltrans agreements and federal and State rules and regulations.

We appreciate the cooperation and coordination that SRTA has provided during this process. If you have any questions, please contact Jacqueline Kahrs at Jacqueline.kahrs@dot.ca.gov or (916) 653-9255.

Sincerely,

ERIN THOMPSON
Chief
Office of Regional Planning

c: Tashia Clemons, Director of Planning and Environment, Federal Highway Administration
Rodney Whitfield, Director of Financial Services, Federal Highway Administration
Veneshia Smith, Financial Manager, Financial Services, Federal Highway Administration
Marsue Morrill, Chief, External Audits - Local Government Independent Office of Audits and Investigations, Caltrans
Kamal Sah, Chief, Office of Guidance and Oversight, Division of Local Assistance, Caltrans
Tom Balkow, Deputy Director, Planning and Local Assistance, District 2, Caltrans
Kathy Grah, Senior Transportation Planner, Planning and Local Assistance, District 2, Caltrans

U.S. Department of Transportation
Federal Highway Administration

California Division

650 Capitol Mall, Suite 4-100
Sacramento, CA 95814
(916) 498-5001

September 17, 2019

In Reply Refer To:
HDA-CA

Mr. Bruce de Terra
Chief, Division of Transportation Programming
California Department of Transportation, MS 82
1120 N Street
Sacramento, CA 95814

Attn: Muhaned Aljabiry

SUBJECT: Shasta Regional Transportation Agency (SRTA) FY 2019 FTIP Amendment # 6

Dear Mr. De Terra:

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have completed the review of Amendment # 6 to the Shasta Regional Transportation Agency (SRTA) FY 2019 Transportation Improvement Program (FTIP) that was submitted by your letter dated September 11, 2019. SRTA adopted Amendment # 6 on September 6, 2019. This amendment to SRTA's FTIP:

- Modifies projects in the SRTA region. Funding sources include the State Minor Program and Highway Safety Improvement Program.

Pursuant to the February 14, 2018, *Memorandum of Agreement between the Federal Highway Administration, California Division, and the Federal Transit Administration, Region IX,* we accept the modifications to the FY 2019 Federal Statewide Transportation Improvement Program (FSTIP) for the SRTA region in accordance with the Final Rule on Statewide and Metropolitan Transportation Planning published in the May 27, 2016 Federal Register.

We find that the SRTA's FTIP, through Amendment # 6, was developed through a continuing, cooperative and comprehensive transportation planning process carried out in accordance with the metropolitan planning provisions of 23 U.S.C. 134, and 49 U.S.C. Chapter 53 as amended by Public Law 114-94, the Fixing America's Surface Transportation Act (FAST).

We have determined that this program modification is exempt from the regional emissions analysis requirements pursuant to the transportation conformity provisions found in 40 CFR Part 93. This finding has been coordinated with Region 9 of the Environmental Protection Agency (EPA) in accordance with the procedures outlined in the *National Memorandum of*

*Understanding between DOT and EPA on Transportation Conformity,* dated April 25, 2000. Therefore, we find that the FTIP continues to conform to the applicable State Implementation Plan (SIP).

This approval is provided with the understanding that the FTA funding approval on the individual projects contained in the FSTIP are subject to grantees meeting all necessary FTA administrative requirements, and that approval of this programming action does not provide a federal eligibility determination for CMAQ projects or any other project funding source included in this amendment.

If you have questions or need additional information concerning our approval for this SRTA FSTIP amendment, please contact Scott Carson (scott.carson@dot.gov) of the FHWA California Division office at (916) 498-5029.

TASHIA J CLEMONS Digitally signed by TASHIA J CLEMONS Date: 2019.09.17 14:09:26 -07'00'

Tashia J. Clemons
Director, Planning & Environment
Federal Highway Administration

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SRTA 2019 FTIP Folder
I:\Program Development Unit\Planning and Air Quality (2005-Present)\SRTA\Federal Transportation Improvement Program\2019 FTIP\AMENDMENT 6

SCarson

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Daniel S. Little, Executive Director

September 19, 2019

Butte County Association of Governments/Butte Regional Transit
326 Huss Drive Suite 150
Chico, CA 95928
ATTN: Jon Clark, Executive Director

Subject: BCAG's FY 2020-21 Chico to Sacramento Thruway Strategic Plan

Dear Mr. Jon Clark:

The Shasta Regional Transportation Agency (SRTA) is pleased to support the Chico to Sacramento Thruway Strategic Plan in Butte County. Like Shasta, Butte is an isolated rural county and still relies heavily on services afforded in large urban areas. This project will provide details for a critical connection between rural northern California and the urbanized Sacramento region, including critical transportation connections to the Sacramento International Airport and Amtrak San Joaquins and Capital Corridor trains. SRTA looks forward to coordinating BCAG's proposed service with the Salmon Runner and Valley Feeder, linking North State communities to the State's intercity transportation network, improving access and increasing rail ridership.

This project would remove a significant number of single-occupancy vehicles from State Route 70 and 99 corridors and make meaningful transit and rail connections in Butte County, Yuba-Sutter, Marysville, Sacramento, and the state's high-speed rail system. In addition to providing daily opportunities for access to Butte, Yolo, and Sacramento counties, the proposed project would help address greenhouse gas emission targets as required by the State. BCAG has and continues to invest significant financial resources in transit and hopes the Strategic Partnership Grant recognizes and supports the request for funds.

SRTA plans to implement the Salmon Runner between Redding and Sacramento along the Interstate 5 corridor, directly serving the counties of Shasta, Tehama, Glenn, and Colusa with a valley feeder service connecting to Glenn County to Chico. BCAG's proposed service and the Salmon Runner will complement each other and provide access to Sacramento, the Bay Area, and the rest of California.

SRTA enthusiastically supports the proposed project and BCAG's pursuit of Caltrans' Sustainable Transportation Planning funds as they will improve public transportation connectivity between the North State and Sacramento. Thank you for considering the grant application.

Sincerely,

Dan Little

Daniel S. Little, AICP, Executive Director