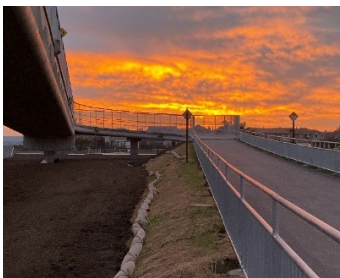


Regional Measure 3 Independent Oversight Committee Fiscal Year 2023–24 Annual Report – Introduction and Summary

Regional Measure 3 (RM 3) was approved by the State Legislature in 2017 and by Bay Area voters in 2018, to fund projects that would help solve growing congestion problems. The measure’s plan, published by MTC in 2018, called for \$4.45 billion in financing of 35 specific highway and transit improvements by increasing tolls on the region’s seven state-owned toll bridges.

The project funding list includes new BART cars, with extension of service to Silicon Valley, extension of Caltrain to downtown San Francisco, expansion of S.F. Muni’s vehicle fleet; improved transbay bus service; freeway improvements; expansions of the freeway express lane network; new ferry services, upgrades to relieve congestion in the Dumbarton Bridge corridor; highway 37 improvements; and extension of the SMART rail system to Windsor and Healdsburg. The RM 3 plan specifies the amounts to be dedicated to each project. RM 3 requires that an independent committee of citizens must verify that the toll proceeds are used exclusively for the listed projects.

Winning 55% overall approval by voters in the nine Bay Area counties, the legislation providing for RM 3 raised tolls by \$1 beginning Jan. 1, 2019. Tolls were increased by another \$1 in January 2022 with another \$1 increase set for January 2025. The 2019 increase marked the first toll hike on the seven state-owned bridges since 2010. However, due to litigation over the percentage of votes to authorize the toll increases, proceeds were held in escrow until January 2023. Thereafter, the escrow account was terminated, and the Commission began making RM 3 allocations in June. Establishment of an independent committee of citizens was commenced, and four meetings have been held to verify the accuracy of the process for allocation of funds.



Photos of projects completed with RM 3 Capital Funding.

Left – Mokelumne Trail

Bicycle/Pedestrian Overcrossing of SR-4.

Right – Vine Transit Maintenance Facility.

Regional Measure 3 (RM 3) Accomplishments During FY 2024

- First full year of program implementation since final RM 3 legal clearance
- Advanced a variety of capital projects, including completion of the Mokelumne Trail Bicycle/Pedestrian Overcrossing of SR-4, Vine Transit Maintenance Facility, and County Connection Bus Replacements
- Supported the operation of the Salesforce Transit Center, regional express bus, and ferry service
- Aligned RM 3 projects with regional Complete Streets and Transit Oriented Communities Policies



Photos of transit service assisted with RM 3 Operating Funding. Left: SF Bay Ferry, Right: AC Transit Transbay Service

RM 3 IOC MEMBERS

BRIAN DAVID SHAW
CHAIR – SAN FRANCISCO
COUNTY

PAMELA KINDIG
VICE-CHAIR – NAPA COUNTY

TIM AMBROSE
MEMBER – ALAMEDA COUNTY

STEVE BIRDLEBOUGH
MEMBER – SONOMA COUNTY

KEVIN HAGERTY
MEMBER – MARIN COUNTY

FREDERICK ARN HANSSON
MEMBER – SAN MATEO
COUNTY

WILLIAM G. JERRY HAYES
MEMBER – SOLANO COUNTY

JOHN MAITLAND
MEMBER – SONOMA COUNTY

ANU NATARAJAN
MEMBER – ALAMEDA COUNTY

JOANNE WEBSTER
MEMBER – MARIN COUNTY

About the RM 3 IOC

- Established by RM 3 statute to ensure RM 3 toll revenues are spent following the requirements of the statute
- Comprised of two representatives from each Bay Area county

RM 3 IOC Accomplishments Supporting FY 2023-24

- Initiated the RM 3 IOC and held its first three meetings
- Evaluated FY 2023-24 expenditures of RM 3 Bridge Toll funds
- Developed the RM 3 IOC annual report format

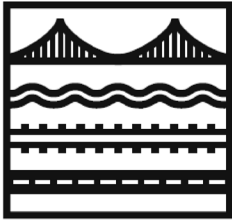
RM 3 IOC Plans for FY 2024-25 and Beyond

- Provide input on RM 3 allocation processes
- Develop recommended additional IOC responsibilities to enhance Committee effectiveness and contributions to the RM 3 program
- Provide recommendations on ways to further enhance RM 3 program transparency, reporting, and public engagement
- Send a letter to county Boards of Supervisors urging appointments to vacant IOC seats

A report of the IOC's findings for FY 2023-24 follows this summary.

Respectfully submitted,

Brian David Shaw,
Chair, RM 3 Independent Oversight Committee



Regional Measure 3 Independent Oversight Committee

Fiscal Year 2023–24 Annual Report - Findings

The Regional Measure 3 (“RM 3”) Independent Oversight Committee (“IOC”) is pleased to provide its Fiscal Year 2023-24 RM 3 IOC annual report. This report summarizes the IOC’s findings on the expenditure of RM 3 Bridge Toll funds during the 2023-24 fiscal year.

Background and History of the Independent Oversight Committee

Bay Area voters approved RM 3 on June 5, 2018. Following this, the first and second dollars of the toll increase were applied on January 1, 2019 and January 1, 2022, respectively. The state legislation that established the RM 3 expenditure plan and the mechanism for the election (Senate Bill 595, 2017) also added the following language requiring establishment of the IOC to the California Streets and Highways Code (SHC), Section 30923:

If the voters approve a toll increase pursuant to this section, the authority shall establish an independent oversight committee within six months of the effective date of the toll increase to ensure that any toll revenues generated pursuant to this section are expended consistent with the applicable requirements set forth in Section 30914.7.

The oversight committee shall include two representatives from each county within the jurisdiction of the commission. Each representative shall be appointed by the applicable county board of supervisors and serve a four-year term and shall be limited to two terms. The oversight committee shall annually review the expenditure of funds by the authority for the projects and programs specified in Section 30914.7 and prepare and submit a report to the transportation committee of each house of the Legislature summarizing its findings. The oversight committee may request any documents from the authority to assist the committee in performing its functions.

Subsequently, the following requirements were added to statute regarding committee membership:

A representative appointed to the oversight committee shall not be a member, former member, staff, or former staff of the commission or the authority, shall not be employed by any organization or person that has received or is receiving funding from the commission or the authority, and shall not be a former employee or a person who has contracted with any organization or person that has received or is receiving funding from the commission or the authority within one year of having worked for or contracted with that organization or person.

The Bay Area Toll Authority (BATA) established the RM 3 IOC in June 2019, and populated its roster for the first four-year term as appointees were received from county boards of supervisors (BATA Resolution No. 131, Revised). The current version of this resolution, including the list of IOC members and vacancies by county, is included in Attachment F to Appendix I of this report.

The IOC did not meet during the first term of July 2019-June 2023. During this time, legal challenges to RM 3 were appealed all the way to the California State Supreme Court, which finally resolved the

challenges in January 2023. While these legal matters were ongoing, all collected RM 3 funds were held in escrow. In March 2023, BATA released these funds and terminated the escrow agreement, which allowed for the RM 3 funds to start being allocated and spent.

Counties were asked to nominate IOC appointees for a new term from July 2023 through June 2027. Because the committee did not meet during the first term, the 2023-2027 term will be considered the first term for the purposes of fulfilling term limits outlined in state statute.

FY 2023-24 IOC Activities and Accomplishments

The IOC had its first meeting in March 2024 and met again in May 2024 and September 2024. During these meetings, the IOC reviewed RM 3 expenditures starting from the first allocations in June 2023 and discussed how it would fulfil its mandate. The IOC then prepared this annual report summarizing its findings to submit to the state legislature.

RM 3 Policies and Procedures and Allocation Process

The RM 3 expenditure plan lists specific amounts available for capital projects, and percentage-based amounts available for operating projects. The Commission has adopted the Regional Measure 3 Policies and Procedures (MTC Resolution No. 4404, Revised; included as Attachment G to Appendix I of this report) to govern the implementation of both the capital and operating programs. These processes are summarized at a high level in the following paragraphs.

For the capital program, eligible project sponsors must follow the Policies and Procedures to request an allocation of funds, including the completion of an initial project report, an allocation request, and a board resolution. Staff reviews the request and prepares allocation recommendations in the form of resolutions for the Commission's consideration. These resolutions include reference to the specific line of the expenditure plan from which the allocation request is being made, a description of the scope of the allocation request, and additional information such as project schedule and funding plan. Payments to project sponsors for eligible expenses are made on a reimbursement basis. Capital projects may only receive the amount listed in the expenditure plan; per statute, BATA may fund the projects by transfers or bonding.

For the operating program, eligible project sponsors must likewise follow the Policies and Procedures to request allocations of funding. Statute establishes that not more than 16 percent, up to \$60 million of RM 3 revenues generated each year, are available for operating assistance. Of that annual amount, 8 percent is made available for the Transbay Terminal (Salesforce Transit Center), not to exceed \$5 million, 34 percent is made available for regional express bus services, not to exceed \$20 million; and 58% is made available for expanded ferry service, not to exceed \$35 million. To receive funds, recipients must execute an operating agreement with MTC that meets statutory requirements, and prepare an allocation application package including a cover letter, board resolution, operating agreement, and fiscal audit. The Commission annually approves programming and allocations of amounts, and in the case of the regional express bus program, recipients. Payments to project sponsors for eligible expenses are made on a reimbursement basis. Allocated amounts will be reduced if necessary to stay within statutory mandates.

RM 3 Letters of No Prejudice

The RM 3 Policies and Procedures include an option for MTC to approve Letters of No Prejudice (LONPs) to allow project sponsors to move projects forward with alternate funds, at-risk, while maintaining RM 3

eligibility if and when RM 3 funds became available. On March 25, 2020, MTC approved Resolution No. 4412, which enables MTC to issue LONPs for RM 3 projects. LONPs are issued at the request of project sponsors and specify the amount and scope for which RM 3 eligibility will be preserved and the alternate funding source to be used in place of RM 3 funds. The first LONP was approved in March 2020. A total of 21 LONPs have been issued totaling approximately \$602 million, the last in May 2023 prior to the start of allocations. Since then, allocations have been made toward the vast majority of LONPs issued. MTC Resolution No. 4412, Revised, contains a description of every project with an LONP. This resolution is included in BATA's 2023 RM 3 Annual Report and has not been revised in FY 24.

RM 3 Expenditure Plan Revisions and Programming

To ensure that RM 3 revenues are expended consistent with the applicable requirements set forth in SHC Section 30914.7, it is important for the IOC to track changes made to the RM 3 Expenditure Plan, which may be made through a public hearing process as outlined in the RM 3 statute (SHC Section 30914.7(e)). After a public hearing in December 2023, the Commission approved the following changes to the RM 3 expenditure plan in January 2024:

- Redirect \$16,700,000 in funds from the Solano County I-80/I-680/SR-12 Interchange Project (RM 3 project #21) to the Solano I-80 Express Lanes (Toll System) project – part of the Bay Area Corridor Express Lanes suite of projects (under RM 3 project #2)
- Modify scope of the SMART project (RM 3 project #7) to clarify eligibility of the multi-use pathway along SMART right-of-way.
- Modify scope of Highway 101-Marin/Sonoma Narrows (RM 3 project #20) to extend the project limits approximately 4.5 miles from Petaluma Blvd. South to Petaluma Blvd. North in Petaluma and approximately three (3) miles from Atherton Ave. to State Route 37 in Novato.
- Add the Metropolitan Transportation Commission (MTC) as a joint project sponsor to State Route 37 Improvements (RM 3 project #23)

The RM 3 operating projects and funding levels are determined by the RM 3 statute, but each fiscal year, MTC approves programming for the RM 3 operating program that sets the funding amounts for the year based on an estimate of toll revenues. MTC approved the FY24 RM 3 Operating Program on December 20, 2023 and revised the programming on March 27, 2024 to incorporate programming amounts for sponsors of Express Bus operating projects.

In the RM 3 capital program, most projects are named and have a single sponsor and dollar amount assigned in the RM 3 statute, but there are a few projects that have multiple sponsors or are broad categories that require programming by MTC. Since MTC began issuing Letters of No Prejudice in 2020 to allow projects to proceed ahead of allocation of RM 3 funds, MTC has taken action to program funds under the following RM 3 projects:

- Bay Area Corridor Express Lanes
- Goods Movement and Mitigation
- North Bay Transit Access Improvements
- Dumbarton Corridor Improvements

IOC Findings

The IOC presents the following findings on BATA and the Metropolitan Transportation Commission (MTC's) expenditure of RM 3 funds.

Capital Allocations

MTC/BATA Actions

Through the end of FY24, MTC allocated \$1.5 billion to capital projects in the RM 3 expenditure plan. Details of these allocations were reviewed by the IOC at previous meetings and are available in the meeting materials posted to MTC's website.

IOC Findings

Capital Allocations made through June 30, 2024 are consistent with the RM 3 statute.

Operating Allocations

MTC/BATA Actions

In FY 24, MTC approved operating allocations consistent with the FY 24 RM 3 Operating Program. Prior to allocating RM 3 operating funds, MTC was required to adopt performance measures and execute operating agreements with the project sponsors. Details of these allocations were reviewed by the IOC at previous meetings and are available in the meeting materials posted to MTC's website.

IOC Findings

Operating Allocations made through June 30, 2024 are consistent with the RM 3 statute.

Invoicing and Monitoring

MTC/BATA Actions

RM 3 funds are provided to project sponsors on a reimbursement basis. After funds are allocated, sponsors may submit invoices for eligible expenditures. MTC staff review these invoices for accuracy and consistency with the allocation and approve payment.

At the close of each fiscal year, MTC engages an auditor to perform agreed-upon procedures (AUP) to verify on a sampling test basis that the RM3 expenditures reported by project sponsors were eligible under the RM3 policies and procedures and the allocation scope, and were supported by backup documentation. The FY 23 AUP review was completed in early 2024, and no issues were flagged with any FY 23 invoices. The FY 24 AUP review is in progress and findings will be provided to the IOC when available. MTC also periodically engages an auditor to confirm RM3 invoices for capital programs to ensure they were submitted in accordance with the RM3 policies and procedures and check for duplicate charges or other errors. The most recent review covered the period from April 1, 2023 to February 29, 2024 and no issues were flagged with any invoices during this period. These reviews are available as Appendices II and III to this report.

MTC collects semi-annual reports for all RM 3 capital allocations. In FY 24, summaries of findings were presented to the Commission in January 2024 and June 2024. The June 2024 update is included as Attachment E to Appendix I of this report.

IOC Findings

MTC's invoicing and monitoring procedures ensure that funds are expended consistent with the RM 3 statute, allocations, and RM 3 policies and procedures.

Other RM 3 Implementation Issues

The IOC strongly urges counties with IOC position vacancies to fill them with appointees that can actively participate in IOC meetings, so that all counties in the region may be fully represented in the work of the committee.

Appendices

Appendix I: RM 3 FY 2023-24 Annual Report to the Legislature

Appendix II: Independent Accountant's Report on Agreed-Upon Procedures Applied to Regional Measure 2, 3, and AB1171 Capital Invoices For the period from April 1, 2023 to February 29, 2024

Appendix III: Independent Accountant's Report on Applying Agreed-Upon Procedures – Regional Measure 3 Funds – Year Ended June 30, 2023

November 15, 2024
Independent Oversight Committee Note

Appendix I: BATA RM 3 Annual Report to the Legislature

Draft document is included in agenda item 5b. The full report and appendices will be appended here, following BATA approval, for IOC report submission to Legislature.

Metropolitan Transportation Commission

San Francisco, California

*Independent Accountant's Report on
Agreed-Upon Procedures Applied to
Regional Measure 2, 3 and AB1171 Capital
Invoices*

*For the period from April 1, 2023 to
February 29, 2024*

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Members of the Metropolitan
Transportation Commission
San Francisco, California

We have performed the procedures enumerated below on the BATA Regional Measure 2, 3 and AB1171 capital project invoices from recipients of the Metropolitan Transportation Commission (MTC) for the period from April 1, 2023 to February 29, 2024. MTC's management is responsible for the BATA Regional Measure 2, 3 and AB1171 capital project invoices from the recipients.

MTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting MTC in determining whether invoices submitted by recipients were in compliance with the requirements of Regional Measure 2, 3 and AB1171 (i.e. eligible for reimbursement by MTC). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

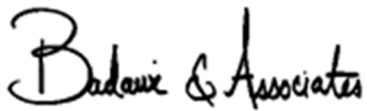
- 1) For each invoice:
 - a. We vouched the invoiced amount to supporting documents accompanying the invoice, as submitted by BATA RM2, RM3 and AB1171 recipients to MTC.
Finding: No exceptions were noted as a result of our procedures.
 - b. We determined whether the invoice included duplicate charges.
Finding: No exceptions were noted as a result of our procedures.
 - c. We determined the arithmetic accuracy of the invoice.
Finding: No exceptions were noted as a result of our procedures.
 - d. We determined invoiced amounts, including release of retention, were submitted to the MTC on a reimbursement basis assuming it is clear on the vendor invoice whether retention are included in the total or not.
Finding: No exceptions were noted as a result of our procedures.
 - e. We determined whether the recipient's overhead rate exceeded 50 percent of total salaries and benefits.
Finding: No exceptions were noted as a result of our procedures.
 - f. Based on the invoice date, we determined if any recipients, excluding MTC, submitted more than one invoice per month per project, unless the exception was approved in writing.
Finding: No exceptions were noted as a result of our procedures.

The Members of the Metropolitan
Transportation Commission
San Francisco, California
Page 2

We were engaged by MTC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the BATA Regional Measure 2, 3 and AB1171 capital project invoices from recipients of MTC. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of MTC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of MTC and management of MTC, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Badawi & Associates".

Badawi & Associates, CPAs
Berkeley, California
May 23, 2024

Metropolitan Transportation Commission
Agreed-upon Procedures - RM 2, 3 and AB1171
Listing of Invoices
Period from 4/1/2023 to 2/29/2024

	<u>Date</u>	<u>Reference</u>	<u>Description</u>	<u>Amount</u>
1	04/20/2023	0220-R	TRI VALLEY-SAN AB 1171 - TRSJV	\$ 10,779.11
2	04/27/2023	0322-R	TRI VALLEY-SAN VL Labor 02/23	167,008.97
3	04/27/2023	0321-R	TRI VALLEY-SAN VL Labor DEC22-	853,975.46
4	05/12/2023	0320-R-revised	TRI VALLEY-SAN AB 1171 - TVSVJ	192,742.53
5	05/18/2023	0221-R	TRI VALLEY-SAN AB 1171 - TRSJV	10,779.11
6	05/22/2023	0323-R	TRI VALLEY-SAN AB 1171 - TVSVJ	623,796.78
7	08/21/2023	0324-R	TRI VALLEY-SAN AB 1171 - TVSVJ	1,488,522.44
8	11/02/2023	0325-R	TRI VALLEY-SAN AB 1171 - TVSVJ	2,340,846.05
9	11/02/2023	0326-R	TRI VALLEY-SAN AB 1171 - TVSVJ	245,057.66
10	01/05/2024	0328-R	TRI VALLEY-SAN AB 1171 - TVSVJ	1,298,830.95
11	04/06/2023	GN-0013313	BAY AREA RAPID RM 2 - BART	84,499.57
12	04/24/2023	MTCBT286	AC TRANSIT RM 2 - AC TRANSIT	30,245.47
13	04/24/2023	GN-0013475	BAY AREA RAPID 02/23 RM 2 - BA	25,107.88
14	06/30/2023	GN-0013312	BAY AREA RAPID RM 2 - BART 12/	23,132.59
15	06/30/2023	GN-0013476	BAY AREA RAPID RM 2 - BART	28,564.03
16	08/24/2023	MTCBT294	AC TRANSIT RM 2 - AC TRANSIT	205,647.91
17	08/25/2023	MTCBT296	AC TRANSIT RM 2 - AC TRANSIT	45,468.75
18	08/25/2023	MTCBT295	AC TRANSIT RM 2 - AC TRANSIT	669,882.46
19	11/02/2023	GN-0013887	BAY AREA RAPID RM 2 - BART	10,398.83
20	11/02/2023	GN-0013893	BAY AREA RAPID RM 2 - BART	13,298.87
21	11/29/2023	GN-0013888	BAY AREA RAPID RM 2 - BART	10,855.26
22	01/29/2024	GN-0014116	BAY AREA RAPID JULY-SEP23 RM 2	17,773.24
23	01/30/2024	2020-01	RICHMOND, CITY RM 2 - CITY OF	500,000.00
24	06/30/2023	1-23458401	NVTA RM 3- NVTA	20,000,000.00
25	11/15/2023	1-24458403	CENTRAL CONTRA RM 3- CCCTA	5,000,000.00
26	11/17/2023	1-23459101	SOLANO TRANSPOR RM 3- STA	29,534,771.39
27	11/30/2023	1-23458501	CONTRA COSTA TR RM 3- CCTA	7,373,992.35
28	02/09/2024	1-23458301	NVTA RM 3- NVTA	11,194,276.00
29	02/19/2024	1-23459302	TRANSPORTATION RM 3 - TAM	20,672,952.84
Total				<u>\$ 102,673,206.50</u>

METROPOLITAN TRANSPORTATION COMMISSION

Independent Accountant's Report
on Applying Agreed-Upon Procedures
Regional Measure 3 Funds

Year Ended June 30, 2023

Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. Derek Hansel, Chief Financial Officer
Metropolitan Transportation Commission
San Francisco, California

We have performed the procedures enumerated below, which were agreed to by the Metropolitan Transportation Commission (MTC), on whether the Regional Measure 3 (RM3) funds recipient agencies' expenditures of RM3 funds were substantiated with supporting documentation for the year ended June 30, 2023. Management of the RM3 funds recipient agencies are responsible for substantiating expenditures of RM3 funds. MTC's management is responsible for the list of RM3 expenditure details for the year ended June 30, 2023.

MTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the RM3 funds recipient agencies' expenditures of RM3 funds were substantiated with supporting documentation for the year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

PROGRAM DESCRIPTION

On June 5, 2018, voters passed RM3 raising the toll for all vehicles travelling on the State-owned bridges in the San Francisco Bay Area by \$3.00 phased in over time. RM3 revenues were designated to fund various transportation projects within the region that have been determined to reduce congestion or make improvements to travel in the toll bridge corridors.

PROCEDURES

The procedures and associated findings are as follows:

General Procedures:

1. Obtain from MTC a listing of RM3 recipients of operating programs and capital programs.
2. Plan and perform online inspections of RM3 recipients listed in the accompanying Schedule of Expenditures of Regional Measure 3 Funds (Appendix A).
3. For each recipient, haphazardly select and inspect a minimum of 4 invoices or 50% of the recipient's project expenses. (Note: for recipients with 4 or less invoices, inspect all invoices submitted.) Amounts less than \$5,000 and year-end accruals are excluded from the scope.

Capital Programs:

1. Obtain and determine the Allocation Application includes the following material:
 - a) Sponsor / Implementing Agency Resolution of Project Compliance*;
 - b) Opinion of Legal Counsel / MTC Indemnification*;
 - c) Board or Official Governing Body Approved Initial Project Report (IPR);
 - d) Environmental documentation; and
 - e) Evidence of Allocation and Commitment of Complementary Funds.

* The recipient may consolidate items 1a and 1b.

PROCEDURES (Continued)

Capital Programs:

2. Determine whether invoices were submitted to the MTC on a reimbursement basis.
3. Determine whether the expenses included in the invoices were considered eligible expenses, as defined in the Capital Program Guidance section in the Regional Measure 3 Policies and Procedures, dated May 2023.
4. Determine whether the expenses included in the invoices were within the scope of the recipient's Initial Project Report.
5. Verify expenses as reported in the invoices to the recipient's supporting documentation.

Operating Programs:

1. Obtain and determine the Allocation Application includes the following material:
 - a) Cover letter detailing the allocation request;
 - b) Implementing Agency Resolution*;
 - c) Operating Agreement;
 - d) Opinion of Legal Counsel*;
 - e) Environmental documentation;
 - f) Certifications and assurances; and
 - g) Fiscal audit.

* The recipient may consolidate items 1b and 1d.
2. Determine whether the recipient's invoices were exclusive of depreciation/amortization expenses.
3. Reconcile expenses and fare box revenues as reported in the invoices to the recipient's supporting documentation. (This procedure excludes other operating subsidies.)
4. Determine whether the expenses included in the invoices were within the scope of the recipient's Operating Agreement.

FINDINGS

Capital Programs:

No exceptions were found as a result of applying the procedures for capital programs listed in the accompanying Schedule of Expenditures of Regional Measure 3 Funds (Appendix A).

Operating Programs:

No exceptions were found as a result of applying the procedures for operating programs listed in the accompanying Schedule of Expenditures of Regional Measure 3 Funds (Appendix A).

We were engaged by MTC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the RM3 funds recipient agencies' expenditures of RM3 funds were substantiated with supporting documentation for the year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of MTC and the RM3 funds recipient agencies and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of MTC and is not intended to be and should not be used by anyone other than this specified party.

Macias Gini É O'Connell LEP

Walnut Creek, California
February 16, 2024

Appendix A

Metropolitan Transportation Commission Schedule of Expenditures of Regional Measure 3 Funds Year Ended June 30, 2023

Capital Programs:

Index	Recipient Agency	Project No.	Title	Amount
1.	Napa Valley Transportation Authority	6601	Vine Transit Maintenance Facil	\$ 20,000,000
Total capital programs expended during the fiscal year ended June 30, 2023				\$ 20,000,000

Operating Programs:

Index	Recipient Agency	Project No.	Title	Amount
1.	Transbay Joint Powers Authority	1700	Transbay Transit Center	\$ 1,625,000
2.	Transbay Joint Powers Authority	1700	Transbay Transit Center	1,625,600
3.	Transbay Joint Powers Authority	1700	Transbay Transit Center	1,526,050
4.	Transbay Joint Powers Authority	1700	Transbay Transit Center	2,700,000
5.	Livermore Amador	1800	Regional Bus Service	486,187
6.	Eastern Contra Costa Transportation Authority	1800	Regional Bus Service	239,613
7.	Golden Gate Bridge	1800	Regional Bus Service	1,923,398
8.	Solano County Transit (SolTrans)	1800	Regional Bus Service	1,840,625
9.	Western Contra Costa Transportation Authority	1800	Regional Bus Service	1,145,359
10.	AC Transit	1800	Regional Bus Service	5,528,407
11.	Central Contra Costa Transportation Authority	1800	Regional Bus Service	74,253
12.	Napa Valley Transportation Authority	1800	Regional Bus Service	262,159
Total operating programs expended during the fiscal year ended June 30, 2023 *				\$ 18,976,651

*Total may not add due to rounding.