



AGENDA FOR THE ANNUAL MEETING OF THE GOVERNING BOARD OF THE INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWERS AUTHORITY TO BE HELD BY VIDEO CONFERENCE, ON WEDSDAY, SEPTEMBER 14, 2022, AT 5:00 P.M.

The meeting will be conducted via WebEx and members of the public may observe and participate by joining the meeting here:

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Members of the public may address the Board in connection with an agenda item or during the public comment period by calling (562) 317-3026 or by emailing info@ictf-jpa.org. All public comment requests need to be submitted by 4:45 p.m. on the day of the meeting.

A recording of the meeting will be available for viewing following the live event at www.polb.com/webcast.

The Intermodal Container Transfer Facility Joint Powers Authority intends to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. This agenda is available in an alternative format by request. If a special accommodation is desired, please call (562) 283-7056, 48 hours prior to the meeting.

A. ROLLCALL

B. OPENING STATEMENT

Members of the public may address this Board in connection with any agenda item or during the public comment period via the WebEx link provided above or by emailing info@ictf-jpa.org. If emailing, please include your name, your telephone number for a return call and the item number you would like to comment on (or specify “public comment”). You will be called during the meeting on the item you specify. If you do not answer when called, we will move on to the next public speaker. As provided by the



Brown Act, the Board will limit each individual's speaking time to three minutes. All public comment requests need to be submitted by 4:45 p.m. on the day of the meeting.

C. ELECTION OF OFFICERS

Election of Officers for fiscal year 2022-2023

D. APPROVAL OF MINUTES

Approval of minutes from the annual meeting on September 9, 2021.

E. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Comments from the public on non-agenda items within the purview of the ICTF JPA.

F. BOARD REPORTS OF THE EXECUTIVE DIRECTOR

1. Executive Director Remarks
2. Recommendation to receive and file audited financial statements for fiscal year ending June 30, 2021.
3. Recommendation to receive and file Agreed-Upon Procedures (AUP) for year ending November 1, 2021.
4. Recommendation to adopt annual budget and distribution of funds for fiscal year 2022-2023.
5. Recommendation to approve amendment to contract with EnSafe Inc.

G. ADJOURNMENT



C. ELECTION OF OFFICERS



DATE: September 01, 2022

TO: Governing Board, Intermodal Container Transfer Facility Joint Powers Authority

FROM: Richard D. Cameron, Executive Director

SUBJECT: Election of Officers for FY 2022-2023

Pursuant to Section 3D of the Joint Powers Agreement, the Governing Board shall elect one member as Chairperson. The Governing Board may elect a second member as Vice Chairperson. The term for both Chairperson and Vice Chairperson is one year with no specific guidelines for selection of any officer, including no restriction on re-election for successive terms of either office. Further, Section 3D dictates that the Governing Board shall appoint a Secretary and the Treasurer of the Joint Powers Authority.

It is recommended that the Governing Board nominate and elect a Chairperson and a Vice Chairperson for the fiscal year 2022-2023.

It is also recommended that the Board make the following finding:

“The Board finds the activity is an administrative activity that will not result in direct or indirect physical changes in the environment, and, as such, is not a “project” as defined by CEQA Guidelines section 15378.”

Richard D. Cameron
Executive Director



D. APPROVAL OF MINUTES

Approval of minutes of the annual meeting on September 9, 2021.



Annual Meeting of the Governing Board of the Intermodal Container Transfer Facility Joint Powers Authority Minutes

Minutes of the Annual Meeting of the Governing Board of the Intermodal Container Transfer Facility Joint Powers Authority, held via WebEx, on Wednesday, September 9, 2021, at 5:00 p.m. Transcript and video of this meeting are available at <http://ictf-jpa.org/>

Present: Board Members: Moreno-Linares, Olvera, Seroka

Also present:

R.	Cameron	Executive Director of the ICTF JPA
M.	Bleavins	Treasurer of the ICTF JPA
J.	Sidley	General Counsel of the ICTF JPA
J.	Cröse	Staff Counsel of the ICTF JPA
E.	Flores	Secretary of the ICTF JPA

Public Speakers:
None

Agenda Items

Election of Officers – Item C

Executive Director Richard D. Cameron recommended that the JPA Board nominate Officers for fiscal year 2021 – 2022. Cameron recommended the board appoint a Chair and Vice Chair. Cameron asked for recommendations for Chairperson.

Board Member Olvera nominated Board Member Moreno-Linares to be Chairperson, Board Member Seroka seconded, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

Executive Director Cameron recommended the board appoint a Vice Chair. Cameron asked for recommendations.

Board Member Moreno-Linares nominated Board Member Olvera to be Vice Chairperson, Board Member Seroka seconded, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
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Noes: Board Members: None

Executive Director Cameron recommended the board appoint a Treasurer. Cameron asked for recommendations.

Board Member Moreno-Linares nominated Marla Bleavins to be Treasurer, Board Member Seroka seconded, carried by the following vote:

Ayes: Board Members: Moreno-Linares, Olvera, Seroka
Noes: Board Members: None

Executive Director Cameron recommended the board appoint Elena Flores as Secretary.

Board Member Olvera nominated Elena Flores to be Secretary, Board Member Moreno-Linares seconded, carried by the following vote:

Ayes: Board Members: Moreno-Linares, Olvera, Seroka
Noes: Board Members: None

Cameron congratulated the leadership and discussed looking forward to the continued partnership with UP and the importance of rail.

Public Comment on Non-Agenda Items – Item E

Executive Director Cameron asked if there was anyone that wished to discuss non-agenda items.

No public comments.

Board Reports of Executive Director – Item F

I. Executive Director Remarks

Executive Director Cameron stated that the City of Carson Sepulveda Widening project is on hold at this time until a decision to move forward with the full project is made. The project is annually budgeted \$2.25M by ICTF JPA as a contributor. The City did not provide any additional information. The project will continue to be monitored if anything changes with the City of Carson.

There were no questions or public comments. Executive Director Cameron asked for a motion to receive and file.

Board Member Moreno-Linares moved, seconded by Board Member Olvera, carried by the following vote:

Ayes: Board Members: Moreno-Linares, Olvera, Seroka
Noes: Board Members: None

II. Audited Financial Statements for Fiscal Year Ending June 30, 2020

Executive Director Cameron recommended the JPA Board receive and file the audited financial statements for fiscal year ending June 30, 2020. There were no questions or public comments. Cameron asked for a motion to receive and file the audited financial statements.

Moreno-Linares moved, seconded by Olvera, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

III. Agreed-Upon Procedures (AUP) for Year Ending November 1, 2020

Executive Director Cameron recommended the JPA Board receive and file the AUP for year ending November 1, 2020. There were no questions or public comments. Cameron asked for a motion to receive and file the AUP.

Moreno-Linares moved, seconded by Olvera, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

IV. Annual Budget and Distribution of Funds for Fiscal Year 2021 – 2022

Executive Director Cameron recommended the JPA Board adopt the annual budget and distribution of funds for fiscal year 2021 – 2022. There were no questions or public comments. Cameron asked for a motion to adopt the annual budget.

Olvera moved, seconded by Moreno-Linares, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

V. Agreement with Moss Adams LLP for Audit Services

Executive Director Cameron recommended authorizing the agreement with Moss Adams for audit services. There were no questions or public comments. Cameron asked for a motion to authorize the agreement.

General Counsel Janna Sidley moved, seconded by Moreno-Linares, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

Receive and File of Minutes – September 9, 2020 – Item D

General Counsel Sidley asked for a motion to approve the minutes.

Moreno-Linares moved, seconded by Seroka, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

Adjournment

Executive Director Cameron asked for a motion to adjourn.

Moreno-Linares moved, seconded by Seroka, carried by the following vote:

Ayes:	Board Members:	Moreno-Linares, Olvera, Seroka
Noes:	Board Members:	None

Cameron adjourned the meeting at 5:15 p.m.



E. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS



F. BOARD REPORTS OF THE EXECUTIVE DIRECTOR



DATE: September 01, 2022

TO: Governing Board, Intermodal Container Transfer Facility Joint Powers Authority

FROM: Richard D. Cameron, Executive Director

SUBJECT: Financial Audit – Fiscal Year Ended June 30, 2021

Moss Adams LLP (Moss Adams) has completed the financial audit of the Intermodal Container Transfer Facility Joint Powers Authority (ICTF JPA) for the fiscal year that ended June 30, 2021. Their audit has determined that ICTF JPA's financial statements for the fiscal year ended June 30, 2021, the financial position, changes in financial position, and cash flows are presented fairly.

Operating revenues for the fiscal year decreased 8.0% to \$4,498,646 due to the impact of the pandemic during the fiscal year ended June 30, 2021. Since March 2020, the outbreak of the COVID-19 pandemic has affected the global supply chain resulting in an 8.9% decline in annual containers volume relative to the prior fiscal year. Net position increased by 3.7% to \$13,707,162 over the same period. Interest income decreased by \$45.6 thousand or 32.4% due to lower market values for the investment portfolio in the City of Long Beach's investment pool at June 30, 2021 compared to 2020. An investment settlement resulting from the claim filed by the City of Long Beach against Lehman Brothers is shown as nonoperating revenue.

It is recommended that the Governing Board receive and file the financial audit report for the fiscal year ended June 30, 2021.

It is also recommended that the Board make the following finding:

“The Board finds the activity is an administrative activity that will not result in direct or indirect physical changes in the environment, and, as such, is not a “project” as defined by CEQA Guidelines section 15378.”

Richard D. Cameron
Executive Director

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Basic Financial Statements

June 30, 2021 and 2020

(With Independent Auditor's Report Thereon)

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

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Report of Independent Auditors

To the Board of Directors
Intermodal Container Transfer Facility Joint Powers Authority

Report on the Financial Statements

We have audited the financial statements of the Intermodal Container Transfer Facility Joint Powers Authority (Authority), which comprise the statement of net position as of June 30, 2021, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements

The financial statements of the Authority as of June 30, 2020, were audited by other auditors whose report dated February 19, 2021, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.



El Segundo, California
March 15, 2022

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Management's Discussion and Analysis

June 30, 2021 and 2020

(Unaudited)

The Intermodal Container Transfer Facility Joint Powers Authority (Authority) was formed in 1983 pursuant to an agreement between the Ports of Los Angeles and Long Beach, California (Venturers) for purposes of financing and constructing the Intermodal Container Transfer Facility (Facility) and leasing the Facility to Southern Pacific Transportation Company (subsequently, a wholly owned subsidiary of Union Pacific Corporation) (Tenant).

This section of the Authority's annual financial report presents management's discussion and analysis of the Authority's financial performance during the years ended June 30, 2021 and 2020. This discussion has been prepared by management and should be read in conjunction with the Authority's basic financial statements and related notes.

Overview of the Basic Financial Statements

This section serves as an introduction to the Authority's basic financial statements. The basic financial statements comprise of the following components:

The *Statements of Net Position* present information on all of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows.

The *Statements of Cash Flows* present the inflows and outflows of cash and cash equivalents and resulting cash and deposits position at fiscal year-end.

The *Notes to the Basic Financial Statements* present information that is not displayed on the face of the basic financial statements. Such information is essential to a full understanding of the Authority's financial activities.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Management's Discussion and Analysis (Continued)

June 30, 2021 and 2020

(Unaudited)

Financial Highlights and Analysis of Net Position

The following is a condensed summary of the Authority's net position as of June 30, 2021, 2020, and 2019:

Schedules of Net Position

	FY 2021	FY 2020	FY 2019	Increase (Decrease) Over Prior Year	
				FY 2021	FY 2020
Current assets	\$ 12,120,603	\$ 11,514,237	\$ 10,507,440	\$ 606,366	\$ 1,006,797
Capital assets, net	1,654,738	1,762,768	1,870,798	(108,030)	(108,030)
Total Assets	<u>13,775,341</u>	<u>13,277,005</u>	<u>12,378,238</u>	<u>498,336</u>	<u>898,767</u>
Other liabilities	68,179	55,501	79,216	12,678	(23,715)
Total liabilities	<u>68,179</u>	<u>55,501</u>	<u>79,216</u>	<u>12,678</u>	<u>(23,715)</u>
Net position					
Net investment in capital assets	1,654,738	1,762,768	1,870,798	(108,030)	(108,030)
Unrestricted	<u>12,052,424</u>	<u>11,458,736</u>	<u>10,428,224</u>	<u>593,688</u>	<u>1,030,512</u>
Total net position	<u>\$ 13,707,162</u>	<u>\$ 13,221,504</u>	<u>\$ 12,299,022</u>	<u>\$ 485,658</u>	<u>\$ 922,482</u>

Fiscal Year 2021

The \$0.6 million, or 5.3%, increase in current assets is primarily due to an increase in cash and deposits that is a result of cash collection from the Tenant. Current fiscal year's depreciation of \$0.1 million accounted for the decrease in net capital assets. Liabilities increased by \$12.7 thousand due to primarily an increase in Tenant advances.

Net position of the Authority increased by 3.7% to \$13.7 million at June 30, 2021. Of the \$13.7 million net position as of June 30, 2021, \$1.7 million, or 12.1%, are invested in capital assets. There is no debt outstanding related to these capital assets. There are no assets subject to external restrictions on how they may be used. The remaining \$12.1 million, or 87.9%, in net position are unrestricted and may be used to meet the Authority's ongoing obligations.

Fiscal Year 2020

The \$1.0 million, or 9.6%, increase in current assets is primarily due to an increase in cash and deposits that is a result of cash collection from the Tenant. Current fiscal year's depreciation of \$0.1 million accounted for the decrease in net capital assets. Liabilities decreased by \$23.7 thousand due to primarily a reduction in Tenant advances.

Net position of the Authority increased by 7.5% to \$13.2 million at June 30, 2020. Of the \$13.2 million net position as of June 30, 2020, \$1.8 million, or 13.3%, are invested in capital assets. There is no debt outstanding related to these capital assets. There are no assets subject to external restrictions on how they may be used. The remaining \$11.5 million, or 86.7%, in net position are unrestricted and may be used to meet the Authority's ongoing obligations.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Management's Discussion and Analysis (Continued)

June 30, 2021 and 2020

(Unaudited)

Summary of Operations and Analysis of Changes in Net Position

The following is a summary of the Authority's changes in net position for the years ended June 30, 2021, 2020, and 2019:

	Schedules of Changes in Net Position			Increase (Decrease) Over Prior Year	
	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2021</u>	<u>FY 2020</u>
Operating revenue					
Facility rental	\$ 4,498,646	\$ 4,889,810	\$ 5,161,483	\$ (391,164)	\$ (271,673)
Operating expense					
Depreciation	108,030	108,030	108,030	--	--
Net operating income	4,390,616	4,781,780	5,053,453	(391,164)	(271,673)
Nonoperating revenue (expense)					
Interest income	94,897	140,450	137,709	(45,553)	2,741
Settlement from Lehman Brothers	145	252	470	(107)	(218)
Distribution to Venturers	(4,000,000)	(4,000,000)	(4,000,000)	--	--
Net nonoperating revenue (expense)	(3,904,958)	(3,859,298)	(3,861,821)	(45,660)	2,523
Changes in net position	485,658	922,482	1,191,632	(436,824)	(269,150)
Net position, beginning of year	13,221,504	12,299,022	11,107,390	922,482	1,191,632
Net position, end of year	<u>\$ 13,707,162</u>	<u>\$ 13,221,504</u>	<u>\$ 12,299,022</u>	<u>\$ 485,658</u>	<u>\$ 922,482</u>

Container volumes that moved through the Authority's gate were 320,762, 352,144, and 385,937 containers for fiscal years 2021, 2020, and 2019, respectively.

Fiscal Year 2021

The \$0.4 million or 8.0% decrease in facility rental revenue was mainly due to the impact of the pandemic during the fiscal year ended June 30, 2021. Since March 2020, the outbreak of the COVID-19 pandemic has affected the global supply chain resulting in an 8.9% decline in annual containers volume relative to the prior fiscal year.

Interest income decreased by \$45.6 thousand or 32.4% due to lower market values for the investment portfolio in the City of Long Beach's investment pool at June 30, 2021 compared to 2020. An investment settlement resulting from the claim filed by the City of Long Beach against Lehman Brothers is shown as nonoperating revenue. Distributions to Venturers totaled \$4.0 million in fiscal year 2021.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Management's Discussion and Analysis (Continued)

June 30, 2021 and 2020

(Unaudited)

Fiscal Year 2020

The \$0.3 million or 5.3% decrease in facility rental revenue was mainly due to the impact of the pandemic during the fiscal year ended June 30, 2020. Since March 2020, the outbreak of the COVID-19 pandemic has affected the global supply chain resulting in an 8.8% decline in annual containers volume relative to the prior fiscal year.

Interest income increased by \$2.7 thousand or 2.0% due to higher market values for the investment portfolio in the City of Long Beach's investment pool at June 30, 2020 compared to 2019. An investment settlement resulting from the claim filed by the City of Long Beach against Lehman Brothers is shown as nonoperating revenue. Distributions to Venturers totaled \$4.0 million in fiscal year 2020.

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, as of June 30, 2021, 2020, and 2019 amounted to approximately \$1.7 million, \$1.8 million, and \$1.9 million, respectively. Construction of the Facility was completed in 1986. Construction funds were provided by the Venturer ports (\$5.4 million), Southern Pacific Transportation Company (\$36.2 million), and revenue bonds issued by the Authority on behalf of Southern Pacific Transportation Company (\$53.9 million). All bonds issued by the Authority for the construction matured in November 2014. At June 30, 2021, 2020, and 2019, capital assets, net of accumulated depreciation, consisted of the following:

Summary of Capital Assets

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>
Property and equipment	\$ 5,401,520	\$ 5,401,520	\$ 5,401,520
Furniture and fixtures	10,650	10,650	10,650
Total capital assets	<u>5,412,170</u>	<u>5,412,170</u>	<u>5,412,170</u>
Less accumulated depreciation	<u>(3,757,432)</u>	<u>(3,649,402)</u>	<u>(3,541,372)</u>
Total capital assets, net	<u>\$ 1,654,738</u>	<u>\$ 1,762,768</u>	<u>\$ 1,870,798</u>

The Authority's interest in the Facility is the \$5.4 million in combined contributions from the Venturers. There had been no additions to capital assets since the Facility's construction was completed in 1986. Reductions in capital assets are from annual depreciation provisions for fiscal years 2021, 2020, and 2019.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Management's Discussion and Analysis (Continued)

June 30, 2021 and 2020

(Unaudited)

Factors that May Affect the Authority's Operations

Fluctuations in economic activity that drive the movement of cargo in and out of the San Pedro Bay ports along with cargo owners deciding how to transport their cargo both have the ability to affect the volume of operations through the Facility.

Since March 2020, the outbreak of the COVID-19 pandemic has affected the global supply chain resulting in an 8.9% decline in annual containers volume relative to the prior fiscal year. On the other hand, based on the historical trend, a reduction in the containers volume now could be followed by a subsequent surge in inbound cargo at a later time as inventories are depleted.

Request for Information

Questions about this report or requests for additional information should be addressed to the Executive Director, Intermodal Container Transfer Facility Joint Powers Authority, 415 W. Ocean Blvd., Long Beach, CA 90802.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and deposits (note 2)	\$ 11,759,899	\$ 11,163,583
Receivable from Tenant	360,704	350,654
Total current assets	12,120,603	11,514,237
Capital assets, less accumulated depreciation (note 5)	1,654,738	1,762,768
TOTAL ASSETS	13,775,341	13,277,005
 LIABILITIES AND NET POSITION		
Liabilities		
Accounts payable	279	70
Excess Tenant advances (note 4)	67,900	55,431
TOTAL LIABILITIES	68,179	55,501
 NET POSITION		
Net position (note 3)		
Net investment in capital assets	1,654,738	1,762,768
Unrestricted	12,052,424	11,458,736
TOTAL NET POSITION	\$ 13,707,162	\$ 13,221,504

See accompanying notes to the basic financial statements.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Statements of Revenues, Expenses, and Changes in Net Position

For the Years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUE		
Facility rental (note 1)	\$ 4,498,646	\$ 4,889,810
OPERATING EXPENSE		
Depreciation	108,030	108,030
Net operating income	4,390,616	4,781,780
NONOPERATING REVENUE (EXPENSES)		
Interest income	94,897	140,450
Settlement from Lehman Brothers	145	252
Distribution to Venturers (note 3)	(4,000,000)	(4,000,000)
Net nonoperating expenses	(3,904,958)	(3,859,298)
CHANGES IN NET POSITION	485,658	922,482
Net position, beginning of year	13,221,504	12,299,022
Net position, end of year	\$ 13,707,162	\$ 13,221,504

See accompanying notes to the basic financial statements.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Statements of Cash Flows
Years ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of net revenues from Tenant	\$ 4,467,878	\$ 5,007,262
Tenant advances for administrative costs	33,396	--
Net cash provided by operating activities	4,501,274	5,007,262
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	94,897	140,450
Settlement received	145	252
Distributions paid to Venturers	(4,000,000)	(4,000,000)
Net cash used in investing activities	(3,904,958)	(3,859,298)
NET INCREASE IN CASH AND DEPOSITS	596,316	1,147,964
Cash and deposits, beginning of year	11,163,583	10,015,619
Cash and deposits, end of year	\$ 11,759,899	\$ 11,163,583
 RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating income	\$ 4,390,616	\$ 4,781,780
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	108,030	108,030
Changes in:		
Receivable from Tenant	(10,050)	141,167
Accounts payable	209	(5,954)
Excess Tenant advances	12,469	(17,761)
Total adjustments to reconcile net operating income to net cash provided by operating activities	110,658	225,482
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 4,501,274	\$ 5,007,262

See accompanying notes to the basic financial statements.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies

A. Organization

The Intermodal Container Transfer Facility Joint Powers Authority (Authority) was formed in 1983 pursuant to an agreement between the Ports of Los Angeles and Long Beach, California (Venturers) for purposes of financing and constructing the Intermodal Container Transfer Facility (Facility) and leasing the Facility to Southern Pacific Transportation Company (subsequently, a wholly owned subsidiary of Union Pacific Corporation) (Tenant). The agreement has a term of 50 years. The Facility commenced operations on November 17, 1986.

The Authority's principal source of income is from Tenant lease payments. Scheduled lease payments are allocated from "Net Facility Revenues" arising from the Facility's operations. The term "Net Facility Revenues" is defined as revenues received (which are forwarded monthly by the Tenant to the bond trustee) less payments of principal, premiums, and interest on the bond indebtedness, reimbursements of operating expenses of the Authority (up to \$0.1 million a year as adjusted for inflation), payments of trustee fees, registrar, paying agent fees, and fees charged by any credit facility obtained in connection with the bonds paid by the Tenant. Net Facility Revenues are distributed by the bond trustee each November based upon revenues received for the fiscal period from November 1 to October 31. After all bonds cease to be outstanding, Net Facility Revenues is calculated as revenues received less reimbursements of operating expenses of the Authority. Net Facility Revenues are distributed by the Tenant each month in arrears fifteen days after the end of each month. All bonds issued by the Authority matured in November 2014.

Net Facility Revenues are shared, in accordance with the lease, as follows:

<u>Date</u>	<u>Portion of net revenue accruing to the Authority</u>
Until contribution repayment date, determined to be May 1, 1992	In proportion to contributions made between the Tenant and the Authority, which are 88.09% and 11.91%, respectively
For the period from the repayment date until aggregate net revenues not paid to the Authority exceed by \$12,300,000 the aggregate amount paid to the Authority (Minimum Aggregate Return):	
From the repayment date until the second anniversary after repayment	25%
From the second to the fourth anniversary after repayment	30%
From the fourth to the sixth anniversary after repayment	35%
From the sixth anniversary until the Minimum Aggregate Return is met	45%
Remainder of lease term	50%

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

The contribution repayment date is defined as the date at which Net Facility Revenues equaled the Tenant's contributions to the Facility. The Minimum Aggregate Return was met on or about June 1, 1994; accordingly, Net Facility Revenues are now shared equally.

B. Significant Accounting Policies

The Ports of Long Beach and Los Angeles, the two Venturers, provide administrative and financial services, respectively, at no cost to the Authority. At the beginning of each fiscal year, The Tenant advances funds to the Authority to cover the budgeted operating expenses for the year. Such advance is reimbursed to the Tenant in the Annual Distribution of Net Revenues to the Authority.

Method of Accounting – The Authority is accounted for as an enterprise fund, and as such, its basic financial statements are presented using the economic resources measurement focus and the accrual method of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. The measurement focus is on the determination of changes in net position, financial position, and cash flows. Operating revenues consist of facility rental revenues from the Authority's Tenant. Operating expenses consist of depreciation expense on the Authority's capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Authority uses the accrual method of accounting. Accordingly, uncollected facility revenues earned are included in the determination of receivables due from Tenant in the accompanying basic financial statements.

Capital Assets – Capital assets represent the Authority's initial contribution toward the development and construction of the Facility. No further contributions are required. All additional costs will be paid by the Tenant. Depreciation of the Facility is computed using the straight-line method over the estimated useful life of the asset. The estimated useful life of the Facility is 50 years.

Cash and Deposits – In order to maximize return of fund, the Authority deposits its excess cash in the City of Long Beach's cash and investment pool that is used as a demand deposit account by participating units of the pool. Investment decisions are made by the City Treasurer of the City of Long Beach, California. The Authority's deposits, including its equity in the City of Long Beach's cash and investment pool, are stated at amortized cost.

Interest income and realized gains and losses arising from the pooled cash and investments are apportioned to each participating unit of the pool on a pro rata basis based on average daily balances. The change in fair value of the pooled investments is also allocated to each participating unit based on average daily balances.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

Net Position – The Authority’s equity is reported as net position, which is classified into the following categories:

- *Net investment in capital assets* – This category consists of capital assets, net of accumulated depreciation.
- *Restricted* – This category consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments. Constraints may also be imposed by law or constitutional provisions or enabling legislation.
- *Unrestricted* – This category consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use unrestricted resources as needed and restricted resources for the purpose for which the restriction exists.

Use of Estimates – The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications – Certain reclassifications have been made to amounts reported in fiscal year 2020 to conform to the fiscal year 2021 presentation. Such reclassification had no impact on the change in net position previously reported.

New GASB Pronouncement

The Authority adopted GASB Statement No. 98, “The Annual Comprehensive Financial Report.” Issued in October 2021. This statement established the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The statement has been early implemented in fiscal year 2021.

The GASB has also issued several pronouncements that have effective dates that may impact future presentations as follows:

GASB Statement No. 87, “Leases.” Issued in June 2017, this statement increases the usefulness of a government’s financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The statement will be effective beginning fiscal year 2022. The impact on the financial statements is being evaluated.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

GASB Statement No. 91, “Conduit Debt Obligations.” Issued in May 2019, this statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 92, “Omnibus 2020.” Issued in January 2020, this statement for clarity and consistency by addressing practice issues identified from the implementation and application of certain GASB statements. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 93, “Replacement of Interbank Offered Rates.” Issued in March 2020, this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” Issued in March 2020, this statement is to improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangement (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.” Issued in June 2020, the statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requiring note disclosures regarding a SBITA. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.” Issued in June 2020, the statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans. The statement will be effective beginning fiscal year 2022.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

2. Cash and Deposits

The Authority's cash and deposits consisted of deposits with the City of Long Beach's Treasury, and deposits with an independent financial institution, all of which are presented in the accompanying basic financial statements at amortized cost. At June 30, 2021 and 2020, the cash and deposits balances consisted of the following:

	2021	2020
Cash with financial institution	\$ 275,807	\$ 263,191
Deposits with City of Long Beach's cash and investment pool	11,484,092	10,900,392
Total cash and deposits	\$ 11,759,899	\$ 11,163,583

Authorized Investments

The Authority does not have its own investment policy but follows the City of Long Beach's investment policy. At June 30, 2021 and 2020, as permitted by the California Government Code Section 53635, a portion of the Authority's cash balance totaling \$11.5 million and \$10.9 million for fiscal years 2021 and 2020, respectively, was on deposit in the City of Long Beach's investment pool. The table below identifies the investment types that are authorized by the City of Long Beach's investment policy. The City of Long Beach's investment policy also requires the diversification of investment instruments in accordance with the guidelines of the California Government Code Section 53600 et seq. to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

Type of Investments	Maximum Maturities	Maximum Concentration	Maximum Investment in One Issuer
Bonds issued by the City of Long Beach	5 years*	30%	None
U.S. Treasury Notes, Bonds, or Bills	5 years*	100%	None
Registered State Warrants or Treasury Notes or Bonds of the State of California	5 years*	30%	None
Local Agency Bonds	5 years*	30%	None
Federal Agency Securities	5 years*	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years*	30%	10%
Time Certificates of Deposit	5 years*	100%	10%
Repurchase Agreements	90 days	100%	None
Reverse Repurchase Agreements	92 days	20%	None
Securities Lending Program	92 days	20%	None
Medium-term Notes	5 years*	30%	5%
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)(per account)	N/A	None	**
Asset-backed Securities	5 years	20%	None
Mortgage-backed Securities	5 years	20%	None
Supranational Bonds	5 years	30%	5%

* Maximum maturity of five years unless a longer maturity is approved by the City Long Beach Council, either specifically or as part of an investment program, at least three months prior to purchase.

** Maximum investment in LAIF accounts are dependent upon limits established under the Local Agency Investment Fund guidelines.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

Pooled Funds

The Authority's equity in the City of Long Beach's cash and investment pool does not consist of specifically identified cash deposits or securities. Investment in external investment pool is excluded from the disclosure about fair value hierarchy under GASB Statement No. 72, "*Fair Value Measurement and Application*".

A significant portion of the Authority's cash balance is deposited with the City of Long Beach's investment pool which can be withdrawn on demand and without penalty. The City of Long Beach's investment pool does not maintain a credit rating.

Additional information regarding the pool, including the investment portfolio and related interest rate, weighted average maturity of investments, custodial credit, credit, and concentration of credit risks, is presented in the City of Long Beach Annual Comprehensive Financial Report (ACFR). The report may be obtained by writing to the City of Long Beach, Department of Financial Management, 411 West Ocean Boulevard, 6th Floor, Long Beach, California, 90802 or the City of Long Beach's website <https://longbeach.gov/finance/city-budget-and-finances/accounting/comprehensive-annual-financial-report/>.

Deposits

At June 30, 2021 and 2020, the Authority's carrying amount of cash were \$275.8 thousand and \$263.2 thousand, respectively. The bank balances were \$276.0 thousand and \$263.2 thousand at June 30, 2021 and 2020, respectively. At June 30, 2021, reconciling difference of \$0.2 thousand between the carrying amount of cash and bank balance are outstanding checks. At June 30, 2020, there were no reconciling differences in the carrying amount of cash and bank balance. The bank balance is covered by federal depository insurance up to \$250,000. A portion of the bank balance of \$25.8 thousand and \$13.2 thousand were uninsured and uncollateralized at June 30, 2021 and 2020, respectively.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

3. Net Position

Pursuant to the agreement creating the Authority, the Venturers were required to make a capital contribution of \$5.0 million each in 1983. In addition, the Port of Los Angeles contributed services and other direct costs amounting to approximately \$0.4 million in 1988. During fiscal years 2021 and 2020, \$4.0 million and \$4.0 million, respectively, were distributed in equal shares to the Venturers.

At June 30, 2021 and 2020, the changes in joint venture net position are as follows:

	Port of <u>Los Angeles</u>	Port of <u>Long Beach</u>	<u>Total</u>
Balance at June 30, 2019	\$ 6,328,830	\$ 5,970,192	\$ 12,299,022
Operating and nonoperating income	2,461,241	2,461,241	4,922,482
Distribution to Venturers	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(4,000,000)</u>
Balance at June 30, 2020	6,790,071	6,431,433	13,221,504
Operating and nonoperating income	2,242,829	2,242,829	4,485,658
Distribution to Venturers	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(4,000,000)</u>
Balance at June 30, 2021	<u>\$ 7,032,900</u>	<u>\$ 6,674,262</u>	<u>\$ 13,707,162</u>

4. Excess Tenant Advances

The Authority has received advances from the Tenant to cover its contractual administrative costs for the years ended June 30, 2021 and 2020. Advances have exceeded expenses by \$67.9 thousand and \$55.4 thousand in fiscal years 2021 and 2020, respectively, and have been recorded as liabilities due to the Tenant.

5. Capital Assets

At June 30, 2021 and 2020, capital assets consisted of the following:

	<u>2021</u>	<u>2020</u>
Authority's interest in Facility		
Property and equipment	\$ 5,401,520	\$ 5,401,520
Furniture and fixtures	10,650	10,650
Total capital assets	<u>5,412,170</u>	<u>5,412,170</u>
Less accumulated depreciation	<u>(3,757,432)</u>	<u>(3,649,402)</u>
Total capital assets, net	<u>\$ 1,654,738</u>	<u>\$ 1,762,768</u>

In fiscal years 2021 and 2020, there were no capital assets additions or retirements. The only changes were related to annual depreciation provisions. Depreciation expense was \$108.0 thousand for both years ended June 30, 2021 and 2020.

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Notes to the Basic Financial Statements (Continued)

June 30, 2021 and 2020

6. Additional Street Improvements Contingency

Concurrent with the issuance of a conditional use permit and parcel map by the City of Carson for that portion of the Facility located in the City of Carson, the Authority, the Tenant, and the City of Carson entered into an agreement dated December 3, 1984, whereby the Authority and Tenant are required to make certain street improvements to certain Carson streets that adjoin the Facility. During fiscal year 1996, the City of Carson received grants for a number of these street improvements, partially reducing the obligation of the Authority for such improvements. The Authority's remaining share of construction obligations for the street improvements (including maintenance costs) is approximately \$2.4 million as of June 30, 2021. The project is currently pending environmental review. The Tenant made payments directly to the City of Carson for maintenance fees of \$111.2 thousand and \$118.3 thousand for fiscal years 2021 and 2020, respectively.

7. Impact of COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a global pandemic. On March 31, 2020, President Trump declared a national state of emergency. Measures taken by various governments to contain the virus have affected global and international economies, which has affected the Authority's container volumes and revenues. Although the Authority's operations have continued largely uninterrupted throughout the COVID-19 Pandemic (Pandemic) due to the essential nature of its core businesses, the Authority reported 8.9% and 8.8% decline in annual containers volume in fiscal years 2021 and 2020, respectively, due to impacts of the Pandemic on global shipping.



DATE: September 01, 2022

TO: Governing Board, Intermodal Container Transfer Facility Joint Powers Authority

FROM: Richard D. Cameron, Executive Director

SUBJECT: Net Facility Revenue Report for Annual Period Ending November 1, 2021

Moss Adams LLP (Moss Adams) has completed their review of Intermodal Container Transfer Facility Joint Powers Authority (ICTF JPA) net revenue for the year ended November 1, 2021. During the year, there were 280,493 gross container movements, generating \$8,414,790 in gross revenue. Gate fees collected at the Intermodal Container Transfer Facility (ICTF), less allowable deductions, resulted in net facility revenue of \$8,033,509 to be equally shared by the ICTF JPA and Union Pacific Railroad. Union Pacific transfers a 50% share of the facility's net revenues on an ongoing quarterly basis.

It is recommended that the Governing Board receive and file the net facility revenue report for the year ended November 1, 2021.

It is also recommended that the Board make the following finding:

“The Board finds the activity is an administrative activity that will not result in direct or indirect physical changes in the environment, and, as such, is not a “project” as defined by CEQA Guidelines section 15378.”

Richard D. Cameron
Executive Director



REPORT OF INDEPENDENT ACCOUNTANTS
**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

November 1, 2021

Report of Independent Accountants

To the Board of Directors
Intermodal Container Transfer Facility Joint Powers Authority

We have performed the procedures enumerated below on Intermodal Container Transfer Facility Joint Powers Authority's (the Authority) Calculation of Net Facility Revenues for the year ended November 1, 2021. The Authority is responsible for the Calculation of Net Facility Revenues and Union Pacific Corporation (UPC) is responsible for the Monthly Statements of Operations.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the calculation of Net Facility Revenues. Additionally, UPC has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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. **Procedure:** We obtained the Monthly Statements of Operations prepared by UPC accounting personnel listing net revenues from the operations of the Intermodal Container Transfer Facility (Facility), including amounts that had been billed and not yet collected, for the year ended November 1, 2021. We recalculated the arithmetical accuracy of the schedules received and agreed the total net revenues for the year ended November 1, 2021, to the Net Facility Revenues on the accompanying Exhibit.

Results: No exceptions noted.

2. **Procedure:** In conjunction with the calculation of Net Facility Revenues in the Exhibit, we performed the following procedures:
 - a. We obtained Monthly Statement of Operations reports on gross container movements from UPC for the year ended November 1, 2021.
 - b. We summed the reported monthly amounts of gross container movements from Monthly Statement of Operations reports noting total of 280,493 during the year ended November 1, 2021.
 - c. We multiplied the number of reported gross container movements by \$30 (the amount charged for each container transfer) recalculating Total Facility Revenue generated of \$8,414,790 and agreed such amount to the Exhibit for the year ended November 1, 2021, without exceptions.

- d. We agreed the Total Facility Revenue generated of \$8,414,790, as noted in procedure C above, to the sum of Facility Revenues related to gate charges collected by UPC of \$8,198,580 and \$216,210 adjustment representing amounts not billed and change in facility revenue receivable per the Monthly Statement of Operations prepared by UPC accounting personnel for the year ended November 1, 2021.
- e. We agreed a payment made by UPC to the Authority for reimbursement of operating expenses in the amount of \$33,396 and a payment on behalf of the Authority to the City of Carson for maintenance fees in the amount of \$131,675 for the year ended November 1, 2021, from the Exhibit to check disbursements.
- f. We noted no payments to the bond rating agencies for the year ended November 1, 2021, therefore this procedure was not applicable.

Results: No exceptions noted.

We were engaged by the management of the Authority 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*. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the calculation of Net Facility Revenues and the Monthly Statements of Operations, for the year ended November 1, 2021. 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 the Authority and UPC 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 the Authority and UPC, and is not intended to be, and should not be, used by anyone other than these specified parties.



El Segundo, California
March 15, 2022

**INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY**

Calculation of Net Facility Revenues Using Amounts Determined
Based on the Agreed-Upon Procedures and
Comparison to Net Facility Revenues Reported by UPC

Year Ended November 1, 2021

Facility revenue collected:

Total facility revenues generated, based on gross gate movements	\$ 8,414,790
Amounts not billed, adjustments to billing, and change in facility revenue receivable, net	<u>(216,210)</u>
Net Facility revenues collected by UPC	<u>8,198,580</u>

Less allowable deductions:

Payment to the Authority for reimbursement of operating expenses	33,396
Payment to the City of Carson on behalf of the Authority for maintenance fees	<u>131,675</u>
Total allowable deductions	<u>165,071</u>
Net Facility Revenues using amounts determined based on the agreed-upon procedures	<u>\$ 8,033,509</u>



MOSSADAMS



DATE: September 01, 2022

TO: Governing Board, Intermodal Container Transfer Facility Joint Powers Authority

FROM: Richard D. Cameron, Executive Director

SUBJECT: 2022-2023 Budget and Distribution of Funds

The proposed 2022-2023 budget of \$2.45 million for the Intermodal Container Transfer Facility Joint Powers Authority (ICTF JPA) is attached.

Operating expenses for items such as legal and consulting services, audit fees, meeting expenses, and miscellaneous expenses are reimbursable by Union Pacific Railroad Company (UP) up to \$100,000 annually. These budgeted expenses for 2021-2022 are estimated to total \$51,200 which will be requested from UP. UP also advances funds for the City of Carson maintenance costs, which totaled \$131,675 in fiscal 2021-2022 and are estimated to increase by 21% to \$159,326 in fiscal 2022-2023 based on the Producer Price Index for May 2022.

The \$2.25 million capital improvement item is included for the ICTF JPA's share of construction obligations under the City of Carson agreement. Carson is preparing to widen Sepulveda Boulevard between Alameda Street and the ICTF entrance. This project has been delayed but could be advertised for bidding in the current fiscal year.

The net revenue distribution from the tenant, UP, is received on a quarterly basis. The cash balance of the Joint Powers Authority at the end of fiscal 2021-2022 before any distribution to partners is estimated to be \$14.89 million. This exceeds the anticipated needs for fiscal 2022-2023.

A distribution of \$6 million to the two Ports would leave a balance of approximately \$8,893,977 million to be carried over to fiscal 2022-2023. This balance is deemed necessary in light of expected cash flow needs related to ICTF JPA operations.

It is recommended that the ICTF JPA Governing Board adopt 2022-2023 budget in the amount of \$2,457,283 and authorize distribution of \$6,000,000 to be shared equally (\$3,000,000 to each) by the Port of Long Beach and the Port of Los Angeles.



It is also recommended that the Board make the following finding: “The Board finds the activity is an administrative activity that will not result in direct or indirect physical changes in the environment, and, as such, is not a “project” as defined by CEQA Guidelines section 15378.”

Richard D. Cameron
Executive Director

	Estimated Actual June 30, 2022	Adopted 2021-2022	Proposed 2022 2023
Beginning Cash Balance	11,759,899	\$8,318,185	\$8,893,977
Facility Revenue Received	3,082,377	4,000,000	3,000,000
UP reimbursement for EIR	6,230	30,000	30,000
Facility Maintenance Fee	131,675	131,163	156,093
Interest	51,701	75,000	20,000
UP Advance for admin expenses	21,155	21,000	21,200
	<u>\$15,053,037</u>	<u>\$12,575,348</u>	<u>\$12,121,270</u>
Less Expenditures			
Rating Agency Fee	-	-	-
City of Carson - Maintenance Fee	131,675	131,163	156,083
City of Carson - Capital Improvements	-	2,250,000	2,250,000
Environmental & Legal Services	6,230	30,000	30,000
Other Operating Expenses	21,155	21,000	21,200
Distribution to Partners	6,000,000	6,000,000	6,000,000
	<u>\$6,159,060</u>	<u>\$8,432,163</u>	<u>\$8,457,283</u>
Ending Cash Balance	\$8,893,977	\$4,143,185	\$3,663,987



DATE: September 01, 2022

TO: Governing Board, Intermodal Container Transfer Facility Joint Powers Authority

FROM: Richard D. Cameron, Executive Director

SUBJECT: Fifth Amendment to Contract with EnSafe, Inc.

The proposed fifth amendment to the contract with EnSafe Inc. (“EnSafe”) is for continued project management and support services as related to the Intermodal Container Transfer Facility (ICTF) JPA contract, compliance and project support, including the Modernization and Expansion Project. The agreement provides for logistical support and coordination with JPA Staff and its consultants for the preparation of the Environmental Impact Report (EIR).

The EnSafe Fifth amendment would extend the term of the contract by thirteen months terminating October 1, 2024 and would increase the compensation by \$15,000 from \$333,296 to \$348,296.

Staff recommends that the ICTF JPA Board approve the Fifth amendment to extend the term and increase compensation of the EnSafe contract.

It is also recommended that the Board make the following finding:

“The Board finds the activity is administrative activity that will not result in direct or indirect physical changes in the environment, and, as such, is not a “project” as defined by CEQA Guidelines section 15378.”

Richard D. Cameron
Executive Director

FIFTH AMENDMENT TO AGREEMENT BETWEEN
THE INTERMODAL CONTAINER TRANSFER FACILITY
JOINT POWERS AUTHORITY AND
ENSAFE, INC.

This Fifth Amendment to Agreement dated for reference purposes as of September 14, 2022 ("Effective Date"), is entered into between the INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWERS AUTHORITY, a Joint Powers Authority ("ICTF") and ENSAFE, INC. ("Consultant") whose address is 5001 Airport Plaza Drive, Suite 260, Long Beach, CA 90815. ICTF And Consultant shall be referred to herein as the "Parties."

WHEREAS, ICTF and E2Managetech, Inc. ("E2") entered into an Agreement dated September 3, 2014 ("Agreement") for E2 to provide professional, scientific, expert or technical services to assist the ICTF with the ICTF Modernization Project ("Project"); and

WHEREAS, the Agreement was amended by ICTF and E2 pursuant to a First Amendment dated December 10, 2014, a Second Amendment dated November 9, 2016 and a Third Amendment dated April 20, 2017 that assigned the Agreement from E2 to Consultant;

WHEREAS, the Parties amended the Agreement by a Fourth Amendment dated October 1, 2020 to adjust compensation and extend the term to expire on September 2, 2023.

WHEREAS, the parties desire to amend the Agreement to provide for the extension of the Agreement term by an additional 13 months, specifically until October 1, 2024, so the expiration would occur after the month of September, when the JPA's usual Annual Meeting takes place pursuant to the ICTF's Bylaws.

NOW, THEREFORE, IT IS MUTUALLY AGREED that the Agreement is hereby amended as follows:

1. Section III Effective Date and Term of the Agreement, is deleted in its entirety and replaced by the following provision:

"The term of this Agreement shall be a period of ten (10) years, commencing on September 3, 2014, and terminating on October 1, 2024, unless terminated earlier under the provisions of this Agreement."

2. Section V.B. Compensation and Payment, is amended to increase the compensation by \$15,000 from \$333,296 to \$348,296, by deleting the previous provision and replacing it with the following provision:

"The maximum payable under this Agreement, including reimbursable expenses (see Exhibit "B"), shall be Three Hundred Forty-Eight Thousand Two Hundred Ninety-Six Dollars (\$348,296)."

3. "Exhibit B – Compensation Rates and Reimbursable Expenses" to the Agreement, describing scope of work and compensation, is deleted and replaced with the attached Exhibit "B."

Except as amended herein, all remaining terms and conditions of the Agreement as previously amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Agreement on the date to the left of their signatures.

THE INTERMODAL CONTAINER
TRANSFER FACILITY JOINT POWERS
AUTHORITY, a Joint Powers Authority

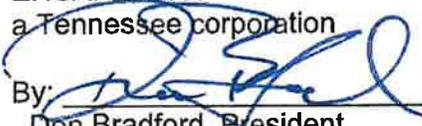
Dated: _____

By: _____
Executive Director

Attest: _____
Elena Flores, Board Secretary

ENSAFE, INC.
a Tennessee corporation

Dated: _____

By: 
Don Bradford, President
Print Name and Title

Attest: 
Heather Hill, Contracts Manager
Print/type name and title

APPROVED AS TO FORM AND LEGALITY
_____, 2022

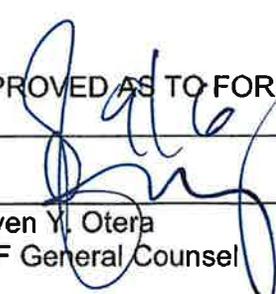

Steven Y. Otera
ICTF General Counsel

Exhibit B



2020 PROFESSIONAL FEE SCHEDULE

PROFESSIONALS		PER HOUR
Level 1	Scientist/Engineer	\$85
Level 2	Scientist/Engineer	\$95
	Project Supervisor	\$105
Level 3	Project Scientist/Engineer	\$120
	Project Manager	\$125
Level 4	Project Manager, Senior Scientist/Engineer	\$150
Level 5	Senior Project Manager	\$170
Level 6	Senior Project Director	\$185
Level 7	Associate Principal / Principal	\$225
	Principal	\$245
Level 8	Senior Principal	\$305
TECHNICIANS		PER HOUR
	Technician	\$70
	Senior Technician	\$90
ADMINISTRATIVE SUPPORT		PER HOUR
	Report Specialist	\$53

Note:

A general and administrative fee of 15% is added to Other Direct Costs and Expenses. Rates are subject to a surcharge for short lead-time projects requiring readjustment of professional resources. Fees for litigation or acquisition support are negotiated on an individual basis. Rates are subject to annual review. All internal copying, computer usage, and report materials are included in the above rates unless otherwise negotiated.


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All rates effective January 1, 2020