

Tuolumne County Transportation Council Triennial Performance Audit FY 2019-20 - 2021-22

FINAL REPORT



Prepared for the

Tuolumne County Transportation Council



July 13, 2023

Triennial Performance Audit
of the
Tuolumne County Transportation Council

Fiscal Years 2019-20 through 2021-22

Prepared for

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EXECUTIVE SUMMARY

The California Public Utilities Code Section 99246 requires that Regional Transportation Planning Agencies (RTPAs), such as the Tuolumne County Transportation Council (TCTC), conduct Triennial Performance Audits (TPAs) of both their own activities and those of their associated transit operators. The primary objective of a TPA is to provide the TCTC with an independent and objective evaluation of its effectiveness, efficiency, and economy in its role as the RTPA for Tuolumne County.

This audit report covers Fiscal Years (FY) 2019-20 through FY 2021-22, and was conducted by LSC Transportation Consultants, Inc. Data collection, initial review, and on-site interviews were conducted in 2023. The audit process follows guidelines outlined in the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities developed by Caltrans (2008).

BACKGROUND

Tuolumne County is a rural county located on the Western slope of the Sierra Nevada that includes the incorporated city of Sonora and encompasses part of Yosemite National Park. According to the 2020 US Census, the Tuolumne County population is 55,620.

The TCTC is the designated RTPA for the Tuolumne County region. Among other transportation planning responsibilities, one of TCTC's roles is to allocate TDA funding in accordance with state statutes. TCTC is composed of two members from the County Board of Supervisors, two members from the Sonora City Council, and one citizen at large appointed by the other members. There is one public transit operator in Tuolumne County, the Tuolumne County Transportation Agency.

REVIEW OF COMPLIANCE REQUIREMENTS

TCTC was found to be in compliance with all statutes referenced in the *Performance Audit Guidebook* with the exception of regulations to accurately set aside funding for bicycle and pedestrian facilities and the timely submittal of fiscal and compliance audits to the state controller for either the transit operator or the RTPA.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants, Inc. in 2020. The sole recommendation remained in progress during the audit period and is carried forward to this audit.

DETAILED REVIEW OF TCTC FUNCTIONS

A large portion of a performance audit includes reviewing the various functions of the RTPA to determine if there are inefficiencies or particular areas for improvement. The functional review is conducted by reading various documents such as the Regional Transportation Plan and Overall Work Programs and conducting interviews with TCTC staff. The functional review covers the following broad topics:

- Administration and Management
- Transportation Planning and Regional Coordination

- Claimant Relationships and Oversight
- Marketing and Transportation Alternatives
- Grant Applications and Management

During the audit period, TCTC was effective in accomplishing its goals and objectives and this was confirmed through interviews with TCTC staff. The Tuolumne County 2016 Regional Transportation Plan (RTP) addresses all the required elements. The necessary 2023 RTP update process began during the audit period. TCTC follows a comprehensive regional transportation planning process, including the preparation and implementation of alternative transportation plans/projects, such as the Transit Development Plan and active transportation facility projects. TCTC has set forth a clear process for allocating TDA funds to the transit operator in the region. During most of the audit period, STA funds were withheld from TCTC/TCTA due to severe tardiness of Fiscal and Compliance Audit submission to the State.

The TCTC board has good access to clear and concise information on which to make good decisions. During the audit period, TCTC successfully distributed recurring and discretionary grant monies. No state or federal grant applications were denied in Tuolumne County due to errors or omissions.

FINDINGS

- The TCTC has complied with the requirements listed in the TDA and other statutes related to performance as identified in the *Performance Audit Guidebook* with the following exceptions:
 - On-time submittal of Fiscal and Compliance Audits for the RTPA and the transit operator for all fiscal years.
- LTF allocations for bicycle and pedestrian facilities were not made in compliance with PUC 99233.3. Five percent of the amount of LTF available after allocations for administration and planning were set aside for bicycle and pedestrian projects instead of the allowed two percent.
- During the audit period, TCTC allocated regional transportation funding for a variety of projects to improve all types of transportation facilities, which met the overall goals and objectives of the agency.
- TCTC continues to excel as an RTPA in commissioning transportation planning studies and securing grant funding to improve all types of transportation conditions for the region. Examples include obtaining an FTA 5310 grant to help fund a Transportation Specialist Position, three ATP grants, the completion of a Zero Emission Bus Rollout Plan and an Evacuation Needs Assessment and Communication Strategies Study.
- There is a good and productive working relationship between TCTC/TCTA and the transit contractor.

RECOMMENDATIONS

The auditor has the following recommendations. Recommendations are discussed in further detail in Section 2.

Recommendation 1: Revise the TCTC 2023 Transportation Development Act Procedures Guide to identify the correct allowable allocation percentage for Article 3 funds per PUC 99233.3. Going forward, TCTC should only allocate two percent of LTF to bicycle and pedestrian projects after allocations for administration and planning have been made.

Recommendation 2: Procure separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTA/TCTC accounting data. This will help to ensure timely submittal of Fiscal and Compliance Audits (a requirement of TDA).

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TRIENNIAL PERFORMANCE AUDIT RESULTS

BACKGROUND

This TPA has been prepared in compliance with the requirements of California PUC Section 99246, which requires that TCTC conducts a performance audit of its activities every three years. The primary objective of this audit is to provide TCTC with an independent and objective evaluation of its performance as it relates to responsibilities in its role as the RTPA for Tuolumne County.

This audit evaluates the operations of TCTC in terms of the efficiency, effectiveness, economy, and results of its programs. In addition, this audit includes a review of TCTC's implementation of recommendations that were contained in the previous Audit report, completed in 2020 for the previous audit period FY 2016-17 through FY 2018-19. This current audit covers the three-year period from FY 2019-20 through FY 2021-22. Finally, this audit includes a discussion of the various functions and duties of TCTC, based on interviews with staff.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

This Audit was prepared in the following steps:

- A review of pertinent documents, including the Regional Transportation Plan, transit plans, annual Overall Work Programs (OWPs), annual Fiscal and Compliance audits and State Controller's Reports, and TCTC agendas, minutes, and supporting staff reports.
- On-site discussions with the TCTC Executive Director, Senior Administrative Analyst and Transportation Specialist.
- Review of prior TPA reports.
- Review of the requirements of the Public Utilities Code, Administrative Code, and other appropriate statutes followed by an assessment of the TCTC's compliance with the specified requirements.

REGIONAL TRANSPORTATION PLANNING AGENCY (RTPA) DESCRIPTION

Tuolumne County lies in the heart of California's Gold Country, bordered by Stanislaus County to the west, Calaveras County to the north, Mono County to the east, and Mariposa County to the south. The closest major cities are Modesto and Stockton (each about 50 – 60 miles to the west of Tuolumne County). The major north-south road is State Route (SR) 49, and the major east-west road is SR 108. One public transit operator serves the region: Tuolumne County Transit Agency (TCTA). The TCTC is the designated RTPA for the Tuolumne County region, including the incorporated city of Sonora. TCTC's role as an RTPA is to:

- Allocate transportation funding such as TDA funds;
- Review public transit performance;
- Prepare and adopt a Regional Transportation Plan and Regional Transportation Improvement Plan;

- Outline regional planning efforts to improve mobility for the region; and
- Provide direction to state, federal and local decision makers regarding transportation planning.

TCTC is composed of two members from the County Board of Supervisors, two members from the Sonora City Council and one citizen at large appointed by the other members. The TCTC Board is served by three advisory committees: the Technical Advisory Committee (TAC), the Citizen’s Advisory Committee (CAC), and the Social Services Transportation Advisory Council (SSTAC). The TAC includes representatives from City and County staff, Caltrans, California Highway Patrol (CHP), and Native American entities. The TAC provides technical input to the Board on a wide range of transportation issues. The CAC includes eight members with staggered four-year terms: two members appointed by the Sonora City Council and six members appointed by the County Board of Supervisors. The CAC provides input directly to the TCTC on all matters pertaining to the regional transportation system. The primary role of the SSTAC is to provide advice on public transit services for Tuolumne County residents and to advocate for the elderly and disabled. The SSTAC is made up of representatives of various transit dependent subsections of the community.

REVIEW OF COMPLIANCE REQUIREMENTS

Below is a discussion of TCTC’s compliance with sections of the Public Utilities Code (PUC) which relate to transit performance, as recommended in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*. Table 1 displays the results of the compliance analysis:

1. In accordance with Public Utilities Code Section (PUC) 99231, the TCTC allows no transportation operators and city or county governments which have responsibility for serving a given area to claim, in total, more than those Local Transportation Fund (LTF) moneys apportioned to that area. The TCTC annually adopts a resolution approving LTF allocations, and a good system for the apportionment is in place. The TDA allocation process is clearly outlined in the TCTC Organizations and Procedures Manual.
2. In reference to PUC 99233 and 99234 (LTF claims for bicycle and pedestrian facilities), TCTC has developed detailed rules and guidelines for LTF claims for bicycle and pedestrian facilities. However, these guideline state that TCTC can allocate up to five percent of the anticipated LTF available after allocations for administration and planning to a reserve fund for future bicycle and pedestrian projects. This amount is above the two percent allocation referenced in PUC 99233 and 99234. It is the recommendation of this auditor that the TCTC rules and guidelines are amended to reflect the two percent allocation allowed by the Public Utilities Code.
3. In accordance with Public Utilities Code Sections 99238, the TCTC has established a SSTAC. The SSTAC meets quarterly. While TCTC actively recruits members for the SSTAC, it has been challenging to fill all vacancies. The TCTC conducts public hearings as required in PUC 99238.5 to obtain input on transit needs in its jurisdiction for each year of the audit period.

In accordance with Public Utilities Code Section 99244, the TCTC has annually identified, analyzed, and recommended potential transit productivity improvements that could lower the operating cost of those transit operators that operate at least 50 percent of their vehicle service miles within its jurisdiction. As there is only one transit operator in the region and TCTC and the

transit operator share the same administrative staff, TCTC is highly involved in analyzing potential productivity improvements for the transit operator. TCTC/TCTA staff are continually reviewing potential service adjustments to maintain farebox ratio standards. The TCTC Board places a high priority on cost-effectiveness of services.

TABLE 1: RTPA Compliance Requirements - TCTC					
Requirement	PUC Reference	In Compliance?		Notes	
		Yes	No		
(1) All operators and city or county governments, in total, claim no more than those LTF monies apportioned to that area.	99231	X			
(2) The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	99233, 99234	X		See Recommendation 1	
(3) The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	99238, 99238.5	X			
(4) The RTPA has annually identified, analyzed and recommended potential productivity improvements which could lower operating cost of those operators.	99244	X			
(5) The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	99245		X	FY 2019-20 - Unavailable FY 2020-21 - Unavailable FY 2021-22 - Unavailable	
(6) The RTPA has designated an independent entity to conduct a performance audit of operators and itself. The operator audit included calculation of performance indicators and was transmitted within 12 months. If not transmitted, TDA funds were not allocated to the operator.	99246, 99248	X			
(7) The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation.	99246 c	X			
(8) The performance audit of the operator includes verification of performance indicators and includes consideration of the needs and types of passengers being served, employment of part-time drivers and contracting with common carriers.	99246 d	X			
(9) The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and non-urbanized areas.	99270.1, 99270.2	NA			
(10) The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	99275.5	NA			
(11) State transit assistance funds received by the RTPA allocated only for transportation planning and mass transportation purposes.	99310.5, 99313.3, Proposition 116	X			
(12) The amount received pursuant to the Public Utilities Code, Section 99314.3; by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controllers Office.	99314.3	X			
(13) If TDA funds are allocated for streets and road purposes, the RTPA has annually: Consulted with the SSTAC, identified transit needs, adopted or re-affirmed the definition of "unmet transit needs" and "reasonable to meet", identified the unmet needs or there are no unmet transit needs, or there are unmet transit needs that are reasonable to meet.	99401.5	X			
(14) The RTPA has caused a fiscal audit to be performed each year and submit the audit report to the state controller within 12 months of the end of the fiscal year.	6662		X	FY 2019-20 - Unavailable FY 2020-21 - Unavailable FY 2021-22 - Unavailable	

4. Per Public Utilities Code Section 99245, the TCTC must ensure that all claimants to whom it allocates TDA funds submit to it and to the State Controller an annual certified Fiscal and Compliance Audit within 180 days after end of the fiscal year unless a 90-day extension is granted. At the time of this writing, none of the fiscal audits for this audit period have been completed. Due to repeated and severe tardiness of submission of Fiscal and Compliance Audits to the State Controller, Caltrans began withholding STA funds from TCTA beginning in FY 2020-21. This impacts not only the transit operator, but also the allocation of TDA funds through Article 8 to Tuolumne County and the City of Sonora.

The County Auditor maintains fiscal records for TCTC/TCTA and therefore is responsible for providing the Fiscal and Compliance Auditor with the data to conduct an audit. In a small county such as Tuolumne, there are not enough staff in the County Auditor/Controller's office to complete all required work on time. Additionally, for each of the past eight years, Tuolumne County has dealt with some type of natural disaster: wildfire, pandemic, etc. These disasters have taken much of the Auditor's time, allowing little time for public transit related matters. TCTC staff has routinely followed up with the County Auditor to remind them of transit-related responsibilities but despite these efforts, completing the Fiscal Audit within the required deadline remains a challenge in Tuolumne County. It is the recommendation of this auditor that TCTC explores the option of retaining a private and separate accountant to conduct the fiscal duties of both TCTC and TCTA.

5. In accordance with Public Utilities Code Sections 99246 and 99248, the TCTC has herein designated an independent entity to conduct a performance audit of operators and itself (for the current and previous TPA periods). LSC Transportation Consultants Inc. performed the performance audit for the prior three-year period. The prior performance audits addressed all elements indicated in the *Performance Audit Guidebook*.
6. In accordance with Public Utilities Code Section 99246(c), the TCTC has submitted a copy of its TPA to the Director of the California Department of Transportation and certified in writing that the performance audit of Tuolumne County Transit was completed.
7. In accordance with Public Utilities Code Section 99246(d), the performance audit of TCTA (under separate cover) includes a verification of the operator's cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit also includes consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.
8. As Tuolumne County does not include an urbanized area, PUC 99270.1 and 99270.2 are not applicable to TCTC.

9. TCTC does not receive any claims for TDA funds under Article 4.5; therefore, TCTC has not adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA (as permitted under Public Utilities Code Section 99275.5). TCTC follows procedures for TDA claims identified in the statutes. Should there be TDA claims filed under Article 4.5, TCTC should adopt rules for the evaluation of claims and the determination of the cost effectiveness of the proposed community transit services.
10. In accordance with Public Utilities Code Sections 99310.5 and 99313.3 and Proposition 116, State Transit Assistance (STA) funds received by the TCTC are allocated only for transit planning, transit capital projects and transit operations.
11. The amount of STA funds received by the TCTC pursuant to the Public Utilities Code Section 9314.3 is allocated to the transit operator in the area as allocated by the State Controller's Office. There is only one transit operator within TCTC's jurisdiction.
12. According to Public Utilities Code Section 99401.5, if TDA funds are allocated to purposes not related to public or specialized transportation services or facilities for exclusive use of pedestrians and bicycles, the TCTC is annually required to:
 - o Consult with the SSTAC established pursuant to Public Utilities Code Section 99238,
 - o Identify transit needs, including groups who are transit-dependent or transit-disadvantaged, adequacy of existing transit services to meet the needs of groups identified, and analysis of potential alternatives to provide transportation services,
 - o Adopt or reaffirm a definition of "unmet transit needs" and "reasonable to meet",
 - o Identify the unmet transit needs and those needs that are reasonable to meet, and
 - o Adopt a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet.

If a finding is adopted that there are unmet transit needs, these needs must be funded before an allocation is made through Article 8 for streets and roads.

TCTC made the above noted findings and consulted with the SSTAC each year of the audit period prior to allocating TDA funds for streets and roads purposes.

13. In accordance with California Code of Regulations (CCR) Section 6662, the TCTC has had the intention to conduct a Fiscal and Compliance Audit of its accounts and records for each year of the audit period by a certified public accountant. The fiscal and compliance audits have not been completed at the time of this writing. Therefore, TCTC is not in compliance with CCR Section 6662.

It is important that audits are performed in accordance with the Basic Audit Program and Report Guidelines for the California Special Districts prescribed by the State Controller. The audits should include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements should not commingle with the STA fund, the LTF, or other revenues or funds of any city, county, or other agency. The TCTC maintains fiscal and accounting records and supporting papers for at least five years following the fiscal year's close. TCTC/TCTA staff have

made a concerted effort to obtain fiscal documents and annual fiscal data from the County Auditor for the purpose of preparing the required audits.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants, Inc. in 2020. The recommendation from that effort is enumerated below.

Recommendation 1: Review options for improving timely submittal of Fiscal and Compliance Audits.

Implementation In Progress: TCTC staff are acutely aware that the timely submittal of Fiscal and Compliance Audits is critical to receiving TDA funding and continue to explore alternative solutions to the current system. During this audit period, staff attempted to be more involved in the audit submittal process in order to ensure that the County Auditor met the required timeline for submittal, however this proved ineffective. A further recommendation to address this ongoing issue is made in this performance audit.

DETAILED REVIEW OF TCTC FUNCTIONS

This section presents a review of the various functions of the TCTC. The TCTC's functions can be divided into the following areas:

- Administration and Management
- Transportation Planning and Regional Coordination
- Claimant Relationships and Oversight
- Marketing and Transportation Alternatives
- Grant Applications and Management

Administration and Management

This functional review focuses on internal management of the organization.

General Administration

The TCTC Board meets on the second Wednesday of every month at the County Board of Supervisors Chamber in Sonora. Agenda materials are available to Board members at least 72 hours in advance. Meetings can be attended either in person or virtually. The TCTC does a good job of posting meeting minutes and attachments on its website for public review. The Commission dealt with a long list of key documents and funding decisions during the Audit period, including all of those required or suggested by state law and good RTPA practices.

The TCTC processes TDA claims in an accurate and timely manner, particularly as TCTC and TCTA share the same staff. TCTC staff work with City and County staff to prepare paperwork. The TCTC adopts a resolution approving claims and directing the County Auditor to allocate funds before the end of the fiscal year. Claims are paid monthly.

The TCTC has an organized process for filing and the retention of pertinent plans and other documents as outlined in the TCTC Record Keeping Policy and Retention Schedule. Electronic files are maintained on the

server and in the “cloud.” Depending on the type of plan, documents are generally kept in the archives for a minimum of five years, with many, such as resolutions and meeting minutes, kept permanently in both hard copy and electronic format. The Record Keeping Policy was recently updated.

Internal Planning and Achievements

In terms of internal planning, the TCTC has set forth truly clear goals and objectives in the Strategic Plan, OWP and Regional Transportation Plan. The TCTC does a good job of completing tasks identified in the OWP. Further, the tasks set forth in the OWP are realistic and reflect the needs and issues in the Tuolumne County region. The TCTC has been successful in obtaining discretionary funding, such as Strategic Planning Grants and Active Transportation Planning grants, to facilitate projects which will strengthen the relationship between land use and transportation planning. In past cases where grant funding was limited (such as the East Sonora Bypass Project), TCTC divided projects into more readily implementable phases to assist with carrying the project through to completion.

Governing Board Activities

The TCTC Board has good access to clear and concise information on which to make informed decisions about transportation funding. There appears to be good communication between staff and the Board. According to Board and Committee Members, the commission has undertaken a wide variety of planning efforts to address regional and state goals and objectives. Past examples include the Zero Emission Vehicle Readiness Plan and a Traffic Analysis for Vehicle Miles Travelled (VMT) impacts study. During this audit period, the TCTC Board worked on the Greenley Road Extension Project, the Tuolumne County Evacuation Needs Assessment and Communication Strategies Study, and the Jamestown Safe, Healthy, and Equitable Streets Improvement Project. Attendance at meetings is strong.

Personnel

TCTC/TCTA staff consists of an Executive Director, Assistant to the Executive Director, Senior Administrative Analyst, a Transportation Specialist, and one Transportation Planner I. TCTC had little staff turnover during the audit period and has actively worked to create promotion opportunities for current employees through the creation of expanded job series. During this audit period, TCTC secured an FTA 5310 grant to partly fund the Transportation Specialist position. Each staff member’s time is allocated between RTPA and transit operator duties, with each staffer focusing on different specialties. The allocation of staff time to TCTC and TCTA was adjusted slightly during this audit period in order to reflect the increase in time required to properly conduct transit administrative functions. This increase can be attributed to time spent on planning for the transition to Zero Emission buses.

The Executive Director periodically reviews job descriptions for each staff member in relation to actual duties performed. Different staff members focus on different projects in the OWP and meet with the Executive Director to discuss projects weekly. Given the work accomplished, the level of staffing is appropriate.

Staff members are offered the same health and retirement benefits as Tuolumne County employees, such as CalPERS. TCTC is in the process of creating a contract with CalPERS separate from the contract with the

County. The TCTC staff members are offered the opportunity to expand professional knowledge by attending conferences and management training. Performance reviews are generally conducted annually.

Transportation Planning and Regional Coordination

This functional area covers one of the two major RTPA responsibilities: transportation planning in a regional context and fiscal management.

Regional Transportation Planning

The most recent update of the Tuolumne County Regional Transportation Plan (RTP) was completed in February 2017 although the RTP is currently being updated. The 2017 RTP followed a Public Participation Plan process adopted in 2013 which incorporates required RTP stakeholder/public outreach elements to Native American Tribes, private sector entities and natural resource agencies. The RTP goes beyond the required guidelines and includes an optional Rural Sustainable Strategies Chapter to better address climate change legislation. Overall, the RTP sets forth clear goals and cost estimates for transportation in the region.

The RTP includes all elements required under state guidelines including: an overview of demographics, description of existing transportation facilities, discussion of regional issues, projection of future transportation conditions, and a financially constrained and unconstrained plan for addressing those issues. TCTC sets forth ten regional performance measures that track progress toward attaining the region's ten regional goals. The RTP included an analysis of funding alternatives to address the shortfall in State Transportation Improvement Program (STIP) funds and the difficulty for rural counties to obtain funding for non-motorized facilities (Active Transportation Planning).

The focus of the 2023 RTP update includes advancing climate resiliency, incorporating innovative transportation technology into the RTP, and encouraging multimodal accessibility in alignment with the California Action Plan for Transportation Infrastructure (CAPTI).

TCTC maintains and operates the Tuolumne County Travel Demand Forecasting Model which was used for much of the traffic analysis portion of the 2017 RTP. The model was updated significantly to consider Vehicle Miles Traveled (VMTs) in accordance with SB 743. TCTC is preparing for another Model update.

The TCTC recently completed a Zero Emission Bus Rollout Plan and Tuolumne County Evacuation Needs Assessment and Communication Strategies study which included the identification of specific strategies to improve roadway capacity in the event of an evacuation.

Regional Coordination

The TCTC is also involved with other regional planning efforts which have an impact on transportation in Tuolumne County. TCTC is a member of the Rural Counties Task Force, which was established as a joint partnership between the California Transportation Commission and rural counties in California as a way to provide rural counties with information and a voice for statewide transportation policies. The TCTC Executive Director also participates in the California Association of Council of Governments (CALCOG) and a larger group meeting of statewide RTPAs and Metropolitan Planning Organizations (MPOs).

Amador, Calaveras, and Tuolumne County are especially connected through their public transit services and all travel along the SR 49 corridor. As such, the counties often work closely together and have in the past jointly prepared grant applications.

TCTC is in discussion with a private entity – Yosemite Clean Energy – to develop a hydrogen fuel dispensary that utilizes biomass in Tuolumne County. This coordinated partnership has the potential to support the conversion of TCTA buses to hydrogen in the long term.

As a gateway county to Yosemite National Park, Tuolumne County is also a member of the Yosemite Area Regional Transit System (YARTS). In FY 20-21, TCTC/TCTA became a voting member of YARTS, a significant change from previous audit periods. As a voting member, the TCTC/TCTA transportation specialist participates in advisory committee meetings and two Board of Supervisor members are voting members of the YARTS board. As a voting member, TCTC/TCTA also pays \$68,400 annually in dues.

The County and the City have had traffic mitigation fee programs in place since 1998. The programs are designed to offset the cost of roadway improvements resulting from new development. TCTC is working with the local agencies to update the Traffic Impact Fee programs to be more reflective of state climate change goals. In particular, the update is considering shifting mitigation projects from capacity increasing to VMT reducing.

A review of the OWP shows that the TCTC work elements include all plans and processes for which RTPA's are responsible. TCTC has a long list of transportation improvement accomplishments during this audit period including:

- An update to the Active Transportation Plan was completed.
- Completion of a Short-Range Transit Plan.
- Completion of a Coordinated Public – Transit Human Services Transportation Plan.
- Completion of the Central Sierra Zero Emission Vehicle Readiness Plan.
- Completion of a Zero Emission Bus Rollout Plan.

The TCTC recently installed electric vehicle (EV) charging stations at their office as part of a public-private partnership to expand access to EV charging stations in the region.

Information Generation and Distribution

Over the years, TCTC has worked with County GIS staff to develop mapping tools for better analysis of the regional transportation system. TCTC is aware of and up to date on transportation service levels and issues in the region and coordinates with the Community Development Department. The management team at the County frequently involves TCTC staff early in the development approval process to provide input on mitigation measures and work with traffic consultants.

Claimant Relationship and Oversight

This functional area includes interactions between the transit operator and the RTPA, both required and otherwise. As the RTPA and transit operator share administrative staff, Tuolumne County has a somewhat unique relationship between the RTPA and transit operator. TCTA employs a transit contractor to perform

operations and maintenance of the transit system and there appears to be a strong relationship between TCTA and the contractor, Storer Transit Systems. The TCTC Executive Director/TCTA Transit Manager meets on-site with contractor staff periodically to discuss operations and any pertinent issues. Phone or email discussions are more frequent. According to staff, the contractor has been responsive to requests for changes in service. Overall, TCTC has an appropriate level of oversight of the transit operator.

Productivity Committee Functions

While TCTA does not have a specific performance committee, the TCTC Social Services Transportation Advisory County (SSTAC), Technical Advisory Committee (TAC) and Citizens Advisory Council (CAC) are important advisory committees for both the TCTC and TCTA. The SSTAC meets quarterly (beyond the annual requirement of the TDA) to discuss unmet transit needs or other transit related issues. The TAC and CAC meet simultaneously each month one week prior to the TCTC/TCTA Board meetings. The primary difference between the two committees is that the CAC is not involved in personnel and legal matters.

Technical and Managerial Assistance to Operators/ Communication of TDA

In terms of communication of TDA requirements, TCTC/TCTA has been proactive in providing transit operator staff with the information needed to comply with TDA. This is evident in the accurate recording of operating statistics such as vehicle service miles and hours. Recommendations from the prior TDA Performance Audit were clearly communicated to the contractor.

Reports and Information/TDA Processing

During the Audit period, the TCTC commissioned fiscal and compliance audits from an independent auditor for the TCTC and TCTA. No fiscal and compliance audits were completed during this audit period as the Fiscal Auditor could not obtain the financial data from the County Auditor to conduct the audits. TCTC/TCTA staff are acutely aware of this issue and are actively seeking an alternative solution that will ensure that mandatory reports are completed on time and made available when requested. This performance audit provides a recommendation on the topic. Available state controller reports and internal performance reports of the transit operator attest that TDA funds were expended in conformance with most applicable laws, regulations, allocation instructions, and resolutions of the TCTC.

There appears to be no major issues in terms of processing TDA claims. As allowed in TDA law, TCTC sets aside a percentage of the LTF allocation after deductions for bicycle and pedestrian projects. During the audit period, TCTC set aside 5 percent of the remaining LTF allocation after deductions for administration and planning. Only 2 percent is set forth in TDA law. The auditor has included a recommendation to amend TCTC rules and regulations to come into compliance with respect to this issue.

Marketing and Transportation Alternatives

Most of the marketing efforts for transit services in Tuolumne County are performed by TCTA/TCTC staff with assistance from the transit contractor. Comments and complaints regarding public transit are typically received through the TCTA/TCTC website and read by the TCTC Transportation Planner. Any comments received directly by the contractor are reported to TCTA in the monthly report. A review of

written complaints and discussion with the transit operator do not indicate a consistent issue which could easily be remedied.

The TCTC is quite involved in alternative transportation planning efforts, as evidenced in the number of non-motorized facility projects recently implemented in the region. The TCTC website also has an informative section on walking, hiking and biking paths under the Active Transportation heading as well as information on opportunities to help with trail work. By all accounts, the TCTC has a strong public information process in place. The TCTC website lists some completed plans and studies along with an archive of Commission meeting minutes. Examples of transportation planning studies conducted by TCTC include the Central Sierra Zero Emission Vehicle Readiness Plan, the Bicycle Tourism Plan, and the SR 49 Jamestown to Columbia Street Corridor Study.

The TCTC is proud to have secured funding for three Active Transportation Planning grants during this audit period for bicycle and pedestrian infrastructure improvements in the county.

Grant Applications and Management

There is only one transit operator in the county (TCTA), which shares the same staff as TCTC. Grant applications at TCTC are often prepared as a team by multiple TCTC staff, each focusing on their specialty.

During the Audit period, no state or federal grant applications were denied in Tuolumne County due to errors or omissions. TCTC has been successful in obtaining discretionary grant funding, such as Active Transportation Planning grant funding and California Energy Zero Emissions grant funding, as well as LCTOP, CARES Act, and FTA funding. The TCTC staff has also been effective in distributing grants. Staff are continually looking for new, recurring or discretionary grant opportunities to help fund all the projects and work elements in the OWP.

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CONCLUSIONS AND RECOMMENDATIONS

Overall, TCTC is managed and operated in an effective, efficient, and economical manner. The TCTC effectively fulfills its role as the RTPA for Tuolumne County.

The following describes the auditor's findings and recommendations:

FINDINGS

- The TCTC has complied with the requirements listed in the TDA and other statutes related to performance as identified in the *Performance Audit Guidebook* with the following exceptions:
 - On-time submittal of Fiscal and Compliance Audits for the RTPA and the transit operator for all fiscal years.
- LTF allocations for bicycle and pedestrian facilities were not made in compliance with PUC 99233.3. Five percent of the amount of LTF available after allocations for administration and planning were set aside for bicycle and pedestrian projects instead of the allowed two percent.
- During the audit period, TCTC allocated regional transportation funding for a variety of projects to improve all types of transportation facilities, which met the overall goals and objectives of the agency.
- TCTC continues to excel as an RTPA in commissioning transportation planning studies and securing grant funding to improve all types of transportation conditions for the region. Examples include obtaining an FTA 5310 grant to help fund a Transportation Specialist Position, three ATP grants, the completion of a Zero Emission Bus Rollout Plan and an Evacuation Needs Assessment and Communication Strategies Study.
- There is a good and productive working relationship between TCTC/TCTA and the transit contractor.

RECOMMENDATIONS

Recommendation 1: Revise the TCTC 2023 Transportation Development Act Procedures Guide to identify the correct allowable allocation percentage for Article 3 funds per PUC 99233.3. Going forward, TCTC should only allocate two percent of LTF to bicycle and pedestrian projects after allocations for administration and planning have been made.

PUC § 99233.3 – Pedestrian and Bicycle Allocations

(Amended by Stats. 2015, Ch. 716, Sec. 1. (SB 508) Effective January 1, 2016.)

Two percent of the remaining money in the fund shall be made available to counties and cities for facilities provided for the exclusive use of pedestrians and bicycles unless the transportation planning agency finds that the money could be used to better advantage for the purposes stated in Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275), or for local street and road purposes in those areas where the money may be expended for those

purposes, in the development of a balanced transportation system. Of the amount made available to a city or county pursuant to this section, 5 percent thereof may be expended to supplement moneys from other sources to fund bicycle and pedestrian safety education programs, but shall not be used to fully fund the salary of any one person.

In FY 2019-20 and FY 2021-22, TCTC set aside five percent of LTF money for bicycle and pedestrian projects after allocations for administration and planning had been made. According to the statute only two percent can be set aside for this purpose. It should be noted that local jurisdictions can file for claims for bicycle and pedestrian projects under Article 8 of the TDA, assuming there are no unmet transit needs reasonable to meet. The TCTC 2023 Transportation Development Act Procedures Guide references that five percent of LTF can be allocation for bicycle and pedestrian projects prior to transit claims and after allocations for administration and planning. The Procedures should be amended to state two percent in this instance. Going forward, TCTC should only allocate up to two percent of LTF for bicycle and pedestrian projects after allocations for administration and planning.

Recommendation 2: Procure separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTA/TCTC accounting data. This will help to ensure timely submittal of Fiscal and Compliance Audits (a requirement of TDA).

As noted throughout this report, Fiscal and Compliance Audits have not been completed at all during this audit period because the Fiscal Auditor is unable to obtain financial data from the County Auditor. TCTA/TCTC staff are not the keepers of this information and can only act as the middleperson between the Auditor's office and the Fiscal Auditor. The Tuolumne County Auditor has many responsibilities as the position oversees financial books for all county departments in addition to providing accounting services for TCTA/TCTC. In rural areas, county auditors are often understaffed, and public transit is not always the top concern. This may require that transit operator/RTPA staff spend unnecessary staff time following up with the County Auditor to obtain data or information. Other transit agencies and RTPA's have found that contracting with a private accounting firm to provide accounting services is cost effective and reduces delays associated with reporting to Caltrans, the State Controller and for Fiscal and Compliance Audit purposes. This scenario could also allow TCTA/TCTC to have greater access to financial information and therefore a better understanding of what funds are actually available for use.

Chronic failure to submit Fiscal and Compliance Audits in a timely manner has led to the withholding of STA funds from TCTA by Caltrans beginning in FY 2020-21. In the past, TCTA has been allocated anywhere from \$400,000 to \$650,000 STA funds each year. These funds can be used for both operating and capital purposes. With a smaller amount of revenue available in the transit budget going forward, TCTA will make up the difference by claiming a larger amount of LTF funds. This in turn leaves less LTF funds available for streets and roads purposes, assuming there are no unmet transit needs reasonable to meet. In FY 2021-21, Tuolumne County received \$620,000 in LTF funds for streets and roads purposes and the City of Sonora received \$60,000. At a time of rising costs, this reduction in funding is a concern.

Therefore, it is recommended that TCTA/TCTC prepare and circulate an RFP to procure separate accounting services outside the County Auditor. Per TDA statutes, the County Auditor is required to receive TDA funds from the state and then allocate the funds as instructed by the RTPA. However, all other accounting and paperwork could be prepared by a private CPA. Having a licensed CPA be the middleperson between TCTA/TCTC and the County Auditor's office should allow for more smooth and timely transactions. This includes providing data to the Fiscal Auditor on time.