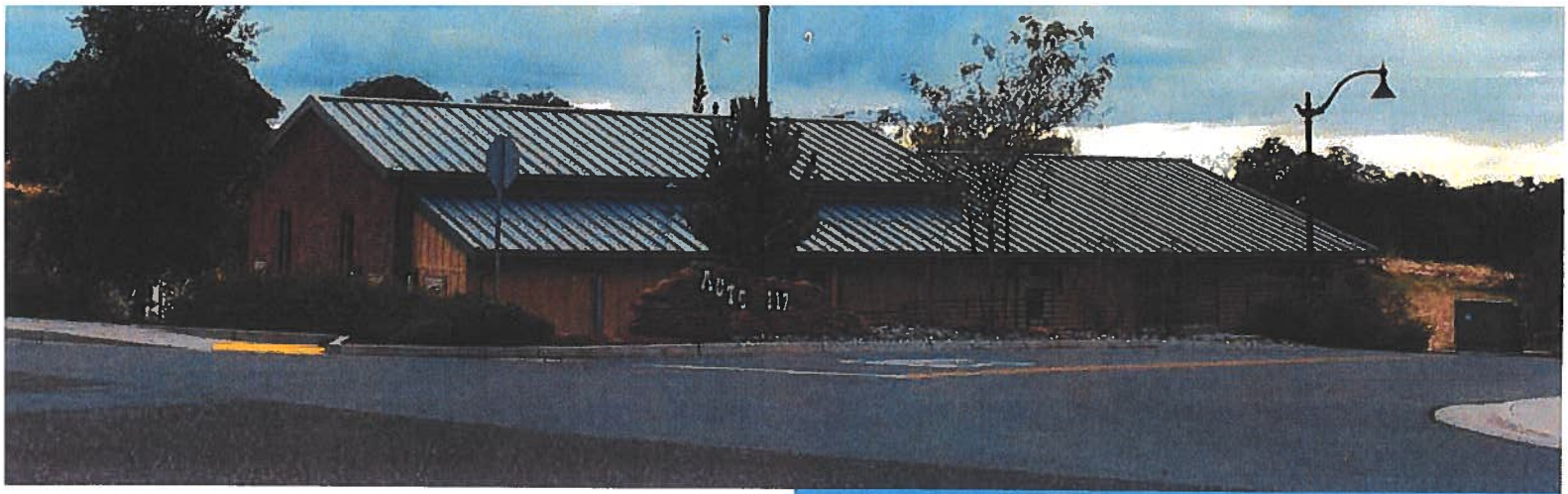

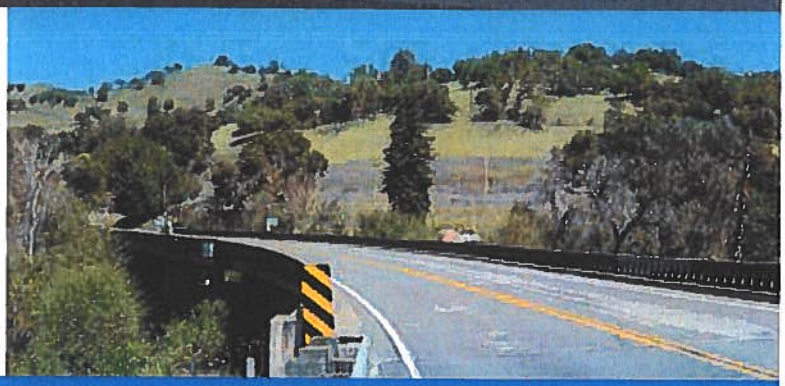

Amador County Transportation Commission

TDA Triennial Performance Audit FY 2018/19 - FY 2020/21

Final Report
November 2022

moore & associates

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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Amador County Transportation Commission (ACTC) covers a three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2022, the Amador County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the ACTC's public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The review was also conducted in accordance with the processes established by the California Department of Transportation, as outlined in the P*erformance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA's functions and activities, and
5. Findings and recommendations.

Test of Compliance

With three exceptions, the ACTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Financial Transaction Reports for the RTPA were not submitted by the January 31 deadline for FY 2018/19 and FY 2019/20.

2. The prior TDA Triennial Performance Audit was not submitted by the established deadline of June 30, 2019.
3. ACTC could not provide evidence that the RTPA's prior TDA Triennial Performance Audit was submitted to Caltrans or that the RTPA had certified completion of the operator audit.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2019 by LSC Transportation Consultants, Inc. for the three fiscal years ending June 30, 2018 – included the following recommendations:

1. Develop a LTF Contingency Policy for Amador Transit to provide a financial cushion in the event of an unexpected decline in LTF revenues or sudden increase in operating or capital transit requirements.
   Status: Implemented.

2. In an effort to simplify farebox ratio calculations and be compliant with TDA, ACTC should work with the fiscal auditor to include the costs and revenues associated with the contracted Sacramento service in the AT systemwide farebox ratio calculation.
   Status: Not implemented.

Goal Setting and Strategic Planning

The primary planning document is the Regional Transportation Plan. The RTP is a long-range (20-year) transportation plan providing a vision for regional transportation investments. The most recent full update of the Amador County RTP was completed in 2015. In 2020, the document underwent a modest update and was re-adopted with the finding that no significant changes had occurred. The 2024 RTP update was initiated in the summer of 2022 and will be a full, comprehensive update.

The 2020 RTP update primarily assessed progress toward implementation of the 2015 RTP and made changes to ensure compliance with the California Transportation Commission's 2017 Regional Transportation Plan Guidelines for Regional Transportation Planning Agencies. The changes made to bring the RTP into compliance with the CTC Guidelines are detailed within the 2020 RTP. The 2017 Guidelines also allow an RTP to be re-adopted "if no significant factors have occurred within the region that would impact the existing RTP." The ACTC found this to be the case with the 2015 RTP, and elected to re-adopt the document in 2020. Minor changes were made to the project scope, cost, and schedule elements, but no changes were made to the goals, policies, and projects with respect to fiscal constraint and conformity determination.

As the RTPA, ACTC also coordinates the development and updating of a number of other regional plans. These include the Amador County Coordinated Public Transit-Human Services Transportation Plan, the Amador Countywide Pedestrian and Bicycle Plan, the Amador County Short Range Transit Development Plan, and the Amador County Long Range Transit Development Plan. ACTC also provides support local transportation-related planning by its member jurisdictions.

Findings and Recommendations

Based on the current review, we submit the aforementioned three TDA compliance findings.

The audit team has identified two functional findings. While these findings are not compliance findings, the auditors believe they are significant enough to be addressed within this review:

1. The fiscal auditor does not correctly exclude or include the Sacramento County service from the farebox recovery ratio calculation.
2. The 2020 RTP did not include the Regional Transportation Plan Checklist for RTPAs.

In completing this Triennial Performance Audit, we submit the following recommendations for the ACTC as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.	Medium	FY 2022/23
2	Strive to ensure future TDA Triennial Performance Audits are completed within the established timeframe.	Medium	FY 2024/25
3	Upon completion of the Triennial Performance Audits, submit a letter to Caltrans accompanying the RTPA audit report and certifying completion of the operator audit.	Medium	FY 2022/23
Functional Recommendations		**Importance**	**Timeline**
1	Include both the fare revenue and operating cost for Route 1 service within Sacramento County.	Medium	FY 2022/23
2	Include the RTP checklist as an addendum of the 2024 Regional Transportation Plan.	Medium	FY 2023/24

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Amador County Transportation Commission (ACTC) covers the three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2022, the ACTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of ACTC as the designated RTPA for Amador County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to whom it allocates TDA funding.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of the Amador County Transportation Commission included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
3. Analysis of ACTC's internal goal setting and strategic planning functions.
4. Examination of the following functions:
    - Administration and Management,
    - Transportation Planning and Regional Coordination,
    - Claimant Relationships and Oversight,
    - Marketing and Transportation Alternatives, and
    - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

Methodology

The methodology for the Triennial Performance Audit of the ACTC as the RTPA included thorough review of documents relevant to the scope of the review, as well as information contained on the ACTC's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with ACTC representatives on September 6, 2022. The audit team met with John Gedney (Executive Director), Terri Nobriga-Yakesh (Administrator-Fiscal Officer), and Felicia Bridges (Administrative Secretary), and reviewed materials germane to the triennial audit.

The report is comprised of seven chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the audit and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
    - Compliance with statutory and regulatory requirements,
    - Progress in implementing prior recommendations,
    - Goal setting and strategic planning,
    - Functional review, and
    - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the Amador County Transportation Commission's compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with ACTC staff as well as an inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

With three exceptions, the ACTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Financial Transaction Reports for the RTPA were not submitted by the January 31 deadline for FY 2018/19 and FY 2019/20.
2. The prior TDA Triennial Performance Audit was not submitted by the established deadline of June 30, 2019.
3. The ACTC could not provide evidence that the RTPA's prior TDA Triennial Performance Audit was submitted to Caltrans or that the RTPA had certified completion of the operator audit.

Developments Occurring During the Audit Period

The last half of the audit period is markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, most transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, but how they responded to the crisis.

In addition to the COVID-19 pandemic, recent and proposed changes to the TDA may result in audit reports that look somewhat different than in prior years. In the nearly 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.

AB 90 included the following provisions specific to transit operator funding through the TDA:

1. It prohibited the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It required the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and authorized the Controller to revise that transmittal memo, as specified. It required the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller would publish the amount of funding allocated to each operator.
3. It exempted an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorized the operator to use those funds for operating or capital purposes during that period.
4. It required the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It required the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extended the provisions of AB 90 through FY 2022/23 as well as provided additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of "local funds" to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also called for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
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 (Article 3).	PUC 99233, 99234	In compliance	
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.	PUC 99238, 99238.5	In compliance	SSTAC meets at least twice each year (February and September). Unmet transit needs hearings held on: • December 6, 2018 • December 12, 2019 • December 3, 2020 December 2, 2021
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation.	PUC 99244	In compliance	
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.	PUC 99245	In compliance	FY 2018/19: March 30, 2020 FY 2019/20: February 26, 2021 FY 2020/21: March 7, 2022
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2018/19: March 30, 2020 FY 2019/20: February 25, 2021 FY 2020/21: January 4, 2022
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller. (Later amended to "within seven months after the end of the fiscal year.")	CCR 6660	Finding	FY 2018/19: April 25, 2020 FY 2019/20: March 23, 2021 FY 2020/21: January 27, 2022

Compliance Element	Reference	Compliance	Comments
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	Finding	The prior audit (FY 2016 – FY 2018) was prepared by LSC Transportation Consultants, Inc., dated August 30, 2019. Moore & Associates, Inc. was selected to prepare the FY 2019 – FY 2021 audit.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	Finding	No documentation of submittal to Caltrans could be provided.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	In compliance	
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include 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.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	Not applicable	There are no urbanized areas in Amador County.
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.	PUC 99275.5	Not applicable	There are no Article 4.5 claimants in Amador County.

Compliance Element	Reference	Compliance	Comments
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	
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 Controller's Office.	PUC 99314.3	In compliance	
If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually: • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: ▪ Groups that 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 alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit 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 have been funded before an allocation was made for streets and roads.	PUC 99401.5	In compliance	ACTC conducts an annual unmet transit needs process, at which time it reaffirms definitions of "unmet transit needs" and "reasonable to meet." Unmet transit needs that are reasonable to meet are addressed before funds are allocated to allowable non-transit purposes.

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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Amador County Transportation Commission has made quantifiable progress toward improving both the efficiency and effectiveness of its programs.

The prior audit – completed in August 2019 by LSC Transportation Consultants, Inc. for the three fiscal years ending June 30, 2018 – included two recommendations:

1. Develop a LTF Contingency Policy for Amador Transit to provide a financial cushion in the event of an unexpected decline in LTF revenues or sudden increase in operating or capital transit requirements.

   Discussion: In 2012, the ACTC adopted Resolution 12-05 to allocate 75 percent of the amount of LTF revenue that exceeds the amount estimated by the Amador County Auditor, then allocated by the ACTC to Amador Transit, to a capital reserve account. The remaining 25 percent of this amount would be carried over to the next fiscal year to increase the amount of LTF estimated for operations for the following year. After a capital reserve fund was built to a sufficient amount in 2014, the ACTC amended the resolution to allocate any excess LTF over the auditor's estimate to the cities and county for streets and roads purposes (after the unmet transit needs process). According to the FY 2017-18 fiscal and compliance audit, Amador Transit had the following amounts in reserve accounts:

   - $495,755 in capital reserves
   - $142,943 in operating reserves

   The prior auditor noted a contingency policy could be used to increase LTF available for operating purposes. A reasonable LTF contingency policy would stipulate that the ACTC set aside three percent of the LTF allocation each year up to a maximum of $300,000. These funds would be considered "unallocated apportionments." These funds could then be allocated to Amador Transit if LTF revenues fall short of LTF budget allocations or in the case of extreme or unusual circumstances that warrant an additional allocation. Once the $300,000 maximum is reached in the "contingency fund," any additional excess revenue could then be allocated to the cities and county for streets and roads purposes as per Resolution 8-24.

   Progress: In 2012, Amador Transit was "upside down." The ACTC had to step in and provide an influx of revenues, some of which came from the bicycle and pedestrian funds (and was later repaid) just to keep transit afloat. This led to the recognition on behalf of the ACTC that it needed to build up reserves, mainly for capital replacement. The ACTC worked with Amador Transit to set up separate reserve funds (operating and capital) based on their depreciation schedule. Ultimately, the ACTC did not utilize the three percent amount discussed above, but instead focused on having good reserves for capital replacement. During this period, transit was accumulating STA revenue, but the amounts were unpredictable (they have been more stable

lately). When that money would come in, Amador Transit would put in reserves. Amador Transit started building up a reserve operating fund as well. While not a formal ACTC policy, it built up a pretty sizeable operating reserve fund, which was used to cover any budget shortfalls they were experiencing in the years prior to COVID. Commissioners wanted to track the budget expenditures a little more closely, and one way to do that was to zero out the LTF reserve operating fund. Any budget shortfalls have to be covered through a request to transfer funds.

Status: Implemented.

2. In an effort to simplify farebox ratio calculations and be compliant with TDA, the ACTC should work with the fiscal auditor to include the costs and revenues associated with the contracted Sacramento service in the AT systemwide farebox ratio calculation.

Discussion: Sacramento County pays Amador Transit for the portion of Sacramento Route 1 operated in Sacramento County. The prior auditor noted that in the past, there has been confusion on how to account for this third-party contracted service in farebox ratio calculations, particularly as TDA provides little guidance. For several audit periods, the fiscal auditor excluded the cost of the Sacramento County portion of the Sacramento route from farebox ratio calculation but included fare revenue generated by the service. Over the years, TPA auditors and AT management have looked to Caltrans for advice on this issue. The final conclusion was that it would be appropriate to either include or exclude both operating costs and fare revenues from the contracted service, but it would not be appropriate to include one but not the other.

The performance auditor recommended including both operating costs and fare revenue associated with the entire Sacramento Route in farebox ratio calculations. Amador Transit is the operator of this service and operating data for the Sacramento service is include in Amador Transit's reporting to the state, not Sacramento County's reporting. This will simplify the process as well as provide a more accurate picture of how all AT transit services perform.

Progress: While the fiscal auditor excludes the operating cost of the Sacramento County portion of Route 1, it does not appear to be excluding any of the fares received for that route. The amount of fares used in the calculation of the fare revenue ratio is the same as the total fares listed on the Statement of Revenues, Expenses, and Changes in Fund Net Position, and no fares are excluded as part of the fare revenue ratio calculation.

Status: Not implemented.

Chapter 5 | Goal Setting and Strategic Planning

This chapter analyzes the Amador County Transportation Commission's goal setting and strategic planning process. The primary planning document is the Regional Transportation Plan. The RTP is a long-range (20-year) transportation plan providing a vision for regional transportation investments. The most recent full update of the Amador County RTP was completed in 2015. In 2020, the document underwent a modest update and was re-adopted with the finding that no significant changes had occurred. The 2024 RTP update was initiated in the summer of 2022 and will be a full, comprehensive update.

The 2020 RTP update primarily assessed progress toward implementation of the 2015 RTP and made changes to ensure compliance with the California Transportation Commission's 2017 Regional Transportation Plan Guidelines for Regional Transportation Planning Agencies. The changes made to bring the RTP into compliance with the CTC Guidelines are detailed within the 2020 RTP. The 2017 Guidelines also allow an RTP to be re-adopted "if no significant factors have occurred within the region that would impact the existing RTP." The ACTC found this to be the case with the 2015 RTP, and elected to re-adopt the document in 2020. Minor changes were made to the project scope, cost, and schedule elements, but no changes were made to the goals, policies, and projects with respect to fiscal constraint and conformity determination.

The RTP considers the role of transportation within Amador County including economic factors, quality of life issues, and environmental factors. It details existing conditions as well as addresses future conditions, and includes Policy, Action, and Financial elements.

Public involvement for the 2015 RTP took place between 2009 and 2014. Prior to this update, the most recent RTP had been developed in 2005. Efforts included development of an ad hoc RTP advisory committee that included representation from the five incorporated cities (both staff and elected officials), Caltrans, and representatives from the following interest groups:

- Regional commercial/industrial,
- Local commercial/industrial,
- Tourism/visitor services,
- Social Services Transportation Advisory Council,
- Senior services,
- Conservation/smart growth,
- Alternative modes, and
- Upcountry.

This advisory group met 18 times between 2010 and 2012 and developed evaluation criteria and performance measures to select an alternative, as well as developed the Regional Improvement Strategy.

Other public involvement activities included numerous public workshops, press releases, informational presentations (including local television and radio stations), and progress reports during Commission meetings. Additional stakeholder outreach included coordination with the Amador County Air Quality

Control District, county airport, Amador Transit, city and county Public Works departments, various Caltrans functional units, and three federally recognized tribal governments.

The Planning Element sets forth goals, policies, and objectives across 10 different planning areas. Each area includes one or more goals and one or more supporting policies and objectives. Those planning areas and their corresponding goals are:

1. Multi-Modal System
    a. Implement improvements to all modes of transportation that are needed to reduce congestions and improve mobility; optimize connectivity; enhance safety; preserve existing infrastructure, communities, and the environment; and support socio-economic development through the Region.
    b. Integrate improvements to all modes of transportation in a way that supports Amador County's economic development and enhances the integrity of its rural character, communities, and environment.
2. Regional Roadways
    a. Maintain Level of Service (LOS) conditions "D" or better within incorporated cities and developed communities and LOS "C" or better for the remainder of the Region to the greatest extent possible.
3. Local Streets and Roads
    a. Assist the cities and county with improving the safety, operations, and surface conditions of their local streets and roads.
    b. Include the preservation of existing infrastructure as a priority of the Regional Transportation Plan.
4. Transit
    a. Provide effective, efficient, and financially sustainable public transportation service throughout the Region, with an emphasis on service to the transportation disadvantaged.
5. Aviation
    a. Support a modern regional aviation facility that meets industry standards for comparable airports.
6. Pedestrian/Bicycle
    a. Improve opportunities for bicycle and pedestrian travel by providing a safe, functional, and convenient network of non-motorized transportation facilities throughout the Region.
    b. Fulfill the mobility needs of pedestrians and bicyclists in a manner that reduces pedestrian/bicycle/vehicle safety conflicts, improves modal connectivity, and enhances community character.
7. Good Movement: Rail/Trucking
    a. Achieve the safe and efficient movement of goods to, from, and through the Region to the greatest extent possible.
8. Alternative Strategies
    a. Increase the use and effectiveness of alternative strategies as economical means to help address the Region's future transportation challenges.

9. Air Quality
    a. Implement a comprehensive set of transportation improvements that will collectively result in regional air quality improvements.
    b. Remain in "Attainment" status with respect to state and federal Air Quality Standards.
10. Transportation Funding
    a. Provide careful stewardship of regional transportation funds by ensuring they are allocated to the "highest and best uses" available and are efficiently and effectively administered.
    b. Acquire the maximum level of transportation funding potentially available to the Region in order to complete the improvements identified in the RTP.
    c. Increase the total amount of transportation funding available from all sources that is being programmed for local road improvements.
    d. Increase the total amount of transportation funding available from all sources that is being programmed to improve the Region' Pavement Condition Index.

Implementation measures for each planning area are included in the Action Element. They provide actionable steps by which the objectives in each area can be realized.

The Financial Element identifies foreseeable funding constraints and opportunities across the 20-year horizon. It is organized into four sections:

1. Revenue projections that are reasonably available to implement the Tier I regional roadway improvements;
2. A financially constrained and prioritized list of regional roadway improvements;
3. A summary of the estimated costs, projected revenues, and anticipated shortfalls facing the entire Regional Transportation System; and
4. A list of the financial strategies needed to help fund these needs to the greatest extent feasible.

Other planning efforts

As the RTPA, the ACTC also coordinates the development and updating of a number of other regional plans. These include:

- Amador County Coordinated Public Transit-Human Services Transportation Plan (2020)
- Amador Countywide Pedestrian and Bicycle Plan (2017)
- Amador County Short Range Transit Development Plan 2014 – 2019 (2014)
- Amador County Long Range Transit Development Plan (2013)

The ACTC also provides support for local transportation-related planning by its member jurisdictions.

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Chapter 6 | Functional Review

A functional review of the Amador County Transportation Commission determines the extent and efficiency of the following functional activities:

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

Administration and Management

The Amador County Transportation Commission (ACTC) is a state-designated regional transportation planning agency created to serve as the planning and programming authority for transportation projects in Amador County. Its single TDA funding recipient is Amador Transit.

The ACTC's role as the RTPA is to foster intergovernmental coordination, undertake comprehensive regional planning with an emphasis on transportation issues, provide a forum for citizen input into the planning process, and provide technical services to its member agencies. The ACTC is also responsible for administering Transportation Development Act (TDA) funds. As the RTPA, the ACTC establishes and updates clear, comprehensive, and realistic goals and objectives for internal functions, regional coordination, grant applications, and transit operator performance, as well as any transportation alternatives that develop over time.

The Amador County Transportation Commission is comprised of three members appointed by the County Board of Supervisors and three members appointed by the City Selection Committee. The Commission meets on the first Thursday of each month at 9:00 a.m. Meetings are held in person at the ACTC Office, located at 117 Valley View Way in Sutter Creek, though commissioners may call in if they prefer. Commissioners of ACTC during the audit period included:

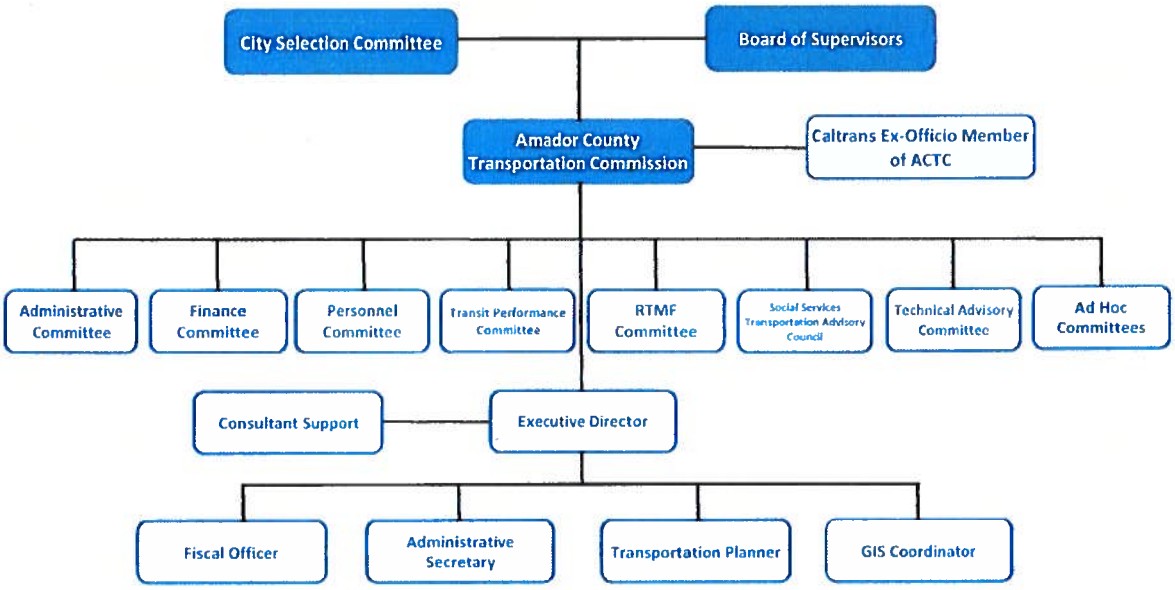
- Dominic Atlan (2018 – 2021)
- Susan Bragstad (2021)
- Jon Colburn (2018 – 2020)
- Richard Forster (2018 - 2021)
- Steve McLean (2021)
- Brian Oneto (2018 – 2021)
- Tim Murphy (2018)
- John Plasse (2018 - 2021)
- Keith Sweet (2019 - 2020)

Internal Commission subcommittees include Administrative, Personnel, Financial, and Transit Performance committees. Two commissioners are appointed to each internal committee, with the Administrative committee comprised of the chair and vice-chair. External committees include a Technical

Advisory Committee (TAC), Social Services Transportation Advisory Council (SSTAC), and Regional Traffic Mitigation Fee (RTMF) Program Oversight Committee. Ad hoc committees are convened to address specific issues when the need arises, such as in support of Regional Transportation Plan development.

Reporting directly to the ACTC board is the Executive Director. Four positions report to the Executive Director: Transportation Planner, Administrator/Fiscal Officer, Geographic Information System (GIS) Coordinator, and Administrative Secretary. An organizational chart is presented as Exhibit 6.1.

Exhibit 6.1 Organizational Chart



Over the past few years, the ACTC has become leaner (reducing from six staff positions to four) and focused more on acting as in a pass-through role to its jurisdictions rather than as a lead agency. The structure of the agency has evolved in response to the interests of the commissioners. The GIS Coordinator position has been maintained due in part to a high community focus on wildfires and flooding. While these areas are not a core responsibility of the ACTC, maintaining such mapping capabilities is particularly important with respect to wildfires.

Generally, the RTPA staff turnover rate is fairly low. At the time of the site visit, the ACTC was in the process of recruiting for the Transportation Planner position. Staff have been relying on on-call consultants to cover some of the duties for the vacant position. The ACTC believes there may be a need for more in-house staffing, especially given the level of frustration with local Caltrans projects. There has been a lack of advocacy at the District level.

The ACTC recognizes it should be providing more training for staff than it currently does, but finds it difficult to spend public funds on training. Virtual/online training is used when available. Often training is directly tied to a current project, such as pavement management software currently in use. Management monitors training opportunities and take advantage of it when it directly affects something

they are working on. Staff also participate in the Rural County Task Force and monitor training opportunities and resources there.

Once of the biggest challenges with respect to training is the lack of resources. The small size of the agency makes it difficult to mentor new staff, who have to learn on the job. There is some informal cross-training to provide support across positions.

All full-time staff are eligible for the agency's benefits package.

Impact of COVID-19 pandemic

The ACTC has the capacity to work remotely as needed, and good communication was key to making that work. COVID-19 opened the door to learning how to run virtual meetings. Board meetings have returned to in-person meetings. The Board felt that virtual meetings were difficult, noting it was hard to hear during public comments which inhibited their ability to have effective public participation. Caltrans still participates in meetings remotely.

Transportation Planning and Regional Coordination

As the RTPA, the ACTC is responsible for preparing the Regional Transportation Plan every four to five years. The last RTP was conducted in 2015 and readopted in 2020. Efforts toward the 2024 RTP update recently launched. The RTP is the primary goal-setting and long-term transportation planning document for Amador County.

The ACTC did not use the traffic demand model for the 2020 update, due to the population being flat. This was part of the decision not to do a comprehensive update at that time. Though there are a couple of areas of development in the county, the ACTC does not have its travel demand model ready for 2024. Staff are looking at alternative ways to address this, since updating the travel demand model is not expected to provide highly useful and reliable data. Other approaches, such as a traffic simulation model or cell phone data, are being considered in lieu of the travel demand model.

Claimant Relationships and Oversight

The ACTC has a productivity committee in the form of the transit performance committee, which also oversees the TDA claims process. Two commissioners are assigned to this committee. Criteria, timeframes, goals, quotas, and other targets are evaluated as part of the unmet transit needs process. This analysis is extensive, reviewing farebox recovery ratio by route, cost per passenger mile, STA efficiency tests, and numerous other metrics. Such analysis is used every year to balance the unmet transit needs requests. Recently commissioners informally expressed concerns regarding operation costs and productivity, though these have not resulted in any formal direction.

The ACTC's TDA claims are processed consistently. LTF funds that are not used by the ACTC and Amador Transit are distributed via formula for streets and roads uses. All LTF funds must be claimed and approved by the Commission. The ACTC has not had to withhold TDA monies due to noncompliance.

Marketing and Transportation Alternatives

Marketing activities specific to the ACTC are limited to the organization's website. The ACTC promotes public engagement activities such as public hearings and workshops via media releases and legal notices. The ACTC expects to conduct comprehensive outreach as part of the RTP update in 2024.

Grant Applications and Management

The ACTC has a transit planning element in the overall work plan that includes an update for the short range transportation plan (SRTP). There are a couple of different work elements that touch on transit planning. In the past, the ACTC has attempted to get Caltrans planning funds for the SRTP. When it was unsuccessful, it was able to cover many of the SRTP planning areas through the Coordinated Public Transit-Human Services Transportation Plan. The ACTC does not typically pursue competitive grants.

Chapter 7 | Findings and Recommendations

Conclusions

With three exceptions, we find the Amador County Transportation Commission, functioning as the RTPA, to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. The compliance finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. Financial Transaction Reports for the RTPA were not submitted by the January 31 deadline for FY 2018/19 and FY 2019/20.
2. The prior TDA Triennial Performance Audit was not submitted by the established deadline of June 30, 2019.
3. The ACTC could not provide evidence that the RTPA's prior TDA Triennial Performance Audit was submitted to Caltrans or that the RTPA had certified completion of the operator audit.

The audit team has identified two functional findings. While these findings are not compliance findings, the auditors believe they are significant enough to be addressed within this review:

1. The fiscal auditor does not correctly exclude or include the Sacramento County service from the farebox recovery ratio calculation.
2. The 2020 RTP did not include the Regional Transportation Plan Checklist for RTPAs.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the ACTC's program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: Financial Transaction Reports for the RTPA were not submitted by the January 31 deadline for FY 2018/19 and FY 2019/20.

Criteria: CCR 6660 requires RTPAs to submit an annual transactions report to the State Controller within seven months following the end of the fiscal year (typically January 31). These reports are submitted electronically, and submittal automatically generates a cover page that is time-stamped with the date and time the report was submitted.

Condition: The RTPA's Financial Transaction Report for FY 2018/19 was submitted on April 25, 2020, nearly three months after the January 31 deadline. The report for FY 2019/20 was submitted on March

23, 2021, seven weeks after the February 1 deadline (the deadline was moved back a day due to January 31 being on a Sunday that year). The FY 2020/21 report was submitted on time.

Cause: Late submittals may be the result of miscommunications (e.g., if the letters from the State Controller are not addressed to the correct person), extenuating circumstances (such as a transition to remote work due to a pandemic), or the required data not being available (e.g., waiting for a completed audit).

Effect: Failure to submit the report on time can result in the RTPA being out of compliance with the TDA.

Recommendation: Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.

Recommended Action: The ACTC should ensure the Financial Transaction Reports are submitted on time regardless of who is responsible for preparing them. If the report is submitted on time but with unaudited data, the ACTC should work with the State Controller's Office to amend the report with the corrected data when that data becomes available. Doing so ensures that the RTPA can remain in compliance with this requirement.

Given the FY 2020/21 report was submitted on time, ACTC has already begun addressing this issue. If future reports continue to be submitted on time, no further action is required.

Timeline: FY 2022/23.

Anticipated Cost: None.

Compliance Finding 2: The prior TDA Triennial Performance Audit was not submitted by the established deadline of June 30, 2019.

Criteria: CCR 6662.5 requires triennial performance audits to be submitted by July 1 of the year following the end of the triennium. For the prior Triennial Performance Audit, the three-year period covered by the audit included fiscal years 2015 through 2018, ending on June 30, 2018. As such, the audit deadline was June 30, 2019. In addition, PUC 99248 states that an operator is not eligible to receive an allocation of funds until the audit has been submitted, since any penalties incurred during the triennium would need to be implemented as part of the funding allocation during the fiscal year after which the audit is prepared.

Condition: The prior Triennial Performance Audit was dated August 2019, more than a month after the deadline. The date of submittal to Caltrans could not be determined, as no submittal letter was provided (see Compliance Finding 3). Since the audit was completed in August, it did not appear funding was inappropriately allocated prior to submittal of the audit, nor were any penalties assessed as a result of that audit.

Cause: The cause of the late audit is unknown.

Effect: Late submittal of the audit, absent an extension from Caltrans, can put the operator and RTPA out of compliance, especially if funding is allocated that the operator is not eligible to receive.

Recommendation: Strive to ensure future TDA Triennial Performance Audits are completed within the established timeframe.

Recommended Action: The contract for the 2022 TDA Triennial Performance Audit was not issued until July 2022, after the established deadline for completion of the audits. As such, it is not on track for on-time completion. The ACTC should work to move up the audit process so that it can be completed on time when it issues the RFP for the 2025 TDA Triennial Performance Audit. If the process cannot be moved so that it can be completed on time, an extension should be requested from Caltrans.

Timeline: FY 2024/25.

Anticipated Cost: None.

Compliance Finding 3: The ACTC could not provide evidence that the RTPA's prior TDA Triennial Performance Audit was submitted to Caltrans or that the RTPA had certified completion of the operator audit.

Criteria: PUC 99246 requires each RTPA to submit its completed performance audit to Caltrans and certify in writing it has completed the audits of any operator to which it allocates TDA funding.

Condition: The ACTC could not provide documentation of this submittal from the prior triennial performance audit.

Cause: Since most such submittals occur via email, it is common to keep the sent message in an individual's email account. This can cause the message/documentation to get lost if emails are archived or deleted or if the original sender is no longer with the entity three years later when it is needed for the next audit.

Effect: Failure to maintain this documentation could result in the RTPA being out of compliance with the TDA.

Recommendation: Ensure documentation of the submittal of the RTPA's triennial performance audit and certification of the operator's triennial performance audit is maintained and can be provided during the next triennial performance audit.

Recommended Action: While this information can be submitted via an email only, we recommend creating a submittal letter that can be sent via email along with the electronic version of the RTPA audit. The sent email should be saved (with attachments) on a network drive that can be readily accessed in preparation for the next triennial performance audit. Avoid saving the email in the sender's email account and nowhere else.

Timeline: Upon completion of the 2022 Triennial Performance Audit.

Anticipated Cost: None.

Functional Finding 1: The fiscal auditor does not correctly exclude or include the Sacramento County service from the farebox recovery ratio calculation.

Criteria: PUC 99268.2 allows the operating cost for a new or significantly revised service to be excluded from the farebox recovery ratio calculation. If it is excluded, corresponding fares should also be excluded from the calculation. However, as noted in the prior audit, both the TDA and Caltrans have provided little guidance on how to handle a third-party contracted service with respect to the farebox recovery ratio calculation.

Condition: The fiscal auditor has been excluding the revenue received from Sacramento County, which covers the operating cost for the portion of Route 1 operating in Sacramento County, from the operating cost when calculating the farebox recovery ratio. The prior audit noted that while the operating cost is excluded, the fare revenue for that portion of the route was not. It was determined that this practice has continued into the fiscal audits prepared for each year of this triennium.

Cause: A lack of guidance from the TDA and Caltrans appear to be the most significant cause of confusion regarding this issue.

Effect: As such, the exclusion of costs and fare revenues is applied inconsistently.

Recommendation: Include both the fare revenue and operating cost for Route 1 service within Sacramento County.

Recommended Action: As previously recommended by the prior auditor, our audit team recommends both the operating cost and fare revenue for the entire Sacramento County route be included within the farebox recovery ratio calculation. Depending on what funding Sacramento County is used to pay its share, those revenues may be able to be counted as local support for the purposes of the farebox calculation. (However, if TDA monies are used to fund Sacramento County's portion of the route, they cannot be counted as local support.)

Timeline: FY 2022/23.

Anticipated Cost: None.

Functional Finding 2: The 2020 RTP did not include the Regional Transportation Plan Checklist for RTPAs.

Criteria: The 2017 Regional Transportation Plan Guidelines for Regional Transportation Planning Agencies included (as Appendix C) a checklist of RTP contents reflective of the new guidance. It is to be submitted to Caltrans alongside each draft and final RTP.

Condition: While the 2020 RTP does appear to be in conformance with the checklist, the checklist itself is not a part of the document.

Cause: The inclusion of the checklist is not explicitly required.

Effect: It was not included in the document, even if it was transmitted to Caltrans.

Recommendation: Include the RTP checklist as an addendum of the 2024 Regional Transportation Plan.

Recommended Action: Inclusion of the RTP checklist in the updated RTP can assist reviewers of the Plan to determine quickly whether the updated RTP is in compliance with the guidelines. The checklist requires the RTPA to indicate whether individual requirements have been met as well as identify on what page of the document they appear. This is helpful in ensuring the transparency of the process.

Timeline: FY 2023/24.

Anticipated Cost: None.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.	Medium	FY 2022/23
2	Strive to ensure future TDA Triennial Performance Audits are completed within the established timeframe.	Medium	FY 2024/25
3	Upon completion of the Triennial Performance Audits, submit a letter to Caltrans accompanying the RTPA audit report and certifying completion of the operator audit.	Medium	FY 2022/23
Functional Recommendations		**Importance**	**Timeline**
1	Include both the fare revenue and operating cost for Route 1 service within Sacramento County.	Medium	FY 2022/23
2	Include the RTP checklist as an addendum of the 2024 Regional Transportation Plan.	Medium	FY 2023/24

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