



FY 2013-2015 Triennial Performance Audit of Nevada County Transportation Commission

Submitted to
Nevada County Transportation Commission

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Submitted by

Michael Baker
INTERNATIONAL

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Executive Summary

Nevada County Transportation Commission (NCTC, Commission) retained Michael Baker International to conduct the agency's Transportation Development Act (TDA) performance audit for fiscal years (FY) 2012–13 through 2014–15. NCTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation as a condition of receiving TDA funding. TDA funds are expended for NCTC administration and planning of public transportation, and is distributed to local jurisdictions for nonmotorized projects and operations of public transit systems.

This performance audit is intended to describe how well NCTC is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, Michael Baker reviewed various documents, conducted interviews with agency staff, and evaluated NCTC's responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on the audit procedures.

Compliance with TDA Requirements

NCTC has satisfactorily complied with all applicable state legislative mandates for regional transportation planning agencies. One mandate was not applicable to the Commission concerning revenue ratios in an urbanized county. To its credit, NCTC is responsive to the communities it serves and meets these mandates under current staffing resources.

Status of Prior Audit Recommendations

While the prior performance audit did not have any recommendations for NCTC with regard to TDA requirements, there was a recommendation with respect to reviewing progress toward the goals of Truckee Transit. More Town of Truckee staff resources were provided to the transit system which has allowed for NCTC to receive and review performance trends from the Town.

Functional Review

1. NCTC conducts its management of the TDA program in a competent and professional manner.
2. The Executive Director serves as a lead for rural interests in Northern California and works closely with similar transportation planning agencies through industry groups including the Rural Counties Task Force to advance common policies and projects.
3. In its capacity to provide regional coordination beyond its borders, NCTC led and managed two efforts: the Rural Counties Task Force (RCTF) Performance Measurement Data project and the RCTF Performance Monitoring Indicators for Rural and Small Urban Transportation Planning project. The Executive Director took the lead to look after the rural interest in context of transportation funding and the need to compete with urban areas.
4. NCTC has been proactive in documenting and updating its local administrative practices and other agency material. Key administrative documents include the *Policies and Procedures Manual*, *Administrative Operating Procedures Manual*, *Fiscal Manual*, *Title VI Program and Language Assistance Plan*, and *Personnel Manual*.
5. The purpose of the *Personnel Manual*, adopted in May 2015, is to provide fair and systematic procedures for the administration of all matters affecting the status and activities of employees of NCTC. The manual is comprehensive and addresses numerous personnel topics. It includes an open door policy in which employees are encouraged to share their concerns, seek information, provide input, and resolve problems or issues through the Executive Director.
6. NCTC has been involved in the 2015 update of the Regional Transportation Plan (RTP), which was last prepared and adopted in July 2011. At the direction of the federal government, a key focus is to transform the 2015 RTP to a performance-based planning approach that will employ a more systematic method of using information on transportation system performance.
7. Transit planning and oversight by NCTC are provided through various approaches. The principal planning guides have been the transit development plans prepared for both eastern and western portions of the county, as well as the *Nevada County Coordinated Public Transit-Human Services Plan Update*.
8. NCTC provides assistance on TDA to the transit claimants. NCTC assisted the Town of Truckee with securing additional Local Transportation Funds above its apportionment levels due to lower than anticipated State Transit Assistance revenue to enable the Town to continue providing its transit services.

9. NCTC developed a public participation plan as part of its Title VI program adopted in May 2014. Specific projects such as the *Regional Transportation Plan*, transit development plans, County bicycle and pedestrian study, and Dorsey Drive and Highway 49 construction projects each have significant public involvement components.
10. The NCTC website underwent a redesign to modernize the data content and ease navigation. A new feature includes a Google Translate tool that provides NCTC content in 12 languages. The website is also linked to Facebook.
11. As the project sponsor in Nevada County for state Proposition 1B funds under the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA), NCTC communicates with the transit systems on their funding amounts and eligibility to procure projects. During the audit period, NCTC received PTMISEA funding for projects including purchase of transit vehicles and transit modernization technology for Town of Truckee.

Recommendations

Three recommendations are provided to improve NCTC’s administration and management of the TDA and its organization. Each recommendation is described in detail in the last chapter of this audit and summarized below:

Performance Audit Recommendation	Background
#1 Update TDA guidelines in Policies and Procedures Manual.	The last revision for the <i>Policies and Procedures Manual</i> was in 2012. Since then, a few changes have occurred in relation to TDA and transit operations in Nevada County. Gold Country Telecare is listed as a claimant for Community Transit Funds under Article 4.5. Telecare closed its doors permanently in March 2015. NCTC designated both Nevada County and Town of Truckee as eligible claimants for these funds. Also, new legislation (SB 508) was passed in October 2015 that significantly modifies several provisions of TDA. The legislation achieves several objectives, including simplifying fare recovery requirements; authorizing funding of bicycle and pedestrian safety education programs; and modifying State Transit Assistance qualifying criteria for operations. The TDA section of the <i>Policies and Procedures Manual</i> should be updated to reflect these changes. NCTC should also communicate these changes to the transit systems and determine what implication, if any, the changes might have on their respective transit operations. Highlights of the changes are described in detail in the last chapter of this audit.

Performance Audit Recommendation	Background
<p>#2. Inform local jurisdictions of appropriate code for bicycle and pedestrian TDA claims.</p>	<p>NCTC adopted rules and regulations regarding pedestrian and bicycle funding and stated that the funds shall be allocated in accordance with requirements described in Public Utilities Code (PUC) Section 99234, Claims for Pedestrian and Bicycle Facilities. However, claims for such funds submitted by the local jurisdictions show an incorrect PUC reference. Rather than citing PUC 99234, the claims cite PUC 99400(a), which is used more appropriately for street and road claims of which there are none in Nevada County. As the TDA funds for nonmotorized projects by NCTC are allocated through the Article 3 process, the proper PUC reference should be used in the claim.</p>
<p>#3. Insert into the TDA claim form a checklist of required submittals.</p>	<p>Claims for TDA funds are submitted by the local jurisdictions to NCTC which reviews the claims for completion prior to approving the funds. The TDA section of the <i>Policies and Procedures Manual</i> provides a list of the required documents that accompany the claim; however, the checklist itself is not in the claim to ensure all the documentation is included. NCTC should insert into the claim form a checklist from the <i>Policies and Procedures Manual</i> that the claimants can use to check off applicable items that accompany the claim. This checklist will also assist NCTC in its review of the submitted claims. The checklist is described in detail in the last chapter of this audit.</p>

Section I

Introduction – Initial Review of NCTC Functions

Nevada County Transportation Commission (NCTC) retained Michael Baker International to conduct the agency’s Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2012–13 through 2014–15. NCTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding.

This performance audit, as required by the TDA, is intended to describe how well NCTC is meeting its administrative and planning obligations under the TDA.

Overview of Nevada County

Nevada County is located in California’s Mother Lode region, topographically defined by the foothills and the mountains of the Sierra Nevada Range. The county is bordered by Placer County to the south, Sierra County to the north, Yuba County to the west and northwest, and the state of Nevada to the east. The elevation varies from 1,400 feet above sea level in Penn Valley to 9,152 feet at Mount Lola in the Sierra Nevada. The county’s geographical land area encompasses nearly 958 square miles and is traversed by nearly 1,140 miles of roadway. The main north–south highway is State Route (SR) 49, which connects Grass Valley and Nevada City with other Mother Lode communities in the Sierra Nevada foothills. The two major east–west highways are SR 20 and Interstate 80. Other state highways that traverse the county include SR 89, 174 and 267. A demographic snapshot of key cities and the county is presented in Table I-1:

Table I-1
Nevada County Demographics

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	Land Area (in square miles)
Grass Valley	12,860	+8.0%	23.51%	4.74
Nevada City	3,068	+1.9%	18.16%	2.19
Truckee	16,180	+16.7%	7.76%	32.32
Unincorporated Areas	66,656	+5.4%	21.51%	918.53
Total Nevada County	98,764	+7.3%	19.41%	957.78

Source: 2010 US Census

Population growth has been fairly modest in recent years. According to the 2010 US Census, the county’s population was 98,764, an increase of 7.3 percent from the 2000 Census figures. The senior citizen population, comprising residents aged 65 and over, is 19.4 percent countywide. The California Department of Finance 2015 estimate reports a countywide population of 98,193,

a slight decrease from the last census. The county seat is Nevada City and the largest incorporated municipality is the Town of Truckee. The population of Truckee is the largest, followed by Grass Valley and Nevada City. Notable unincorporated communities and census-designated places include Alta Sierra, Kingvale, Lake of the Pines, Lake Wildwood, Norden, North Bloomfield, North San Juan, Penn Valley, Rough and Ready, and Soda Springs. The local Native American community, the Nevada City Rancheria of the Nisenan Maidu Tribe, is currently seeking federal recognition.

Created from portions of Yuba County, Nevada County was incorporated on April 25, 1851. The county derives its name from Nevada City and the Sierra Nevada range (“nevada” is the Spanish word for “snowy” or “snow-covered”). The local economy is dominated by agriculture, forestry, government, health care services, mining, retail, and tourism. The top agricultural commodities based on the Nevada County 2013 Agricultural Crop Report include cattle, pasture/rangeland, timber, wine grapes, produce, and nursery stock. The valuation of crops in Nevada County was approximately \$23.2 million.

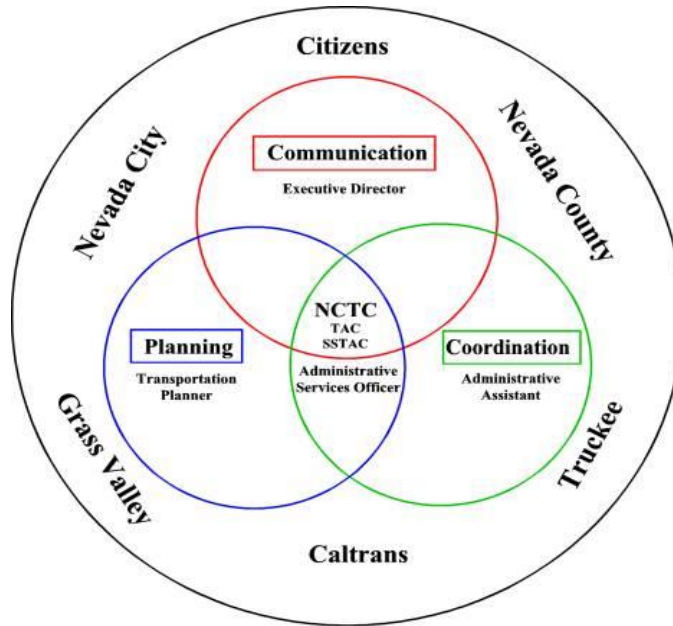
Role and Structure of NCTC

NCTC is a regional transportation planning agency (RTPA) created pursuant to Title 7.88 of the California Government Code, Section 67920. As the RTPA for Nevada County, NCTC coordinates transportation planning and programming for the County, the Cities of Grass Valley and Nevada City, and the Town of Truckee. As part of its mission, NCTC administers TDA funds to ensure all statutory requirements are met, including identification of the region’s transit needs.

NCTC administers and allocates TDA revenues to eligible claimants including local jurisdictions in the county. Among its planning responsibilities, NCTC develops and approves a Regional Transportation Plan (RTP), Regional Transportation Improvement Program (RTIP), an annual Overall Work Program (OWP), and transit planning studies such as transit development plans and the Coordinated Public Transit-Human Services Plan Update. These responsibilities are critical to the agency’s role of obtaining funding and providing coordination of local and regional transportation projects.

NCTC staff comprises an Executive Director, Administrative Services Officer, Transportation Planner, and an Administrative Assistant. An organization flow chart of NCTC and its member agencies and committees is shown in Figure 1.

Figure 1
NCTC Organizational Flow Chart



Source: NCTC

NCTC’s offices are located at 101 Providence Mine Road, Suite 102, in Nevada City. Meetings of the NCTC and standing committees alternate amongst various locations around Nevada County. Staff provides support to the NCTC Board as well as to the advisory and standing committees as described below:

NCTC - Commission: The purpose of the Commission is to serve as the principal policy-making body of NCTC whose members are appointed by the member agencies. The seven members consist of two representatives from the Nevada County Board of Supervisors; two County at-large representatives; and one representative each from the City/Town Councils of Grass Valley, Nevada City, and Truckee. The Commission meets the third Wednesday of every other month.

Technical Advisory Committee (TAC): The TAC is composed of planning, public transit, and public works representatives from each member agency, including the Nevada County Airport and an ex officio member from Caltrans, District 3. The purpose of the TAC is to review the technical merits of various issues and projects as well as to coordinate the plans and development of regional transportation improvement programs of projects, transportation planning programs, and transportation funding programs. Regular TAC meetings are scheduled for the last Wednesday of each month, unless rescheduled or cancelled.

Social Services Transportation Advisory Council (SSTAC): The SSTAC is NCTC’s only standing committee that is statutorily created (PUC Section 99238). Members of the SSTAC meet the

representation requirements identified in the TDA statute and are appointed by NCTC to serve a three-year term. They are responsible for annual participation in the identification of transit needs in the jurisdiction including unmet transit needs; providing a forum for members to share information and concerns about existing elderly and disabled transportation resources; and advising NCTC on any other major transit issues including the coordination and consolidation of specialized transportation services. In accordance with the TDA, the SSTAC will meet at least once annually. Additional meetings will be called, as needed and determined, by NCTC staff or SSTAC members.

Nevada County Airport Land Use Commission: As the designated airport land use commission for the Nevada County Airport, NCTC is tasked with ensuring the public health, safety, and welfare by overseeing the orderly expansion of the airport and the adoption of land use policies that minimize the public’s exposure to excessive noise and safety hazards within the area adjacent to the airport.

Additional committees in NCTC include the Regional Transportation Mitigation Fee Executive Committee and the Regional Transportation Mitigation Fee Administrative Committee. The NCTC may form advisory ad hoc committees or participate on committees created by other entities, as it deems necessary. NCTC also holds membership and/or participates in other organizations including the Nevada County Economic Resource Council, Rural Counties Task Force, California Association for Coordinated Transportation, Truckee-North Tahoe Transportation Management Association, North State Super Region, Resort Triangle Transportation Planning Coalition, and Trans-Sierra Transportation Coalition.

Transit Operators

NCTC approves TDA fund claims for and monitors public transportation systems in the county. Public transportation service is provided in western Nevada County as well as in the Town of Truckee. Each service is described in brief detail below:

Gold Country Stage: Gold Country Stage is a general public fixed-route service operating in western Nevada County. The system operates Monday through Friday from 6:00 a.m. to 8:00 p.m. and Saturday from 7:30 a.m. to 5:30 p.m. The main transfer hub is the Tinloy Street Transit Center located at Tinloy and Bank Streets in Grass Valley. Gold Country Stage is administered and operated by the County of Nevada under a Joint Powers Agreement with the City of Grass Valley and City of Nevada City.

Gold Country LIFT: Gold Country LIFT is a specialized demand-responsive service operating in western Nevada County for individuals certified under the Americans with Disabilities Act (ADA). An individual may be eligible for the Gold Country LIFT service if he/she has a disability or disabling health condition and their disability or health condition prevents them from independently using Gold Country Stage buses some or all of the time. The LIFT provides door-to-door service within the ADA corridor, which covers three-quarters of a mile on either side of the Gold Country Stage fixed-route service, as well as defined local areas in western Nevada

County. The service operates Monday through Friday from 6:30 a.m. to 8:00 p.m. and Saturday from 7:30 a.m. to 5:00 p.m. LIFT is administered by the County of Nevada and operated under contract by Paratransit Services.

Truckee Transit: Truckee Transit is a fixed-route and demand-responsive service in the Truckee/Donner Lake area of eastern Nevada County. The fixed-route service operates two seasonal schedules: winter and nonwinter. The winter season schedule operates (from mid-December through mid-March) between Henness Flats, downtown Truckee, Donner Lake, and Boreal, Sugar Bowl, Donner Ski Ranch, and Soda Springs ski resorts from 6:05 a.m. to 6:05 p.m. During the nonwinter season, the fixed-route serves the Truckee-Tahoe Airport, Recreation Center, downtown Truckee, Gateway Shopping Center, Crossroads Shopping Center, Donner State Park, and the west end of Donner Lake on a fixed hourly schedule Monday through Saturday from 9:05 a.m. to 5:05 p.m. The Dial-A-Ride service operates year-round to the general public with priority given to seniors and persons with disabilities. This paratransit service is available for trips within the Town of Truckee limits, during the same hours and days as the fixed-route service. Truckee Transit is administered by the Town of Truckee and operated under contract by Paratransit Services.

Audit Methodology

To gather information for this performance audit, Michael Baker accomplished the following activities:

- Document Review: Conducted a review of documents including various files and internal reports, committee agendas, and public documents.
- Interviews: Interviewed NCTC staff and staff from the transit systems to gain their perspective about the agency's efficiency and economy in relation to TDA administration.
- Analysis: Evaluated the responses from the interviews as well as the documents reviewed about NCTC's responsibilities, functions, and performance to TDA guidelines and regulations.

All of the activities described above were intended to provide Michael Baker with the information necessary to assess NCTC's efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements
- Organizational management and efficiency

The remainder of this report is divided into four chapters. In Section II, Michael Baker provides a review of the compliance requirements of the TDA administrative process. Section III describes NCTC's responses to the recommendations provided in the previous performance audit. In

Section IV, Michael Baker provides a detailed review of NCTC's functions, while Section V summarizes the audit findings and recommendations.

Section II

RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, which was developed by Caltrans to assess NCTC’s conformance with the TDA. Findings concerning NCTC’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
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 (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>NCTC accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their areas.</p> <p>NCTC utilizes a formula based on annual California Department of Finance population estimates to determine each local jurisdiction’s apportionments. Each year, NCTC adopts a resolution of the apportionments and the subsequent claims.</p> <p>In FY 2014–15, due to lower than anticipated State Transit Assistance (STA) revenue, Truckee worked with NCTC to secure additional LTF above its area apportionment consistent with NCTC policy and the TDA statute. Additional LTF was secured for the Donner Summit winter service for the unincorporated area, and funding was allocated for Dial-A-Ride service through the Community Transit Services component of the LTF. Deferred revenue was also reallocated in this year. Truckee</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
		<p>provided an amended claim that was approved by the Town and NCTC.</p> <p>Conclusion: Complied</p>
<p>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.</p>	<p>Public Utilities Code, Sections 99233.3 and 99234</p>	<p>In November 2008, NCTC adopted Resolution 08-39 establishing rules and regulations regarding pedestrian and bicycle funding, and stated that the funds shall be allocated in accordance with requirements described in PUC Section 99234, Claims for Pedestrian and Bicycle Facilities. The rules are outlined in the <i>NCTC Policies and Procedures Manual</i> and document the priority uses of the funds and supporting documentation to submit with the funding request.</p> <p>According to the manual, the primary use of this fund source shall be as matching funds (e.g., Active Transportation funding or other fund source) for projects that are either grant-funded or have a significant contribution by a local agency.</p> <p>Conclusion: Complied</p>
<p>The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>The SSTAC is NCTC’s only standing committee that is statutorily created. The SSTAC is responsible for annual participation in the identification of transit needs in the jurisdiction including unmet transit needs. The SSTAC meets at least annually.</p> <p>Although no LTF is allocated for streets and roads purposes, NCTC</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
		<p>conducts a joint unmet transit needs workshop with Placer County Transportation Planning Agency and the Tahoe Regional Planning Agency each year, and holds a public hearing to receive input on unmet transit needs.</p> <p>The SSTAC conforms to the stakeholder categories pursuant to PUC Section 99238, and includes two additional members as allowed under the statute. The additional positions include a representative of transit users in western Nevada County, and a representative of the Hispanic community in the Truckee area.</p> <p>Conclusion: Complied</p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity 	<p>Public Utilities Code, Section 99244</p>	<p>NCTC participates in several channels in order to review productivity improvements of the transit systems. In western Nevada County, NCTC coordinates with the County Transit Services Commission to review the operations of Gold Country Stage and Gold Country LIFT. For Truckee, in response to a prior audit recommendation, NCTC collects and reviews performance data on a regular basis submitted by Truckee Transit. Transit performance information is also provided at NCTC board meetings through reports and presentations.</p> <p>In addition, NCTC has commissioned several transit plan studies, including</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
<p>improvements may be formed.</p> <ul style="list-style-type: none"> 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 which exceeds its prior year allocation. 		<p>the updates of the Western Nevada County Transit Development Plan, Eastern Nevada County Transit Development Plan, and the Nevada County Coordinated Public Transit-Human Services Plan. These studies provide strategic recommendations for service improvement. The TDA performance audit sponsored by NCTC provides further means for analyzing transit productivity.</p> <p>Conclusion: Complied</p>
<p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	<p>Public Utilities Code, Section 99245</p>	<p>NCTC maintains records of all TDA claimants that submit an annual certified fiscal and compliance audit. The claim form includes a Standard Assurance checklist signed by the claimant that indicates completion of the annual fiscal audit process established by NCTC. This process includes copies of final audits being forwarded to NCTC. The firm Matson & Isom (later K-Coe Isom) was retained to conduct the fiscal audits of the transit systems.</p> <p>Extensions are granted by NCTC as appropriate and allowed by the statute. The Gold Country Telecare fiscal audit for FY 2013–14 was not completed and submitted to the State Controller until June 30, 2015, due to the circumstances relating to Telecare going out of business. The independent auditor communicated with NCTC and received extension approvals through June to</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
		<p>accommodate the issues with Telecare. E-mail documentation was provided to the performance auditor demonstrating the communications between the auditor, NCTC, and the State Controller’s Office.</p> <p>Conclusion: Compliance</p>
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). 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 monies 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.</p>	<p>Public Utilities Code, Sections 99246 and 99248</p>	<p>For the current three-year period, NCTC has retained an independent entity, Michael Baker International, to conduct the audit of NCTC and the transit systems. The transit audits calculate the required performance indicators.</p> <p>LSC Transportation was retained to conduct the previous audits for the three fiscal years that ended June 30, 2012.</p> <p>Conclusion: Complied</p>
<p>The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition,</p>	<p>Public Utilities Code, Section 99246(c)</p>	<p>NCTC submitted a copy of its completed triennial performance audit to Caltrans. A cover letter dated March 20, 2013, accompanying the audit was included along with the</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
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.		statement that the performance audit of the county transit systems was performed. Conclusion: Complied
The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating 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 shall include, but not be limited to, 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.	Public Utilities Code, Section 99246(d)	The performance audits of the transit systems include all required TDA performance measures plus additional indicators to further assess each system's efficiency, effectiveness, and economy with the use of TDA funds. Conclusion: Complied
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in	Public Utilities Code, Sections 99260	There are no urban area designations in Nevada County. Conclusion: Not applicable

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
urbanized and new urbanized areas.		
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.	Public Utilities Code, Section 99275.5	NCTC has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA. NCTC has identified procedures for community transit services claims in the TDA claims section of the <i>NCTC Policies and Procedures Manual</i> . The rules were developed in accordance with the stipulations set forth in PUC Section 99275.5. NCTC establishes bid targets for each jurisdiction based on its pro rata portion of the countywide population and notifies the jurisdictions of its share. However, NCTC has discretion in allocating Article 4.5 funds and may award an agency more or less than its bid target in order to fund high-priority regional projects. Supporting documentation that should accompany the LTF claim is listed in the manual. Conclusion: Complied
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116	NCTC allocates STA funds for transit usage only pursuant to state statutes. During the audit period, according to NCTC financial audits, STA was allocated to Town of Truckee for transit and paratransit expenses. Conclusion: Complied

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
<p>The amount received pursuant to 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.</p>	<p>Public Utilities Code, Section 99314.3</p>	<p>STA funds under this section are allocated to fund all eligible transit services.</p> <p>Conclusion: Complied</p>
<p>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:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ✓ 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 	<p>Public Utilities Code, Section 99401.5</p>	<p>In Nevada County, no TDA funds are allocated for purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles.</p> <p>While NCTC is not required to conduct the unmet transit needs process, it collaborates with local and regional agencies to obtain transit needs input from the public through joint workshops held in the Tahoe region. Meeting minutes are organized and kept of public comment on unmet transit needs. The SSTAC reviews the unmet needs meeting minutes and provides additional input.</p> <p>Conclusion: Complied</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
<p>transportation alternatives.</p> <ul style="list-style-type: none"> • 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; • Adopted 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. <p>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.</p>		
<p>The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months</p>	<p>California Administrative Code, Section 6662</p>	<p>NCTC has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firm Matson & Isom (later K·Coe Isom) was retained to conduct the fiscal audits.</p> <p>The completion dates were:</p>

TABLE II-1 Compliance Requirements Matrix		
NCTC Compliance Requirements	Reference	Compliance Efforts
of the end of each fiscal year, and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements may not commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.		<p>FY 2013: January 28, 2014 FY 2014: December 30, 2014 FY 2015: December 20, 2015</p> <p>NCTC also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p> <p>Conclusion: Complied</p>

Findings from RTPA Compliance Requirements Matrix

NCTC has satisfactorily complied with all applicable state legislative mandates for RTPAs. One mandate was not applicable to the Commission concerning revenue ratios in an urbanized county. The NCTC *Policies and Procedures Manual* clearly identifies and describes the TDA administrative process conducted by the Commission, and the steps to address transit funding. For example, NCTC and the Town of Truckee worked together to increase the town’s LTF allocation above its area apportionment in FY 2014–15 through several TDA provisions described in the manual. NCTC further exceeds the minimum requirements of law by holding joint public workshops on unmet transit needs in the eastern county despite no TDA being allocated for streets and roads. The workshops include a public hearing which complies with other statutory requirements.

Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes the NCTC's response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation is described and followed by a discussion of NCTC's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented. It is noted that the prior audit did not have any recommendations for NCTC with regard to TDA requirements, but made a recommendation with respect to Truckee Transit.

Prior Recommendation 1

Follow up with Truckee Transit on a quarterly basis to review progress toward goals, performance audit recommendations, and implementation of transit plan elements.

Background: The prior performance audit noted that the Town's transit program underwent contractual and management changes. It was suggested that as the Town staff becomes more fully up to speed, the Truckee Transit program could benefit from increased oversight from NCTC staff to ensure that implementation steps identified in planning documents were occurring.

The TDA does not require that the RTPA oversee transit operators on a daily basis, and it is noted that NCTC fully satisfied the requirements of PUC Section 99244 with regard to potential productivity improvements. The prior audit acknowledged that NCTC has been quite diligent in commissioning transit studies for Nevada County operators. However, given that the transit studies are only conducted periodically, the plan elements were not completely implemented during the previous audit period.

Actions taken by NCTC: In response to this recommendation, there have been efforts on both the part of the Town and NCTC to enhance performance monitoring efforts. As was mentioned in the background discussion, Truckee Transit has undergone contractual and management changes resulting in more Town staff resources focused on the system, which has resulted in consistent performance monitoring practices. This development has allowed for NCTC to receive and review performance trends compiled by Town's transit staff on a quarterly basis. In addition, the Town has started tracking the performance indicators identified in the prior triennial performance audit and the *2013 Eastern Nevada County Transit Development Plan Update*. A change in contract operator has also improved service operations and accountability of performance data.

Conclusion: This recommendation has been implemented.

Section IV

Detailed Review of NCTC Functions

In this section, a detailed assessment of NCTC’s functions and performance as an RTPA during this audit period is provided. Adapted from Caltrans’ *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, NCTC’s activities can be divided into the following activities:

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

Administration and Management

The administration of the Commission is supported by the Executive Director, Administrative Services Officer, Transportation Planner, and an Administrative Assistant. There has been no turnover in staff for many years which has provided for solid stewardship of the agency’s fiduciary responsibilities for transportation funding in the county.¹ The Executive Director serves as a lead for rural interests in Northern California and works closely with similar transportation planning agencies through industry groups including the Rural Counties Task Force to advance common policies and projects.

NCTC staff meet as a group at a minimum every other week to communicate their respective business activities. NCTC retains administrative functions in-house and supplements its skills by procuring outside consultant assistance for specialized work including transit plans, bicycle master plans, environmental documentation, regional mitigation fee updates, and regional transportation plans.

NCTC has been proactive in documenting and updating its local administrative practices and other agency material. Key administrative documents include the *Policies and Procedures Manual*, *Administrative Operating Procedures Manual*, *Fiscal Manual*, *Title VI Program and Language Assistance Plan*, and *Personnel Manual*. Local purchasing procedures are included in the administrative operating manual. Several of these documents were developed and adopted

¹ As of preparation of this audit report, the Administrative Services Officer will retire in spring 2016.

during the audit period, including the Title VI plan in May 2014 and the *Personnel Manual* in May 2015.

A board compensation committee was formed to review staff compensation matters. New board policy ties the compensation of the employees to those of similar agencies. A comparison was prepared by staff using data collected from the other agencies. Separately, goals and objectives for the year are used by the board committee to evaluate the Executive Director, as described in the Commission’s administrative operating manual.

Overall Work Program

The Overall Work Program (OWP) serves as NCTC’s annual budget and program guide. The OWP identifies the specific work elements that NCTC will undertake for the coming fiscal year. The OWP is organized by three major work elements: 1) communication and coordination; 2) regional transportation planning; and 3) Caltrans activities with NCTC. Each work element contains projects that are budgeted and planned for the fiscal year. The TDA is a standard project appearing in each OWP, as are other NCTC coordination responsibilities including the RTP, regional traffic mitigation fee, and transit planning. Amendments to the OWP are formally approved to account for adjustments and modifications during the year, including requests from Caltrans headquarters and changes in project schedules and/or budgets.

Funding sources are identified for each project. LTF and Rural Planning Assistance funds provide the bulk of NCTC funding in the OWP and are spread among most projects. Federal transit planning grants matched with LTF and Rural Planning Assistance are used to provide funding for transit plan development. The annual budgets for NCTC as stated in the OWP were \$1.026 million for FY 2012–13 (amendment III); \$1.013 million for FY 2013–14 (amendment II); and \$1.156 million for FY 2014–15 (amendment III).

The document is subject to state oversight and approval. Development of the OWP involves oversight and consultation with Caltrans, District 3, Division of Planning and Local Assistance. Each work element and project from the prior year’s OWP is reviewed and tracked for its completion status. The draft OWP is taken to the Commission and adopted in May. The final plan is transmitted to Caltrans.

Personnel Administration

The purpose of the *Personnel Manual* is to provide fair and systematic procedures for the administration of all matters affecting the status and activities of employees of NCTC. The manual is comprehensive and addresses numerous personnel topics including performance evaluation, working conditions, communications, benefits, disciplinary action, grievance procedure, safety prevention, and other related policies. Job descriptions and salary ranges are also provided. It includes an open door policy in which employees are encouraged to share their concerns, seek information, provide input, and resolve problems or issues through the Executive Director. The introductory period for newly hired employees is six months, during which they must

demonstrate their ability to achieve a satisfactory level of performance and determine whether the new position meets their expectations. At a minimum, a work planning and performance evaluation occurs at least once a year for all employees, preferably on the employee's anniversary date of hire. The Executive Director may propose a performance improvement program to improve deficiencies in performance.

Transportation Planning and Regional Coordination

Regional Transportation Plan

The RTP is NCTC's planning document that guides the development of transportation in Nevada County over the short term (2015–2025) and long term (2025–2035). The RTP demonstrates how the County will better maintain, operate, and expand its transportation system in a financially constrained manner. It also serves to expedite project approval and prioritization. By law, the RTP must be updated and submitted to the California Transportation Commission (CTC) every five years. Keeping the RTP up-to-date also ensures that the projects planned for the county reflect the current needs of its citizens and that funds are obtained and used wisely and appropriately.

NCTC has been involved in the 2015 update of the RTP, which was last prepared and adopted in July 2011. At the direction of the federal government, a key focus is to transform the 2015 RTP to a performance-based planning approach that will employ a more systematic method of using information on transportation system performance. This approach will assist NCTC in developing investment priorities and will guide outcomes for the transportation plan and related planning documents. The update is also intended to create a better alignment of performance monitoring and transportation planning between state agencies, NCTC, and its regional partners. A transportation consultant is conducting the work on the RTP. Public outreach events were held in August 2015 in Grass Valley, Nevada City, and the Town of Truckee to gather input from the community. An online survey is also administered along with updates provided on social media.

Transportation Improvement Program

NCTC submits regional transportation projects to the CTC for funding through the Regional Transportation Improvement Program (RTIP). Projects in the RTIP are approved by the CTC and are combined into the statewide State Transportation Improvement Program (STIP). The RTIP and STIP are updated every two years and propose projects at the county and state levels for a five-year period. During the audit period, NCTC updated its RTIP in 2012 and 2014. STIP projects for Nevada County identified in both RTIPs include the Dorsey Drive interchange project (completed November 2014), SR 89 Mousehole pedestrian and bicycle tunnel improvement project, SR 49 La Barr Meadows signalization and widening improvement project (completed September 2013), SR 49 corridor signal preemption project, and SR 49 widening project from La Barr to McKnight.

To improve traffic flow and safety at the Mousehole, NCTC programmed and the CTC approved an allocation of STIP funds in June 2014. The Town of Truckee and Caltrans provided additional funds for the project. To account for underfunding of construction, Truckee submitted and was awarded a federal grant from the 2013 Transportation Investment Generating Economic Recovery program. The Town (lead agency) received authorization to proceed with construction in June 2014. The SR 49 widening project from La Barr to McKnight involves widening SR 49 to a four-lane conventional, access control highway with a continuous median/left-turn lane and 8-foot shoulders to improve traffic operations and safety. The proposed project is consistent with the existing Corridor System Management Plan, the 2010 RTP, and the 2015 Interregional Transportation Strategic Plan. Funding in the RTIP was requested for project approval/environmental document, and plan specifications and engineering.

NCTC also manages the federal Congestion Mitigation and Air Quality (CMAQ) program, which is available in western Nevada County for transportation projects that demonstrate emissions reductions to help attain federal air quality standards. Western Nevada County was classified in 2004 as nonattainment for 8-hour ozone standards. Projects are submitted by local jurisdictions for consideration based on air quality benefits and project readiness. NCTC then reviews and selects projects to be funded based on rankings. CMAQ-funded projects during the three-year audit period include City of Grass Valley East Main Street/Hughes Road Pedestrian and Bicycle Improvements, County of Nevada Newtown Road Class II/III Bike Lanes, and City of Nevada City Highway Sidewalk Project.

Rural Counties Task Force Performance Measurement

During the latter portion of the audit time period, in its capacity to provide regional coordination beyond its borders, NCTC led and managed two efforts: the Rural Counties Task Force (RCTF) Performance Measurement Data project, and the RCTF Performance Monitoring Indicators for Rural and Small Urban Transportation Planning project. The Executive Director took the lead to look after rural interests in context of transportation funding and the need to compete with urban areas. To help ensure that rural areas meet the objectives of federal transportation mandates for performance-based planning, the Executive Director conducted research on performance measures that tie to rural systems and could provide a template for rural transportation planning. The Performance Measurement Data project involved managing a consultant to develop a street and road performance measurement system which can be used by the 26-member RCTF in each of their respective RTPs to better report road condition data. The separate Performance Monitoring Indicator project analyzes the applicability of performance measures in the rural and small urban transportation planning context. The measures are used to assist the CTC with the update of the 2016 STIP guidelines.

Transit Planning and Oversight

Transit planning and oversight by NCTC are provided through various approaches. The principal planning guides have been the transit development plans prepared for both eastern and western portions of the county. The *Western Nevada County Transit Development Plan Update 2016–*

2021 (WNCTDP) is currently under way. A consultant is updating the 2010 *Western Nevada County Transit Development Plan* to provide guidance to the Nevada County Transit Services Division and Transit Services Commission for making sustainable operational adjustments and capital purchases for the fixed-route transit system and paratransit services. The project kicked off in March 2015 and public workshops were held in July and December 2015 at the Grass Valley City Hall. The first public workshop provided an overview of the study process to update the plan and the consultant's analysis of existing transit and paratransit services, and garnered input on transit needs and potential service alternatives. The second public workshop provided the public with an opportunity to review and comment on the consultant's identification and evaluation of potential transit and paratransit service alternatives. This input was incorporated into the development of the draft WNCTDP, with the final report due for adoption by NCTC in May 2016.

The *Eastern Nevada County Transit Development Plan* (ENCTDP) provides a transit plan tailored to existing conditions in eastern Nevada County. It reviews demographic factors and recent operating history of the Truckee Transit, Truckee Dial-A-Ride, and Tahoe Area Regional Transit. The study includes an analysis of demand for transit services, a review of available funding sources, and an analysis of service, capital, institutional, management, and financial alternatives. The study also develops a transit plan to guide the growth of services and a plan for implementation. The ENCTDP final report was approved by NCTC in December 2013.

In addition to the transit plan updates, NCTC approved the *Nevada County Coordinated Public Transit-Human Services Plan Update*. The plan's goal is to improve mobility for county residents through better coordination of services among public transit, transportation providers, and human service agencies in Nevada County. Public outreach efforts focused on collecting input on public transportation needs, potential strategies to address the needs, and opportunities for coordination. These efforts included surveys, workshops, and presentations to the Nevada County Adult and Family Services Commission and Accessible Transportation Coalition Initiative-Mobility Action Partners Coalition. A second round of workshops was held in both eastern and western Nevada County to receive input on the strategies and prioritization to be recommended in the draft plan. The final report was accepted by NCTC in January 2015.

As described earlier, in response to a prior audit recommendation, there have been efforts on both the part of the Town of Truckee and NCTC to enhance performance monitoring efforts of Truckee Transit. Truckee Transit has undergone contractual and management changes resulting in more Town staff resources focused on the system, which has resulted in consistent performance monitoring practices. PowerPoint presentations are made by Town staff at NCTC meetings on transit performance as well as improved communication on TDA claims and amendments to address funding issues.

TDA Claimant Relationships and Oversight

NCTC is responsible for the administration of the TDA program. The uses of TDA revenues apportioned to Nevada County flow through a priority process prescribed in state law. The LTF apportionments to the jurisdictions are based on the latest population figures from the California Department of Finance, with revised apportionments made in May. In order of priority, LTF funds are allocated as follows:

- NCTC fund administration and planning
- Bicycle and pedestrian facilities
- Community Transit Services (Article 4.5)
- Area apportionments to local jurisdictions for public transit

Prior to apportionment of funds to the Bicycle and Pedestrian Facilities Program and the transit operators, NCTC is able to claim TDA revenues for administration of the fund and for regional transportation planning and programming purposes. During the audit fiscal years of 2013 through 2015, NCTC claimed the amounts shown in Table IV-1 below. The totals are between 10 and 11 percent of the annual LTF revenues added each year.

**Table IV-1
LTF Revenue Claims by NCTC for
Administration and Planning**

Fiscal Year	LTF Claim
2013	\$309,688
2014	\$314,732
2015	\$350,875

Source: NCTC audited financial statements, Schedule of Allocations and Expenditure – LTF

TDA Claim Processing

On an annual basis during this audit period, NCTC was responsible for managing new LTF revenues of between \$2.814 and \$3.083 million and between \$506,415 and \$561,405 in new STA funds². The following amounts of LTF and STA funds were allocated to Nevada County transit claimants, as shown in Table IV-2.

² NCTC annual financial statements, Combining Statement of Changes in Fiduciary Net Position-Private Purpose Trust Funds.

Table IV-2
Total TDA Funding Allocations to Transit Claimants

Fiscal Year	Local Transportation Fund (LTF)	State Transit Assistance (STA)	Total
2013	\$2,263,075	\$90,840	\$2,353,915
2014	\$2,778,471	\$119,688	\$2,898,159
2015	\$2,995,431	\$70,391	\$3,065,822

Source: NCTC audited financial statements, Schedule of Allocations and Expenditure – LTF and STA

NCTC provides assistance on TDA to the transit claimants. NCTC prepares and distributes several documents during the TDA claims process. The documents include the initial and final estimates of apportionment (less NCTC administration) and a packet providing claimants with the necessary forms and funding information needed to prepare TDA claims. Each local jurisdiction submits a claim to NCTC, which then reviews the claims for consistency against fund estimates and maximum eligibility. Backup documentation to the claim is provided as well to substantiate the request for funds. As described earlier, NCTC assisted the Town of Truckee with securing additional LTF above its apportionment levels due to lower than anticipated STA revenue to enable the Town to continue providing its transit services to the Donner Summit area.

The TDA claims are approved by resolution by each jurisdiction and forwarded to the Commission for approval by early summer. As a general rule, transit claims for operations and/or capital must include supplemental information of a number of TDA requirements, including attachment of specific documentation such as the budget, prior year revenues and expenditures, CHP terminal inspection certification, and transit efficiency calculation if the operator chooses to use STA monies for operations.³ The itemized list of attachments is shown in NCTC's *Policies and Procedures Manual*, but is not listed in the claims form for reference. While it appears the transit claims include the necessary attachments, having the itemized list in the claim would be a helpful resource for the jurisdictions and NCTC to use as a checklist to ensure all proper documentation is submitted. The checklist can be similar to the Standard Assurance form already in the TDA claim.

Unmet Transit Needs

Unmet transit needs hearings are required by the TDA where claims can be made for streets and roads. NCTC does not allocate TDA funds for streets and roads, and thus is not required to conduct a full unmet transit needs process stated by law. Regardless, another requirement is for NCTC to hold at least one public hearing annually to solicit citizen opinions on transportation needs, and to consult with the SSTAC. NCTC organizes joint workshops in the Tahoe region with the Placer County Transportation Planning Agency and the Tahoe Regional Planning Agency to

³ The transit efficiency calculation required under PUC 99314.6 to use STA revenue for operations was temporarily suspended by state legislation until FY 2014–2015. SB 508 passed in October 2015 reinstated this efficiency calculation under a new set of rules.

solicit transit needs input from the public. Meeting minutes are organized and kept of public comment on unmet transit needs. The SSTAC reviews the unmet needs and provides additional input. The public comments are then forwarded to the respective transit systems for review. Organized local groups, such as the Accessible Transportation Coalition Initiative-Mobility Action Partners Coalition, provide assistance in identifying additional mobility and accessibility needs.

Membership in the SSTAC includes representatives above the statutory requirements. In addition to the required nine members, who represent primarily social service transportation, NCTC recruits for two additional positions to comply with TDA statute language encouraging RTPAs to strive for geographic and minority representation among SSTAC members: a representative of transit users in western Nevada County, and a representative of the Hispanic community in the Truckee area. These positions had appointments through September 2014, but were vacant through the remainder of the audit period.

Marketing and Transportation Alternatives

NCTC developed a public participation plan as part of its Title VI program adopted in May 2014. The plan includes a number of outreach efforts to elicit support for its mission and to educate the public of its role in the delivery and maintenance of transportation infrastructure. Staff's leadership role and networking with other rural transportation and industry groups identified earlier in the audit report provides further opportunity for NCTC to educate others about its activities and common issues. Projects such as the RTP, transit development plans, County bicycle and pedestrian study, and Dorsey Drive and Highway 49 construction projects each have significant public involvement components. Also, on a broader scale, NCTC nominates local transportation projects for the California Transportation Foundation's CTF Transportation Awards, which recognize excellence in California transportation in all modes in the public and private sectors and from all regions of the state.

NCTC's public affairs and community engagement are conveyed through NCTC's website, publications, and public presentations. Instances of public participation and outreach include the following:

- NCTC produces and distributes a newsletter to keep the public informed of transportation planning programming efforts under way in Nevada County. Newsletters are posted on bulletin boards of local jurisdictions and public libraries and mailed to mobile home parks, residential owners associations, senior centers, environmental advocates, associations representing the private sector, and individuals who have been asked to be included on the distribution list.
- Articles on the RTP and RTIP preparation and public comment periods are included in the newsletters.
- The RTP is made available for review at the main public libraries in western and eastern Nevada County, and on the NCTC website.

- Press releases are sent to the media establishments.
- Public radio announcements were made during the County bicycle and pedestrian study.
- Public notifications are made and public hearings are held to encourage participation in the transportation planning process.

The NCTC website (<http://www.nctc.ca.gov/>) provides an extensive array of information about NCTC's projects and programs, the Commission's structure and governing body, and upcoming meetings and workshops. It contains the names, e-mail addresses, and phone numbers for staff, current planning documents, and major projects. The website underwent a redesign to update the data content and ease navigation to links for member agencies, public transit service, and other materials. A new feature includes a Google Translate tool, which provides the NCTC content in 12 languages. The website is also linked to Facebook.

Grant Applications and Management

NCTC serves an important role for federal transit grant applications in the county to coordinate and determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. NCTC closely coordinates with the two public transit systems to develop the annual federal rural Program of Projects (POP) under FTA Section 5311. NCTC maintains a regional balances spreadsheet and signs the Certificate of Assurances along with passing a resolution approving the POP. The regional balances provide a running balance of each year's federal transit funds used by the transit systems and a status of their availability. The County of Nevada and Town of Truckee complete their respective applications and submit them to Caltrans, which serves as the grantee of these rural funds.

NCTC staff reviews and scores FTA Section 5310 applications. FTA Section 5310 grant funds are available for meeting the transportation needs of elderly persons and persons with disabilities in areas where public mass transportation services are otherwise unavailable, insufficient, or inappropriate. FTA Section 5310 allows for the procurement of accessible vans and buses, communication equipment, and computer hardware and software for eligible applicants.

As the project sponsor in Nevada County for state Proposition 1B funds under the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA), NCTC communicates with the transit systems on their funding amounts and eligibility to procure projects. Evidence of such e-mail communication between NCTC and the transit operators was provided by NCTC, in which NCTC notified transit staff of available funds and timeline for submittal of projects contained in the expenditure plan. During the audit period, NCTC received PTMISEA funding for projects, including purchase of transit vehicles and transit modernization technology for Truckee. Transit security grants under the Prop. 1B program are also coordinated among the agencies.

Section V

Findings and Recommendations

The following material summarizes the findings obtained from the triennial audit covering FYs 2013 through 2015. A set of recommendations is then provided.

Findings

1. NCTC conducts its management of the TDA program in a competent and professional manner.
2. NCTC has satisfactorily complied with all applicable state legislative mandates for RTPAs. One mandate was not applicable to the Commission concerning revenue ratios in an urbanized county.
3. While the prior performance audit did not have any recommendations for NCTC with regard to TDA requirements, there was a recommendation with respect to reviewing progress toward goals of Truckee Transit. More Town of Truckee staff resources were provided to the transit system which has allowed for NCTC to receive and review performance trends from the Town.
4. The Executive Director serves as a lead for rural interests in Northern California and works closely with similar transportation planning agencies through industry groups including the Rural Counties Task Force to advance common policies and projects.
5. In its capacity to provide regional coordination beyond its borders, NCTC led and managed two efforts: the Rural Counties Task Force (RCTF) Performance Measurement Data project and the Rural Counties Task Force Performance Monitoring Indicators for Rural and Small Urban Transportation Planning project. The Executive Director took the lead to look after the rural interest in context of transportation funding and the need to compete with urban areas.
6. NCTC has been proactive in documenting and updating its local administrative practices and other agency material. Key administrative documents include the *Policies and Procedures Manual*, *Administrative Operating Procedures Manual*, *Fiscal Manual*, *Title VI Program and Language Assistance Plan*, and *Personnel Manual*.
7. The purpose of the *Personnel Manual*, adopted in May 2015, is to provide fair and systematic procedures for the administration of all matters affecting the status and activities of employees of NCTC. The manual is comprehensive and addresses numerous personnel topics. It includes an open door policy in which employees are encouraged to share their concerns, seek information, provide input, and resolve problems or issues through the Executive Director.

8. NCTC has been involved in the 2015 update of the RTP, which was last prepared and adopted in July 2011. At the direction of the federal government, a key focus is to transform the 2015 RTP to a performance-based planning approach that will employ a more systematic method of using information on transportation system performance.
9. Transit planning and oversight by NCTC are provided through various approaches. The principal planning guides have been the transit development plans prepared for both eastern and western portions of the county, as well as the *Nevada County Coordinated Public Transit-Human Services Plan Update*.
10. NCTC provides assistance on TDA to the transit claimants. NCTC assisted the Town of Truckee with securing additional LTF above its apportionment levels due to lower than anticipated STA revenue to enable the Town to continue providing its transit services.
11. NCTC developed a public participation plan as part of its Title VI program adopted in May 2014. Specific projects such as the RTP, transit development plans, County bicycle and pedestrian study, and Dorsey Drive and Highway 49 construction projects each have significant public involvement components.
12. The NCTC website underwent a redesign to modernize the data content and ease navigation. A new feature includes a Google Translate tool that provides NCTC content in 12 languages. The website is also linked to Facebook.
13. As the project sponsor in Nevada County for state Proposition 1B funds under the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA), NCTC communicates with the transit systems on their funding amounts and eligibility to procure projects. During the audit period, NCTC received PTMISEA funding for projects including purchase of transit vehicles and transit modernization technology for Town of Truckee.

Recommendations

1. Update TDA guidelines in *Policies and Procedures Manual*.

The last revision for the *Policies and Procedures Manual* was in 2012. Since then, a few changes have occurred in relation to TDA and transit operations in Nevada County. Gold Country Telecare is listed as a claimant for Community Transit Funds under Article 4.5. Telecare closed its doors permanently in March 2015. NCTC designated both Nevada County and Town of Truckee as eligible claimants for these funds. Also, new legislation (SB 508) was passed in October 2015 that significantly modifies several provisions of TDA. The legislation achieves several objectives, including simplifying fare recovery requirements; authorizing funding of bicycle and pedestrian safety education programs; and modifying STA qualifying criteria for operations. The TDA section of the *Policies and Procedures Manual* should be updated to reflect these changes. NCTC should also communicate these changes to the transit systems and determine what implication, if any, the changes might have on their respective transit operations.

SB 508 rationalizes performance metrics, for example, by applying the same operating cost exemptions to both the farebox recovery ratio and the STA qualifying criteria. In addition, this bill clarifies a few terms that should help ensure expectations are applied uniformly to the transit operators. Highlights of the bill are summarized below.

Farebox Recovery

- Deletes the requirement for transit operators to maintain higher farebox requirements based on 1978–79 fiscal year.
- Revises definition of “local funds” to mean any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.
- Revises definition of “operating cost” to exclude principal and interest payments on capital projects funded with certificates of participation.
- Exempts startup costs for new transit services for up to two years.
- Exempts additional categories of expenditures from “operating cost” (cost increases above the Consumer Price Index for fuel, alternative fuel programs, power, insurance premiums and claims, and state and federal mandates).

Claims for Funds

- Authorizes the funding of bicycle and pedestrian safety education programs up to 5 percent of the 2 percent bicycle and pedestrian allocation found under Article 3 (PUC Section 99234(a)).

STA Qualifying Criteria for Operations

- Uses of a “sliding scale” to reduce the operator’s STA allocation for operations, rather than “pass/fail.”
- STA qualifying criteria requirement is exempt through fiscal year 2015–16.
- New “sliding scale” effective July 1, 2016.

2. Inform local jurisdictions of appropriate code for bicycle and pedestrian TDA claims.

NCTC adopted rules and regulations regarding pedestrian and bicycle funding and stated that the funds shall be allocated in accordance with requirements described in PUC Section 99234, Claims for Pedestrian and Bicycle Facilities. However, claims for such funds submitted by the local jurisdictions show an incorrect PUC reference. Rather than citing PUC 99234, the claims cite PUC 99400(a), which is used more appropriately for street and road claims of which there are none in Nevada County. As the TDA funds for nonmotorized projects by NCTC are allocated through the Article 3 process, the proper PUC reference should be used in the claim.

3. Insert into the TDA claim form a checklist of required submittals.

Claims for TDA funds are submitted by the local jurisdictions to NCTC which reviews the claims for completion prior to approving the funds. The TDA section of the *Policies and Procedures Manual* provides a list of the required documents that accompany the claim; however, the checklist itself is not in the claim to ensure all the documentation is included. NCTC should insert into the claim form a checklist of items below from the *Policies and Procedures Manual* that the claimants can use to check off applicable items that accompany the claim. This checklist will also assist NCTC in its review of the submitted claims.

According to the *Policies and Procedures Manual*, the supporting documents to be submitted with the LTF/STA operations claim form include:

1. A budget or proposed budget for the fiscal year of the claim. Also, a signed resolution by the board or council approving the budget or submission of the claim.
2. Statement identifying the reason or need for an increase in the operating budget in excess of 15 percent above the previous year.
3. Certification by CHP of compliance with Section 1808.1 of the California Vehicle Code, as required by PUC Section 99251.
4. Completed *Standard Assurances by Claimant*, as applicable.
5. Statement that the proposed expenditure is in conformity with the Regional Transportation Plan.
6. Statement of the estimated amount of maximum eligibility of LTF and STA funds per Section 6634(a). No operator or transit service claimant shall be eligible to receive monies during

the fiscal year for which the claim is filed for operating costs in an amount that exceeds its actual operating cost (including payments for disposition of claims arising out of the operator's liability) in the fiscal year, less the sum of the following amounts:

- a. The actual or estimated amount of fare revenues received during the current fiscal year.
 - b. The amount of fare revenues needed to achieve a fare recovery ratio of 10%.
 - c. The amount of federal operating assistance received or estimated to be received during the fiscal year.
 - d. The amount received or estimated to be received during the fiscal year from a city or county to which the operator provides service beyond its boundaries.
7. Statement signed by the chief financial officer of the claimant attesting to the statements above as reasonable and accurate.

Supporting documents to be submitted with the LTF/STA capital project(s) claim form include:

1. A budget or proposed budget for the fiscal year of the claim. Also, a signed resolution by the board or council approving the budget or submission of the claim.
2. Statement identifying the reason or need for an increase in the operating budget in excess of 15 percent above the previous year.
3. Certification by CHP of compliance with Section 1808.1 of the California Vehicle Code, as required by PUC Section 99251.
4. Completed *Standard Assurances by Claimant*, as applicable.
5. Statement that the proposed expenditure is in conformity with the Regional Transportation Plan.
6. Statement of the estimated amount of maximum eligibility of LTF and STA funds per Section 6634(c) and 6634(e). No operator or transit service claimant shall be eligible to receive TDA funds for capital projects in an amount that exceeds actual costs less the revenues for the same purposes from other funding sources.
7. Statement signed by the chief financial officer of the claimant attesting to the statements above as reasonable and accurate.

Supporting documents to be submitted for all Community Transit Systems (CTS) claims include:

1. Statement attesting that the agency is responding to a transportation need currently not being met in the community of the claimant.
2. Statement that the service shall be integrated with existing transit services, if appropriate.

3. Statement that the agency has prepared an estimate of revenues, operating costs, and patronage.
4. Statement attesting that the agency is in compliance with rural requirements set in the TDA for fare recovery ratio of 10 percent.
5. Statement that the agency is in compliance with PUC Sections 99155 and 99155.5.
6. Statement attesting that the agency has met with the other agencies eligible to claim CTS funds and all agree upon the amount of funds being requested.

Additional supporting documentation to be submitted with the CTS claim form for capital projects:

1. Statement of the estimated amount of maximum eligibility of TDA funds pursuant to Section 6634(e). No claimant is eligible to receive TDA funds in an amount that exceeds its actual expenditures for purchase of vehicles, communications, and data processing equipment essential to providing, consolidating, and coordinating social service transportation.

Additional documentation to be submitted with the CTS claim form for operations projects:

1. A budget or proposed budget for the fiscal year of the claim. Also, a signed resolution by the board or council approving the budget or submission of the claim.
2. Statement identifying the reason or need for an increase in the operating budget in excess of 15 percent above the previous year.
3. Certification by CHP of compliance with Section 1808.1 of the California Vehicle Code, as required by PUC Section 99251.
4. Completed *Standard Assurances by Claimant*, as applicable.
5. Statement that the proposed expenditure is in conformity with the Regional Transportation Plan.
6. Statement of the estimated amount of maximum eligibility. No operator or transit service claimant shall be eligible to receive monies during the fiscal year for which the claim is filed for operating costs in an amount that exceeds its actual operating cost (including payments for disposition of claims arising out of the operator's liability) in the fiscal year, less the sum of the following amounts:
 - a. The actual or estimated amount of fare revenues received during the current fiscal year.
 - b. The amount of fare revenues needed to achieve a fare recovery ratio of 10 percent.
 - c. The amount of federal operating assistance received or estimated to be received during the fiscal year.
 - d. The amount received or estimated to be received during the fiscal year from a city or county to which the operator provides service beyond its boundaries.

7. Statement signed by the chief financial officer of the claimant attesting to the statements above as reasonable and accurate.