



FINAL REPORT  
APRIL 2019

# Nevada County Transportation Commission

Triennial Performance Audits FY 15/16 - 17/18





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## Chapter 1

# Executive Summary

The Triennial Performance Audit of the Nevada County Transportation Commission (NCTC) covers a three-year period ending June 30, 2018. 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 2018, the NCTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the three 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 of the NCTC for the period defined as:

- Fiscal Year 2015/16,
- Fiscal Year 2016/17, and
- Fiscal Year 2017/18.

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 *Performance 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 one exception, the NCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. While NCTC's performance audit was submitted to Caltrans in 2016, NCTC did not certify that the operator audits had been completed.

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## Status of Prior Recommendations

The prior Triennial Performance Audit – completed in March 2016 by Moore & Associates, Inc., for the three fiscal years ending June 30, 2015 – included three recommendations:

1. [Update TDA guidelines in \*Policies and Procedures Manual\*.](#)  
**Status:** Implemented.
2. [Inform local jurisdictions of appropriate code for bicycle and pedestrian TDA claims.](#)  
**Status:** Implemented.
3. [Insert into the TDA claim form a checklist of required submittals.](#)  
**Status:** Implemented.

## Goal Setting and Strategic Planning

The primary regional planning document is the Regional Transportation Plan (RTP). Adopted on February 7, 2018, it is a 20-year blueprint that establishes a set of regional transportation goals, policies, and actions designed to guide development of Nevada County’s multimodal transportation systems. It effectively identifies, documents, and assesses transportation needs, including identifying anticipated air quality, economic, and financial challenges. Public outreach for the RTP recorded written feedback from state and local governments and the Nevada County Climate Change Coalition, with multiple opportunities and formats for public input provided throughout the RTP development process. The RTP set forth four primary goals supported by objectives, policies, performance measures, and performance standards.

## Findings and Recommendations

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

1. While NCTC’s performance audit was submitted to Caltrans in 2016, NCTC did not certify that the operator audits had been completed.

We also identified one additional functional finding. While this finding is not TDA compliance related, we believe it warrants inclusion within this review:

1. While transit operator productivity improvements are often considered as part of the TDA claims process, there is no formal written format for documenting improvements.

In completing this Triennial Performance Audit, we submit the following recommendations for the Nevada County Transportation Commission 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.



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Exhibit 1.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	NCTC should ensure it certifies in writing that performance audits of operators located in the area under its jurisdiction have been completed when submitting its own audit to Caltrans.	High	FY 2018/19
Functional Recommendations		Importance	Timeline
1	Incorporate forms that monitor productivity and assess the implementation status of TDA triennial performance audit recommendations as part of the TDA claims process.	Medium	FY 2019/20



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## Chapter 2

# Audit Scope and Methodology

The Triennial Performance Audit of the Nevada County Transportation Commission (NCTC) covers a three-year period ending June 30, 2018. 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 2018, the Nevada County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the three 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.

The Triennial Performance Audit is designed to be an independent and objective evaluation of NCTC as the designated RTPA for Nevada 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 funds.

We conducted this performance review 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 review objectives.

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

### Objectives

The 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 Triennial Performance Audit is intended to be a high-level review of performance evaluating the efficiency and effectiveness of the RTPA. The review of NCTC included five related tasks:



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1. Review of compliance with the TDA requirements and regulations.
2. Assess the implementation of recommendations presented in prior performance audits.
3. Analysis of NCTC'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 NCTC as the RTPA included extensive review of documents relevant to the scope of the review, as well as information contained on NCTC'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; and
- TDA and transit funding allocations to operators.

The methodology for this review also included interviews with key NCTC staff at its administrative offices (101 Providence Mine Road, Nevada City) on January 14, 2019. Staff interviewed during the site visit included Dan Landon (Executive Director) and Dale Sayles (Administrative Services Officer).

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. Scope and Methodology: Discussion of the review methodology and pertinent background information.
3. Audit Results: In-depth discussion of findings surrounding each of the subsequent elements of the review:
  - Compliance with statutory and regulatory requirements,
  - Progress in implementing prior recommendations,
  - Goal setting and strategic planning,
  - Functional review, and
  - Findings and recommendations.



## Chapter 3

# Program Compliance

This section examines the Nevada 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 NCTC staff as well as a physical 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 one exception, NCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. While NCTC's performance audit was submitted to Caltrans in 2016, NCTC did not certify that the operator audits had been completed.



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## Exhibit 3.1 Transportation 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	
<p>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.</p> <ul style="list-style-type: none"> <li>• A committee for the purpose of providing advice on productivity improvements may be formed.</li> <li>• 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.</li> </ul>	PUC 99244	In compliance	A review of operator productivity is included as part of the TDA claim process, but there is no formal written format for this.
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	<p><b>County:</b> FY 2015/16: February 2, 2017 FY 2016/17: February 20, 2018 FY 2017/18: February 22, 2019</p> <p><b>Truckee:</b> FY 2015/16: February 2, 2017 FY 2016/17: February 20, 2018 FY 2017/18: February 22, 2019</p> <p><i>90-day extensions were granted. NCTC has also withheld allocations pending completion of the fiscal audit to ensure unearned revenue can be appropriately returned or budgeted.</i></p>

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Compliance Element	Reference	Compliance	Comments
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 2015/16: February 2, 2017 FY 2016/17: February 20, 2018 FY 2017/18: February 20, 2019
The RTPA has submitted within seven months after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	In compliance	FY 2015/16: January 31, 2017 FY 2016/17: January 30, 2018 FY 2017/18: January 31, 2019  Effective January 1, 2016, the deadline for submittal of the RTPA's financial report to the State Controller was extended to seven months following the end of the fiscal year (January 31). This change was made for transit operators beginning with FY 2017 reporting.
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 operators 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	In compliance	NCTC retained Michael Baker International to prepare its FY 2013-2015 Triennial Performance Audits. Audits were adopted by the NCTC Board on May 18, 2016.  Moore & Associates was retained to prepare the FY 2016-2018 Triennial Performance Audits.
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	NCTC's performance audit was submitted via email to Caltrans on October 18, 2016. However, the email only addressed the RTPA audit and did not certify that the operator audits had been completed.

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Compliance Element	Reference	Compliance	Comments
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	Not applicable	The Town of Truckee received Article 8(c) funds but no alternative performance measures have been adopted (nor are they needed).
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 both urbanized and non-urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	Not applicable	The Policies and Procedures Manual does not include any rules and regulations as there are no urbanized areas in Nevada 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	In compliance	
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	
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	



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Compliance Element	Reference	Compliance	Comments
<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"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238;</li> <li>• Identified transit needs, including:                             <ul style="list-style-type: none"> <li>▪ Groups that are transit-dependent or transit-disadvantaged;</li> <li>▪ Adequacy of existing transit services to meet the needs of groups identified; and</li> <li>▪ Analysis of potential alternatives to provide transportation alternatives;</li> </ul> </li> <li>• Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”;</li> <li>• Identified the unmet transit needs and those needs that are reasonable to meet; and</li> <li>• 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.</li> </ul> <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>PUC 99401.5</p>	<p>In compliance</p>	<p>The Nevada County Transportation Commission (NCTC) allocates 100% of the Local Transportation Funding (LTF) that available for transit services to the transit operators and no LTF funding is used for streets and roads purposes. Therefore, NCTC is no longer required to complete the unmet transit needs analysis/finding and is only required to conduct an annual outreach process to gather input on unmet transit needs. This input is utilized by transit operators for their consideration and inclusion in transit planning.</p> <p>Flyers for the workshops are posted on buses and at bus shelters by the transit operator and flyers are distributed to stakeholders. For the Joint Unmet Transit Needs Workshop, PCTPA, TRPA, and the TNT-TMA also distribute flyers. Press releases are sent to the appropriate news/media outlets.</p>



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## Chapter 4

# Prior Recommendations

This section reviews and evaluates the implementation of the prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is to provide assurance Nevada County Transportation Commission has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior Triennial Performance Audit – completed in April 2016 by Michael Baker International for the three fiscal years ending June 30, 2015 – included three recommendations for NCTC:

1. [Update TDA guidelines in Policies and Procedures Manual.](#)

**Discussion:** The prior auditor noted that changes have occurred in relation to TDA and transit operations in Nevada County since last revision for the *Policies and Procedures Manual* in 2012. 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 modified several provisions of TDA. The recommendation stated the TDA section of the *Policies and Procedures Manual* should be updated to reflect these changes.

**Progress:** NCTC’s Policies and Procedures Manual was updated in July 2018. The Town of Truckee and County of Nevada are now named as claimants under the CTSA. The document also incorporates the changes arising from SB 508.

**Status:** Implemented.

2. [Inform local jurisdictions of appropriate code for bicycle and pedestrian TDA claims.](#)

**Discussion:** NCTC has 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, the prior audit noted claims for such funds submitted by the local jurisdictions show an incorrect PUC reference. Rather than citing PUC 99234, the claims cited 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 non-motorized projects by NCTC are allocated through the Article 3 process, the prior auditor recommended the proper PUC reference be used in the claim.

**Progress:** The Policies and Procedures Manual now cites the proper PUC code (99234) for Pedestrian and Bicycle TDA claims.

**Status:** Implemented.



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

**Discussion:** 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, at the time of the prior audit, the checklist itself was not in the claim to ensure all the documentation is included. The prior auditor recommended NCTC insert into the claim form a checklist of items from the Policies and Procedures Manual that the claimants can use to check off applicable items that accompany the claim.

**Progress:** NCTC staff stated the checklists are now included in the claim forms.

**Status:** Implemented.



## Chapter 5

# Goal Setting and Strategic Planning

This chapter analyzes Nevada County Transportation Commission's goal setting and strategic planning process.

The primary regional planning document is the Regional Transportation Plan (RTP). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The current Plan, which was adopted on February 7, 2018, spans a twenty-year horizon from 2015 through 2035. As NCTC is not an MPO, the RTP does not include the Sustainable Communities Strategy (SCS) component

The RTP includes four goals that guide the development of the transportation system and contribute to improving the quality of life in Nevada County. Each goal is supported by one or more objectives and policies, as well as performance measures. Goals and objectives, along with their associated performance measures, are listed below.

- Goal 1.0: Provide for the safe and efficient movement of all people, goods, and services on the roadway network.
  - Objective 1.A: Improve safety.
    - Performance measure: Number of collisions by mode.
  - Objective 1.B: Maintain levels of service adopted by local jurisdictions.
    - Performance measure: Peak hour level of service
- Goal 2.0: Create and maintain a comprehensive, multi-modal transportation system to serve the needs of the County.
  - Objective 2.A: Reduce dependence on the automobile by emphasizing transit, ridesharing, working from home, and pedestrian and bicycle travel.
    - Performance measure: Journey to work mode share.
  - Objective 2.B: Create bicycle, pedestrian, and transit networks that provide access and connections between key destinations including schools and commercial centers.
    - Performance measure: Percent of planned sidewalk network completed.
    - Performance measure: Percent of planned bicycle network completed.
    - Performance measure: Number of transit boardings.
  - Objective 2.C: Support safe aviation access at our airports.
    - Performance measure: Landings as a share of capacity.
    - Performance measure: Accidents and incidents.
- Goal 3.0: Reduce adverse impacts on the natural, social, cultural, and historical environment and the equality of life.
  - Objective 3.A: All projects in the RTP are consistent with management and conservation strategies of regional resources contained in the General Plans.
    - Performance measure: Check each project against applicable general plan policies.
  - Objective 3.B: Reduce regional emissions of criteria pollutants and greenhouse gases.



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- Performance measure: Greenhouse gas emissions.
- Performance measure: Ozone precursors.
- Goal 4.0: Develop an economically sustainable transportation system.
  - Objective 4.A: Minimize the capital and operating costs of all travel modes.
    - Performance measure: Pavement Condition Index.
    - Performance measure: Sidewalk condition by percent.
  - Objective 4.B: Balance farebox recovery with transit service.
    - Performance measure: Number of transit boardings.

NCTC has always functioned under the idea of the region achieving what its best potential is. Staff have stayed engaged at the state level to ensure they are responding properly as well as to remind Caltrans that it is not “one size fits all,” especially with respect to rural counties. NCTC actively participates in the Rural Counties Task Force, and its Deputy Executive Director has become known throughout the state with respect to SB 375 and its impact on rural counties and discussions of induced demand related to transportation modeling in rural counties.



## Chapter 6

# Functional Review

The Nevada County Transportation Commission (NCTC) is the Regional Transportation Planning Agency (RTPA) for Nevada County. NCTC is an association of city and county governments created to address regional transportation issues. Member agencies include the cities of Nevada City and Grass Valley, Town of Truckee, and County of Nevada.

The mission of the Nevada County Transportation Commission is as follows: “To plan, communicate, and coordinate with the citizens and decision makers of Grass Valley, Nevada City, Nevada County, and the Town of Truckee, and with Caltrans to identify transportation needs, propose solutions, and assist in implementing projects to create a balanced regional transportation system, while protecting the rural qualities and historic character of Nevada County.” As detailed in NCTC’s annual Overall Work Plan, NCTC undertakes the following activities to achieve its mission.

- Developing a Regional Transportation Plan (RTP),
- Interacting with the community through workshops, news media, the Internet, and a quarterly newsletter.
- Developing and adopting a Regional Transportation Improvement Plan that is consistent with the RTP.
- Conducting a comprehensive planning process in the development of its annual Overall Work Plan.
- Reviewing transportation plans and programs of member agencies and endorsing them based on consistency with the RTP and RTIP.
- Communicating and participating in workshops with Caltrans on proposed projects in the County of Nevada.
- Coordinating with regional transportation planning agencies on legislation and statewide policy issues.
- Participating in interregional planning projects.
- Administering TDA funds to ensure all statutory requirements are met.
- Managing Regional Surface Transportation Program funds and Regional Improvement Program funds in accordance with Federal acts and statutes.

A functional review of the Nevada 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.



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## Administration and Management

NCTC is governed by a Board of Directors comprised of one appointed representative from each of the three municipalities in Nevada County, two Nevada County supervisors, and two County at-large representatives appointed by the County Board of Supervisors. The Board meets on the third Wednesday of every other month at 9:30 a.m., with most Board members in attendance at each meeting. Regular meetings are held primarily at the Board of Supervisors Chambers at 950 Maidu Avenue in Nevada City, with some meetings held at the Town of Truckee Council Chambers at 10183 Truckee Airport Road in Truckee. Teleconference participation for meetings held in Nevada City is available at the District 5 Board of Supervisors Conference Room at 10879A Donner Pass Road in Truckee. All meetings are open to the public. The NCTC offices and Nevada County Government Center are accessible via Gold Country Stage Route 1.

In 2010, NCTC was designated as the Airport Land Use Commission (ALUC) for the Nevada County Airport, which meets during regular NCTC meetings. NCTC also sponsors two advisory bodies: the Technical Advisory Committee (TAC) and the Social Services Transportation Advisory Council (SSTAC).

- The TAC is comprised of representatives of public transit operators, local public works and planning departments, public airport operators, the air pollution control district, and Caltrans. The TAC provides the NCTC Board with technical input on transportation and coordination issues.
- The SSTAC is made up of potential transit users who are representatives of the general public, seniors, and disabled; social service providers for seniors, disabled, and persons of limited means; social service and consolidated transportation providers; and Truckee residents representing the senior and Hispanic communities. The SSTAC recommends actions to the NCTC Board relative to unmet transit needs findings and other transit issues.

In addition, NCTC participates in other organizations that focus on transportation as well as other regional topics such as economic development, workforce, planning, and policy making. These include:

- Nevada County Economic Resource Council (NCERC),
- Western Nevada County Conformity Working Group,
- Rural Counties Task Force (RCTF),
- California Association for Coordinated Transportation (CalACT),
- Truckee-North Tahoe Transportation Management Association (TNT/TMA), and
- North State Super Region (NSSR).

NCTC Board members during the audit period included the following:

- Terri Andersen, Nevada City (2015)
- Jan Arbuckle, Grass Valley (2017)
- Nate Beason, County Supervisor (2015-2017)
- Andrew Burton, County At-Large (2018)
- Carolyn Wallace Dee, Truckee (2015-2017)
- Jason Fouyer, Grass Valley (2015-2016)
- Ann Guerra, County At-Large (2015-2017)
- Larry Jostes, County At-Large (2015-2017)



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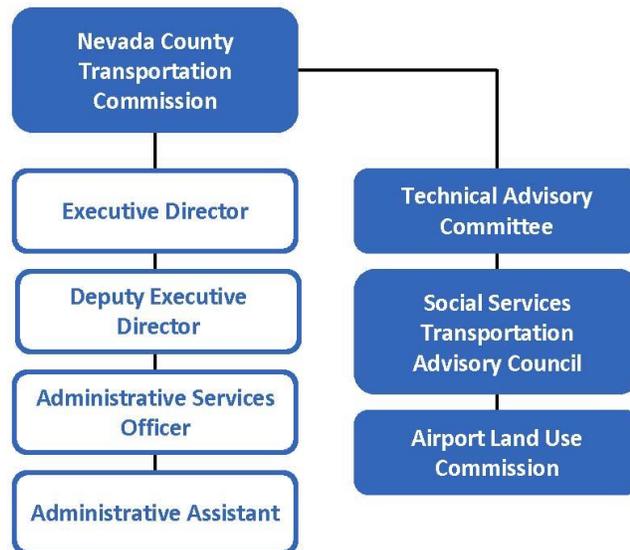
- Dan Miller, County Supervisor (2017)
- Valerie Moberg, Nevada City (2016-2017)
- Ed Scofield, County Supervisor (2015-2017)

Reporting directly to the NCTC board is the Executive Director, who oversees a staff of three. This staffing level is adequate to meet all responsibilities. Staff turnover is extremely low, and all staff receive an annual evaluation. Full-time employees receive a benefits package inclusive of health, dental, and vision insurance; retirement contributions; and disability benefits. Staff also receives appropriate training for individual positions.

The Executive Director's current contract expires in 2023, at which time he plans to retire.

An organizational chart is presented as Exhibit 6.1.

Exhibit 6.1 Organizational Chart



Source: Nevada County Transportation Commission.

As the RTPA, the NCTC processes TDA claims in an accurate and timely manner. Operators are generally satisfied with NCTC's efficiency and effectiveness.

## Transportation Planning and Regional Controls

The primary regional planning document is the Regional Transportation Plan (RTP). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The current Plan, which was adopted on February 7, 2018, spans a twenty-year horizon from 2015 through 2035. The Policy Element reviews existing plans; climate change and greenhouse gas emissions; public outreach; statewide, regional, and local issues; and goals, objectives, and policies. The Action Element addresses the roadway network, public transit, bicycle and pedestrian facilities, aviation, railroad facilities, goods movement, Intelligent Transportation Systems (ITS), Transportation Systems Management (TSM), air quality and greenhouse gases, and the Transportation Safety and Security Action Plan. Finally, the Financial Element estimates revenues, identifies funding programs, compares projected expenditures

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and revenues, and explores potential new revenues to address funding shortfalls. As NCTC is not an MPO, the RTP does not include the Sustainable Communities Strategy (SCS) component.

The RTP is a 20-year blueprint that establishes a set of regional transportation goals, policies, and actions designed to guide development of Nevada County's multimodal transportation systems. It effectively identifies, documents, and assesses transportation needs, including identifying anticipated air quality, economic, and financial challenges. Public outreach for the RTP recorded written feedback from state and local governments and the Nevada County Climate Change Coalition, with multiple opportunities and formats for public input provided throughout the RTP development process. Public outreach efforts in support of the RTP included the following:

- Government participation:
  - Nevada County Transportation Commission,
  - NCTC Technical Advisory Committee,
  - Transit Services Commission,
  - Western Nevada County Conformity Working Group, and
  - Notices to the US Forest Services and Bureau of Land Management.
- Citizen outreach:
  - Three public outreach events,
  - Project website,
  - Online survey,
  - Copies of draft RTP made available at public libraries,
  - Press releases,
  - Public hearings,
  - Notice of the draft RTP sent to local environmental, business, and freight organizations, and
  - Social Services Transportation Advisory Council (SSTAC).

NCTC utilizes a consultant to prepare its RTP. The current RTP focuses on performance management, while the next update will look at performance monitoring. NCTC also utilizes a consultant to conduct its traffic modeling. It provides this information to operators and other government agencies.

NCTC administers the Regional Transportation Mitigation Fee (RTMF) Program, which sets regional fees to mitigate the expense of improving roadways affected by new development or expansion of existing commercial or residential structures. The RTMF program is a cooperative agreement between the cities of Grass Valley, Nevada City, and the County of Nevada. Fee assessments are tied directly to the traffic generated by specific projects. Use of funds generated by the RTMF is governed by the RTMF Capital Improvement Program, which was adopted by NCTC and includes projects through 2030.

## Claimant Relationships and Oversight

Though NCTC does not have a productivity committee, NCTC staff review transit productivity through the Transit Services Commission (TSC) and the TDA claims process. While the Transit Services Commission is a function of Nevada County, it is comprised of many of the same members as the NCTC Board. The TSC meets on the same day as the NCTC Board and is responsible for oversight of transit services in the western portion of the county. The committee meets bimonthly, as does the NCTC Board.



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The SSTAC does not serve as a productivity committee, as it only looks at transit productivity in a broad sense as it relates to transit needs.

NCTC makes technical and managerial assistance available to operators, generally by providing funds for a consultant. Currently underway is a transit funding equity study for Nevada County, which was based on a request by the Town of Truckee. As a resort community, Truckee generates approximately one-third of the county's sales tax revenue, but only receives LTF based on population. The purpose of the study is to look at equity and address the Town's concern that it is not getting a fair share.

NCTC processes TDA claims consistent with its own rules and in a timely manner. It has not had to withhold funding because of farebox recovery ratio requirements, but there have been issues with unearned revenue, which must be either returned or budgeted in the next fiscal year as identified by the fiscal auditor. For the current year, payment of allocations was suspended until the fiscal audit could be completed to determine the amount of unearned revenue.

NCTC handles the contract for the annual TDA fiscal audit for the operators. It typically grants 90-day extensions, as the audits are rarely completed within six months of the end of the fiscal year.

## Marketing and Transportation Alternatives

NCTC does not provide a regional marketing program. Many years ago, the RTPA contracted with a third-party marketing consultant, but the operators now handle their own marketing.

Surveys are conducted as part of regular Transit Development Plans, which are prepared by a consultant every five years. The most recent TDP for the western portion of the county was completed in April 2016, while the TDP for the eastern portion of the county was completed in March 2018. The western county TDP surveyed 218 Gold Country Stage and 11 Gold Country LIFT customers in April and May 2015. The eastern county TDP surveyed 22 Truckee TART fixed-route customers and ten Dial-A-Ride customers in March 2017.

NCTC, with the assistance of a consultant, is currently developing an Active Transportation Plan, which builds on prior pedestrian and bicycle plans.

## Grant Applications and Management

NCTC reviews and coordinates grant applications by operators to ensure operators are receiving the money they are entitled to. Most operators prepare their own grant applications. The RTPA is satisfied with the quality of grant applications that are being submitted. The small staff of the RTPA and operators does not impact their ability to apply for and manage grants.



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## Chapter 7

# Findings and Recommendations

### Conclusions

With one exception, we find Nevada 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 findings and the recommendations for their resolution are detailed below.

### Findings and Recommendations

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

1. While NCTC's performance audit was submitted to Caltrans in 2016, NCTC did not certify that the operator audits had been completed.

We also identified one additional functional finding. While this finding is not TDA compliance related, we believe it warrants inclusion within this review:

1. While transit operator productivity improvements are often considered as part of the TDA claims process, there is no formal written format for documenting improvements.

In completing this Triennial Performance Audit, we submit the following findings and recommendations for the Nevada County Transportation Commission. They have been divided into two categories: TDA Program Compliance Findings and Recommendations and Functional Findings and Recommendations. TDA Program Compliance Findings and Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Findings and Recommendations address issues identified during the TPA 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: While NCTC's performance audit was submitted to Caltrans in 2016, NCTC did not certify that the operator audits had been completed.**

**Criteria:** PUC 99246(c) requires the RTPA to submit a copy of its own Triennial Performance Audit to the director of Caltrans, as well as certify in writing that performance audits of operators to which it allocates TDA funding have been completed.

**Condition:** Following the prior Triennial Performance Audit, NCTC submitted its final audit report to Caltrans on October 12, 2016, upon receipt of an inquiry from Josh Pulverman stating he had yet to receive the report. This submittal fulfilled the first half of the PUC requirement. However, the accompanying email did not certify that the operator audits had been completed.

**Cause:** A lack of knowledge regarding this requirement is a possible cause for the finding.

**Effect:** Failure to fulfill this requirement places the RTPA out of compliance with the TDA.



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**Recommendation:** NCTC should ensure it certifies in writing that performance audits of operators located in the area under its jurisdiction have been completed when submitting its own audit to Caltrans.

**Recommended Action(s):** Upon completion of the current Triennial Performance Audits, NCTC should submit in writing confirmation that performance audits of operators located in the area under its jurisdiction have been completed, as well as submit its own Triennial Performance Audit to Caltrans. A sample letter written on behalf of NCTC is included as Exhibit 7.2 and provided as an editable document separately.

**Timeline:** FY 2018/19.

**Anticipated Cost:** None.

**Functional Finding 1: While transit operator productivity improvements are often considered as part of the TDA claims process, there is no formal written format for documenting improvements.**

**Criteria:** PUC 99244 requires the RTPA to annually recommend potential productivity improvements for transit operators, either via a productivity committee or another means.

**Condition:** NCTC currently reviews productivity improvements informally as part of the TDA claims process or via the County's Transit Services Commission, but does not have a formal written process for submitting performance data and status on the progress of triennial performance audit recommendations.

**Cause:** While NCTC is in compliance with PUC 99244, it can do more to help operators with their productivity and compliance by following up regularly regarding productivity and recommendations.

**Effect:** Recommendations that remain relevant but have not been implemented by the next triennial performance audit will likely be carried forward as findings in that audit. Decreasing productivity should be documented and addressed before it becomes a significant issue.

**Recommendation:** Incorporate forms that monitor productivity and assess the implementation status of TDA triennial performance audit recommendations as part of the TDA claims process.

**Recommended Action(s):** Include additional pages to the TDA claim for operators to provide performance data and indicate the implementation status of recommendations from the triennial performance audit. Samples of such forms are provided in Exhibit 7.3 and 7.4. Editable versions will be provided to NCTC upon request.

**Timeline:** FY 2019/20.

**Anticipated Cost:** Negligible.



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Exhibit 7.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	NCTC should ensure it certifies in writing that performance audits of operators located in the area under its jurisdiction have been completed when submitting its own audit to Caltrans.	High	FY 2018/19
Functional Recommendations		Importance	Timeline
1	Incorporate forms that monitor productivity and assess the implementation status of TDA triennial performance audit recommendations as part of the TDA claims process.	Medium	FY 2019/20



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## Exhibit 7.2 Sample Audit Certification Letter

June 30, 2019

Mr. Joshua Pulverman  
Senior Specialist  
Department of Transportation  
Division of Mass Transportation, MS #39  
P.O. Box 942874  
Sacramento, CA 94274-0001

***Re: Submission of TDA Triennial Performance Audits for FY 2015/16 through FY 2017/18 within the jurisdiction of the Nevada County Transportation Commission.***

Dear Mr. Pulverman:

Pursuant to California Public Utilities Code Section 99246, Moore & Associates, Inc. was designated to conduct Triennial Performance Audits of the Nevada County Transportation Commission (NCTC) (as RTPA) and all recipients of TDA funding within NCTC's jurisdiction.

Per California Code of Regulations Section 6663(b), the purpose of this letter is to submit the Triennial Performance Audit of NCTC (as the RTPA) and certify that performance audits of the operators under its jurisdiction due this fiscal year have been completed. Those performance audits include the following operators:

- County of Nevada (Gold Country Stage and Gold Country LIFT), and
- Town of Truckee.

Per CCR 6663(b)(2), all reports are available to the public pursuant to the California Public Records Act. Should you have any questions, please do not hesitate to contact me at (530) 265-3202 or [dlandon@nccn.net](mailto:dlandon@nccn.net).

Sincerely,

Dan Landon  
Executive Director

Enclosure: Triennial Performance Audit, Nevada County Transportation Commission as the RTPA.

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## Exhibit 7.3 Sample Form for Recommendation Follow-up

### Progress Report on NCTC / Triennial Performance Audit Productivity Recommendations

Recommendation	Implementation Status



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## Exhibit 7.4 Sample Form for Operating Data

OPERATOR PERFORMANCE TABLE		
Performance Indicator		Comments
1	Operating Cost/Passenger Trip	
2	Operating Cost/Service Hour	
3	Passengers/Service Hour	
4	Passengers/Service Mile	
5	Service Hours/Employee	
6	Farebox Ratio	

