



FY 2014—2016 TRIENNIAL PERFORMANCE AUDIT OF IMPERIAL COUNTY TRANSPORTATION COMMISSION

SUBMITTED TO:

Imperial County Transportation Commission

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SUBMITTED BY:

Michael Baker
INTERNATIONAL

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Executive Summary

The Imperial County Transportation Commission (ICTC) retained Michael Baker International (Michael Baker) to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2013–2014 through 2015–2016. ICTC 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. TDA funds are expended for ICTC administration and planning of public transportation, and distribution for operations of public transit systems and bicycle and pedestrian projects.

This performance audit is intended to describe how well ICTC is meeting its administrative and planning obligations under the TDA, as well as its organizational management and efficiency as a regional transportation entity. To gather information for the TDA performance audit, Michael Baker undertook several efforts including conducting interviews with ICTC Board members and stakeholders that participate on ICTC’s committees, as well as with agency staff and the transit operators. Michael Baker also reviewed various documents pertaining to the agency’s activities over the last three years and evaluated ICTC’s responsibilities, functions, and performance of the TDA guidelines and regulations.

Below is a summary of the findings from the analysis:

1. ICTC accomplished many tasks to promote transportation system improvement and has built good relationships with key partners while maintaining ongoing communication with its member local jurisdictions. ICTC takes a regional approach to planning, programming and delivery of service, and compliance with increased mandates.
2. ICTC has satisfactorily complied with all state legislative mandates listed in the Performance Audit Guidebook for Regional Transportation Planning Agencies. ICTC has improved upon compliance compared to the prior audit period by maintaining on file a written certification to Caltrans that the performance audits have been completed, including for non-Article 4 transit services. ICTC is compliant with the TDA provision which limits allocations up to 3 percent of annual LTF revenues for transportation planning and programming.
3. Of the five prior audit recommendations, three have been fully implemented, and two are carried forward for implementation. The recommendations not yet implemented pertain to applying qualifying criteria to use State Transit Assistance funds for operations, and simplifying the TDA claims forms and updating the TDA manual.
4. Staffing levels have been augmented in recent years in order to meet the demands and expanded responsibilities of a multidisciplinary transportation planning agency. For the audit period, each fiscal year’s budget proposed staffing of seven full-time positions. A new

Mobility Coordinator position was created from a grant award in the latter half of FY 2015-16, increasing staff to eight.

5. Stakeholders that were interviewed for this audit, including ICTC Commissioners, and public agency staff and citizens who serve on an ICTC committee, were overall satisfied with ICTC's activities, responsiveness, and direction toward regionalism. Its independence as an agency improved the perception of serving all member jurisdictions in a fair manner, and ICTC embraces the spirit of cooperation and inclusive participation among the members. In part as a consequence of strong confidence with staff recommendations on projects, detailed Commission discussion on some projects have been kept minimal prior to voting. Also, some concern was expressed about the length of meetings and whether a greater synopsis of agenda materials could be provided.
6. Due to the nature of rotation in membership on the board and committees, ICTC staff face the challenge of orienting new members on a fairly regular basis about the agency. Many interviewees expressed that the orientation process has not been standardized, with some receiving one-on-one consultation from staff, while others have had to learn on their own. ICTC retains an open door for a new or existing member to consult with staff and to become more familiar with the agency; however, a standard orientation process might be warranted.
7. Work done by ICTC over the past years follow the Overall Work Program that draws upon current needs and projected growth while acting on outcomes from previous Board strategic workshops. Several of these priorities, such as the consolidation of fractured transportation services, building administrative capacity, and advocacy and exposure through the General Assembly and Economic Summit, were achieved during the audit period while regional transportation planning functions continue to strengthen.
8. As one of the strategic plan priorities, ICTC began a process of transit service consolidation in FY 2013-14. ICTC's member agencies were interested in determining if greater efficiencies, better compliance with regulations and cost reductions could be achieved through the consolidation of services under one turnkey contractor with one administering agency.
9. ICTC and SCAG work in partnership with each of the cities and the county agencies to implement the strategies and projects identified in the Regional Transportation Plan. ICTC, in participation with Caltrans and SCAG, completed the scope of work for a comprehensive update of the Imperial County Long Range Transportation Plan.
10. ICTC continues to conduct the annual unmet transit needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). ICTC staff educate Commissioners and other stakeholders of the unmet needs hearings that have

resulted in greater awareness and reception of the outcomes by the ICTC. Significant effort is made to increase public communication by providing bilingual information.

11. Performance monitoring of the ICTC-administered transit services are conducted through quarterly meetings between ICTC and First Transit at ICTC offices. A sample full agenda packet shows detailed performance analysis for each system with tables and line graphs highlighting trends in operations and budget. These meetings and detailed analysis help ICTC meet compliance with the TDA requirement to make productivity improvements.
12. ICTC staff acting as the transit administrator for IVT provide assistance in the planning and programming of state and federal transit grants. These funds have been programmed for regional transit services, bus vehicle procurement, development of bus transfer terminals, and bus stop improvements.

Five recommendations are provided based on our assessment of ICTC's administration and management. Each recommendation is described in detail in the last chapter of this audit. These recommendations are summarized as follows:

1. Apply new statutory provisions to TDA performance measures.

ICTC is required to track performance measures of the transit systems for TDA funding eligibility. A few changes have occurred in relation to the computation of these measures. Legislation (SB 508) passed in October 2015 significantly modified several provisions of the TDA, including simplifying fare recovery requirements, authorizing funding of bicycle and pedestrian safety education programs, and modifying STA qualifying criteria for operations.

Highlights of the bill applicable to ICTC include the revision of "local funds" in farebox recovery to mean any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator; authorization of funding bicycle *and pedestrian* [italics added for emphasis] safety education programs found under Article 3; and use of a "sliding scale" to adjust a transit operator's STA allocation for operations, rather than "pass/fail".

2. Implement the State Transit Assistance Qualifying Criteria Test.

Before STA funds can be used for transit operations, ICTC must conduct a test to determine the operator's year-over-year growth in cost per revenue hour or average three-year change. With the enactment of state legislation (SB 508) reinstating the test, the Commission should apply the qualifying criteria. Currently, ICTC allocates all STA funds for operations of IVT Access for required ADA paratransit service. While the statute allows exclusions of cost increases beyond the change in the Consumer Price Index for comparable complementary paratransit, ICTC should conduct the test as a measure of statutory compliance when STA is used for transit operational expense. ICTC could request that the IVT fiscal auditor conduct the verification as part of the annual fiscal and compliance audit.

3. Revise timeline of transit operator State Controller Report submittals.

New state legislation was passed (AB 1113 - Bloom) on July 21, 2017 that changes the timeline to submit the annual Transit Operators Financial Transaction Reports to the State Controller. These reports that ICTC prepares for its general public fixed route and specialized service dial-a-ride systems have extended submittal dates from within 110 days after fiscal year end to 7 months after fiscal year end, or end of January. This is an extension of about 100 days. In addition, with the change in dates, these reports are required to contain underlying data from audited financial statements. This means the State Controller Reports must contain audited financial data drawn from the annual transit operator fiscal audits which are due 180 days, or 6 months, after fiscal year end.

ICTC should also notify other transit operators of this date change including the Quechan Indian Tribe which prepares the State Controller Reports for YCAT Routes 5 and 10.

4. Revise the TDA claims forms and manual.

ICTC staff have found the TDA claims forms which have not been updated since 2006 to be complex relative to the claims being made and the information that is required. The revised claims forms should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. The 2006 TDA Guidebook should be updated to reflect new statutory provisions, farebox recovery, and instructions for completing the claims.

5. Formalize orientation process for new Board and committee members.

Due to the nature of rotation in membership on the ICTC board and committees, ICTC staff face the challenge of orienting new members on a fairly regular basis about the agency. Many interviewees for the audit expressed that the orientation process has not been standardized. ICTC retains an open door for a new or existing member to consult with staff and to become more familiar with the agency; however, a standard orientation process might be warranted. This could include an annual conversation during a board and committee meeting at the beginning of the year on the purpose and ground rules of the board/committees, and development and distribution of a user friendly handout on the agency's workings. The existing ICTC Overall Work Program and Budget serves some capacity and has materials for the handout, and could be leveraged in the formulation of a standalone orientation piece. Other prior presentations on an overview about ICTC could also be used for orientation materials.

Section I

Introduction – Initial Review of ICTC Functions

The Imperial County Transportation Commission (ICTC) retained Michael Baker International (Michael Baker) to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2013–2014 through 2015–2016. ICTC 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 ICTC is meeting its administrative and planning obligations under the act.

Overview of Imperial County and ICTC

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border to the south, Riverside County to the north, San Diego County to the west, and Arizona and the Colorado River to the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet above sea level at Blue Angel Peak. The county's geographical land area encompasses 4,176 square miles and is traversed by 2,555 miles of roadway. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115. A demographic snapshot of key cities and the county is presented below in Table I-1.

**Table I-1
Imperial County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 years & older %	2017 Department of Finance Estimates	Land area (in square miles)
Brawley	24,953	+13.1%	10.05%	26,928	7.68
Calexico	38,572	+42.5%	11.43%	40,921	8.39
Calipatria	7,705	+5.7%	4.65%	7,555	3.72
El Centro	42,598	+11.4%	10.70%	45,628	11.08
Holtville	5,939	+5.8%	12.26%	6,255	1.15
Imperial	14,758	+91.8%	6.48%	18,658	5.86
Westmorland	2,225	+3.4%	11.24%	2,302	0.59
Unincorporated Area	37,778	+17.1%	11.62%	40,087	4,146.53
Total Imperial County	174,528	+22.6%	10.40%	188,334	4,176.60

Source: 2010 U.S. Census, California Department of Finance, 2017 Population Estimates

The city of El Centro is the county seat and the largest city in Imperial County. The county and its incorporated cities saw notable growth between the 2000 and 2010 US Census, in particular in the cities of Calexico and Imperial. The senior citizen population, comprising residents aged 65 and over, is 10.4 percent countywide. The 2017 population for Imperial County is estimated to be 188,334 as reported by the California Department of Finance. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

Based on 2016 Bureau of Transportation Statistics data, more than 4.5 million people (by motor vehicle and on foot) crossed into the United States from Mexico through the US Customs and Border Protection Agency's two busiest land ports of entry between Imperial County and Mexicali: Mexico at Calexico West/Mexicali I and Calexico East/Mexicali II.

Legislation creating the Imperial County Transportation Commission (ICTC), an independent agency, became effective January 1, 2010. Senate Bill (SB) 607 (Ducheny) was passed and chaptered by the Secretary of State on August 6, 2009. The legislation added Division 12.8 (commencing with Section 132800) to the Public Utilities Code establishing ICTC's general provisions and creation of the Commission, administration, and powers and functions. ICTC is an independent subregional entity of the Southern California Association of Governments (SCAG). A resolution recognizing the new agency was passed and adopted on March 24, 2010, by an affirmative vote of a majority of the members of the board.

The resolution also approved the Local Transportation Authority's (LTA) request for ICTC to accept the responsibilities of administration of the LTA program of Measure D sales tax transportation funds. Previously, these responsibilities were managed by the County of Imperial's Public Works Department. Following approval of the resolution, the LTA and ICTC Boards directed staff to initiate all necessary steps toward implementing this transfer of responsibilities effective July 1, 2010. These responsibilities include but are not limited to providing staff support to the LTA Board and administration of the LTA funds. Language in the LTA ordinance allows the use of 2 percent of the funding for transit services for seniors. The LTA took action on May 26, 2010, authorizing the use of these funds for local transit services.

As established under SB 607, the ICTC Board is currently composed of ten voting members and one non-voting member. The voting members include two members of the Imperial County Board of Supervisors, one member from each incorporated city (seven) within Imperial County who is the mayor of the city or a member of its city council, and one member of the Board of Directors of the Imperial Irrigation District. The non-voting member is appointed by the Governor representing Caltrans.

On November 13, 2014, the California Vanpool Authority (CalVans) approved ICTC as an official member. ICTC has been a de facto partner for the past few years as vanpools have moved to the region for winter work. CalVans staff has an office in El Centro to oversee the project. There are 47 vanpools that operate in Imperial and another 60 in Yuma.

In its capacity as a Regional Transportation Planning Agency (RTPA) for TDA administration, ICTC administers and allocates TDA revenues to eligible claimants, including transit operators and local jurisdictions for bicycle and pedestrian projects. Among its planning responsibilities, ICTC is required to develop and approve a five-year transportation improvement program as well as a short-range transit plan. In addition, ICTC plans and programs local and regional transportation projects for funding and coordination with SCAG's regional programs.

ICTC's TDA appropriations for administration of the program and planning during the fiscal years addressed by this audit ranged from \$827,350 in FY 2013–14, to \$558,337 in FY 2014–15, to \$1,038,744 in FY 2015–16.¹ Regional transit planning continues to be a significant part of the ICTC work program including development and implementation of transit consolidation and unified branding, intracity transit circulators, reduction of bus headways, and transition to an ultra-low sulfur diesel fuel fleet.

Role and Structure of ICTC

As an independent county transportation commission, ICTC member agencies are enabled to exercise basic initiative and leadership in the transportation planning and programming process. ICTC guides the following:

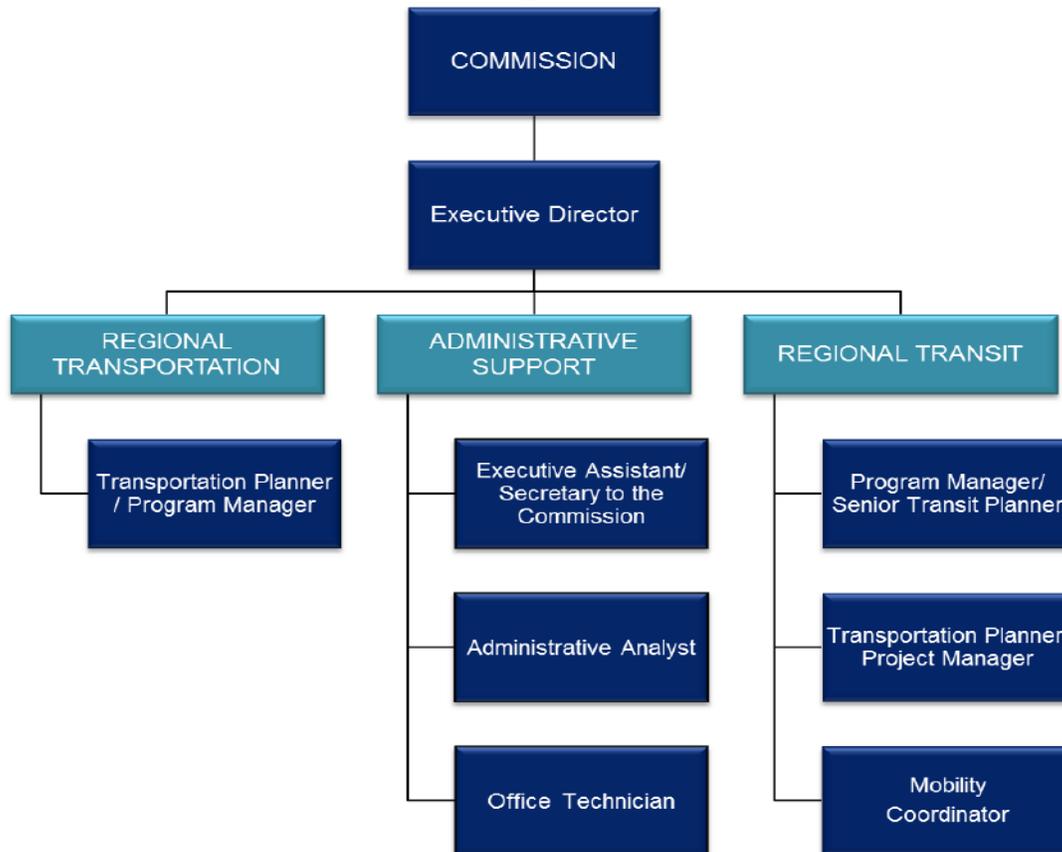
- Development of the Long-Range Transportation Plan Update for Imperial County
- Development of the Short Range Transit Plan that guides transit investment
- Development of regional, state, and federal transportation improvement programs (TIPs) and their updates
- Provision of liaison services with external agencies such as SCAG and Caltrans for planning, programming, and funding
- Approval of the allocation of and claims for Transportation Development Act funds
- Provision for the distribution and oversight of Local Transportation Fund monies
- Preparation and submission of applications for state and federal transportation-related funds
- Coordination with the local jurisdictions on transportation-related issues
- Provision of the planning, programming, and administration of regional transit services
- Encouragement of active citizen participation in the development and implementation of various transportation-related plans and programs
- Designation of ICTC as the Consolidation Transportation Services Agency for the county

¹ Annual Disbursement Schedule

- ADA certification and mobility coordination including public outreach and coordination with Imperial Valley’s transit operator, social service and medical service providers
- Monitoring of transit performance standards

During the audit period, the ICTC Overall Work Plan and Budget reflect staffing of eight full-time positions to manage the agency’s programs and services. The full-time positions include one office technician, one Executive Assistant/Secretary to the Commission, one administrative analyst, three transportation/transit planner positions from entry level to senior level in classifications (responsible for: Regional Transportation Planning; Regional Transit Planning; and Transit Service Administration), and the Executive Director. Toward the end of the audit period, ICTC filled the position of Mobility Coordinator, which is tasked with public outreach for IVT ACCESS and IVT RIDE services and administration of the eligibility and certification process for senior citizens and persons with disabilities as defined under the Americans with Disabilities Act (ADA) of 1990. This position interacts on a daily basis with members of the public interested and in need of transit services, social service agencies and transit advocates, provides coordination for mobility training and conducts training and public outreach. The following organization chart shows the staffing positions and structure.

Figure I-1 Staff Organizational Structure



Source: ICTC OWP and Budget

To encourage regional and public participation in the development of ICTC's policies and priorities, staff provides support to standing regional committees, described below.

Management Committee: The purpose of the Management Committee is to serve as a policy advisory to the Board. Membership of the Management Committee includes two members from the County of Imperial and one member from each member city or agency including city managers, chief executive officers, general managers, or their designated representative. The Management Committee meets the 2nd Wednesday of each month.

Social Services Transportation Advisory Council (SSTAC): The SSTAC is statutorily created (PUC Section 99238) to serve a broad representation of youth, students, elderly, disabled persons, persons of limited means, social service agencies, the transit dependent, and transit providers. The three tenets of the SSTAC are to participate in the identification of transit needs; review and recommend action; and provide advice and technical recommendations. The SSTAC meets the 1st Wednesday of every month.

ICTC Technical Advisory Committee (TAC): The TAC is composed of planning and public works department representatives from each member agency and a representative from the Imperial Irrigation District. The purpose of the TAC is to coordinate the plans and development of regional transportation improvement program of projects, transportation planning programs, and transportation funding programs. The TAC meets the 4th Thursday of each month.

ICTC has the option of convening special purpose committees as the need arises. These include the Americans with Disabilities Act Advisory Committee and the Imperial-Mexicali Binational Alliance:

Americans with Disabilities Act Advisory Committee (ADAAC):

Created at the direction of ICTC, the ADAAC meets on an as needed basis. Its membership is composed of SSTAC members and includes individuals and agencies who are or provide services to the disabled community. It meets to review and comment on issues related to transit:

- Whereby a transit complaint has been filed by a person with disabilities that requires independent review;
- Where an appeal is filed under the ADA certification and eligibility process for IVT ACCESS services; and
- When a public agency requests input/comments from the disabled community on transit service changes.

Imperial-Mexicali Binational Alliance:

In partnership with the Imperial Valley Economic Development Corporation (EDC) and the Mexicali EDC (CDEM), ICTC is the designated co-lead to implement the Imperial-Mexicali Binational Alliance (IMBA). The goals of the IMBA are focused on cross-border transportation, infrastructure, economic development and environmental issues. The focus is on trying to implement short-term, low-cost improvements, if possible, and to have consensus of priorities for issues and specific improvements. In addition to the aforementioned lead agencies, other participants include other business and governmental stakeholders. The IMBA generally meets on the 2nd Tuesday of the month on a bi-monthly basis and rotates between Imperial County and Mexicali.

An organization chart of ICTC and its standing committees, drawn from the Overall Work Program and Budget, is shown in the following figure.

Figure I-2 ICTC Committee Structure



Source: ICTC OWP and Budget

Transit Operators

ICTC approves TDA fund claims for and monitors public transportation systems in the county. Each of the transit services in ICTC’s jurisdiction is currently operated on a contract basis. Public transportation in Imperial County is administered by ICTC and operated by several contract providers (during the audit period) under several branded services. Separate performance audits of the public transit systems are provided under separate cover. Each service is described briefly below (adapted from the OWP), and are separated between regional public transit services and individual agency services.

Regional Public Transit Services

Imperial Valley Transit (IVT): IVT is an intercity fixed-route bus system, subsidized and administered by ICTC and operated by First Transit, Inc., a private for-profit service. The service uses a fleet of vehicles ranging from 40-foot clean diesel low emission-powered buses to smaller cutaway buses. Expanded service is provided from 6:00 AM until approximately 11:00 PM weekdays while Imperial Valley College is in session, 6:00 AM to 8:30 PM on Saturdays, and 7:00 AM until about 5:00 PM on Sundays within the areas classified as the Primary Zone (a north-south axis throughout Brawley, Imperial, El Centro, Heber, and Calexico). Service is provided from 6:00 AM until approximately 6:00 PM in the Secondary Zone (communities of Niland, Calipatria, Westmorland, Seeley, and Holtville) on weekdays, with limited weekend service available. The outlying Remote Zone communities are served once a week on a lifeline basis (including the east and west sides of the Salton Sea, Desert Shores, Salton City, Salton Sea Beach, Bombay Beach and Slab City).

Imperial Valley Transit – Blue/Green/Gold Lines: This transit system is an extension of IVT. The intra-city system operates utilizing smaller buses and connects to the public facilities and services that are not currently served by the larger bus system. There are timed transfer facilities at 7th and State Streets in El Centro, and at S. 5th Street and S. Plaza Street in Brawley for passengers to transfer to and from both bus systems.

IVT ACCESS: The Americans with Disabilities Act Comparable Complementary Paratransit Service is a federally mandated service requiring equal access to the public fixed-route bus system for individuals with disabilities. The service uses wheelchair-accessible minibuses as a demand-response service in tandem with the IVT fixed-route bus system. The service is available to disabled passengers who are certified as eligible by ICTC. The service area and hours are the same as the fixed-route bus system.

MedTrans: Formerly Med-Express, MedTrans is a nonemergency medical transportation service between communities in Imperial County and the large hospitals and medical facilities in San Diego County. Demand response service is provided four days a week, with five pickup and return points in Brawley, El Centro (2 locations), Imperial, and Calexico. Pickup service is available on a limited basis from the home for an additional fare. The service is designed to provide persons with disabilities and low-income and transit-dependent persons access to medical facilities and services not available within Imperial County; for example, to Children's Hospital in San Diego.

Yuma County Area Transit (YCAT) Blue Route 5 and Turquoise Route 10: In the spring of 2012, ICTC was approached by the Quechan Indian Tribe and the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) to form a partnership to provide increased public transit services to eastern Imperial County residents and the Quechan Indian Tribe of the Fort Yuma Indian Reservation. As a result of the collaboration, the Turquoise Route 10 was created as a demonstration service and implemented January 1, 2013. The route provides service three

days a week, Monday, Wednesday, and Saturday, with two round trips daily, one in the morning and one in the afternoon. The route operates between Yuma and El Centro with stops in Winterhaven and the Fort Yuma Indian Reservation and casinos.

The Blue Route 5 (Quechan Shuttle) operates from Downtown Yuma Transit Center to Winterhaven via Fort Yuma Indian Reservation and extending to the Andrade Port of Entry. This rural flex route was implemented in July 2014, and operates Monday through Saturday.

Both services are operated under Yuma County Area Transit (YCAT) which is administered by the Yuma County Intergovernmental Public Transportation Authority (YCIPTA). Being fairly new services, they are in “demonstration” phase and offer service to eastern Imperial County residents who require access to local government offices, medical services, and commercial retail opportunities.

Intra-City Demand Response Public Transit Services

IVT RIDE: IVT RIDE provides curb to curb transit service for persons age 60 years and over, and persons with disabilities upon advance phone reservations. IVT RIDE transports riders to and from any location within the service area inside the City limits of Brawley, Calexico, El Centro, Imperial and West Shores. IVT Ride was formed from the consolidation of dial-a-ride services previously provided by the respective local jurisdictions.

Audit Methodology

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

Document Review: Conducted an extensive review of documents including various ICTC files and publications.

Interviews: Interviewed ICTC staff and Commissioners, Management Committee, TAC, and SSTAC, as well as the transit operations contractors, to gain their perspective about the agency's efficiency and economy.

Analysis: Evaluated the responses from the interviews as well as the documents reviewed about ICTC's responsibilities, functions, and performance to TDA guidelines and regulations.

All of the activities described above were intended to provide information necessary to assess ICTC'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. Chapter II provides a review of the compliance requirements of the TDA administrative process. Chapter III describes ICTC's responses to the recommendations provided in the previous performance audit. Chapter IV provides a detailed review of ICTC's functions, while Chapter V summarizes our 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* to assess ICTC’s conformance with the TDA. Our findings concerning ICTC’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA 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>ICTC accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area.</p> <p>ICTC develops an annual Transit Programs Finance Plan that includes an LTF distribution table identifying the level of funds available to both ICTC and the claimants. The Transit Programs Finance Plan is integrated as part of the Overall Work Program of ICTC and combines all transit funds and expenditures, including operations and capital.</p> <p>ICTC utilizes a formula based on population to determine each local jurisdiction’s apportionments. With consolidation of dial-a-ride services during the audit period, the apportionments to local jurisdictions are primarily for transit benches and shelters including transfer terminal maintenance under Article 8(e), and bicycle/ pedestrian projects under Article 3.</p> <p>Conclusion: Complied</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA Compliance Requirements	Reference	Compliance Efforts
<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>ICTC has an adopted set of policies governing the Article 3 Bicycle and Pedestrian Facilities Program. On an annual basis, ICTC sets aside 3 percent of LTF for bicycle- and pedestrian-related projects. Each year in September, the member agencies submit candidate projects that are approved by the ICTC Board. An application guideline is provided to each claimant that explains the rules and procedures for claiming the funds, including consistency with the Regional Bicycle Plan, and approval by the ICTC Board. Items to be filed include a checklist, Article 3 Non-Transit Claim Form, Financial Reporting Form, Project Information Form, Sample Governing Body Resolution, and Standard Statement of Assurances. According to the Transit Programs Finance Plans during the audit period, the annual appropriation (excluding carryover) under this code section was \$153,000 in FY 2013–14, \$168,000 in FY 2014–15, and \$180,000 in FY 2015–16.</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 meets monthly and participates on a number of issues, including the annual unmet transit needs process and hearings, and coordination of specialized transportation services. ICTC staff and First Transit present and discuss transit operator reports for each service. The ICTC unmet transit needs public hearing</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>is scheduled annually in late winter/early spring, and was held at the William R. Condit Auditorium, Imperial Irrigation District facilities, in El Centro. The SSTAC participates in the identification of transit needs, reviews and recommends action, and provides advice and technical recommendations.</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 improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year 	<p>Public Utilities Code, Section 99244</p>	<p>ICTC uses several means to identify and recommend productivity improvements. When the local jurisdictions provided separate dial-a-ride service, ICTC staff collected transit performance data from the on a quarterly basis to provide current and historic comparison and trend analysis. A series of eight performance measures was used to identify trends on a semiannual and annual basis. The data were compared to performance standards specific to each type of transit service based on objectives contained in the Short Range Transit Plan (SRTP).</p> <p>With consolidated services, ICTC and First Transit discuss the systems at quarterly meetings and keep notes on performance and issues for each service. A set of actions, responsible staff, and outcomes is identified for follow up action. These meetings serve as the committee for the purpose of providing advice on productivity improvements. The SSTAC and TAC also serve as other committees that could</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA Compliance Requirements	Reference	Compliance Efforts
allocation.		<p>advise on transit improvements.</p> <p>ICTC staff also conduct independent checks of bus performance through ride-alongs. Staff complete an Operator Observation Form rating the bus driver and services provided to the passengers. Deficiencies are noted and shared with the operator for improvement.</p> <p>ICTC has also commissioned TDA performance audits of all public transit operators. The findings and recommendations from these performance audits contribute to ICTC’s compliance with this measure.</p> <p>Prior to consolidation, the annual TDA claims forms included a section for Productivity Improvement Statement enabling the local jurisdiction claimants to describe transit recommendations and the status of implementing those recommendations.</p> <p>Conclusion: Complied</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	Public Utilities Code, Section 99245	<p>ICTC requires that each transit claimant for LTF and STA include a copy of their 180-day fiscal compliance audit with the claim. The TDA forms provide a check-off for certification of the fiscal audit and submittal to the State Controller.</p> <p>Should a claimant fail to submit a timely copy of the fiscal compliance audit, ICTC has the authority to withhold funds</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA Compliance Requirements	Reference	Compliance Efforts
necessary (March 26).		<p>until the audit is submitted. A review of TDA fiscal audits for the audit period included a few reports that were submitted past the extension timeline.</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, ICTC has retained an independent entity, Michael Baker International, to conduct the audit of ICTC and of the public transit operators.</p> <p>PMC was retained to conduct the previous audit for the three fiscal years that ended June 30, 2013.</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, the RTPA has certified in writing to the Director that</p>	<p>Public Utilities Code, Section 99246(c)</p>	<p>ICTC submitted the completed triennial performance audits to Caltrans. A final cover letter dated January 29, 2015 accompanying the audits to Caltrans certified in writing that all performance audits were completed.</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA Compliance Requirements	Reference	Compliance Efforts
<p>the performance audits of operators located in the area under its jurisdiction have been completed.</p>		<p>Conclusion: Complied</p>
<p>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.</p>	<p>Public Utilities Code, Section 99246(d)</p>	<p>The separate performance audits of the operators providing public transportation services include the required verification of performance measures and analyses.</p> <p>Conclusion: Complied</p>
<p>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.</p>	<p>Public Utilities Code, Sections 99270.1 and 99270.2</p>	<p>Due to results of the 2010 Census, ICTC was notified in July 2012 of changes in the geography area for the urbanized area boundaries. Among the revisions to funding methodologies included adoption of a revised farebox ratio from 14.5 percent to 17 percent in May 2013. The revised ratio reflects a new</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		<p>unit of measurement that better reflects use of public transit in the Imperial Valley. The revised methodology and farebox ratio were submitted to Caltrans.</p> <p>Conclusion: Complied</p>
<p>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.</p>	<p>Public Utilities Code, Section 99275.5</p>	<p>There are currently no Article 4.5 claimants for funds. However, as stated in the ICTC TDA Guidebook and Claims Forms document, the agency has adopted the following criteria for evaluating Article 4.5 claims:</p> <ul style="list-style-type: none"> • High level of impact from the service in meeting a transportation need. • Priority for groups requiring special transportation assistance. • Minimizing adverse impacts on existing and taxi and transit services. • Innovative and efficient services. <p>These criteria were adopted in December 1997 as part of the Consolidated Transportation Service Agency Goals and Objectives.</p> <p>Conclusion: Complied</p>
<p>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</p>	<p>Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116</p>	<p>ICTC allocates State Transit Assistance (STA) funds for transit services only. During the audit period, according to the ICTC annual disbursement schedule, STA supported regional ADA service.</p> <p>Conclusion: Complied</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA 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 support regional ADA service.</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 transportation services; • Adopted or re-affirmed definitions of "unmet 	<p>Public Utilities Code, Section 99401.5</p>	<p>Despite no TDA funds being allocated to street and roads since FY 2010-11, ICTC conducts the annual unmet transit needs process and hearing in consultation with the SSTAC. One of the SSTAC’s primary responsibilities is to advise ICTC on existing public transportation needs.</p> <p>Annually during the late winter/early spring, the SSTAC delivers a letter regarding transit needs and its review of “findings” to the Unmet Transit Needs Hearing Panel, which is a subcommittee of ICTC and comprises elected officials.</p> <p>The letter provides response to the findings made by the Panel, as well as other transit issues and concerns.</p> <p>A review of SSTAC letters submitted as part of the unmet transit needs process held during the audit period shows overall support of projects described in the findings. This is a positive indicator of the process.</p> <p>The SSTAC also meets monthly or as</p>

**TABLE II-1
ICTC Compliance Requirements Matrix**

RTPA Compliance Requirements	Reference	Compliance Efforts
<p>transit needs" and "reasonable to meet";</p> <ul style="list-style-type: none"> Identified the unmet transit needs or there are no unmet transit needs, or there are unmet transit 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>needed and reviews and evaluates services and needs throughout the year.</p> <p>Conclusion: Complied</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 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</p>	<p>California Administrative Code, Section 6662</p>	<p>ICTC has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firm of Hutchinson and Bloodgood LLP has performed the audit annually for FYs 2013–14 through 2015–16.</p> <p>ICTC also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p> <p>Conclusion: Complied</p>

TABLE II-1 ICTC Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.		

Findings from RTPA Compliance Requirements Matrix

ICTC has satisfactorily complied with all state legislative mandates listed in the Performance Audit Guidebook for Regional Transportation Planning Agencies. ICTC has improved upon compliance compared to the prior audit period by maintaining on file a written certification to Caltrans that the performance audits have been completed, including for non-Article 4 transit services.

ICTC updates the blended farebox recovery ratio for IVT every four to five years. Historically, this was accomplished in 2005 and 2009 as IVT serves both designated urban and rural areas. The last update in May 2013 reflects another change to the urbanized area designation due to the 2010 Census. ICTC was required to submit a revised methodology for the apportionment of federal grant revenue. After consultations with federal staff and the consultant statistician, ICTC developed a new methodology that measures the unit of passenger miles traveled rather than the previous method of using service hours. ICTC felt the new method, and subsequent updated farebox ratio, more accurately captures the measurement of the use of public transit services in Imperial Valley. The updated ratio of 17.0 percent was adopted by the ICTC Board for a three year period and forwarded to Caltrans. The updated ratio reflects the urbanized boundaries and the IVT Gold Line service in Brawley that was implemented in December 2013.

Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes ICTC's response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation for the agency is described, followed by a discussion of ICTC's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Review TDA provisions for planning and programming allocations for ICTC activities.

Background: ICTC claims a portion of TDA funds for administration and planning purposes that are allowable by the statute. The TDA allocation for planning was less than 3 percent in FYs 2011 and 2012, but over this amount in FY 2013. As a statutorily created transportation planning agency, ICTC should consider the TDA provision governing use of Local Transportation Funds for planning by an RTPA which limits allocations up to 3 percent of annual LTF revenues for transportation planning and programming process (PUC Section 99233.2). While there is no allocation limitation for administration of the TDA fund, statutory limitations do apply for planning purposes.

Actions Taken by ICTC: ICTC's annual disbursement schedule shows that the agency's appropriation for planning and programming is limited to no more than 3 percent of LTF revenues. The audited LTF amounts for planning and programming were \$309,450 in FY 2013-14, \$0 in FY 2014-15,² and \$187,000 in FY 2015-16. These amounts, when summed up, compose 2.3 percent of the total available LTF for the Imperial Valley.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Maintain final records of key submittals including TDA performance audit.

Background: As a compliance measure requiring that ICTC submit the triennial performance audit to Caltrans, it must certify in writing to Caltrans that all required audits have been

² No apportionment scheduled in FY 2014-15 due to on-hand balance remaining from FY 2013-14.

completed. While the performance auditor is confident that ICTC has submitted the prior performance audits to Caltrans, it should have a copy on file of the final cover letter accompanying the submittal as evidence of the date of submittal and what documents were submitted.

Actions Taken by ICTC: As described in the prior section, ICTC has improved upon compliance compared to the prior audit period by maintaining on file a written certification to Caltrans that the performance audits have been completed. A final cover letter dated January 29, 2015 accompanying the audits to Caltrans certified in writing that all performance audits were completed. A copy of the certification was provided to the auditor.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Implement the State Transit Assistance efficiency test.

Background: As a carryover from the prior performance audit, under PUC Section 99314.6, before any STA funds can be used for operations, ICTC must conduct a test using a formula to determine the operator's year-over-year growth in cost per revenue hour or average three-year change. With the state legislative exemption from this provision expiring in FY 2014–15, the Commission should conduct the efficiency test beginning in FY 2015–16. ICTC currently allocates all STA funds for the operation of IVT Access ADA paratransit service. Typically this test is conducted during the TDA claims process before funds are approved and distributed for their intended expenditures. Alternatively, ICTC could request that the IVT fiscal auditor conduct the verification as part of the annual fiscal and compliance audit.

Given that ICTC allocates all STA funds for IVT Access for required ADA paratransit service, the statute allows exclusions of cost increases beyond the change in the Consumer Price Index for such expenses as comparable complementary paratransit. This exclusion would enable STA funds to continue to be used for the ADA service provided by IVT Access.

Actions Taken by ICTC: A review of fiscal audits, TDA claims, and other documents indicates that the STA efficiency test had not been undertaken for the audit period. The efficiency test determines the relative growth in audited operating cost per revenue hour for STA funded services year-over-year, and for a rolling three-year average, while factoring in inflation. The ability to use STA for operations was adjusted from State legislation in 2015 (SB 508). Although this change from the State legislation does not impact the current use of STA by ICTC to fund complementary ADA paratransit operations, ICTC should follow state provisions and conduct the test in compliance with statute. The test should most likely be conducted by the fiscal auditor in the annual fiscal audit.

Conclusion

This recommendation has not been implemented and is carried forward for implementation.

Prior Recommendation 4

Revise the TDA claims forms and provide training to the claimants.

Background: As a carryover from the prior performance audit, the current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook update. During their subsequent use for the claims process, staff has found the claims forms to be complex relative to the claims being made and the information that is required from the claimants. A streamlined claims form would serve the agency better and should be revised as agency resources allow, along with providing further training to the claimants. The revised claims forms should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This requirement can be inserted as part of the annual TDA claims package. A few samples of alternative claims forms are shown in the appendix section of prior performance audits of ICTC's predecessor, IVAG.

Actions Taken by ICTC: ICTC has not yet revise the TDA claims forms. Significant changes in the number of claims received due to consolidation of dial-a-ride occurred during the audit period, reducing the number of claimants. An update to the 1995 IVAG TDA Guidebook is identified in the OWP planning studies scheduled in future years but not included in the budget figures. ICTC continues to monitor resources with on-going plans to update the claims forms and guidebook.

Conclusion

This recommendation has not been implemented and is carried forward for implementation.

Prior Recommendation 5

Update the blended farebox recovery ratio for IVT.

Background: Historically, ICTC updates the required farebox recovery ratio and submits to Caltrans every four to five years. ICTC develops a calculation method to integrate rural and urban service areas into the formula to derive a ratio for IVT. Past operational changes to service such as with ADA paratransit presented opportunity to review options for the farebox ratio. In one example, the Public Utilities Code has provisions that allow a transit system to incorporate both fixed-route and specialized service farebox ratios under one combined ratio. PUC Section 99238(b) describes that the combined farebox ratio of fixed-route and ADA paratransit service must meet the farebox ratio of the fixed route alone. Rather than meeting

two separate farebox standards (one for fixed route, another for ADA paratransit), the transit system would be subject to one. ICTC adopted a new IVT blended farebox ratio in 2013, but should consider further options.

Actions Taken by ICTC: ICTC's blended farebox ratio accounts for IVT regional service and intra-city system (Blue/Green and Gold lines), and IVT Access. This blended ratio serves as the TDA performance standard from which funding eligibility is screened against. The ratio is based on the unit of passenger miles traveled and is supported by a Passenger Statistical Sampling Project for Imperial Valley Transit that is contracted with a consultant statistician. For other services, ICTC developed specific farebox ratios for defined services in the contract with First Transit. The service contract for each of the services provided by First Transit states that the farebox ratio of fare revenue divided by operating costs shall be maintained at or above 10 percent for the Brawley, Calexico and Imperial IVT-Ride transit service line and 5 percent for the West Shores IVT-Ride transit service line. The service contract also states a 10 percent ratio for IVT-ACCESS Paratransit, and 20 percent for Med-Express. ICTC must track the farebox ratios for each service type which also provides performance guidance for the contractor. ICTC annually commissions a separate transit services report prepared by an independent CPA for each service type that provides audited farebox ratios to assist in evaluating the specific First Transit services contract items.

Conclusion

The recommendation has been implemented.

Section IV

Detailed Review of ICTC Functions

In this section, a detailed assessment of ICTC'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*, ICTC's activities can be divided into the following activities:

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

Administration, Management, and Coordination

ICTC is driven by its focus on transportation as described in its enabling legislation creating the independent county transportation commission. ICTC acts in accordance with all applicable laws and statutes for county transportation commissions.

Contained in the ICTC Overall Work Program (OWP) is a mission statement guiding ICTC activities:

Our mission is to enhance the quality of life and regional economy of Imperial County by ensuring safe, responsive and efficient transportation and transit solutions.

In addition, the ICTC Transit Planning and Program Management section of the OWP includes a vision and mission statement guiding transit investment in the county:

Transit Mission Statement:

The mission of the Imperial County Transportation Commission (ICTC) public transit systems is to improve the quality of life for the residents of the Imperial Valley through a coordinated, accessible, affordable and efficient countywide transit system.

Transit Vision Statement:

The transit network provides a safe, affordable and reliable transit system that meets the needs of the transit dependent in communities within the Imperial Valley, by providing access to health care, education, public services, employment, commercial and recreational activities.

By these above statements, ICTC continues to administer and implement plans and programs that meet community needs and values.

During the audit period, ICTC accomplished many tasks to promote transportation system improvement. By fiscal year, the following accomplishments are highlighted:

FY 2013-14:

- Completion of the Transit Transfer Terminals in the Cities of Brawley and El Centro
- Increased regional transit service hours on Imperial Valley Transit (IVT) and IVT ACCESS:
 - The Imperial Valley College (IVC) Express Trips
 - Increased Saturday Service
 - Reduced service headways from 70 minutes to 35 minutes from Calexico to El Centro
 - Implemented the Brawley Gold Line Circulator; and
 - Introduced for the first time, a limited Sunday service schedule
- Initiated several transit and transportation studies of regional significance
- In partnership with the Imperial Valley Economic Development Corporation and Baja California partners executed a Memorandum of Understanding to institutionalize binational partnership and programs for the Imperial-Mexicali Binational Alliance; and,
- In partnership with Caltrans and the CTC, the 2014 State Transportation Improvement Program (STIP) was adopted to include full state funding for:
 - I-8 Imperial Avenue Interchange Re-Construction Project (\$39.1 Million)
 - Planning, Programming and Monitoring (PPM) funding for Regional Planning Staff Resources through FY 2018- 2019 (\$1.2 Million)

FY 2014-15:

- Completed the consolidation of Dial-a-Ride services for cities of Brawley, Calexico, Imperial, and the Westshores community
- Completed several transit and transportation studies of regional and national significance:

- Calexico Border Intermodal Transportation Center Feasibility Study
 - IVT Bus Stop Safety and Design Standards and Guidelines Project
 - ADA Paratransit Service Certification and Eligibility Process, Demand Management, and Growth Assessment
 - 2014 Coordinated Public Transit and Human Services Transportation Plan
 - 2014 Imperial County Disparity Study
 - California/Baja California Border Master Plan, 2014 Update
 - California/Baja California Bicycle and Pedestrian Access Study
 - County of Imperial's 2014 Comprehensive Economic Development Strategy (CEDs) – Transportation Update
- In partnership with the Imperial Valley Economic Development Corporation (IVEDC) hosted first annual General Assembly and Economic Summit; and,
 - Initiated the following studies in partnership with Caltrans, SCAG, SANDAG, member agencies and local partners:
 - The Safe Routes to School Regional Master Plan
 - The SDSU-IVC Transit Shuttle Analysis and Feasibility Study
 - The Cross-Border and Goods Movement Analysis Study, Phase 2
 - Mobility Hub Strategy for San Diego and Imperial

FY 2015-16:

- Completed the contract advertisement and award for IVT MedTrans and IVT Ride El Centro for transit services that began on July 1, 2016
- Launched a Wi-Fi demo service on all sixteen 40 foot IVT buses and continued to add industry standard security cameras on all ICTC owned buses
- Continued to replace contractor owned vehicles, and, expanded the fleet with 32 new buses and 2 new transit operation service vehicles to IVT branded fleet.
- Hired one new staff to serve as Mobility Coordinator for senior citizens and ADA transit programs and services – In the first four months staff successfully assisted with the outreach and coordination with the transit operator, social service and medical service providers
- Achieved approval for the FY 2016-17 State Transportation Improvement Program (STIP) that includes \$38.7 million for the I-8 Imperial Avenue Interchange and ICTC's Regional Plans and Program funds

- Achieved approval for the FY 2016-17 Federal Transportation Improvement Program (FTIP) that includes \$470 million for a combination of local roadway and bridge projects, Interstate 8 and other state highway pavement improvement projects; and
- Managed and administered distribution of \$14.7 Million in Measure D (half-cent sales tax) revenues for member agency road projects, and regional transit and highway projects.
- In partnership with Western Riverside Council of Governments and Renovate America implemented the HERO/PACE energy savings program that has completed \$1.6 million in local residential projects and to date \$13 million in projects have been approved
- Completed the following transit and transportation studies of regional and national significance:
 - The Safe Routes to School Regional Master Plan
 - The SDSU-IVC Transit Shuttle Analysis and Feasibility Study
 - The Cross-Border and Goods Movement Analysis Study, Phase 2
- In partnership with the Imperial Valley Economic Development Corporation (IVEDC) hosted the second annual General Assembly and Economic Summit; and,
- Initiated the following studies in partnership with Caltrans, SCAG, SANDAG, member agencies and local partners:
 - Imperial/San Diego Mobility Hub Strategy
 - Fresh Look at Impacts of Border Delays for the California-Baja California Binational Region

Staffing and Administration

ICTC staffing levels have been augmented in recent years in order to meet the demands and expanded responsibilities of a multidisciplinary transportation planning agency. The Executive Director is working with statewide and Southern California stakeholders to advocate and pursue future funding opportunities and transportation policies for the Imperial Valley. As part of this effort, the Executive Director represents the region with participation in statewide organizations such as the California Association of Councils of Government (CALCOG), Self-Help Counties Coalition (SHCC), and Mobility 21, and is a member of the Southern California Transportation CEO's monthly meetings. In 2013, the Executive Director served as the chair for the CEO group for a year.

For the audit period, each fiscal year's budget proposed staffing of seven full-time positions to manage the programs and services described in the OWP. The full-time positions include one Office Technician, one Secretary/Clerk to Commission, one Administrative Analyst, three transportation planner positions from entry-level to senior-level in classifications (responsible for: Regional Transportation Planning and Programming, and Transit Planning, Programming,

Contracts and Transit Service Administration), and the Executive Director. Minimal staff turnover occurred the past three years, once for a Transit Planner position, and twice for the Office Technician. As described above, a new Mobility Coordinator within the Regional Transit Program was created from a grant award in the latter half of FY 2015-16. The creation of this mobility coordination position and responsibility to conduct public outreach and ADA interviews has resulted in a large increase in telephone calls, appointments and walk in traffic. ICTC has proposed a grant funded (limited term) office assistant position to handle the increase in scheduling appointments and handling of confidential paperwork.

Consultant and vendor services continue to support the Commission's administrative and programmatic functions (e.g. accounts payable, accounts receivable, payroll, various program and fiscal audits, and support services for human resources, legal counsel, planning and project programming, and transit programs). Legal services are contracted with the County, and human resources services are contracted with City of Imperial.

The salary and benefits structure, human resource and other employment-related materials are contained in the ICTC Personnel Policies and Procedures Manual that was revised shortly after the audit period. The manual provides policy and procedures for the administration of all matters affecting the status and activities of employees of ICTC. The Executive Director is responsible for administration of the personnel system.

ICTC Board and Committees

Governing Board

As established by its enabling legislation, the ICTC Board receives representation from each city, the County, and the Imperial Irrigation District (IID) as voting members. One non-voting member appointed by the Governor representing Caltrans also serves on the board. The legislation creating ICTC also provides in the future an opportunity for the governing board to also include the following ex-officio or non-voting members: one member representing the State of Baja California, Mexico; one member representing the municipality of Mexicali, Mexico; one member representing the Consul of Mexico in Calexico, California; and one member representing any federally recognized Native American tribe in Imperial County. The Board's expansion in this manner recognizes the cross-border and tribal relations that ICTC may seek to further develop through these entities' contributions.

Several Board members were interviewed by telephone for this audit. Those interviewed expressed satisfaction with staff administration, responsiveness, professionalism, and productivity. Its independence and actions of the Executive Director and staff confirm expectations that ICTC serves all member jurisdictions in a fair manner. Staff is adept to develop recommended policies and funding priorities that promote regionalism which in turn raises the quality of travel for everyone in the County, including in the smaller jurisdictions. Commissioners recognize the extended focus on regional transportation through work on cross-

border transportation infrastructure, economic development, and the environment. Also, the annual strategic planning and budgeting processes among ICTC staff, its committees, and the Board has been helpful for the Board to receive information and provide guidance on regional activities that align with community goals and can be accomplished within budget constraints for the upcoming year.

Board members are aware of the value of partnerships, and the continuous need for the agency to forge collaborations both locally and outside the region, and with entities within and outside the transportation sector such as colleges and economic development agencies. In part as a consequence of the Commissioners' strong confidence in staff recommendations on projects, it was indicated that Commissioners should be encouraged to further discuss projects prior to voting including fully digesting the decision-making process conducted through the ICTC standing committees. Some felt the Board was serving as a rubber-stamp body, but acknowledged the challenges of adequately preparing for the mounting information not only from ICTC, but other boards they serve on. Byproducts raised by Commissioners of the high level of information and subject areas distributed to the ICTC governing board include increased length of meetings, occasional lapse in full staff preparedness of presentation materials, and whether an improved synopsis of the material could be formulated. In addition, the topic of ICTC serving as a Council of Governments remains ongoing.

Management Committee

The Management Committee serves as the management body that provides staff direction, coordinates the activities of the other committees, and advises the ICTC Commissioners on policy issues. Interviews with responding city managers indicated overall satisfaction with staff competencies and the direction that is being taken. Several indicated that as an independent agency, ICTC embraces the spirit of cooperation among the members as the focus of ICTC is placed on regionalism and inclusive participation. Regional issues are being moved forward and addressed through the aggressive grant- and fund-seeking ability of ICTC staff to secure funds to plan, program, and then implement transportation improvement projects. Those interviewed felt a greater sense of equity, responsiveness, and fairness from ICTC in establishing a more even playing field for the member jurisdictions. Increased implementation and promotion of public transportation alternatives and infrastructure has also raised ICTC's image as a partner in redevelopment of areas around its new transit centers. The agency's positive momentum in fostering transportation improvements spurs conversation of agency expansion into other regional issues.

Technical Advisory Committee

The Technical Advisory Committee provides input on the coordination and development of the regional transportation improvement program of projects, transportation planning programs, and transportation funding programs.

Interviews conducted with various city public works and planning members of the TAC indicated positive responses to staff's capabilities, preparedness for TAC meetings, communications, and general working relations. Similar to Management Committee responses, the TAC members approve of the agency's approach to fairness among the local jurisdictions and the greater awareness of regional issues and transportation funding opportunities. They iterated ICTC's willingness and ability to assist when requested including procuring safety measures at the transit transfer centers. The agency's outreach capability is also expanding such as public workshops that were held during the consolidation of dial-a-rides.

Social Services Transportation Advisory Council

The SSTAC reviews public transportation needs, especially services for the elderly, persons with disabilities, and those of limited means. The council maintains a master needs list of potential transit improvements which provide material for the annual unmet transit needs meetings that are open to the public for review and comments. The list and any additional comments from the public hearings help determine which transit needs are forwarded to the Unmet Transit Needs Hearing Panel and the Board for action. During this process, the SSTAC submits a letter to the Board and the Unmet Transit Needs Hearing Panel advising on transit needs in the county while supporting transit improvement efforts. The letter provides a listing of transit issues and concerns for consideration by the hearing panel, and a review of the panel's "findings" by the council along with any other concerns.

Several SSTAC members responded to requests for interviews for this audit. Most of those interviewed have been on the SSTAC for many years. Those interviewed expressed overall approval of how ICTC staff administer the unmet needs process and fund reasonable transit requests as depicted by the declining number of unmet needs and complaints at the public hearings. Staff's effort to use technology and be innovative thinkers in addressing public transit issues has been heading in the right direction. It was expressed that ICTC has significantly expanded the role of public transportation in the community as well in the public dialog. Staff promote fair and open discussion, are more visible, and are knowledgeable about the issues while keeping members informed. The enforcement of dial-a-ride rider policies has also helped with facilitating service geared toward those who are eligible and in the most need.

Member Orientation

The above interviews with board and committee members revealed commonalities in their impressions about ICTC's effectiveness. As described by these members, the complexity of issues and coordination required by ICTC has grown as the agency is established and has evolved as an independent entity. Due to the nature of rotation in membership on the board and committees, ICTC staff face the challenge of orienting new members on a fairly regular basis about the agency. Many interviewees expressed that the orientation process has not been standardized, with some receiving one-on-one consultation from staff, while others have had to learn on their own. ICTC retains an open door for a new or existing member to consult with

staff and to become more familiar with the agency; however, a standard orientation process might be warranted. This could include an annual conversation during a board and committee meeting at the beginning of the year on the purpose and ground rules of the board/committees, and development and distribution of a user friendly handout on the agency's workings. The existing ICTC Overall Work Program and Budget serves some capacity and has materials for the handout, and could be leveraged in the formulation of a standalone orientation piece. Other prior presentations on an overview about ICTC could also be used for orientation materials.

Management and Coordination

Strategic Planning

ICTC, in partnership with the Imperial Valley Economic Development Corporation and Southern California Association of Governments, and organized by Imperial Regional Alliance, hosts an annual General Assembly and Economic Summit. The event commenced in 2015, the first since ICTC's inception in January 2010. The General Assembly and Economic Summit is a two-day meeting underscoring the many activities occurring in the Imperial Valley to promote economic development, bi-national alliance, health, and travel in the region. Topics for the economic summit include panel presentations on the state of the Imperial Valley economy; access to capital, infrastructure, education and healthcare; and bi-national mega region. The general assembly the following day gathers leaders and political representatives from the region to highlight Imperial Valley projects and programs and provide a forum for policy matters to be identified and addressed.

The annual event complements other countywide endeavors to increase the welfare of the region including the Imperial County 2020 Strategic Plan prepared by Imperial County in December 2015. ICTC was identified in the plan as a responsible party along with the County, Caltrans and the Local Agency Formation Council to carry out an objective to examine Imperial County's infrastructure needs through 2020 and develop a plan to address identified needs. ICTC is also to be consulted on the half-cent sales tax for ongoing road improvements.

Work done by ICTC over the past years follow the OWP that draws upon current needs and projected growth while acting on outcomes from previous Board strategic workshops. By having Commission decision-makers provide direction for the organization's overall focus, core priorities and a plan for action identifies responsible parties, timelines, and desired outcomes. These ICTC priorities were:

1. Regional Transportation Planning Functions
2. Consolidation of Fractured Transportation Services
3. Advocacy and Exposure of ICTC and the Region
4. Development of a Council of Governments (COG)

5. Build ICTC's Administrative Capacity

Several of these priorities, such as the consolidation of fractured transportation services, building administrative capacity, and advocacy and exposure through the General Assembly and Economic Summit, were achieved during the audit period, while regional transportation planning functions continue to strengthen.

With greater autonomy, ICTC is able to further its regional coordination through more active participation with SCAG as a partner. ICTC staff is a member of SCAG's Subregional Plans and Programs Technical Advisory Committee and is part of the County Commission subgroup. Three ICTC Board members are also on the SCAG Regional Council. Adding to this relationship is the SCAG Regional Council Districts in which members serve as liaisons between SCAG and the local agencies. A former ICTC transportation planner currently manages SCAG's Imperial County Regional Office. This elevated participation has benefitted Imperial County and results in more active coordinated efforts to place important projects into SCAG's Regional Transportation Plan. ICTC also serves as a representative on the San Diego Association of Governments (SANDAG) Borders Committee, and is co-lead in the Imperial-Mexicali Binational Alliance that was established in September 2013.

Dial-A-Ride Consolidation

As one of the strategic plan priorities, ICTC began a process of transit service consolidation in FY 2013-14. ICTC's member agencies were interested in determining if greater efficiencies, better compliance with regulations and cost reductions could be achieved through the consolidation of services under one turnkey contractor with one administering agency. ICTC would be the administering agency and a Paratransit Coordination Committee would be formed by the participating public agencies to retain the ability to be responsive to their constituents, review system performance and make recommendations. ICTC issued an RFP in February 2014 for a contractor and First Transit was selected; however, the City of El Centro confirmed its non-participation which required a new competitive bid. The Board rejected all bids and recirculated the RFP in June 2014. First Transit was selected by the Board and the operational steps towards consolidation began. Targeted phase in dates for the IVT-Ride service were October 1, 2014 for Calexico and Imperial, December 1, 2014 for West Shores, and January 2, 2015 for Brawley. El Centro Dial-A-Ride continued to operate separately until June 2016 when its service was also consolidated and operated by First Transit. Further, an RFP for IVT Med-Express was issued in February 2016 upon expiration of the prior contract in June 2016; First Transit was selected for this service as well, rebranded as IVT MedTrans.

Transportation Planning and Programming

Planning and programming functions are organized along ICTC's core responsibilities. They include two primary areas: Regional Transportation Planning and Program Management; and Transit Planning and Program Management.

ICTC activities emphasize the implementation of the Regional Transportation Plan (RTP) and Sustainable Community Strategies (SCS) for Imperial County. ICTC and SCAG work in partnership with each of the cities and the county agencies to implement the strategies and projects identified in the RTP. Additionally, ICTC in participation with Caltrans and SCAG completed the scope of work for a comprehensive update of the Imperial County Long Range Transportation Plan (LRTP) in November 2013. The report updates the 2007 Imperial County Highway Element Report and reviews the transportation infrastructure within Imperial County and develops a prioritized list of highway facility and roadway improvement projects. No significant changes to the priorities are warranted since the last update. However, federal regulations require the consideration of Transportation Demand Management/Transportation System Demand strategies in the development of all regionally significant Single Occupancy Vehicle capacity enhancing projects.

ICTC continues efforts with SCAG and Caltrans District 11 to update the Imperial County Transportation Model. This regional transportation model is a critical planning tool for evaluating and prioritizing major transportation improvements in the county. Staff, local stakeholders, and Caltrans formed a partnership in the development of a project study report (PSR) and work to identify funding opportunities for development of the PSR for the Forrester Road Corridor from I-8 to SR78/86. The PSR is a critical planning/preliminary engineering study necessary for the Forrester Road Corridor and Westmorland Bypass from I-8 to SR-78/86.

The Transportation Improvement Program activity for ICTC encompasses development and amendments to the state and federal transportation improvement programs (TIPs), including selection of projects to provide the greatest benefit based on approved criteria. These activities include development and submittal of specific documentation to the California Transportation Commission. Since 2008, ICTC has contracted with a consultant to maintain, evaluate, and participate in the programmatic functions of the STIP and RTIP. These activities include development and submittal of specific documentation to the California Transportation Commission. In addition, the consultant represents ICTC, attends Caltrans-sponsored meetings, and participates in teleconferences and the development of specific technical documentation for regional transportation projects.

ICTC administers the Local Transportation Authority program of Measure D sales tax transportation funds. The sales tax was renewed by voters and became effective April 1, 2010, and is in effect for a period of 40 years. These responsibilities include but are not limited to providing staff support to the LTA Board and administration of the LTA funds. The ICTC Executive Director also serves as the LTA Executive Director. The renewed sales tax program includes allocation of 2 percent of funding to support transit projects, primarily for dial-a-ride service (IVT-Rides).

Overall Work Program

ICTC develops an annual OWP and Budget that serves as the agency's planning and financial blueprint for the allocation of funds for tasks contained in the plan. The OWP is divided into three sections including the Budget Summary and the core programs of Regional Transportation Planning and Programming, and Transit Planning and Program Management.

The Transit Planning and Program Management portion of the OWP incorporates the former Transit Finance Plan that provides the annual budget and planned expenditure commitments for each transit system. The work element receives input from three sources - the annual Unmet Transit Needs Public Hearing, a review of available revenues, and development of service budgets in partnership with the member agencies. The inputs are shown in financial tables and graphic displays along with other key information such as distribution of local transportation funds; descriptions and highlights of new and ongoing activities by ICTC and the transit operators such as capital improvements and new services; and status of planning studies and related projects by ICTC and the local jurisdictions. Additional information is included such as accomplishments from the prior year, a description of funding sources, and an expanded financial plan. On top of the list of accomplishments identified in the beginning of this report section, ICTC in partnership with the City of Calexico will pursue funding for design, right-of-way and construction to complete the Calexico Intermodal Transportation Center. ICTC will also pursue funding to implement the planned transit circulators in the cities of Calexico (Garnet Line) and Imperial (Red Line) approved by both cities and Commission.

As part of the description of funding sources, ICTC designs a detailed funding table of federal, state, and local grants and revenues it receives for public transit. ICTC receives FTA grant funds which require ICTC to maintain exclusive tables for the tracking of revenues and expenditures as required by the FTA. Budgeted and estimated actual data is reported in the tables.

TDA Claimant Relationships and Oversight

This functional area addresses ICTC's administration of the provisions of TDA. The sub-functions described include costs to administer the program, technical and managerial assistance to operators, TDA claims processing, and the unmet transit needs process.

ICTC Administration and Planning

According to the ICTC TDA annual disbursement schedule, between FYs 2013–2014 and 2015–2016, ICTC allocated between \$4.6 million and \$8.3 million annually in total Local Transportation Funds (LTF).³ The higher allocations in the latter years account for release of

³ ICTC Financial Report of the Transportation Development Act Fund.

reserves for bus purchases for IVT and IVT-Rides, as well as setting aside new capital reserves. Over the same period, State Transit Assistance funds ranged from \$702,000 to about \$904,000.

The uses of the LTF revenues apportioned to Imperial County flow through the priority process prescribed in state law. Prior to apportionment of funds to the Article 3 Bicycle and Pedestrian Program, and for Article 8 transit uses, ICTC claims LTF revenues for TDA administration, auditing, and planning. Table V-1 shows the annual LTF claims retained by ICTC. The allocation of LTF for ICTC administration and planning ranged from \$887,300 in FY 2014 to \$558,337 in FY 2015 to \$1.0 million in FY 2016. The decrease in allocation between FYs 2014 and 2015 was from no apportionment scheduled in FY 2014-15 due to on-hand balance remaining from FY 2013-14. Increased trends in budgets were attributed to the agency’s need to keep up with its growing responsibilities, including the addition of administrative support costs, increases in insurance liability as the ICTC takes ownership of the bus fleet, meeting federal grant compliance and audit requirements, and updating transit planning and statistical studies. The growth in expenditures for ICTC transit administration and special projects is an indication of the growth in public transportation in the county and the use of LTF for these intended purposes.

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

Fiscal Year	LTF Claim
2013–2014	\$887,300
2014–2015	\$558,337
2015–2016	\$1,038,744

Source: ICTC Financial Report of the Transportation Development Act Fund

As described in the prior audit recommendation section, these amounts separated for planning programming, when summed up, compose 2.3 percent of the total available LTF for the Imperial Valley. As a statutorily created transportation planning agency, ICTC is compliant with the TDA provision which limits allocations up to 3 percent of annual LTF revenues for transportation planning and programming (PUC Section 99233.2).

During the triennial audit period, ICTC commissioned several important studies and projects to further the transit program. A summary of these include:

- The Calexico Intermodal Transportation Center - A grant funded feasibility study for the proposed Calexico Intermodal Transportation Center (ITC) was completed in October 2014. The goal for ICTC and the City of Calexico will be to pursue grant funding for design, right-of-way and construction. The estimated total cost is \$10 million.
- Circulator Bus Design Project – the study was completed in February 2014 to provide riders in Brawley, Imperial, and Calexico with enhanced coverage within each

community, as well as efficient connections to the main IVT bus routes. The study planned for the proposed IVT Gold Line in Brawley, Orange Line in Calexico, and Red Line in Imperial.

- Update to the 2009 Regional Coordinated Plan - The Plan Update was completed in FY 2014-15. The document provides justification by ICTC and other agencies for various grants and funding requests, particularly by social service agencies providing transportation to their clients. ICTC will be reviewing the strategic commentary in the Plan Update to potentially adjust services for public transit services.
- ADA Demand Management and Eligibility Assessment Study - The Study was completed in FY 2014-15. The Commission selected several items for implementation in subsequent years including revisions to the ADA certification and eligibility process (forms and documentation), and several changes to the IVT ACCESS website.
- Four-Phase Bus Stop Improvement Program - In FY 2013-14, ICTC staff developed a plan for a four-phase bus stop improvement program. Early phases were completed in FY 2014-2015, with remaining phases scheduled to be completed through FY 2018-19.
- Imperial Valley/San Diego State University - IV Transit Shuttle Analysis - Completed in FY 2015/16.
- Imperial County Safe Routes to School Regional Master Plan – Completed in April 2016, the plan provides a roadmap for physical improvements and programs to make it safer for students to walk and bicycle to school, and to increase the number of students walking and bicycling to school.

Other transit studies and analysis are planned including update to the 1995 IVAG TDA Guidebook; update to the 2012 Short Range Transit Plan; evaluation/analysis of public transit fare increase; and conversion of bus route map to GIS format.

Technical and Managerial Assistance to Operators

During the early years of the audit period, and prior to consolidation of dial-a-ride transit service, ICTC provided assistance to the operators as needed. Assistance has been provided in a number of instances, including helping fill out and process TDA claims, and leading coordination efforts among the regional and local transit services.

ICTC collected performance data from each operator on a quarterly basis to develop performance trends and monitor service. The performance data was entered in a master spreadsheet by operating system and compared to nine performance benchmark indicators that were developed from the last Short Range Transit Plan. Many of the benchmark indicators were the same as those contained in the TDA statute. This process of reviewing the data on a regular basis by ICTC demonstrated its active role in providing oversight of TDA-funded transit services.

The collection and review of dial-a-ride performance data was modified upon consolidation of dial-a-ride. Rather than collect data from each city, performance monitoring of the ICTC-administered service are conducted through quarterly meetings between ICTC and First Transit at ICTC offices. A sign in sheet is available and lists multiple personnel from both agencies. An agenda is provided of discussion items that include review of performance and operations of each system, discussion of additional pertinent operations items, review of upcoming projects, and First Transit discussion of any items. The practice of comparing actual performance against benchmarks continues at these meetings. A sample full agenda packet shows detailed performance analysis for each system with tables and line graphs highlighting trends in operations and budget. Farebox recovery is calculated in steps, from IVT only, to IVT plus IVT Rides, and then the addition of IVT Access. Meeting notes and follow up actions with assigned responsible party are documented. These meetings and detailed analysis help ICTC meet compliance with the TDA requirement to make productivity improvements.

In obtaining firsthand knowledge of operations, ICTC staff utilize proactive techniques including in-person on-board observations and shadowing where staff will follow the bus/vehicle from behind. An on-board observation form is used and includes a checklist and operations-type criteria that are filled out by ICTC staff. Observations include the start and end time, driving habits, customer service, and bus requirements. A comments section is also provided for notes and other observations about the trip. A sample of filled out forms provided by ICTC indicate careful observation and copious note-taking during these on-board ridesalongs. These techniques provide first-hand information that supplement the performance measurement data to enable ICTC to gain a greater understanding of daily operations.

TDA Claims Processing

Claims for TDA funding are made by ICTC for transit services. In prior years, claims were submitted by the local jurisdictions for their respective dial-a-ride systems. A new claimant beginning in FY 2015-16 is the Quechan Indian Tribe which requests LTF funds for operation of YCAT Routes 5 and 10. A larger amount of LTF is being used to subsidize the Eastern Imperial County Transit Services as set by the amended agreement between the three entities. A claim and required documents for TDA funding are in accordance with the adopted Transit Planning and Program Management work element and can be submitted throughout the claim's fiscal year.

ICTC utilizes elements of the 2006 IVAG Transportation Development Act Guidebook and claims forms. The purpose of the guidebook is to serve as a reference document for TDA claimants and ICTC staff managing the TDA claims process. While the TDA guidebook provides ample information and definitions to complete the claims, ICTC staff indicated as it has in the past the difficulty of using the claims forms, citing their complexity, which has contributed to a lack of proper data submitted by the claimants for transit funds. Staff indicated that due to the form's complexity, the claimants only fill in the minimum information and ICTC staff must spend time filling in as much remaining information as their limited time allows before processing the

claims. The submittal process for the revised claims forms via electronic mail was also to become standardized, but that has not been the case. The TDA claim processing has been simplified to a degree with the consolidation of dial-a-ride and only one claim required for the intra-city service. Separate claims continue to be made for IVT, IVT Circulators, IVT Access, and IVT Med-Express.

Claim application instructions are provided in the guidebook, and specific claims forms have been developed for TDA Articles 3, 4, 4.5, 6.5, 8a, 8c, and 8e. The forms vary according to the funding program being requested, and each form has a standard assurances checklist identifying all of the items required by that funding program. The forms provide the justification for the revenues and that the necessary compliance standards, such as the farebox recovery ratio, have been met. Within ICTC's jurisdiction, claims are made under Articles 3 and 8 for local transportation funds and under Article 6.5 for State Transit Assistance (STA) funding. Currently, there are no Article 4 or 4.5 claimants in Imperial County.

For Article 3 bike and pedestrian claims, the checklist includes the non-transit claim form, financial reporting form, project information, governing body authorization, and other exhibits. Article 8c is used for transit operations and capital fund requests. The Article 8 and STA transit claims include the transit claim form, standard assurances, governing body authorization, financial statements for operating and capital, justification statements, cooperative agreement or copy of current contract, proposed commitment statement, and additional exhibits such as the terminal inspection certificate, annual State Controller's Financial Transactions Report, and annual fiscal audit. Each September, member agencies submit candidate projects, which ICTC approves in a public process. Agencies then submit claims forms for approved projects throughout the fiscal year.

Under Article 8e, ICTC allocates funds toward the Bus Stop Benches and Shelters Program, which involves the installation and maintenance of bus stops for IVT. The program sets aside funding annually for member agencies that then choose the amenities and aesthetics desired as per local requirements and values. Further, ICTC does not allocate LTF funds for street and road projects.

STA funds are allocated to IVT Access as these funds became more predictable from the state gas tax swap legislation in 2010 that changed the funding source. Recently passed State legislation (AB 1113) further solidifies the predictability of STA funding, in particular the revenue based portion of which IVT is eligible. Historically, STA supported AIM Transit in the Imperial Valley, as the amount of STA funding in past years was comparable with the subsidy amount for AIM Transit.

As a condition of using STA for operational expenses, the TDA statute requires that ICTC conduct an efficiency test. This test has been exempt statewide for the past five years through FY 2014–15 as a result of SB 565 (DeSaulnier). Beginning in FY 2015–16, the efficiency test per PUC Section 99314.6 relating to operating cost per hour will need to re-commence to use STA

for operations. However, given that ICTC allocates all STA to IVT Access for required ADA paratransit, the statute allows exclusions of cost increases beyond the change in the Consumer Price Index for such expenses as comparable complementary paratransit. This exclusion enables STA to continue to be used in full for operations of the ADA service provided by IVT Access.

Unmet Transit Needs

Unmet transit needs hearings are required by the TDA where claims can be made for streets and roads. Although ICTC has not allocated LTF revenues for street and road purposes since FY 2009–2010, the agency continues to conduct the annual unmet needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). The SSTAC discusses and analyzes the master list of transit needs to help form the priority needs that are advocated and recommended to the Unmet Needs Hearing Panel and ultimately to the ICTC Board. A letter prepared on behalf of the SSTAC is submitted to the Unmet Needs Hearing Panel in the spring with the recommended transit needs, and any further comments.

The Unmet Needs Hearing Panel, comprising ICTC Commissioners, attends the annual unmet needs hearings required by the TDA. From a review of documentation, ICTC complies with the unmet needs process including properly advertising the public hearings in newspapers of general circulation in both English and Spanish as well as in radio ads. The agency makes annual findings of unmet transit needs that are reasonable to meet. ICTC staff educate Commissioners and other stakeholders of the unmet needs hearings that have resulted in greater awareness and reception of the outcomes by the Commission.

ICTC has defined unmet transit needs as “those public transportation or specialized transportation services that are identified in the Regional Short Range Transit Plan, Regional Transportation Plan or similar Mobility Plan, that have not been implemented or funded.” The definition of “reasonable to meet” encompasses the following factors: community acceptance, timing, equity, economy, and cost effectiveness. The test of reasonable to meet is conducted using definitions that date back to 1992.

A summary of unmet transit needs findings is prepared for the Unmet Transit Needs Hearing Panel, which convenes a public hearing in February or early March. The summary describes the list of recommended findings that are reasonable to meet, the public hearing process, and the unmet transit needs definitions. TDA funding for transit has increased due to documented transit needs that are identified during the annual unmet transit needs process. The unmet transit needs list of findings and Board resolution are submitted to Caltrans generally in May for review of completeness.

Marketing and Transportation Alternatives

ICTC has created a community outreach/public information/marketing program that considers ways to incorporate all ICTC services into one comprehensive identifiable entity. The most

significant local event that boosts its visibility and brings the region together is the annual General Assembly and Economic Summit. Other activities for public information include (1) maintaining and enhancing the ICTC website that provides one-stop access to information about ICTC and the LTA for its member agencies, key stakeholders, and the general public; and (2) creating separate websites for each of the transit systems (IVT, IVT Access, IVT Ride, IVT MedTrans, and YCAT). ICTC's home website provides links through rolling logos of the member agencies and partners that enable the user to obtain additional information and direct the user to the respective agencies' home websites. Other aspects of the outreach program include the administration and management of information provided for board meetings and ICTC subcommittees, as well as other public outreach events for regional transportation planning and transit planning activities.

ICTC has made a significant effort to increase its communication with the public by providing information in a bilingual English/Spanish format, including its website and those of the transit systems, as well as for unmet transit needs hearings. When feasible, ICTC has created bilingual media and provided interpreters at public meetings to enhance participation and communication. These efforts have proven useful for such activities as the annual unmet transit needs and communication with transit drivers.

ICTC's Public Participation Plan ensures a proactive public involvement process with an opportunity for the public to be involved in all phases of the planning process by providing complete information, timely public notice, opportunities for making comments, full access to key decisions, and early and continuing involvement in developing transportation plans and programs. Because ICTC is a subregion of SCAG in which SCAG acts as the metropolitan planning organization (MPO) for Imperial County, the public participation plan complies with SCAG public participation plan requirements. The plan describes the key policy documents (such as Air Quality Conformity Analysis, Overall Work Program, Regional Transportation Plan, Transportation Improvement Program, and environmental documents), public meeting noticing, public comment periods, citizen advisory committees, and agency protocol. Various ICTC studies conducted during the audit period such as the *Public Transit – Human Services Transportation Coordination Plan Update*, and *Circulator Bus Design Project* implement facets of the public participation plan.

With regard to transit marketing, ICTC publishes brochures for each ICTC-administered transit system. Separate websites for each transit services are linked through the ICTC home website. The IVT website includes a description of the service, route schedules and map, a trip planner function, FAQs, contact information, and links to Imperial Valley College, IVT Access, and ICTC. Within this site are other links to information for the local circulators including the Blue, Green, and Gold Lines, which follow the same web format as the intercity service. The IVT Access website also follows the same format as IVT and includes descriptions of rider eligibility, rules, fares, and making an appointment. Further, IVT Ride and IVT MedTrans have separate websites with information and contact information for making trips. Due to budget constraints, marketing materials for transit in the county have generally been minimized.

Grant Applications and Management

ICTC is designated as the lead or co-lead agency for projects that are allocated State and Federal funds. These funds include but are not limited to, Federal Transit Administration (FTA), Federal Regional Surface Transportation Program (RSTP), Federal Congestion Mitigation and Air Quality (CMAQ), Congressional Appropriations, State Transportation Improvement Program (STIP), and the States Proposition 1B funds. ICTC staff, acting as the transit administrator for IVT, provide assistance in the planning and programming of federal transit grants such as FTA Sections 5307, 5309, 5310, and 5311 grants. FTA Section 5307 funds have been programmed for IVT transit services, bus vehicle procurement, and the El Centro, Brawley and Imperial bus transfer terminals, while FTA Section 5309 funds are earmarked for construction of the Imperial transfer terminal. Section 5311 funds are programmed for the operation of IVT fixed routes outside of the urbanized area, IVT Gold Line, and Brawley bus stop improvements.

Through the State Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA), grant funds were programmed for the Imperial transfer terminal and transit vehicles. Additionally, grant funds through the California Security and Transit Grant Program (CSTGP) were awarded for solar lighting facilities at the Imperial transfer terminal. CSTGP funds were also budgeted for the installation of security cameras on IVT and IVT ACCESS buses. The Imperial transfer terminal, known as the “Imperial Transit Park”, has a total budget of about \$1.35 million with revenues from a FTA 5309 earmark (\$974,000), a match from PTMISEA (\$243,000), and from CSTGP (\$133,000). A site for the Imperial Transit Park will be identified and design will be completed in FY 2016-2017.

ICTC serves as a clearinghouse for funding programs available to the Imperial Valley, including notifying the cities of the availability and status of funds, assisting in technical matters, and ensuring timely submittal of grant applications. The federal transportation grants process is coordinated by ICTC and through the TAC, whose members discuss and prioritize projects requiring funding. These projects then follow an approval process through the Management Committee and the Commission.

Along with its urbanized area status, ICTC is subject to additional federal reporting requirements as the administrator of the IVT bus system. The agency compiles financial, performance, and facility information for inclusion in the National Transit Database NTD that serves as the FTA’s primary national database for statistics on transit agencies.

The federal government requires transportation agencies that receive US Department of Transportation (USDOT) funds to implement the Federal Disadvantaged Business Enterprise (DBE) Program designed to encourage the participation of minority- and women-owned businesses (MBE/WBEs) in transportation contracting. ICTC receives USDOT funds through the FTA and thus must implement the Federal DBE Program. ICTC retained a consultant in 2014 to conduct a “disparity study” to inform its implementation of the Federal DBE Program. The study’s primary objective was to examine whether there were any disparities between ICTC’s

utilization of MBE/WBEs on its transportation contracts and the availability of those businesses to perform that work. ICTC developed its DBE plan for projects funded through the FTA for FYs 2013-15 and FYs 2016-19.

As a recipient of federal financial assistance, ICTC is required to prepare a Title VI Program and Language Assistance Plan. The agency prepared such a plan in January 2017 to serve as guidance in the administration and management of Title VI–related activities, and details how ICTC meets the requirements set forth in the FTA Circular. The plan and complaint procedures are in English and Spanish and on the ICTC website. ICTC operates its programs and services ensuring that no person is excluded from the equal distribution of its services and amenities based on their race, color, or national origin in accordance with Title VI of the Civil Rights Act of 1964.

Section V

Findings and Recommendations

The following material summarizes the major findings obtained from the triennial audit covering FYs 2014 through 2016. A set of recommendations is then provided.

Findings

1. ICTC accomplished many tasks to promote transportation system improvement and has built good relationships with key partners while maintaining ongoing communication with its member local jurisdictions. ICTC takes a regional approach to planning, programming and delivery of service, and compliance with increased mandates.
2. ICTC has satisfactorily complied with all state legislative mandates listed in the Performance Audit Guidebook for Regional Transportation Planning Agencies. ICTC has improved upon compliance compared to the prior audit period by maintaining on file a written certification to Caltrans that the performance audits have been completed, including for non-Article 4 transit services. ICTC is compliant with the TDA provision which limits allocations up to 3 percent of annual LTF revenues for transportation planning and programming.
3. Of the five prior audit recommendations, three have been fully implemented, and two are carried forward for implementation. The recommendations not yet implemented pertain to applying qualifying criteria to use State Transit Assistance funds for operations, and simplifying the TDA claims forms and updating the TDA manual.
4. Staffing levels have been augmented in recent years in order to meet the demands and expanded responsibilities of a multidisciplinary transportation planning agency. For the audit period, each fiscal year's budget proposed staffing of seven full-time positions. A new Mobility Coordinator position was created from a grant award in the latter half of FY 2015-16, increasing staff to eight.
5. Stakeholders that were interviewed for this audit, including ICTC Commissioners, and public agency staff and citizens who serve on an ICTC committee, were overall satisfied with ICTC's activities, responsiveness, and direction toward regionalism. Its independence as an agency improved the perception of serving all member jurisdictions in a fair manner, and ICTC embraces the spirit of cooperation and inclusive participation among the members. In part as a consequence of strong confidence with staff recommendations on projects, detailed Commission discussion on some projects have been kept minimal prior to voting. Also, some concern was expressed about the length of meetings and whether a greater synopsis of agenda materials could be provided.

6. Due to the nature of rotation in membership on the board and committees, ICTC staff face the challenge of orienting new members on a fairly regular basis about the agency. Many interviewees expressed that the orientation process has not been standardized, with some receiving one-on-one consultation from staff, while others have had to learn on their own. ICTC retains an open door for a new or existing member to consult with staff and to become more familiar with the agency; however, a standard orientation process might be warranted.
7. Work done by ICTC over the past years follow the Overall Work Program that draws upon current needs and projected growth while acting on outcomes from previous Board strategic workshops. Several of these priorities, such as the consolidation of fractured transportation services, building administrative capacity, and advocacy and exposure through the General Assembly and Economic Summit, were achieved during the audit period while regional transportation planning functions continue to strengthen.
8. As one of the strategic plan priorities, ICTC began a process of transit service consolidation in FY 2013-14. ICTC's member agencies were interested in determining if greater efficiencies, better compliance with regulations and cost reductions could be achieved through the consolidation of services under one turnkey contractor with one administering agency.
9. ICTC and SCAG work in partnership with each of the cities and the county agencies to implement the strategies and projects identified in the Regional Transportation Plan. ICTC, in participation with Caltrans and SCAG, completed the scope of work for a comprehensive update of the Imperial County Long Range Transportation Plan.
10. ICTC continues to conduct the annual unmet transit needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). ICTC staff educate Commissioners and other stakeholders of the unmet needs hearings that have resulted in greater awareness and reception of the outcomes by the ICTC. Significant effort is made to increase public communication by providing bilingual information.
11. Performance monitoring of the ICTC-administered transit services are conducted through quarterly meetings between ICTC and First Transit at ICTC offices. A sample full agenda packet shows detailed performance analysis for each system with tables and line graphs highlighting trends in operations and budget. These meetings and detailed analysis help ICTC meet compliance with the TDA requirement to make productivity improvements.
12. ICTC staff acting as the transit administrator for IVT provide assistance in the planning and programming of state and federal transit grants. These funds have been programmed for regional transit services, bus vehicle procurement, development of bus transfer terminals, and bus stop improvements.

Triennial Audit Recommendations

1. Apply new statutory provisions to TDA performance measures.

ICTC is required to track performance measures of the transit systems for TDA funding eligibility. A few changes have occurred in relation to the computation of these measures. Legislation (SB 508) passed in October 2015 significantly modified several provisions of the TDA. The legislation has several objectives, including simplifying fare recovery requirements, authorizing funding of bicycle and pedestrian safety education programs, and modifying STA qualifying criteria for 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 systems. Highlights of the bill applicable to ICTC are summarized below.

Farebox Recovery

- Revises definition of “local funds” in farebox recovery 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* [italics added for emphasis] 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 a “sliding scale” to adjust a transit the operator’s STA allocation for operations, rather than “pass/fail.” New sliding scale effective July 1, 2016.

The farebox recovery ratios calculated in the next annual TDA fiscal audit (FY 2016–17) should account for these changes, given that operator eligibility for TDA funds is determined in large

part by the audited farebox ratios. The revised STA sliding scale qualifying criteria that ICTC must also apply could have certain budgeting and planning implications.

2. Implement the State Transit Assistance Qualifying Criteria Test.

Before STA funds can be used for transit operations, ICTC must conduct a test using a formula under PUC Section 99314.6 to determine the operator's year-over-year growth in cost per revenue hour or average three-year change. With the enactment of state legislation (SB 508) reinstating the test, the Commission should apply the qualifying criteria. ICTC currently allocates all STA funds for the operation of IVT Access ADA paratransit service. Typically this test is conducted during the TDA claims process before funds are approved and distributed for their intended expenditures. Alternatively, ICTC could request that the IVT fiscal auditor conduct the verification as part of the annual fiscal and compliance audit.

Given that ICTC allocates all STA funds for IVT Access for required ADA paratransit service, the statute allows exclusions of cost increases beyond the change in the Consumer Price Index for such expenses as comparable complementary paratransit. This exclusion would enable STA funds to continue to be used for the ADA service provided by IVT Access. However, ICTC should conduct the test as a measure of statutory compliance when STA is used for transit operational expense.

3. Revise timeline of transit operator State Controller Report submittals.

ICTC prepares separate annual Transit Operators Financial Transaction Reports to the State Controller (State Controller Reports) for its general public fixed route and specialized service dial-a-ride systems. New state legislation was passed (AB 1113 - Bloom) on July 21, 2017 that changes the timeline to submit these reports from within 110 days after fiscal year end to 7 months after fiscal year end, or end of January. This is an extension of about 100 days. In addition, with the change in dates, the State Controller Reports are required to contain underlying data from audited financial statements. This means the State Controller Reports must contain audited financial data drawn from the annual transit operator fiscal audits which are due 180 days, or 6 months, after fiscal year end.

ICTC should also notify other transit operators of this date change including the Quechan Indian Tribe which prepares the State Controller Reports for YCAT Routes 5 and 10.

4. Revise the TDA claims forms and manual.

As a carryover from the prior performance audit, the current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook update. During their subsequent use for the claims process, staff has found the claims forms to be complex relative to the claims being made and the information that is required from the claimants. A streamlined claims form would serve the agency better and should be revised as agency

resources allow, along with providing further training to the claimants. The revised claims forms should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This requirement can be inserted as part of the annual TDA claims package. The TDA Guidebook should be updated to reflect new statutory provisions, farebox recovery, and instructions for completing the claims.

5. Formalize orientation process for new Board and committee members.

Due to the nature of rotation in membership on the ICTC board and committees, ICTC staff face the challenge of orienting new members on a fairly regular basis about the agency. Many interviewees for the audit expressed that the orientation process has not been standardized, with some receiving one-on-one consultation from staff, while others have had to learn on their own. ICTC retains an open door for a new or existing member to consult with staff and to become more familiar with the agency; however, a standard orientation process might be warranted. This could include an annual conversation during a board and committee meeting at the beginning of the year on the purpose and ground rules of the board/committees, and development and distribution of a user friendly handout on the agency's workings. The existing ICTC Overall Work Program and Budget serves some capacity and has materials for the handout, and could be leveraged in the formulation of a standalone orientation piece. Other prior presentations on an overview about ICTC could also be used for orientation materials. Sample orientation materials from other RTPAs have been provided by the performance auditor to ICTC.