



**FY 2008-2010 TRIENNIAL
PERFORMANCE AUDIT OF
IMPERIAL COUNTY
TRANSPORTATION COMMISSION**

SUBMITTED TO:

Imperial County Transportation Commission

September 2011

SUBMITTED BY:



TABLE OF CONTENTS

| | |
|---|----|
| Executive Summary..... | i |
| Section I..... | 1 |
| Introduction – Initial Review of ICTC Functions | 1 |
| Overview of Imperial County and ICTC | 1 |
| Role and Structure of ICTC | 2 |
| Transit Operators | 5 |
| Audit Methodology | 7 |
| Section II..... | 8 |
| RTPA Compliance Requirements..... | 8 |
| Findings from RTPA Compliance Requirements Matrix | 19 |
| Section III..... | 20 |
| Responses to Prior Triennial Performance Audit Recommendations..... | 20 |
| Section IV | 26 |
| Detailed Review of ICTC Functions..... | 26 |
| Administration, Management and Coordination | 26 |
| Staffing and Administration | 26 |
| ICTC Board and Committees | 27 |
| Management and Coordination | 29 |
| Transportation Planning and Programming | 31 |
| Overall Work Program..... | 33 |
| TDA Claimant Relationships and Oversight..... | 34 |
| ICTC Administration and Planning..... | 34 |
| Technical and Managerial Assistance to Operators..... | 35 |
| TDA Claim Processing | 36 |
| Unmet Transit Needs..... | 38 |
| Marketing and Transportation Alternatives..... | 39 |
| Grant Applications and Management | 41 |
| Section V | 43 |
| Findings..... | 43 |
| Triennial Audit Recommendations..... | 45 |

Executive Summary

The Imperial County Transportation Commission (ICTC) retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2007–2008 through 2009–2010. ICTC is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California State 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 to local jurisdictions for operations of public transit systems, non-motorized projects, and streets and roads.

This performance audit is intended to describe how well ICTC is meeting its administrative and planning obligations under TDA, as well as its organizational management and efficiency as a regional transportation entity. To gather information for the TDA performance audit, PMC 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. PMC 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 has in large part been able to accomplish its objectives as a regional planning entity and build good relationships with key partners such as Caltrans while maintaining on-going communication with its member local jurisdictions. With significant growth in Imperial County over the past decade evidenced by the 2010 Census figures, there is recognition for ICTC to continue its regional approach to delivery of service and compliance with increased mandates.
2. ICTC has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies, with the exception of one in partial compliance. ICTC has partially complied with the provision ensuring that all member-agency certified fiscal audits have been submitted to it and the State Controller within the statutory timeline of 180 days after the end of the fiscal year. A few local jurisdiction claimants were several years past due, and ICTC has taken allowable action to withhold TDA funds until the fiscal audits were completed.
3. With the creation and transition to an independent transportation commission in January 2011, ICTC staffing underwent rather significant changes including the hiring of a full-time Executive Director who is employed by the new agency. The remaining staff who serve ICTC are still currently employed by Imperial County under the County’s personnel titles. A

transition process has been under way internally to move these County employees into the ranks of the new agency and reflecting full independence.

4. Of the nine prior audit recommendations made of ICTC's predecessor, IVAG, seven have been fully implemented. The remaining two prior recommendations are still in progress of being implemented including making revisions to the TDA claims forms, and conducting transit efficiency tests.
5. Stakeholders that were interviewed for this audit, including ICTC elected officials and public agency staff and citizens who serve on an ICTC committee, were generally satisfied with ICTC's activities, competencies and responsiveness. The interviewees were positive about the direction being taken by the agency including the hiring of an Executive Director which has improved the perception that the agency serves all member jurisdictions in a fair manner. A common suggestion made by the interviewees is for ICTC staff to develop an orientation program for board and committee members so that these individuals can get acclimated quicker to ICTC activities and responsibilities.
6. The transition from IVAG to ICTC brings new challenges and issues as the newly created agency continues to mature. The board approved for ICTC to be modeled after other fully operational county transportation commissions in southern California. The transition provides an opportunity for the board to discuss the dynamics of how the new agency conducts its business and how it reduces its reliance on SCAG and Caltrans
7. ICTC has undertaken a strategic planning process through workshops with Board members and Management Committee members. Workshops took place in early May 2011 and resulted in development of a strategic plan for the region and includes elements toward the development of ICTC as an independent agency.
8. As contained in ICTC's first Overall Work Plan for FY 2010–2011, a greater emphasis on regional transportation planning has been placed on the agency than in previous years. Activities have included working in partnership with Caltrans and each of the county's planning agencies and regional planning partners to reach consensus on an approach to reduce greenhouse gases generated in Imperial County. Regional project delivery has also been prioritized including expediting the completion of the State Route 78 Brawley Bypass and improvements to the Interstate 8 Dogwood Interchange. ICTC also received Federal Transit Administration urbanized funds for the El Centro Bus Terminal design and construction, as well as for new local circulator transit service in El Centro. Additional federal funding has been received by ICTC for new bus transfer stations in the cities of Brawley and Imperial. ICTC has been active in securing federal grant funds for planning and implementation.
9. Several significant planning documents were completed during the audit time period. They include an update to the Imperial County Transportation Plan Highway Element in 2008 as part of the County Long-Range Transportation Plan Update, completion of the Coordinated

Public Transit – Human Services Transportation Plan in 2008 as a condition of eligibility for certain federal transit funding, and completion of the Public Transit Services Fare Analysis in 2008 that supported adjustments to transit fare rates.

10. ICTC continued its monitoring of public transit performance trends through the collection of performance data from each operator. The continual collection and review of the data on a regular basis by ICTC, as well taking action to preserve transit service, demonstrates its active role by the agency to provide oversight of TDA-funded transit services. In addition, ICTC staff utilize additional proactive monitoring techniques including in-person on-board observations for the county administered transit programs.
11. ICTC has created a community outreach/public information/marketing program that will consider ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus will be an effort to create a new independent ICTC website that will provide easy access to its member agencies, key stakeholders, and the general public. As part of the effort, ICTC’s website will provide links through logos of the public transit systems placed on the ICTC site that will enable the user to gain additional information about each system and direct the user to their respective home websites.
12. ICTC has made significant effort to increase its communication with the public by providing information in bilingual English/Spanish format. When feasible, ICTC has created bilingual media and provided interpreters at public meetings to enhance participation and communication. These have proven useful for such activities as the annual unmet transit needs, and communication with transit drivers. The ICTC website will also be formatted in both English and Spanish.

Four 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. Develop an orientation program for ICTC board and committee members.

Based on our interviews with board members and committee members, a common response was that an orientation program would be helpful to get members more quickly acclimated to ICTC activities. The program could comprise several elements including development of an orientation packet, one-on-one meetings, and strategic retreats or meetings held at regular intervals. The orientation packet could include at a minimum a fact sheet about ICTC’s roles and responsibilities, programs, and funding sources. Essentially, the fact sheet could be a condensed version of the OWP. For fact sheets to ICTC committee members including the Management Committee, Technical Advisory Committee, and Social Services Transportation Advisory Council, the content could include about ICTC and the role and responsibility of each committee.

2. Complete Separate State Controller Reports for County General Public Transit and Specialized Service.

ICTC, as the administrator of county transit services, is responsible for assisting the County of Imperial with completion of required reports including the annual State Controller Report for county transit. Currently, the County prepares and submits one State Controller Report to the State that includes financial and performance data for both general public service as well as specialized service to the elderly and disabled. However, the State Controller report instructions state that "...Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service..." This provision is also stated on the General Information page on the front of the Controller report that is submitted by the County. The instructions state that separate reports must be submitted, one for general public transit, and another for specialized service. Given the applicability of these provisions to the types of county services provided (IVT, AIM Transit, Med-Express, and West Shore DAR), there should be a separation of modes and two Controller reports prepared, one for general public and the other for specialized service.

3. Implement the State Transit Assistance efficiency test.

Under PUC 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. ICTC currently allocates all STA funds for the operation of IVT 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 the fiscal auditor for IVT to conduct the verification as part of the annual fiscal and compliance audit.

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

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 by the claimants. A streamlined claim form would serve the agency better and should be revised as agency resources allow, along with further training for the claimants. The revised claims should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This 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 the prior IVAG Performance Audit covering through fiscal year 2007.

Section I

Introduction – Initial Review of ICTC Functions

The Imperial County Transportation Commission (ICTC) retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2007–2008 through 2009–2010. ICTC is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) as a condition of receiving TDA funding.

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

Overview of Imperial County and ICTC

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border on the south, Riverside County on the north, San Diego County on the west, and the State of Arizona on the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county's geographical land area encompasses 4,597 square miles and is traversed by 2,555 miles of roadways. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115.

Population growth has seen a marked increase in recent years. According to the newly released 2010 U.S. Census data, the county's population is 174,528, an increase of close to 23 percent from the 2000 Census figures. The California Department of Finance 2010 estimate reports a countywide population of 183,029. The county seat and largest city is El Centro, with an estimated population of 42,598 based on the 2010 U.S. Census. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland. In addition, in 2009, an estimated 75,000 people cross daily by car and foot into the United States from Mexico through the U.S. 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.

The performance audit time frame includes a historic period for transportation planning in Imperial County. The institutional structure of the regional transportation planning agency was changed on January 1, 2010, when legislation became effective creating the Imperial County Transportation Commission, an independent agency. Senate Bill 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.

The law establishes a governing board of up to 15 members, including 10 specified voting members, one nonvoting member appointed by the governor and representing Caltrans, and up to four additional nonvoting members at the commission's discretion. The voting members are composed of Imperial County, all the incorporated cities of the county, and the Imperial Irrigation District. It is the successor entity to the Imperial Valley Association of Governments and assumes all assets and liabilities of that entity. 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 Board's directed staff to initiate all necessary steps toward implementing this transfer of responsibilities to be 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 new LTA ordinance allows for 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 in FY 2010–2011.

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 street and road purposes. Among its planning responsibilities, ICTC is required to develop and approve a three- to 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/IVAG's total budgeted TDA allocations for administration and plans/programs during the fiscal years addressed by this audit ranged from \$791,000 in FY 2007–2008, to \$857,600 in FY 2008–2009, to \$677,800 in FY 2009–2010. The increase in planning and programming funds in FY 2008–2009 were used to fund specific studies and activities including an evaluation of public transit fare policy, a social services transportation coordination plan, and the feasibility of the reorganization of IVAG as a County Transportation Commission.

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 Regional Transportation Plan for the Imperial region;

- Development of the Short Range Transit Plan that guides transit investment;
- Development of regional, state, and federal transportation improvement programs (TIPs) and their updates;
- 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 transportation-related funds;
- 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; and
- Designation of ICTC as the Consolidation Transportation Services Agency for the county.

The range of responsibilities for ICTC include administering the County transit programs and TDA allocation process, coordinating with the local jurisdictions on transportation-related issues, and providing liaison services between ICTC and external agencies such as SCAG and Caltrans for planning, programming, and funding. Other responsibilities include short- and long-range planning, serving as the designated Consolidated Transportation Services Agency (CTSA), conducting ADA certification, and monitoring of transit performance standards.

ICTC staff comprise a new full-time Executive Director who is employed by the agency via a contract. This is in contrast to prior IVAG management that was filled by the County's Director of Intergovernmental Services who served as the IVAG Regional Coordinator and provided part-time executive management and coordination. The remaining staff who serve ICTC are still currently employed through Imperial County under the County's personnel titles, although they no longer share in the conduct of county business. A transition process has been under way and is a priority of ICTC to move these County employees into the ranks of the new agency. Staffing levels of ICTC can include up to five full-time positions (see organization chart), although four are currently filled. Temporary clerical staff is also being used.

In a further sign of separation and independence from the county, ICTC relocated to a new office located along North Imperial Avenue/Highway 86 in El Centro that is also shared with SCAG and the Imperial Valley Economic Development Corporation.

Staff provides support to the ICTC Board and standing regional committees as described below.

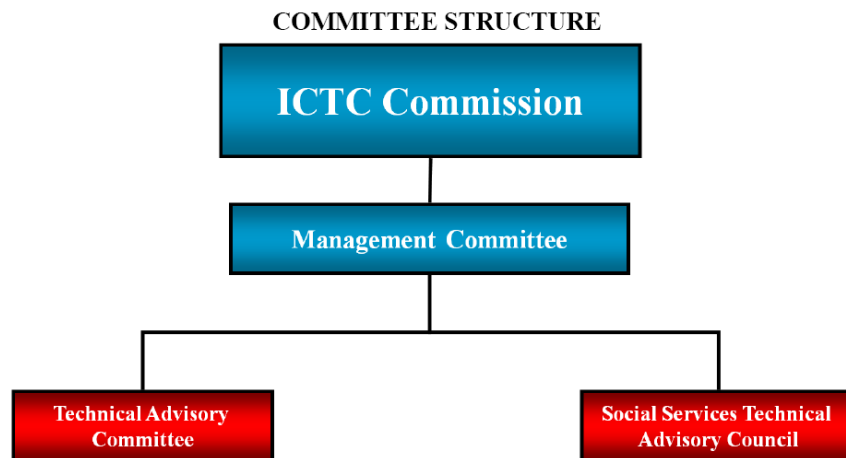
Management Committee: The purpose of the Management Committee is to serve as a policy advisory committee to the Board. Membership of the Management Committee includes two members from the County of Imperial and one member from each member city or agency. Members comprise city managers, chief executive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

Social Services Transportation Advisory Council (SSTAC): The SSTAC is statutorily (PUC Section 99238) created 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 council are to participate in the identification of transit needs; review and recommend action; and provide advice and technical recommendations. The committee meets the first Wednesday of the month.

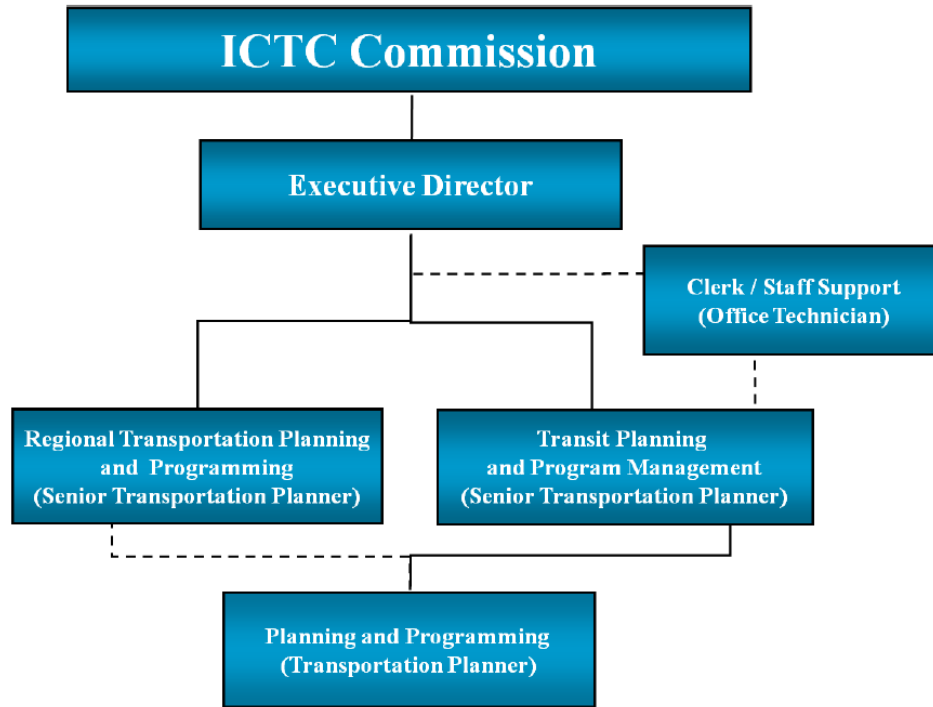
ICTC Technical Advisory Committee (TAC): The TAC is composed of planning and public works representatives from each member agency including ex officio members of ICTC. The purpose of the TAC is to coordinate the plans and development of the regional transportation improvement program of projects, transportation planning programs, and transportation funding programs. The committee meets the fourth Thursday of the month.

ICTC has the option of creating special purpose committees as the need arises. Existing committees that meet on an as-needed basis include the Americans with Disabilities Act Advisory Committee, Transportation Technical Advisory Committee, Planning Committee, and Borders Committee.

An organization chart of ICTC and its committees, drawn from the FY 2010–2011 Overall Work Program, is shown in the following figure.



STAFF ORGANIZATIONAL STRUCTURE



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 by the sponsoring local public agency. Public transportation in Imperial County consists of nine systems, some of which are operated by the same contract provider. A separate performance audit of each respective public transit operator is provided under separate cover. Each service is described briefly below.

Imperial Valley Transit (IVT): Regional intercity service with six types of services that include regular fixed-route, express service to Imperial Valley College (IVC), direct intercity between Brawley and Calexico, lifeline, route deviation, and demand response in certain areas. IVT generally operates Mondays through Fridays with limited Saturday service. IVT is administered by ICTC and is operated by a private contractor, First Transit.

Imperial Valley Transit – Blue/Green Lines: Circulator shuttle service within the city of El Centro. The Blue Line initially began service in October 2006 with two bidirectional routes utilizing smaller buses, which connect public agencies and services not currently served by the regional system. Commencing in July 2009, the routes were reconfigured and split into two branded circulator services: the Blue Line and the Green Line.

AIM Transit: AIM Transit, or Areawide Independent Mobility, provides Americans with Disabilities Act (ADA) complementary intercity paratransit service within a ¼-mile corridor to IVT routes during the same operating hours. Service is curb to curb and is open to eligible ADA-certified passengers as well as to seniors over 60 years of age and the general public on a space-available basis. The paratransit service is administered by ICTC and was operated under a service contract by ARC-Imperial Valley. As of July 1, 2011, the name of the ADA service was changed to IVT Access to better reflect the service's relationship to the IVT intercity fixed route.

Med-Express: Specialized paratransit service providing non-emergency medical trips between communities in Imperial County and medical facilities, clinics, and doctors offices in San Diego County for services that are not available in Imperial Valley. The service is administered by ICTC and was operated under contract by ARC-Imperial Valley. Service is available four days a week.

Brawley Dial-A-Ride: This demand-response transit service operates within the City of Brawley and to the San Diego State University extension campus just outside of Brawley. The service is administered by the City of Brawley and is currently operated under contract by Sonia Corina Incorporated dba Sunrise Driving Service, a nonprofit 501(c)(3) entity. Demand-response service is available to the general public on weekdays.

Calexico Dial-A-Ride: This demand-response transit service operates within the City of Calexico. The specialized service is administered by the City of Calexico Utilities Department and is currently operated by First Transit. Demand-response service is available to seniors and persons with disabilities seven days a week.

El Centro Dial-A-Ride: This demand-response transit service operates within the City of El Centro. The service is administered by the City of El Centro and is operated under contract by ARC. Demand-response service is available to seniors and persons with disabilities on weekdays.

Imperial Dial-A-Ride: This demand-response transit service operates within the City of Imperial and also provides intercity service between Imperial and the City of El Centro. The service is administered by the City of Imperial and is operated under contract by ARC-Imperial Valley. Demand-response service is available to seniors and persons with disabilities on weekdays.

West Shores Dial-A-Ride: This demand-response transit service operates along the SR 86 corridor serving communities located on the western shore of the Salton Sea. The service is administered by ICTC and was operated under contract by ARC-Imperial Valley. West Shores Dial-A-Ride is available to the general public Tuesdays and Thursdays, with lifeline service provided to Westmorland on Tuesdays.

Audit Methodology

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

Document Review: PMC conducted an extensive review of documents including various ICTC/IVAG files and internal reports, committee agendas, and public documents.

Interviews: PMC interviewed ICTC staff and members of the Board, Management Committee, TAC, and SSTAC, as well as the transit operators, to gain their perspective about the agency's efficiency and economy.

Analysis: PMC 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 PMC with the information necessary to assess ICTC's efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements, and
- Organizational management and efficiency.

The remainder of this report is divided into four chapters. In Chapter II, PMC 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. In Chapter IV, PMC 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* September 2008, which was developed by Caltrans to assess transit operators' 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 |
| <p>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.</p> | <p>Public Utilities Code, Section 99231</p> | <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 Finance Plan that includes a LTF distribution table identifying the level of funds available to the claimants. The Transit Finance Plan has since been integrated as part of the Overall Work Program of ICTC.</p> <p>ICTC utilizes a formula based on population to determine each local jurisdiction's apportionments.</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 Finance Plans during the audit period, the annual allocation (excluding carryover) under this article section has been \$156,000 in FY 2007–2008, \$171,000 in FY 2008–2009, and \$171,000 in FY 2009–2010.</p> <p>Conclusion: Complied</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|--|--|--|
| <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. The ICTC Unmet Transit Needs public hearing is scheduled annually in the spring at the County Administration Building in El Centro.</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> | <p>Public Utilities Code, Section 99244</p> | <p>ICTC staff collect transit performance data from the transit operators on a quarterly basis to provide historic comparison and trend analysis. A series of eight performance measures is used to identify trends on a semiannual and annual basis. The data are compared to performance standards specific to each type of transit service based on objectives contained in the last Short-Range Transit Plan.</p> <p>ICTC has recently commissioned an update to the SRTP that was last produced in 2004. The SRTP will review performance of the transit operators and provide recommendations for improvement.</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|---|------------------|--|
| <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 allocation. | | <p>This update will be the second SRTP developed for county transit services.</p> <p>ICTC has not established a committee for the purpose of providing advice on productivity improvements (e.g., transit operators committee), although the SSTAC and TAC could serve some capacity.</p> <p>ICTC has also commissioned TDA performance audits of all public transit operators. The current audit cycle is the second for all operators. The findings and recommendations from these performance audits contribute to ICTC’s compliance with this measure. ICTC should develop a method to require at least annual reporting from the operators on the status of implementing the recommendations. This can be inserted as part of the annual TDA claims package.</p> <p>Conclusion: Complied</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|---|---|---|
| <p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p> | <p>Public Utilities Code, Section 99245</p> | <p>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. During the audit period, several claimants did not submit their certified fiscal audit within the statutory time line.</p> <p>ICTC has authority to withhold TDA funding until a claimant submits the annual fiscal audits, as specified in CCR Section 6664. ICTC has withheld funding from a few claimants during the audit period for lack of submittal of both TDA claims forms and the fiscal audits in a timely manner.</p> <p>Conclusion: Partial compliance from the perspective that not all certified fiscal audits have been submitted by claimants within the submission deadline. However, ICTC has enforced the provision to withhold TDA funding until the annual fiscal audits are completed and submitted.</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|---|--|---|
| <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, PMC, to conduct the audit of ICTC and of the public transit operators.</p> <p>An independent entity was retained to conduct the previous audit for the three fiscal years that ended June 30, 2007.</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 the performance audits of operators located in the area under its jurisdiction have been completed.</p> | <p>Public Utilities Code, Section 99246(c)</p> | <p>ICTC submitted the completed triennial performance audits to Caltrans. A cover letter accompanying the audits was not located to verify the date of submittal. However, a check with Caltrans TDA staff confirmed receipt of the audit reports.</p> <p>Conclusion: Complied</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|---|--|--|
| <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>ICTC updated its rules and regulations in January 2010 for developing a blended farebox recovery ratio for the IVT regional fixed-route service. An analysis was conducted that examined three new methods for determining the blended farebox.</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|--|---|--|
| | | <p>While the previous ratio developed by IVAG in 2004 was based on census population in urban and rural areas, the adopted new method is based on projected service hours between urban and rural areas. This method yielded the highest farebox recovery goal of the alternatives studied as a sign of holding the service to a higher standard. It was adopted by ICTC as well as approved by Caltrans in March 2010.</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. |

| TABLE II-1 ICTC Compliance Requirements Matrix | | |
|---|--|--|
| RTPA Compliance Requirements | Reference | Compliance Efforts |
| | | <ul style="list-style-type: none"> 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> |
| State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes. | Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116 | ICTC allocates State Transit Assistance (STA) funds for transit services only. During the audit period, funds were used to support both regional ADA and IVT fixed route service. |
| 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. | Public Utilities Code, Section 99314.3 | STA funds under this section are allocated to fund the regional fixed-route service. Previously, STA funds were used for the ADA complementary service, AIM Transit. The transition in the use of these funds occurred during the audit period. |
| | | Conclusion: Complied |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|--|---|--|
| <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 transit needs" and "reasonable to meet"; | <p>Public Utilities Code, Section 99401.5</p> | <p>ICTC conducts the annual Unmet Transit Needs process and hearing in consultation with the SSTAC. One of the primary responsibilities of the SSTAC is to advise ICTC on existing public transportation needs.</p> <p>Annually during the spring, SSTAC delivers letters regarding transit needs to the Unmet Transit Needs Hearing Panel, which is a subcommittee of ICTC and comprises elected officials. One letter provides the transit issues and concerns, another letter presents the list of recommendations for TDA funding, and another reviews the "Findings" of the Transit Hearing Panel.</p> <p>A master list of identified transit needs is kept annually and used for discussion by the SSTAC. The issues are prioritized for the unmet needs hearings and forwarded to ICTC for consideration. The SSTAC also meets monthly or as needed and reviews and evaluates services and needs throughout the year.</p> |

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

| RTPA Compliance Requirements | Reference | Compliance Efforts |
|--|---|---|
| <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>LTF funds have only been allocated to streets and roads after completion of the unmet needs process.</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 must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.</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 2008 through 2010.</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> |

Findings from RTPA Compliance Requirements Matrix

ICTC has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies, with the exception of one in partial compliance. ICTC has partially complied with the provision ensuring that all member-agency certified fiscal audits have been submitted to it and the State Controller within the statutory timeline of 180 days after the end of the fiscal year. During the triennial audit period, most of the certified fiscal audits were submitted to ICTC within the submission deadline. A few local jurisdiction claimants, however, were several years past due, and ICTC has taken allowable action to withhold TDA funds until the fiscal audits are completed.

A recommendation was made in the previous performance audit to implement a formal noticing process for late submittal of annual certified fiscal audits. ICTC accomplishes this noticing through staff notifications about the status of these documents at ICTC Management and TAC committee meetings, as well as at the Board meetings. The notification is part of the process to update all subcommittees about unallocated funds in the transit finance plans.

In regard to the blended farebox ratio policy for IVT fixed route, ICTC derived a new method and received approval from Caltrans to calculate the ratio based on projected service hours between rural and urban service areas. The service hours include those from the IVT intercity service as well as the local circulators. Currently, the approved farebox ratio remains fixed for a five-year period as directed by Caltrans.

ICTC has improved its responsibility under Public Utilities Code Section 99244 to recommend productivity improvements of the operators within its jurisdiction through its commissioning of separate TDA performance audits of each operator for the audit cycle beginning in FYs 2005–2007. While there is no specific committee formed by ICTC for the purpose of providing advice on productivity improvements, which is an optional provision under the law, the recommendations made in the operator performance audits can be utilized by ICTC to meet minimum compliance with this measure. In addition, ICTC is currently updating its Short-Range Transit Plan that serves as a transit productivity and capital improvement guidance document.

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 the agency'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

Continue progress related to the study of IVAG governance options.

Actions taken by ICTC

At the conclusion of the previous performance audit, IVAG and its stakeholders were continuing their study of options for new governance. In addition to Board member involvement, the ICTC Management Committee advised on the governance options and contributed to the process of drafting the legislation that created the independent ICTC. Senate Bill 607 (Ducheny) was passed by the state legislature, and ICTC became the successor agency of IVAG on January 1, 2010. A subsequent resolution recognizing the duties and obligations of the successor agency, as well as a set of bylaws, was created and adopted by the new ICTC Board of Directors.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Consider revisions to the TDA claims forms and provide training to the claimants.

Actions taken by ICTC

The current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook updated for ICTC. 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 by the claimants. A streamlined claim form would serve the agency better and should be revised as agency resources allow, along with further training for the claimants.

Conclusion

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

Prior Recommendation 3

Comply at a minimum with the TDA statute regarding annually recommending potential productivity improvements for the operators.

Actions taken by ICTC

ICTC undertakes several activities that provide potential productivity improvements for the operators. These activities include the conduct of the performance audits of all public transit operators, the update of the Short-Range Transit Plan, and a requirement for the public transit systems to address farebox recovery issues. For transit-related projects that receive federal grant funding, ICTC requires that the transit grantees and their vendors be in compliance with applicable Federal Transit Administration grant requirements. These various activities stimulate improvements by the transit operators.

Conclusion

This recommendation has been implemented. Further action for enhanced implementation is to require each transit system to report on the status of implementing fiscal audit and performance audit recommendations in their annual TDA claims forms. This improves the accountability for both ICTC and the transit operators to increase productivity.

Prior Recommendation 4

Design and implement a formal noticing process for late submittal of annual certified fiscal audits.

Actions taken by ICTC

As described in the previous section, ICTC implements this recommendation through staff notifications about the status of these documents at ICTC Management and TAC committee meetings, as well as at the Board meetings. The notification is part of the process to update all subcommittees about unallocated funds in the transit finance plans.

ICTC has discretion over the administration of the fiscal audits. Each claimant currently retains their own certified public accountant (CPA) to conduct the TDA fiscal audit, and then submits the completed audit to ICTC. Alternatives to this arrangement for consideration include that ICTC could take the service in-house and contract for one CPA to conduct all the TDA fiscal audits, or have flexibility to allow some local jurisdictions to continue retaining their own CPA while ICTC administers the remaining audits.

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Become familiar with and implement the State Transit Assistance efficiency test.

Action taken by ICTC

During the audit period, State Transit Assistance (STA) funds were shifted from funding the AIM Transit contract to currently funding IVT service. State budget uncertainty created a need to shift funding resources among the services and provide appropriate subsidies. In both instances for AIM Transit and IVT, STA is used for subsidizing operating expenses.

TDA law (PUC Section 99314.6) requires that for STA funds to be used for operations, an operating efficiency test must be applied each year to determine the eligibility in the use of STA for operations. The efficiency test is oftentimes calculated in the annual TDA claims forms or contained in the annual fiscal and compliance audit of the transit system (in this case, the fiscal audit is the "County of Imperial Financial Report of the SB 325 Fund"). A review of both types of documents showed that the STA efficiency test has not been conducted.

The two-prong efficiency test relates to trends in the operator's operating cost per hour and should be calculated by ICTC/fiscal auditor to meet TDA compliance as well as provide another means to monitor key performance.

Conclusion

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

Prior Recommendation 6

Take actions under PUC Section 99268.9 and assess the penalty against the public agencies as necessary for noncompliance with the farebox recovery ratio.

Action taken by ICTC

As part of its oversight responsibilities, ICTC reviews the farebox recovery ratios of the transit systems through its monitoring program. Several transit systems did not meet their respective farebox ratios during the audit period, including Calexico Dial-A-Ride and West Shores Dial-A-Ride. While ICTC has not imposed financial penalties in a manner stipulated in the TDA statute, ICTC requires the operators to address their farebox issues before approving the TDA claims for

funding. For example, West Shores Dial-A-Ride service was reduced significantly to address cost, while the City of Calexico raised the fare on its dial-a-ride system to improve its farebox recovery.

Conclusion

This recommendation has been implemented.

Prior Recommendation 7

Analyze transit performance measures consistent with TDA.

Action taken by ICTC:

ICTC's transit performance monitoring program includes the calculation of performance measures for each transit system using data submitted by the operators. The number of performance measures was updated in FY 2008–2009 and includes the following:

- Passengers per hour
- Passengers per day
- Passengers per mile
- Service hours per full-time equivalent
- Operating cost per passenger
- Subsidy per passenger
- Operating cost per hour
- Operating cost per mile
- Farebox ratio

The TDA statute contains five minimum performance indicators that are used in the performance audit. These standards include the following:

- Operating Cost per Passenger
- Operating Cost per Vehicle Service Hour
- Passengers per Vehicle Service Hour
- Passengers per Vehicle Service Mile
- Vehicle Service Hours per Employee

The farebox recovery ratio is another TDA performance indicator that is required to be calculated. From comparing the above two lists, ICTC's monitoring program includes the TDA performance indicators in addition to other measures that analyze the transit systems.

Conclusion

This recommendation has been implemented.

Prior Recommendation 8

Include additional detailed information for each work element in the IVAG OWP.

Action taken by ICTC:

Upon the transition of IVAG to the independent transportation commission in January 2010, ICTC created the inaugural Overall Work Program (OWP) and Budget for FY 2010–2011. The OWP provides an overview of ICTC's organization, responsibilities, and governance structure. Not only does the OWP incorporate the existing Transit Finance Plan developed by IVAG, but it is also the first phase and step toward implementation of a new comprehensive agency-wide budget that will thoroughly convey the work to be performed by ICTC. The budget is divided into three sections: the Budget Summary and the core programs of Regional Transportation Planning and Programming, and Transit Planning and Program Management.

ICTC staff has tried to manually track their time on a spreadsheet to keep record of time spent on the tasks contained in the OWP. The recording of time spent provides indication of the resources required to carry out the function. While staff described that this activity has been helpful for information purposes, it has presented challenges in terms of accuracy and the nature of the tasks that are conducted on a daily basis. Staff will consider re-engaging in this exercise when warranted.

Conclusion

This recommendation has been implemented.

Prior Recommendation 9

Develop internal procedures to ensure timely updates to the IVAG website.

Action taken by ICTC

One of ICTC's staff is responsible for updating the agency's Internet home page. This includes working with the County's Information Technology department to update the site with new information and links pertaining to the agency such as board and subcommittee meeting agendas and minutes, contract opportunities, and state and federal compliance documents. As

the agency must meet the Brown Act, ICTC works to place public meeting information on the website in compliance with the act. A review of the ICTC website shows that public meeting agendas, minutes, and attachment items are available for viewing.

Conclusion

This recommendation has been implemented.

Section IV

Detailed Review of ICTC Functions

In this section, a detailed assessment of ICTC's functions and performance as a 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

Staffing and Administration

The transition to the independent ICTC resulted in a significant change in staffing composition of the RTPA. The most important change was the hiring of a full-time Executive Director to manage the fully operational agency. Whereas staff leadership of IVAG was previously held on a part-time basis by County executive management, ICTC is managed full time by independent and dedicated staff. The selection process of the Executive Director was made using an outside recruitment firm. During the search period, the Board agreed that an interim director was needed and had narrowed the search to an individual from either SCAG or Caltrans.

An interim director was selected from Caltrans and eventually was chosen for the permanent position by the ICTC Board in June 2010 after serving six months in the interim. The Executive Director had already been well connected to the agency through prior employment as a former transportation planner with Caltrans District 11 in San Diego. District 11 has been providing services to IVAG for many years on larger projects including managing updates of IVAG's long-range transportation plan and conducting regional transportation modeling and coordination with SCAG. While Caltrans will continue to conduct modeling on behalf of ICTC, ICTC will assume responsibility of the long-range transportation plan at the request of the Board.

ICTC staffing is in a transitional stage in terms of “official” employment with the transportation commission. The only employee of ICTC is currently the Executive Director, who is employed via an employment contract, while the remaining staff operate under the County employment umbrella. The movement of staff from County employment status to the independent agency is continuing as the agency works on developing its human resource capabilities and addressing other employment matters. ICTC contracts with the County for various services including administration, information technology, and legal counsel.

In a further sign of its independence from the County, ICTC recently moved its operation into a separate building at a new location along North Imperial Avenue. The agency was temporarily located in the County Executive Office. ICTC occupies space in the new building along with a local SCAG field office and the Imperial Valley Economic Development Corporation. SCAG is the primary leaseholder of the shared office space.

During the audit period, staffing changes occurred while the agency pursued formation as an independent agency. Some IVAG/County rank and file employees that had roles within IVAG in the earlier years of the audit period either remained with the County and filled another position or pursued other opportunities outside the County. Positions that were vacant included one that dealt with transportation planning and programming of projects with SCAG and Caltrans, and other liaison services. ICTC has since filled several vacant positions and seeks to fill remaining transportation planning positions as funding allows.

A minimum of five total positions are created for the ICTC organization, as shown earlier in this audit. Current staff have been serving under different capacities to fill outstanding needs and responsibilities outlined in the OWP. Despite the personnel changes over the past years, a senior Administrative Analyst has remained with ICTC and has provided a stable presence during and after the transition in administering the TDA program, conducting program and grant management, and managing county transit services.

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. Although the composition of the ICTC Board is similar to that of the IVAG Regional Council, the legislation 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 expansion of the Board in

this manner recognizes the cross-border and tribal relations that ICTC may seek to further develop through the contribution of these entities on the commission.

Several Board members responded to our phone calls and were interviewed for this audit. Those interviewed expressed overall satisfaction with staff administration, responsiveness, and productivity, as well as direction being taken by the agency. Its independence and the hiring of an Executive Director have improved the perception that the agency serves all member jurisdictions in a fair manner, including the rotation of the chairmanship between small and large jurisdictions.

Good relations among the members from each jurisdiction combined with ICTC staff acumen have helped the agency to move forward on key projects such as the El Centro Transit Transfer Terminal and Brawley Bypass. While the Board has provided goals to the Executive Director, the current strategic planning process involving all Board members and staff should further solidify ICTC's focus in developing an overall mission, goals, and the staff means and practices to achieve those goals. A suggestion made by the interviewees to improve the agency's function is that a more formal orientation process, including creation of a fact sheet, might be helpful for new Board members to get acclimated quicker to ICTC activities and responsibilities.

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 Board on policy issues. Interviews with responding city managers indicated overall satisfaction with staff competencies and the direction that is being taken in a more coordinated and focused manner, assisted by the hiring of an Executive Director. It is felt that ICTC is making steady progress and working through issues in an even-handed way. Similar to Board member interviews, it was indicated that ICTC staff could improve its orientation with new members and provide briefings about the agency and its role.

Technical Advisory Committee

The Technical Advisory Committee comprises the public works directors and planners from each city and the county. Representatives from Caltrans and the Imperial Irrigation District also participate as partners. The TAC 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 TAC members indicated positive responses to staff's capabilities, preparedness for TAC meetings, communications, and general working relations.

As membership on the TAC increased with the addition of city and county planners several years ago, it was indicated that the current size of the TAC has affected productivity levels such as the lower degree of technical detail and discussion provided on projects. In addition, it was expressed that ICTC's evolving role may be seemingly limited to focus more on funding

allocation and budgeting constraints. Also, TAC members indicated that an orientation for members would be beneficial.

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 an annual unmet transit needs matrix of potential transit improvements. The matrix helps determine which transit needs are forwarded to the Unmet Transit Needs Hearing Panel and the Board for action. During this process, the SSTAC submits letters to the Board and the Unmet Transit Needs Hearing Panel advising on transit needs in the county while supporting transit improvement efforts. One letter provides a listing of transit issues and concerns for consideration by the transit hearing panel, and the second letter provides a review of the “Findings” made by the panel.

Several SSTAC members responded to the interviews for this audit – most of those interviewed have been on the SSTAC for many years. Those interviewed provided overall approval of how ICTC staff administer SSTAC meetings and the unmet transit needs process. It was expressed that ICTC promotes a fair and open discussion, is more visible, and is knowledgeable about the issues while keeping members informed. Funding cutbacks on transit services have created an ongoing and difficult environment to serve the clients of SSTAC members and generated sensitivities as to which services continue to receive funding, in particular dial-a-ride service. As the SSTAC members represent specific transit-dependent riders, reduction in service due to funding constraints often results in transit needs no longer being met, thereby placing greater emphasis on the importance of facilitating and advising on the unmet needs process.

Management and Coordination

Strategic Planning

The transition from IVAG to ICTC brings new challenges and issues as the newly created agency continues to mature. The board approved for ICTC to be modeled after other fully operational county transportation commissions such as Ventura County Transportation Commission, San Bernardino Associated Governments, and Riverside County Transportation Commission. The transition provides an opportunity for the board to discuss the dynamics of how the new agency conducts its business and how it reduces its reliance on SCAG and Caltrans.

Whereas in the past IVAG has held general sessions to set direction and policy, ICTC is undertaking a strategic planning process through workshops with Board members and Management Committee members. The workshop will initiate the development of a strategic plan for the region and include elements toward the development of ICTC as an independent agency. The strategic plan would review the relationships and communication between the various ICTC committees and the Board. The strategic plan would also address and prioritize the core agency responsibilities in regional planning, transit planning, project management, and

programming of transportation funds. A goal of the plan and the workshop will be to create an ICTC mission statement based on goals, objectives, and priorities established by the Board and the Management Committee members. The strategic plan workshop is scheduled for early May 2011.

Regional planning and programming activities identified for discussion include current activities conducted by SCAG, SANDAG, and Caltrans District 11. These activities include long-range transportation planning, border crossing study, transportation improvement programming, grant and local assistance coordination, transportation modeling, SB 375 implementation, and legislative advocacy/regional partnerships. The workshop will also address human resource support services for ICTC agency development in the areas of business plan development, organization structure and salaries, job specifications, and development of policies and procedures for personnel, procurement, and contract management. The design and organization of ICTC is ultimately dependent on the role the agency will develop from the strategic plan.

Regional coordination is further enhanced through staff's more active membership at SCAG. Staff views SCAG as a good a partner that has dedicated resources to assisting regional agencies. ICTC staff is a member of SCAG's Subregional Plans and Programs Technical Advisory Committee and is part of the County Commission subgroup. Two 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. The member for the Imperial County district is a former mayor of El Centro. 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 SANDAG Borders Committee.

ICTC Member Cost Sharing

In April 2010, ICTC staff and the Board held a discussion about the cost-sharing formula of funding contributions by the member entities to fund the Executive Director and transportation planner positions. The County stated that tasks performed by the two positions on behalf of ICTC were no longer reimbursed by OWP project fees or other state and federal sources. For the first six months of FY 2009–2010, the former IVAG Regional Council had approved a cost-sharing agreement using the prorated percentage of each member's population to the total countywide population.

The cost sharing for salaries for the second half of that fiscal year was debated by the Management Committee, which recommended one cost-sharing method to the ICTC Board. The Board adopted that particular method for reimbursement to the County based on the original population formula plus the IID's share computed from the arithmetic mean of the largest and smallest agencies' population. The Board, however, adopted a different methodology from that recommended by the Management Committee for reimbursement during FY 2010–2011. The adopted methodology was based on the original population formula

plus the IID's share computed from the arithmetic mean of the four largest member agencies' populations. A Board member commented that this method is a 70 percent increase from the previous formula. The OWP for FY 2010–2011 shows that through this arrangement, IID contributes 17.4 percent of the \$150,000 cost while the cities and County contribute the balance of 82.6 percent.

Transportation Planning and Programming

The ICTC Executive Director organized the agency's planning and programming functions into two primary areas: Regional Transportation Planning and Program Management; and Transit Planning and Program Management.

As contained in the agency's first OWP for FY 2010–2011, a greater emphasis on regional transportation planning has been placed on the agency than in previous years. With the passage of SB 375, the relationship between land use and transportation planning has been formalized and ICTC must be responsible for development of Sustainable Community Strategies (SCS) for Imperial County. ICTC and SCAG are working in partnership with each of the county's planning agencies and regional planning partners to reach consensus on an approach to reduce greenhouse gases generated in Imperial County. Under ICTC, this work began for the first time in FY 2009–2010 with SCAG and included public outreach to the community to gather the public's input. As a consequence of its independent status, ICTC will take a substantial amount of resources to support the SB 375 planning effort in concert with its partners.

ICTC has continued efforts with SCAG and Caltrans District 11 to update the Imperial County Transportation Model. This regional transportation model serves as a key planning tool for evaluating and prioritizing major transportation improvements in the county. Staff has also worked to identify funding opportunities to pursue critical planning studies necessary for the Forrester Road Corridor from Interstate 8 to State Route 78/86.

For regional transportation programming, the ICTC efforts are focused on the Capital Projects Program, Transportation Improvement Program, and the administration of the Local Transportation Authority (LTA). The Capital Projects Program provides oversight, planning, project management, and monitoring for ongoing roadway and highway improvement projects. One of the highest priorities in this program is to expedite the completion of the State Route 78 Brawley Bypass. Caltrans District 11 led the completion of construction of Stage 2 in the fall of 2010 and awarded a contract for construction of Stage 3, the final stage of the project slated to be completed in early 2013. The estimated cost of the project is \$230.5 million, with funds coming from Proposition 1B for Stages 2 and 3 of the project, about \$80 million from Prop 1B's State Transportation Improvement Fund Augmentation, and about \$49.5 million from the Trade Corridors Improvement Fund, also part of Proposition 1B, which is completely funding construction for Stage 3. Other key regional programmed projects include the Dogwood Road Widening, the Interstate 8 Dogwood Interchange, State Route 98 Widening (west of SR 111), and other transit, pedestrian, and bicycle capital improvements.

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. Staff is finalizing development of the 2011 federal TIP incorporating all federally funded transportation projects and has submitted project nominations to the California Transportation Commission for inclusion in the state TIP (STIP). 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 and attends Caltrans-sponsored meetings and participates in teleconferences and the development of specific technical documentation for regional transportation projects. ICTC renewed the contract for one year through June 2011.

An activity that was not a part of IVAG but is now under ICTC is the commission's acceptance of the responsibilities of administration of the Local Transportation Authority program of Measure D sales tax transportation funds. Previously, these responsibilities were managed by the County of Imperial's Public Works Department. The sales tax was renewed by voters and became effective April 1, 2010, and is in effect for a period of 40 years. Following the March 2010 approval of these responsibilities, the LTA and ICTC Board directed staff to initiate all necessary steps toward implementing this transfer of responsibilities to be 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. The ICTC Executive Director also serves as the LTA Executive Director. New to the sales tax program is allocation of 2 percent of funding to support transit projects, primarily for dial-a-ride service.

The Imperial County Long-Range Transportation Plan Update is being prepared by SCAG, ICTC, and Caltrans. In May 2008, the final report of the Imperial County Transportation Plan Highway Element was completed that develops a prioritized list of highway facility and roadway improvement projects to be used as the basis for the highway element in the County Long-Range Transportation Plan Update. The 2008 report was an update to the 2002 Highway Element Report and was required due to increases in population, housing, trade, and changes in land use developments. The update collected the most recent information regarding existing conditions, reviewed results of traffic modeling to predict future conditions, and obtained input from the general public through a series of workshops and technical review sessions with the Technical Review Committee.

The Coordinated Public Transit – Human Services Transportation Plan for Imperial County was completed in April 2008 as part of the statewide effort sponsored by Caltrans. Federal planning requirements specify that designated recipients of certain sources of funds administered by the FTA, including the Sections 5310, 5316 and 5317 grant programs, must certify that projects funded with those federal dollars are derived from a coordinated plan. Caltrans serves as the designated recipient in non-urbanized areas of California for funds subject to this plan. This plan focuses on identifying needs specific to the mobility of individuals who are disabled, elderly, or

of low-income status as well as identifying strategies to meet their needs. Caltrans sponsored a statewide planning effort on behalf of the 23 rural counties for whom the funds are intended so that potential sponsors of transportation improvements may access the funds. Imperial is one of the 23 counties.

The Public Transit Services Fare Analysis was also completed in April 2008 and presented an evaluation of the existing fare structure for IVT, AIM Transit and four of the local dial-a-ride services operating in Imperial Valley. The document reviewed operating costs, service levels, ridership and farebox revenues for all services and presented major trends for each service with emphasis on fares and farebox recovery ratios. Direction and guidance was provided by IVAG staff with input from the Social Services Transportation Advisory Council. A recommended fare strategy was developed that has served as the basis for fare adjustments made by the various agencies to improve transit performance.

Overall Work Program

As described earlier, the OWP developed for FY 2010–2011 is the first phase over the next three years in developing a new comprehensive agency-wide budget. In phase two, to take place the following fiscal year, ICTC proposes to enhance the OWP and provide individual tasks within the core programs that will contain task-level detail including objectives and accomplishments. In phase three of this new budget process, staff will attempt to integrate adopted goals and objectives into the comprehensive task-oriented budget.

Prior to development of the OWP, IVAG/ICTC staff had produced for many years the annual Transit Finance Plan that provides the annual budget and planned expenditure commitments for each of the transit operators, including County services and those provided by the local cities. The Transit Finance Plan has been incorporated into the OWP under the new title Transit Planning and Program Management for consistency with ICTC overall responsibilities. Many aspects of the former transit finance plan continue to be included in the OWP, including financial tables and graphic displays of the information; 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.

Continuing into this audit period, ICTC received Federal Transit Administration 5307 urbanized funds for the El Centro Bus Terminal design and construction, as well as for IVT and Blue/Green Line operations. In the Transit Finance Plan and now the OWP, ICTC maintains exclusive tables for the tracking of revenues and expenditures related to the urbanized funds, as required by the FTA. The estimated apportionments and actual apportionments for each year are identified along with the planned expenditure, whether for capital or operating purpose. During the audit period, planned expenditures for IVT intercity operating using FTA 5307 ranged from \$250,922 in FY 2008 to \$208,379 in FY 2009 to \$500,000 in FY 2010. Planned expenditures for the IVT

Blue/Green Line ranged from \$277,653 in FY 2009 to \$217,838 in FY 2010. The El Centro Transfer Terminal has planned expenditures of \$2.9 million.

TDA Claimant Relationships and Oversight

This functional area addresses ICTC’s interaction with the transit operators in Imperial County and its 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 Transit Finance Plans, between FYs 2007–2008 and 2009–2010 ICTC allocated between \$5.7 million and \$6.2 million in total Local Transportation Funds (LTF), including reserves. Over the same period, State Transit Assistance funds have ranged from \$722,827 in FY 2008 to \$354,444 in FY 2009 to \$1,054,358 in FY 2010 based on audited reports and forms provided to the State Controller. 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, to the transit operators, and for streets and roads, ICTC claims LTF revenues for transit administration, auditing, and planning. Table V-1 shows the annual LTF claims retained by ICTC. The allocation of LTF for ICTC administration and operations has ranged from \$178,000 in FY 2008 to \$252,220 in FY 2009 to \$225,000 in FY 2010, excluding encumbrances. The significant increase in the FY 2009 budget was due to the agency’s need to keep up with its growing responsibilities, including the addition of administrative support costs, increases in training expenses to manage certain programs, meeting federal grant compliance, and staff time dedicated to regional plans and project coordination. The growth in expenditures for ICTC transit administration and special projects provides an indication of the growth in public transportation in the county and the use of TDA funds for these intended purposes. It also indicates the necessity of paying for a number of required reports as regional population growth continues. The ICTC transit administration budget reflects the County expenditure account codes that are linked with the expenditure description as a means to enhance budget accountability and transparency.

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

| Fiscal Year | LTF Claim * |
|-------------|-------------|
| 2007-2008 | \$748,400 |
| 2008-2009 | \$300,600 |

| | |
|-----------|-----------|
| 2009-2010 | \$677,800 |
|-----------|-----------|

* excludes LTF carryover and reserves from prior years

ICTC did not claim LTF funds for planning in FY 2008–2009, stating an existing balance on hand.

Source: Transit Finance Plan

In FY 2008, the amount claimed by ICTC for administration/operations/plan/programs equaled approximately 12.1 percent of Local Transportation Funds available to the County. In FY 2009, the amount claimed was 5.3 percent, and for FY 2010, the amount claimed was 11.9 percent. As now a statutorily created transportation planning agency, ICTC will need to consider the TDA provision of allocating up to 3 percent of annual LTF revenues for the conduct of the transportation planning and programming process (PUC Section 99233.2).

During the triennial audit period, ICTC commissioned several important studies such as the implementation of the El Centro Circulator Blue/Green Line Design Study, implementation of the El Centro Transfer Terminal Analysis and Site Location, social service transportation coordination plan, public transit fare analysis study, and public transit statistical sampling plan and project. These studies are intended to improve the delivery of transit service and fill transit needs identified during the unmet needs process.

Technical and Managerial Assistance to Operators

ICTC transit staff provides assistance to the operators as needed but under constrained resource and time availability. Assistance has been provided for a number of instances, including helping fill out and process TDA claims, and leading coordination efforts between County-administered transit services and several city-administered local dial-a-rides.

ICTC collects performance data from each operator on a quarterly basis to develop performance trends and monitor service. The performance data is 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 in 2004 (an update to the SRTP is currently in process). Many of the benchmark indicators are the same as those contained in the TDA statute. While the data submitted by the transit agencies is not audited information and does not always match information provided in other reports (i.e., 90-day State Controller Report), the continual collection and review of the data on a regular basis by ICTC demonstrates its active role to provide oversight of TDA-funded transit services.

As part of performance monitoring of the County-provided services (IVT, Blue/Green Line, AIM, Med-Express, and West Shores Dial-A-Ride), ICTC staff utilize additional 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 is filled out by ICTC staff. Items that are observed 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 bus trip. Based on a sample observation schedule provided by ICTC, IVT is observed at least monthly using these techniques, the Blue/Green Lines and AIM are observed quarterly, and Med-Express and West Shores are observed semiannually. These techniques provide first-hand information that supplements the performance measurement data submitted by the operators on paper to enable ICTC to gain a greater understanding of daily operations.

ICTC indicated its concern for the farebox ratio trend for some of the transit operators, including falling below the minimum farebox ratio thresholds set by TDA statute. This has led to actions that include scaling back services, increasing fares, and changing the nature of dial-a-ride from general public to specialized service. In addition to completing a countywide fare evaluation study in 2007 that recommended potential increases in fares for the transit systems, more recent changes were instituted. One was the reduction of service for West Shores Dial-A-Ride from five to two days a week due to falling demand. Saturday service for all city-operated dial-a-ride systems was discontinued. The City of Calexico raised its fare by 25 cents. Also, several dial-a-ride systems, including those for the Cities of Imperial and El Centro, transitioned from serving the general public to only carrying elderly and disabled. This action essentially reduced the required farebox recovery ratios for the two systems from 20 percent to 10 percent. ICTC's monitoring of the operator farebox ratios and facilitating change to improve the ratios helps the agency to comply with its responsibility to recommend productivity improvements.

ICTC, as the administrator of county transit services, is responsible for assisting the County of Imperial with completion of required reports including the annual State Controller Report for county transit. Currently, the County prepares and submits one State Controller Report to the State that includes financial and performance data for both general public service as well as specialized service to the elderly and disabled. The State Controller report instructions state that "...Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service..." This provision is also stated on the General Information page on the front of the Controller report that is submitted by the County. Given the applicability of these provisions to the types of county services provided (IVT, AIM Transit, Med-Express, and West Shore DAR), there should be a separation of modes, and reports prepared, between general public and specialized service.

TDA Claim Processing

Claims and required documents for TDA funding in accordance with the adopted transit finance plan can be submitted throughout the fiscal year of the claim. During the audit time period, several local jurisdictions were behind on submitting their claims and required documents. In turn, ICTC had not allocated funding to those jurisdictions. According to updated staff reports to the Board in May 2010, there were several outstanding TDA claims, State Controller Reports,

and CPA fiscal audits that had not been submitted over a three-year period. Several of the local jurisdictions immediately submitted the documents to ICTC when the report was issued; however, several remained outstanding including the following:

- FY 2007–08 TDA Claims – cities of Holtville and Westmorland
- FY 2008–09 TDA Claims – cities of Holtville and Westmorland
- FY 2009–10 TDA Claims – cities of Calipatria, Holtville, and Westmorland
- FY 2008–09 Fiscal Audit – cities of Calipatria, Holtville, and Westmorland

ICTC indicated that the cities of Holtville and Westmorland have had TDA revenues on deposit for several prior years. As recent as the end of March 2011, however, ICTC had received the required claims and documents from these cities and most if not all of those prior year revenues were dispersed due to the cities' actions to date.

ICTC utilizes elements of the 2006 IVAG Transportation Development Act Guidebook and Claim Forms. The purpose of the updated guidebook is to serve as a convenient 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 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 that ICTC staff must spend time to fill in as much remaining information as their limited time allows before processing the claims. The submittal process of the revised claims forms via electronic mail was also to become standardized, but that has not been the case. While the updated TDA guidebook is available online to the TDA claimants, it has not appeared to provide the intended assistance to the claimants nor to ICTC.

Claim application instructions are provided in the guidebook, and specific claim 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 for local transportation funds are made under Articles 3 and 8, 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 non-transit claim form, financial reporting form, project information, governing body authorization, and other exhibits. Article 8c and STA transit claims include transit claim form; standard assurances; governing body authorization; financial statements for both operating and capital; justification statements; cooperative agreement or copy of current contract; proposed commitment statement; and additional exhibits such as terminal inspection certificate, annual State Controller's Financial Transactions Report, and annual Fiscal Audit. Each September, member agencies submit

candidate projects, which are approved in a public process by ICTC. Agencies then submit claim forms for approved projects throughout the fiscal year.

ICTC allocates funds toward the Bus Stop Benches and Shelters Program under Article 8e, 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.

ICTC also allocated LTF funds for street and road projects under Article 8a because Imperial County's population was less than 500,000 in 1970, making it an "unrestricted county." According to the Transit Finance Plan, FY 2007–2008 streets and roads projected expenditures using LTF totaled \$1.7 million. In FY 2008–2009, the total increased to \$2.0 million. However, there were no available LTF for streets and roads starting in FY 2009–2010 due to several factors including declining revenues from the economic recession.

For several years, STA funds went to the AIM Transit contract primarily because it was expedient to use those funds on one contract and under one oversight agency. The amount of STA funding in past years was comparable with the subsidy amount for AIM Transit. ICTC switched the funding source for AIM by swapping STA for LTF to fund AIM operations in light of constant threats by the State to raid the STA account and discontinue the program. This made the fund source unpredictable and unreliable, and created difficulties in budgeting. STA funds are now used as a subsidy for growing IVT service while AIM is fully funded by LTF.

Unmet Transit Needs

During the audit period, the mission statement for the delivery of public transit in Imperial County is as follows:

The mission of the Imperial Valley Association of Governments public transit system is to improve the quality of life for the residents of the Imperial Valley through a coordinated, accessible, affordable and efficient countywide transit system.

The vision statement for transit is as follows:

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.

Unmet transit needs hearings are required by 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 master list of transit needs is discussed and analyzed by the SSTAC to help form the priority

needs that are advocated and recommended to the Unmet Needs Panel and ultimately to the ICTC Board. A letter prepared on behalf of the SSTAC is submitted to the Unmet Needs Panel in the spring with the recommended transit needs.

The Unmet Needs Panel, comprising ICTC Board members, attends the annual unmet needs hearings required by 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 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 fund.” The Reasonable to Meet definition encompasses the following factors: Community Acceptance, Timing, Equity, Economy, and Cost Effectiveness. The test of reasonable to meet is conducted using definitions that were adopted by IVAG in 1992.

A summary of unmet transit needs findings following the first public hearing each January is prepared for the Unmet Transit Needs Public Hearing Panel, which convenes a second hearing in February or early March. The summary describes the list of recommended findings that are reasonable to meet, 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 findings and Board resolution are submitted to Caltrans generally in May for review of completeness. As a result of additional transit services being funded during the audit period, the level of TDA funding allocated toward transit has increased, while the amount claimed for streets and roads has decreased.

Marketing and Transportation Alternatives

ICTC has created a community outreach/public information/marketing program that will consider ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus will be an effort to create a new independent ICTC website that will provide easy access to its member agencies, key stakeholders, and the general public. As part of the effort, ICTC’s website will provide links through logos of the public transit systems placed on the ICTC site that will enable the user to gain additional information about each system and direct the user to their respective home websites. Additionally, staff will initiate efforts to work with Caltrans, SCAG, and SANDAG to create a new “511” transportation information service for Imperial County residents. For Imperial Valley, the 511 service is anticipated to provide Web-based and phone service information for traveler delays at the border crossings, transit service routes and schedules, and carpool/vanpool opportunities. Additionally, staff will explore other cost-effective opportunities to provide or display information regarding transit route and schedules to the daily transit riders and to the general public. Other aspects of the outreach program include the administration and management of information provided for board

meetings and the subcommittees of ICTC, as well as other public outreach events for regional transportation planning and transit planning activities.

ICTC has made significant effort to increase its communication with the public by providing information in bilingual English/Spanish format. When feasible, ICTC has created bilingual media and provided interpreters at public meetings to enhance participation and communication. These have proven useful for such activities as the annual unmet transit needs, and communication with transit drivers. The ICTC website will also be formatted in both English and Spanish.

ICTC completed a Public Participation Plan in December 2007 to ensure a proactive public involvement process that assures the 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. As ICTC is a subregion of SCAG in which SCAG acts as the metropolitan planning organization (MPO) for the County of Imperial, 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.

With regard to transit marketing, ICTC publishes brochures on both Imperial Valley Transit intercity and local circulator services. The ICTC home page (<http://www.imperialctc.org>) serves as a portal in providing a link to the IVT website (<http://www.ivtransit.com/>) for bus information, as well as for regional ADA, Med-Express and dial-a-ride. The IVT site includes a description of the service, route schedules and map, a trip planner function, FAQs, contact information, and a link to Imperial Valley College. Within this site is another link to information for the Blue Line, which follows the same web format as the intercity service. Transit brochures are also available on other transit systems including AIM Transit and Med-Express. The nonprofit agency ARC developed a summary brochure of each of its contracted services containing rider eligibility, fares, and days and hours of operations. Due to budget constraints, marketing materials have been minimized.

The local cities and the County have been updating their individual bicycle master plans. ICTC reviews and accepts each local jurisdiction's bicycle master plan as part of the update to its Regional Bicycle Master Plan last adopted in 2007. The regional bicycle plan comprises the individual master plans developed by the local jurisdictions, culminating in a countywide plan and map. The Regional Bicycle Master Plan provides the backbone for the coordination of funding and implementation of bike and pedestrian facilities for commute and recreational purposes.

ICTC participated in the 2010 California Emergency Management Agency's (Cal EMA) Access and Functional Needs Evacuation and Transportation Planning Project for Imperial County. Through this five-month project, the group identified stakeholders for the evacuation/transportation of people with access and functional needs; held two meetings involving dozens of stakeholder organizations to assess strengths and weaknesses that should be addressed in the development of the county's access and functional needs evacuation/transportation plan; developed a gap analysis report that details evacuation plan strategies Imperial County can implement to develop a plan that conforms to state planning guidance, federal planning guidance, and industry best practices; and created an evacuation plan framework that conforms with industry standards and best practices. ICTC took the lead in volunteering to complete the transit resource inventory started by the contractor and focused on getting more participation and response from the county's school districts.

Grant Applications and Management

ICTC has used American Recovery and Reinvestment Act (ARRA) stimulus grant funds to invest in major transit facilities including the 7th and State Streets Intermodal Transfer Terminal in El Centro, a transfer terminal in the city of Brawley that will be used by IVT, a proposed "Gold Line" circulator bus service, and dial-a-ride. ICTC submitted certifications to the federal government as required under Section 1511 of ARRA to verify that the investments have gone through the necessary review and vetting required by law. ARRA project funds through the FTA 5307 urban grant program for the El Centro terminal totaled \$1.2 million, while ARRA project funds through the FTA 5311 rural grant program for the Brawley terminal totaled about \$621,000.

ICTC has been active in securing other grants including FTA 5304 planning funds for a transit circulator study of the Gold, Orange and Red Lines. There are also pending FTA planning grants for additional studies including for the Calexico Intermodal Transit Center, and the Southern California Interregional Farmworker Transportation Assessment Study.

ICTC serves as a clearinghouse for funding programs available to the Imperial Valley, including notifying the operators and 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 governing board.

ICTC staff, also acting as the County transit administrator, provides assistance in the planning and programming of federal transit grants such as FTA Section 5307 and Section 5311 grants. FTA Section 5307 funds have been programmed for IVT, the IVT Blue Line, and the El Centro Transfer Terminal construction. FTA Section 5311 funds are programmed for the operation of IVT fixed routes outside of the El Centro Urbanized Area. The contract operator, ARC, applies

for FTA 5310 capital funds for replacement of paratransit vehicles that operate on the public transit services.

Upon a request from ICTC, the County and Imperial Valley College (IVC) developed plans and received approval for grant funding to improve the transit transfer facility at IVC. Concurrent with the development of a new technology and science center at IVC, the project includes an enhanced waiting area with benches, shelters, and landscaping on the northeast section of the campus. Construction on Phase I was completed in May 2010, and Phase II construction is anticipated for December 2011. This project was funded from components of the State Proposition 1B Bond measure approved by voters in November 2006 including the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) program and the California Transit System Security Grant (CTSGBP).

Along with its urbanized area status, ICTC is subject to additional federal reporting requirements as the administrator of the IVT bus system. The agency has been compiling financial, performance, and facility information for inclusion in the National Transit Database (NTD). The NTD is the FTA's primary national database for statistics on transit agencies. Recipients of FTA Section 5307 and 5311 grants are required by statute to submit significant amounts of data to the NTD. ICTC staff attended specific training for the NTD in Washington, D.C., in 2009. Staff also participated in the first FTA Triennial Review of IVT in September 2010 that audited ICTC's compliance with federal regulations and practices.

Section V

Findings and Recommendations

The following material summarizes the major findings obtained from the Triennial Audit covering FYs 2008 through 2010. A set of recommendations is then provided.

Findings

1. ICTC has in large part been able to accomplish its objectives as a regional planning entity and build good relationships with key partners such as Caltrans while maintaining on-going communication with its member local jurisdictions. With significant growth in Imperial County over the past decade evidenced by the 2010 Census figures, there is recognition for ICTC to continue its regional approach to delivery of service and compliance with increased mandates.
2. ICTC has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies, with the exception of one in partial compliance. ICTC has partially complied with the provision ensuring that all member-agency certified fiscal audits have been submitted to it and the State Controller within the statutory timeline of 180 days after the end of the fiscal year. A few local jurisdiction claimants were several years past due, and ICTC has taken allowable action to withhold TDA funds until the fiscal audits were completed.
3. With the creation and transition to an independent transportation commission in January 2011, ICTC staffing underwent rather significant changes including the hiring of a full-time Executive Director who is employed by the new agency. The remaining staff who serve ICTC are still currently employed by Imperial County under the County's personnel titles. A transition process has been under way internally to move these County employees into the ranks of the new agency and reflecting full independence.
4. Of the nine prior audit recommendations made of ICTC's predecessor, IVAG, seven have been fully implemented. The remaining two prior recommendations are still in progress of being implemented including making revisions to the TDA claims forms, and conducting transit efficiency tests.
5. Stakeholders that were interviewed for this audit, including ICTC elected officials and public agency staff and citizens who serve on an ICTC committee, were generally satisfied with ICTC's activities, competencies and responsiveness. The interviewees were positive about the direction being taken by the agency including the hiring of an Executive Director which has improved the perception that the agency serves all member jurisdictions in a fair manner. A common suggestion made by the interviewees is for ICTC staff to develop an

orientation program for board and committee members so that these individuals can get acclimated quicker to ICTC activities and responsibilities.

6. The transition from IVAG to ICTC brings new challenges and issues as the newly created agency continues to mature. The board approved for ICTC to be modeled after other fully operational county transportation commissions in southern California. The transition provides an opportunity for the board to discuss the dynamics of how the new agency conducts its business and how it reduces its reliance on SCAG and Caltrans
7. ICTC has undertaken a strategic planning process through workshops with Board members and Management Committee members. Workshops took place in early May 2011 and resulted in development of a strategic plan for the region and includes elements toward the development of ICTC as an independent agency.
8. As contained in ICTC's first Overall Work Plan for FY 2010–2011, a greater emphasis on regional transportation planning has been placed on the agency than in previous years. Activities have included working in partnership with Caltrans and each of the county's planning agencies and regional planning partners to reach consensus on an approach to reduce greenhouse gases generated in Imperial County. Regional project delivery has also been prioritized including expediting the completion of the State Route 78 Brawley Bypass and improvements to the Interstate 8 Dogwood Interchange. ICTC also received Federal Transit Administration urbanized funds for the El Centro Bus Terminal design and construction, as well as for new local circulator transit service in El Centro. Additional federal funding has been received by ICTC for new bus transfer stations in the cities of Brawley and Imperial. ICTC has been active in securing federal grant funds for planning and implementation.
9. Several significant planning documents were completed during the audit time period. They include an update to the Imperial County Transportation Plan Highway Element in 2008 as part of the County Long-Range Transportation Plan Update, completion of the Coordinated Public Transit – Human Services Transportation Plan in 2008 as a condition of eligibility for certain federal transit funding, and completion of the Public Transit Services Fare Analysis in 2008 that supported adjustments to transit fare rates.
10. ICTC continued its monitoring of public transit performance trends through the collection of performance data from each operator. The continual collection and review of the data on a regular basis by ICTC, as well taking action to preserve transit service, demonstrates its active role by the agency to provide oversight of TDA-funded transit services. In addition, ICTC staff utilize additional proactive monitoring techniques including in-person on-board observations for the county administered transit programs.
11. ICTC has created a community outreach/public information/marketing program that will consider ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus will be an effort to create a new independent ICTC website that will provide

easy access to its member agencies, key stakeholders, and the general public. As part of the effort, ICTC's website will provide links through logos of the public transit systems placed on the ICTC site that will enable the user to gain additional information about each system and direct the user to their respective home websites.

12. ICTC has made significant effort to increase its communication with the public by providing information in bilingual English/Spanish format. When feasible, ICTC has created bilingual media and provided interpreters at public meetings to enhance participation and communication. These have proven useful for such activities as the annual unmet transit needs, and communication with transit drivers. The ICTC website will also be formatted in both English and Spanish.

Triennial Audit Recommendations

1. Develop an orientation program for ICTC board and committee members.

Based on our interviews with board members and committee members, a common response was that an orientation program would be helpful to get members more quickly acclimated to ICTC activities. The program could comprise several elements including development of an orientation packet, one-on-one meetings, and strategic retreats or meetings held at regular intervals. The orientation packet could include at a minimum a fact sheet about ICTC's roles and responsibilities, programs, and funding sources. Essentially, the fact sheet could be a condensed version of the OWP. For fact sheets to ICTC committee members including the Management Committee, Technical Advisory Committee, and Social Services Transportation Advisory Council, the content could include about ICTC and the role and responsibility of each committee.

2. Complete Separate State Controller Reports for County General Public Transit and Specialized Service.

ICTC, as the administrator of county transit services, is responsible for assisting the County of Imperial with completion of required reports including the annual State Controller Report for county transit. Currently, the County prepares and submits one State Controller Report to the State that includes financial and performance data for both general public service as well as specialized service to the elderly and disabled. However, the State Controller report instructions state that "...Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service..." This provision is also stated on the General Information page on the front of the Controller report that is submitted by the County. The instructions state that separate reports must be submitted, one for general public transit, and another for specialized service. Given the applicability of these provisions to the types of county services provided (IVT, AIM Transit, Med-Express, and West Shore DAR), there should be a separation of modes and two Controller reports prepared, one for general public and the other for specialized service.

3. Implement the State Transit Assistance efficiency test.

Under PUC 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. ICTC currently allocates all STA funds for the operation of IVT 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 the fiscal auditor for IVT to conduct the verification as part of the annual fiscal and compliance audit.

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

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 by the claimants. A streamlined claim form would serve the agency better and should be revised as agency resources allow, along with further training for the claimants. The revised claims should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This 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 the prior IVAG Performance Audit covering through fiscal year 2007.